



Ontario
Home Builders'
Association

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Ministry of Municipal Affairs and Housing
777 Bay Street
Toronto, ON M7A 2J3

RE: A Proposed Approach to Update the Projection Methodology Guideline (ERO # 019-2346)

The Ontario Home Builders' Association (OHBA) thanks the Ministry of Municipal Affairs and Housing (MMAH) for providing an opportunity to share feedback on a proposed approach to update the *Projection Methodology Guideline* as posted on the Environmental Registry of Ontario (ERO # 019-2346).

The *Projection Methodology Guideline (PMG)* has largely remained the same since it was first issued in 1995. Since then, land use planning needs have evolved significantly, and population growth has accelerated dramatically. With more Ontarians looking outside the Greater Toronto Area (GTA) & Greater Golden Horseshoe (GGH) for more affordable housing options, the *PMG* must reflect future growth and housing needs. This reality is further underscored by the province's population projections which will see Ontario's population increase by 35.8 per cent, or almost 5.3 million, over the next 26 years, from an estimated 14.7 million on July 1, 2020 to over 20.0 million by July 1, 2046.¹

OHBA is supportive of empirical and science-based processes to accurately reflect the current land use planning realities of 2021. The fundamental elements that must underscore the Ministry's proposed approach include consistency of application, flexibility based on local land use needs and further consultation on future proposed updates to the *PMG*. The fundamental element that must underscore the new *PMG*, consistent with the province's goals in the *More Homes, More Choice: Ontario's Housing Supply Action Plan*, is to allow for local land use needs while ensuring that there is a consistency in the result – that result being an appropriate level of housing supply both in number of dwelling units and mix of housing typologies in which Ontario families want to live.

OHBA understands the intent of the MMAH to update the existing *PMG*. This is the result of recent changes to the land use planning system in Ontario including to the *Planning Act* through Bill 108, the *Provincial Policy Statement*, and *A Place to Grow Plan for the Greater Golden Horseshoe* and the need to reflect these changes in an update to the 1995 *PMG*. OHBA agrees that there is a need for a consistent approach to determine land need requirements outside of the GGH. We feel that this review of the *PMG* provides an opportunity to review in a more robust manner a methodology that is purposeful, explicit, and consistently applied.

The ERO posting poses several questions of a technical nature related for example to population, housing needs, and employment projections to be considered in this MMAH review. OHBA believes that these aspects of the review can best be addressed by the technical experts and consultants who are

¹ [Ontario Population Projections, June 2021.](#)



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familiar with the *PMG* and use it on a regular basis. OHBA feels that further dialogue with our technical group is necessary and appropriate.

OHBA's focus in response to the ERO posting identifies those critical elements that our members feel need to be addressed during this review process. These aspects relate to how the new *PMG* will fit within and implement the current provincial planning framework.

To restate, OHBA understands the objectives of the current review process related to:

- Updating the *PMG* guideline to be consistent with the provincial policy framework in particular the *Provincial Policy Statement (PPS)*.
- Providing for the adaptability of the *PMG* to local circumstances; and
- Streamlining the *PMG* methodology.

Upon review, OHBA believes that these objectives have merit.

The projection methodology represents a very important issue to our members. Following our review to date based on available information, OHBA suggests that this *PMG* review process address the following key issues prior to the approval of a new *PMG*.

First, the new *PMG* must conform to S. 1.4.3 of the *PPS (2020)* wherein:

"Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by...."

As such, the new *PMG* needs to be mandatory for all municipalities in accordance with the *PPS* requirements.

Second, there needs to be clarity regarding the implementation of S.17 and S.26 of the *Planning Act*. OHBA maintains that there must be an appeal mechanism applicable and available wherein either a new Official Plan or a comprehensive amendment to an Official Plan is approved by a municipality required under the *Planning Act*. OHBA feels that an appeal mechanism in these instances is fair, reasonable, and necessary.

Third, the existing *PMG* has considerable merit in terms of providing specificity regarding the steps in the methodology that municipalities are to follow in terms of determining their future land use and housing supply needs. OHBA feels that this level of guidance needs to be maintained in the new *PMG*. There are some aspects of the methodology that could be enhanced. However, OHBA feels that these technical items need to be discussed with MMAH staff at subsequent consultations regarding this matter.

Fourth, OHBA recommends that the projection methodologies undertaken by municipalities need to be scrutinized by the MMAH early in the process of Official Plan (OP) updates, OP reviews, or in the preparation of new Official Plans. In this way, MMAH as the approval authority for same will provide its



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guidance and direction early in the process. Although the current guideline asks municipalities to be prepared to support any alternative approach to forecasting, it is the MMAH's role to verify that a municipality's alternative approach is reasonable and supported by the local context in which it's being applied.

Fifth, it is important that the projections undertaken by municipalities are grounded in real time data and evidence. OHBA feels that it is important that the new *PMG* speak to the need for municipalities to address age specific propensities that would occupy housing by type. Generally, current population forecasts have assumed that the aging population is downsizing and occupying smaller homes. In reality, a significant portion of this age group is remaining in their family homes thereby reducing the turnover rate. In addition, OHBA feels that household formation rates by age and by size are key to determining the necessary future housing mix and therefore the types of housing that will be required going forward. Housing formation rates are key to the determination of needs by housing type.

Sixth, OHBA also recommends that the employment projections need to be closely scrutinized related to employment/mixed use areas (E/MUA's). It will be important for municipalities to ensure that adequate land supply is provided for such uses. At the same time, the E/MUA's will provide intensification opportunities where in the past employment lands tended to be underutilized and at lower densities.

Lastly, OHBA feels that there needs to be a mechanism for the MMAH to ensure that the projections of the provincial *Growth Plan* are being met not only from a population forecast projection perspective but also from a market needs assessment of the type of housing that will be required to accommodate future housing needs. Otherwise, it will be very difficult to achieve a balanced approach that offers the types of housing that will be needed to 2051.

OHBA is supportive of the need for a projection methodology that ensures housing affordability and attainability objectives are met. As such, the new *PMG* needs to provide direction, consistency, and specificity in the determination of projected market-based needs. Otherwise, OHBA feels that the appropriate supply of housing will be jeopardized.

We look forward to continuing our dialogue and work with MMAH in shaping the new *PMG*. OHBA thanks the Ministry for providing this opportunity to provide some initial feedback on a proposed approach to updating the *PMG*. We look forward to further consultation on the approach the Ministry pursues and dialogue on how that approach can align with the housing supply needs and choices provided to [#homebelievers](#) across Ontario.