



Ontario
Home Builders'
Association



BUILDING A GREATER GTA
Building Industry and Land
Development Association

February 8, 2013

Ontario Growth Secretariat
Ministry of Infrastructure
777 Bay Street, Suite 425
Toronto, ON M5G 2E5

Re: Proposed Amendment 2 to the Growth Plan for the Greater Golden Horseshoe, 2006

Purpose

The *Growth Plan for the Greater Golden Horseshoe's* planning horizon currently extends to 2031, but it is clear that the region's population and economy will continue to expand beyond that timeframe. Under provincial policy, municipalities may make land available for urban development to accommodate the needs of the growth forecast for a time horizon of up to 20 years. Recognizing that growth will continue, and that 2031 is only 19 years away, the Minister of Infrastructure is proposing an amendment to the *Growth Plan* that will update and extend the horizon of the growth forecast and policies. If approved, the growth forecasts for the extended horizon, in combination with the *Growth Plan's* policies, would ensure that a strong policy framework is in place as municipalities, partner ministries and other stakeholders look further into the future to plan for long-term growth.

OHBA and BILD note that the residential construction industry employs over 325,000 people and contributed over \$42 billion to the province's economy in 2011. Our comprehensive examination of issues and recommendations are guided by the recognition that housing choice and affordability must be balanced with broader social, economic and environmental issues. OHBA and BILD appreciate the opportunity to provide feedback on the proposed *Amendment 2 (2012) to the Growth Plan for the Greater Golden Horseshoe, 2006*. On behalf of our 4,000 member companies, we look forward to ongoing dialogue and consultation with respect to growth and infrastructure planning across the Greater Golden Horseshoe.

About the Building Industry and Land Development Association (BILD)

With more than 1,400 members, the Building Industry and Land Development Association (BILD), formed through the merger of the Urban Development Institute/Ontario and the Greater Toronto Home Builders' Association in October 2006, is the voice of the land development, building and professional renovation industry in the Greater Toronto Area and beyond. BILD is proudly affiliated with the Ontario and the Canadian Home Builders' Associations.

About the Ontario Home Builders' Association (OHBA)

The Ontario Home Builders' Association is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 member companies, organized through 30 local associations across the province, 11 of which are based in the Greater Golden Horseshoe. Our membership includes home builders, commercial and residential land developers, renovators, manufacturers, suppliers, planners, architects, engineers and lawyers.

Introduction

OHBA and BILD appreciate the opportunity to provide feedback on the *Proposed Amendment 2 (2012)* to the *Growth Plan for the Greater Golden Horseshoe, 2006* (“the Plan”) in part through the ongoing dialogue and engagement between the Ontario Growth Secretariat (“OGS”) and our member companies at public and technical consultations as well as both the OHBA Land Development Committee and BILD Urban Land Council. OHBA and BILD have generally been supportive of the guiding principles of the Growth Plan, yet continue to express concerns with specific aspects of the Plan as well as our significant concerns with its delayed implementation. Our members execute *the Growth Plan* once municipalities have achieved conformity.

OHBA and BILD are of the view that the *Growth Plan* needs to be focused on a long-term strategic planning policy framework supporting and managing economic growth. Our members note that the most recent conformity exercise has become mired in detailed allocation of population and employment land resources and is losing the opportunity to serve as a strategic economic plan supported by infrastructure planning and investments. Furthermore, we submit that the province and municipalities have not created an adequate planning and regulatory policy framework that supports and promotes intensification.

OHBA and BILD acknowledge the OGS efforts in recognizing that planning authorities need to take into account a longer-term perspective. Our comments on the proposed amendments to the *Growth Plan* and transition policies are intended to assist the government in achieving sustainable growth by protecting housing choice and affordability, establishing employment centres and balancing the province’s economic, social and environmental interests over the long-term.

Places to Grow – Municipal Conformity Needs to be Completed

OHBA and BILD continue to support the *Places to Grow* legislation and the general principals of the *Growth Plan*. However, we have serious and growing concerns with respect to delayed conformity which has created, in light of continued strong housing and employment demand a declining supply of available designated land, which limits housing and employment centre options particularly in high growth areas of the GTA and surrounding regions, such as Waterloo. Furthermore, delays to the approvals and flow of funding for major transportation infrastructure projects are also creating uncertainty for private sector investments that support the goals and objectives of the *Growth Plan*.

The White-Belt is intended as a Long-Term Urban Reserve

In the five-year anniversary update on the *Growth Plan*, the province noted that, “because of the magnitude of growth that is forecast, it will be necessary to bring new lands into the urban envelope. The Growth Plan outlines a series of tests and criteria to ensure that expansions occur when necessary and where most appropriate, and in a way that ensures that infrastructure is in place and the natural environment is protected.” The province has established how critically important the “white-belt” lands in the GTA are in supporting the long-term future demographic and economic growth when rational planning requires and permits urban expansion to occur.

It has further been established that the long-term strategic “white-belt” acts as a buffer between the Greenbelt and OP designated areas. OHBA and BILD are concerned by potential land restrictions in the “white-belt” that could have a negative impact on affordability, consumer choice and economic competitiveness. OHBA and BILD caution that the “white-belt” lands in the GTA are of critical importance for future economic growth. OHBA and BILD are opposed to expansions of the Greenbelt that would reduce long-term “white-belt” areas. Any reductions to the “white-belt” to accommodate future growth will ultimately have an impact on

population/employment allocations and the associated and necessary designated land supply needed to support it, which will ultimately challenge housing affordability and Ontario's economic competitiveness. OHBA and BILD strongly recommend that the Province clearly affirm its statement that, "it will be necessary to bring new lands into the urban envelope," through an amendment to the *Growth Plan* and that this be reflected in Regional Official Plans. Furthermore, the Province should take all necessary action to stop Regional OPs from including policies that allow municipalities to sterilize such land from future development by permitting "foodbelt", "protected countryside", similar designations or Greenbelt expansion requests. OHBA supports balanced growth initiatives for new communities that do not compromise affordability and competitiveness while utilizing growth plan principles to create complete, livable and sustainable neighbourhoods where Ontarians can live, work and play.

Population and Employment Forecasts to the 2041 Planning Horizon are Appropriate

Section 2.2.1 (2) of the *Growth Plan* directs the Minister of Infrastructure to review the forecasts in *Schedule 3* at least every five (5) years and may revise the forecasts. OHBA and BILD are supportive of the extension of the *Schedule 3* Growth Plan horizon to 2041. The new population and employment forecasts for 2036 and 2041 confirm that the GGH region will continue to experience significant growth beyond the current 2031 timeframe. Furthermore, the new population and employment forecasts confirm that "white-belt" lands, between the greenbelt and current areas designated for growth in municipal official plans, will be required in the long-term to support demographic growth through a comprehensive public planning process.

OHBA and BILD support the extension of the planning horizon to 2041 for long-term infrastructure and public facility planning and for long-term planning for the urban structure of the Greater Golden Horseshoe.

Population and Employment – 2031 Disparity between Proposed Amendment and Technical Report

OHBA and BILD strongly believe in the importance that the GGH municipalities have the most up-to-date figures to inform their long-term planning objectives (i.e. residential/commercial land supply, hospitals, schools, critical infrastructure). OHBA and BILD are concerned that the proposed *Growth Plan Amendment 2* retains the 2031 population forecast for the GGH at 11,500,000 persons while the Hemson technical report forecasts 11,953,000 residents in the GGH by 2031. This represents a 453,000 person disparity. In similar vein, the proposed *Growth Plan Amendment 2* would retain 2031 employment forecast at 5,560,000 jobs while the Hemson technical report forecasts 5,652,000 jobs. This represents a 92,000 job forecast disparity.

The *Growth Plan's* purposes (Section 1) are amongst others:

- (b) to promote a rational and balanced approach to decisions about growth that builds on community priorities, strengths and opportunities and makes efficient use of infrastructure; and,*
- (d) to ensure that a long-term vision and long-term goals guide decision-making about growth and provide for the co-ordination of growth policies among all levels of government;*

OHBA and BILD believe that the OGS must act in the "greater public interest" particularly if essential public services/facilities will not be planned accordingly at the regional/local level. Our point is referenced and highlighted by Section 2 of the *Planning Act*, "to integrate matters of provincial interest in provincial and municipal planning".

Section 2 of the *Planning Act* is, in our opinion, quite clear that, amongst many matters, "*The Minister, the council of a municipality, a local board, a planning board and the Municipal Board, in carrying out their responsibilities under this Act, shall have regard to, among other matters, matters of provincial interest such as:*

- (h) the orderly development of safe and healthy communities;*

- (i) the adequate provision and distribution of educational, health, social, cultural and recreational facilities;
- (j) the adequate provision of a full range of housing, including affordable housing;
- (k) the adequate provision of employment opportunities;
- (l) the protection of the financial and economic well-being of the Province and its municipalities;
- (m) the co-ordination of planning activities of public bodies;
- (p) the appropriate location of growth and development;”

For purposes of the Provincial Budget, the province relies on the Ministry of Finance forecasts in planning for provincial services such as hospitals, colleges/universities, social and community services, transit and related road infrastructure whereas the OGS has chosen an alternative. Coincidentally, the Ministry of Finance forecasts are similar to the Hemson forecasts. While the Province is permitted to use the most up-to-date figures to inform its long term planning, through this *Growth Plan Amendment 2*, municipalities will be effectively prohibited from planning for an additional 453,000 people and 92,000 jobs in the GGH in 2031. It does not make sense to have one 2031 forecast for municipal planning activities and a different, 2031 forecast for planning of provincial programs/services.

OHBA and BILD are concerned that an outdated forecast may impact fundamental planning for city building, including infrastructure and community services. OHBA and BILD suggest that the approach established by the OGS does not represent good planning, and while it might bring about short-term certainty, it is likely to create longer-term impacts with future unintended consequences.

Approaches to Transition

Section 2.2.1 (2) of the *Growth Plan* directs the Minister of Infrastructure to review the forecasts in *Schedule 3* at least every five (5) years and may revise the forecasts. The industry had expected these forecasts to be released for consultation in 2011. OHBA and BILD acknowledge that there are some challenges for implementation without a comprehensive transition regulation. What is at issue here is the potential to disrupt the current round of conformity exercises.

On this basis, OHBA and BILD recommend that the OGS provide accurate and up-to-date 2031 forecasts based on the Hemson technical report in a new *Schedule 3* and amend the existing transition regulation to effectively ensure updated 2031 forecasts do not disrupt the current round of conformity exercises. Municipalities and regions should be encouraged to commence the necessary planning for social services and infrastructure, based on up-to-date 2031 forecasts. Furthermore, the OGS should encourage regions and/or municipalities to commence the next round of conformity to the new *Schedule 3* 2036 / 2041 forecasts and set a conformity date in the proposed amendment of January 1, 2017.

Suggestions to Improve Places to Grow Implementation

OHBA and BILD believe that the provincial government is too entrenched in detailed planning and allocation. It is recommended that the province elevate its role to ensure that the strategic long-term vision of the *Growth Plan* is realized through the creation of complete communities that improve the range of opportunities for people to live, work, and play in the GGH. OHBA and BILD have a number of recommendations regarding potential amendments to the *Growth Plan* to improve implementation:

- That the *Growth Plan* be amended to recognize challenges with the 40% intensification target and change the intensification planning horizon from 2015 to 2020 in light of the fact that most Regional Official Plans in the GTA will not be fully approved until 2013;

- That the *Grow Plan* be amended to eliminate/disconnect employment lands from the density target of 50 people and jobs per hectare;
- That the Province clarify policy 2.2.7.3 to:
 - exclude all Natural Heritage System take-outs (i.e. lands that due to OP policy are prohibited from being developed for all urban uses),
 - exclude major infrastructure (i.e. power plants, highways, transmission corridors, rail lines, pipelines),
 - exclude “permanent” existing uses (i.e. cemeteries, estate subdivision) from the land base subject of density target calculations for Greenfields and Urban Growth Centres; and,
 - have a vacancy allowance in their land budgets.
- That the *Growth Plan* be amended to define “Major Retail”, and that it clearly identify retail as a use that must be comprehensively planned;
- That the 40% intensification target be modified to enable a lower target for municipalities on the outer fringes of the GTAH;
- That the *Growth Plan* be amended to clearly define the white-belt, and to state the intention that these lands constitute the GTAH’s land reserve for future urban growth when planning for the creation of complete communities;
- That Schedules 2, 5 & 6 be amended to better reflect refined alignments for major highway infrastructure (the Bradford link between Highways 404 and 400, the GTA West-Corridor and the committed extensions of Highways 404 and 407), as well as to reflect consistency with transit plans as they evolve;
- That the regional municipalities be mandated as part of the next five year review of their Official Plans to prepare horizon-free Urban Structure Plans defining the structure of uses for white-belt lands, including employment reserves, arterial roads, nodes and corridors as well as assessing long term servicing and transportation alternatives;
- That the *Growth Plan* be amended to enable good planning to guide the locations of 20-year settlement boundaries (e.g., arterials, mid-block lot lines, open space edges) versus a strict adherence to land budget calculations;
- That the *Growth Plan* be amended to clearly enable the provision of lands to accommodate required medium and high density uses over a longer planning horizon;
- That planning for major office development recognize the continuing role of business parks in accommodating this use, and that such parks receive greater consideration in planning for transit;
- That planning for transportation and transit networks in the GGH give better consideration to the needs of population and employment growth;
- That the Province establish, through Infrastructure Ontario, an investment fund for the GTA aimed solely at building/improving water, sanitary and road capacity at appropriate design standards. It is recommended that these monies are to be spent on bringing planned new urban growth areas to market and those projects that implement the *Growth Plan* intensification objectives.

Establish a Task Force to Define a Standard Land Budget Methodology

OHBA and BILD recommend that a Task Force be immediately established comprised of provincial, regional and municipal planners, industry land economists, and development industry representatives to develop for all of Ontario, a standard methodology for residential and employment land budget and supply guidelines, and that this approach include land vacancy factors. Clear direction and guidance on how municipalities should undertake a land budget and provide for a balance of growth between greenfield and intensification would serve to reduce delays in conformity.

Tools to Support Intensification and Complete Communities

The members of OHBA and BILD are an integral partner with the provincial government in implementing the *Growth Plan* through the creation of complete communities that improve the range of opportunities for people

to live, work, and play in the GGH. The challenge to increase densities and intensify development requires additional financial and policy tools to support intensification from the province and municipalities. Tools such as pre-zoning / pre-designating lands or implementing a Development Permit System along intensification corridors and Urban Growth Centres would facilitate mixed-use complete communities at higher densities. Furthermore infrastructure standards and design criteria should be review by the province to ensure they are modernized to acknowledge new conservation techniques and are built at appropriate capacity levels. It is critical that pro-active measures are taken by the province and municipalities to reduce the barriers to intensification.

OHBA and BILD remain very concerned that some municipalities have excessive parkland dedication fees that continue to discourage high density projects and curtail housing affordability. The cash-in-lieu of parkland fees, often charged at the maximum allowable amount under the *Planning Act*, significantly adds to the cost of medium and high density projects without drastically improving or adding park facilities within the area of the new development. The increased cost to builders is passed onto new home buyers which decrease the affordability of housing within urban growth centres and intensification corridors.

Municipalities have had the ability to create local parkland by-laws to support intensification, however very few have undertaken this initiative despite provincial encouragement. OHBA and BILD recommend the province act to reduce cash-in-lieu (CIL) of parkland fees in urban growth centres and intensification corridors to promote intensification. Municipalities should consider a 'cap' on the formula to put a ceiling on the maximum amount of parkland requirements obtained from a development, based on its size along a graduated threshold. The CIL formula should be reduced to 0.4/ha for every 300 units, commensurate with an intensifying jurisdiction. Furthermore, where higher density developments provide facilities, (such as play facilities, passive recreational space, green roof, bicycle racks, interior courtyard areas with public easements, easements over open space in condominium lands for public through fare, dry storm water management ponds etc.) a discount on parkland requirements or levies could be provided. Lastly, OHBA and BILD recommend municipalities within the *Growth Plan* area also consider providing credit for on-site amenity areas for condominium developments. If a condominium development is providing on-site amenity comparable to neighbourhood park standards to service its own development, the CIL charge applicable to the units should only be the prorata payment remaining for the community and city park value (i.e. park requirements are calculated as land area required based on 1,000 persons).

Investment in public transit is necessary to ensure the creation of higher density compact pedestrian transit oriented communities. Revisions to parking standards that are often extremely onerous can assist to reduce the costs associated with underground and structured parking facilities. Current parking requirements in many municipalities discourage intensification and transit ridership. Policy revisions to reduce municipal parking requirements in residential projects would improve housing affordability while supporting transit ridership. OHBA and BILD recommend that the province implement policies that support public transit by reducing municipal parking requirements in urban growth centres and intensification corridors.

Conclusion

OHBA and BILD appreciate the leadership position taken by the province in developing the *Growth Plan for the Greater Golden Horseshoe*. While generally supportive of the goals and objectives of the *Growth Plan*, OHBA and BILD remain concerned by the slow pace of conformity and an emerging public policy gap in terms of support for intensification. OHBA and BILD support the release of population and employment forecasts for 2036 and 2041. However, OHBA and BILD recommend that the 2031 *Schedule 3* forecasts be updated based on the best currently available information and that transition provisions be implemented to ensure updated 2031 forecasts do not disrupt the current round of conformity exercises. Furthermore, OHBA and BILD recommend the OGS commence consultation with stakeholders well in advance of the 10-year *Growth Plan* review period in order to make public policy adjustments to better facilitate the implementation of the *Growth Plan*.