



IBI GROUP
7th Floor – 55 St. Clair Avenue West
Toronto ON M4V 2Y7 Canada
tel 416 596 1930 fax 416 596 0644
ibigroup.com

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Ontario Growth Secretariat
Ministry of Municipal Affairs and Housing
777 Bay Street
23rd Floor, Suite 2304
Toronto, ON
M7A 2J3

Dear Sir or Madam:

SUBMISSION IN RESPONSE TO ERO 019-1680 AND 019-1679 – PROPOSED AMENDMENT 1 TO A PLACE TO GROW: GROWTH PLAN FOR THE GREATER GOLDEN HORSESHOE AND PROPOSED LAND NEEDS ASSESSMENT METHODOLOGY FOR A PLACE TO GROW: GROWTH PLAN FOR THE GREATER GOLDEN HORSESHOE

IBI Group has actively been monitoring the proposed amendments to A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the Growth Plan). Our participation in the dialogue regarding the proposed amendments is driven by our long history and interest in growth management and long-range planning, primarily on behalf of private sector development clients, and our overall interest in planning and city-building. We have been keeping apprised of the general direction, and represent clients across the GTHA, monitoring the amendments and their potential impacts. Most recently we have been retained by a developer and landowner in the Region of Waterloo, Schlegel Urban Developments, to advise on the Region's ongoing municipal comprehensive review (MCR) and its potential impacts on their development plans, within the limits of the City of Kitchener.

Schlegel Urban Developments Corp. is part of the RBJ Schlegel Holdings Inc. group of companies which owns and operates various assets and companies including; long-term care and retirement villages, mental health and addiction centres, poultry farming, and master planned residential and commercial developments. Schlegel Villages has developed, currently has under construction, and in addition operates 21 senior living continuum of care style campuses in 16 different municipalities within central and southwest Ontario and draws on that experience of development and construction approval processes in those 16 Ontario municipalities.

A mid-sized Kitchener based real estate management company Schlegel Urban Developments is recognized for its master-planned residential subdivision projects and unique commercial developments, the most prominent being the mixed-use Williamsburg Town Centre on Fischer-Hallman Road in southwest Kitchener. Schlegel Urban Developments has two undeveloped parcels in southwest Kitchener totaling approximately 300 acres and within the City of Kitchener municipal limits and adjacent other draft approved lands or lands presently in municipal consideration for urban development.

As part of this monitoring on behalf of its clients, IBI Group has reviewed the Proposed Amendment 1 that will, among other things, alter the Schedule 3: Population and Employment Forecasts by extending the planning horizon to the year 2051, as well as the corresponding

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proposed Land Needs Assessment Methodology that will be used to determine municipal land needs over the planning period.

IBI Group supports the proposed provincial direction to extend the planning horizon to the year 2051 and to base the land needs assessment on accommodating additional housing units and jobs required to meet market demands. Overall, this direction would provide more flexibility in planning for growth and allow municipalities to better plan for infrastructure investments and bring an adequate housing supply on stream to accommodate the current and future population. These benefits are anticipated to become particularly evident in jurisdictions that have been identified as high-growth markets like the Region of Waterloo.

This letter outlines our overarching initial thoughts regarding the direction of the proposed amendments to the Growth Plan and the proposed Land Needs Assessment Methodology, based on our review of the materials provided on the ERO, with a specific focus on the Region of Waterloo.

Distribution of Population and Employment for the Greater Golden Horseshoe to 2051

IBI Group reviewed the Proposed Amendment 1 to the Growth Plan and the associated technical report prepared by Hemson Consulting Ltd. for the Ministry of Municipal Affairs and Housing that outlines the historical trends and assumptions that underpin the forecasts. Our review covered all projection scenarios, but the commentary in this letter pertains primarily to the Reference Growth Forecasts as this is identified as the most likely future growth outlook.

The primary amendment proposed to the Growth Plan is to extend the Schedule 3 population and employment forecast period to 2051. The purpose of this amendment is to look further into the future to plan for long-term growth. IBI Group believes this will positively impact planning and the development industry, both in the Region of Waterloo and in the broader Greater Golden Horseshoe (GGH).

It is anticipated that extending the planning horizon to 2051 will:

- Allow municipalities to better plan for infrastructure investments that require longer-term planning horizons and significant funding allocations. In the case of hard services like water and wastewater, investments can be made earlier on to ensure that infrastructure capacity is sufficient to accommodate long-term growth;
- Permit municipalities the flexibility to plan over a longer horizon, which will help account for years in the forecast that are below the required annual growth rate to achieve the forecasts. Municipalities will be able to adjust accordingly at the MCR to account for unanticipated micro- and macro-economic factors that may impact growth looking forward;
- The growth outlook as per the forecasts in the Region of Waterloo are positive, with a great deal of growth in the Outer Ring being directed to this jurisdiction. IBI Group supports this direction; and
- IBI Group believes the share of growth directed to the Region of Waterloo is appropriate given that immigration is a significant component of growth, there is a shift to more technology-related enterprises to support employment growth and that the light rapid transit line, the ION, is now operational in the Cities of Waterloo and Kitchener. As well, Go Train services/frequency have been expanded by the province of Ontario significantly between Kitchener-

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Waterloo and Toronto in the recent years and a significant momentum and connection has been established in this “high tech corridor”. Historic trends support the magnitude of growth forecasted in the proposed Schedule 3.

As part of our ongoing monitoring, IBI Group reviewed the Region of Waterloo’s report PDL-20-21, dated July 15, 2020, which reflects the Region’s comments to the Ministry of Municipal Affairs and Housing in response to Proposed Amendment 1 and the proposed land needs assessment methodology. Overall, IBI Group is pleased to see the Region’s support for the Reference Growth Scenario and the extension of the planning horizon to 2051 to facilitate long-term infrastructure and planning. The Region, however, does not support the proposal to use the forecasts as minimums.

It is IBI Group’s position that the Region should be planning to achieve these forecasts as a minimum. Development approvals decisions/processes and infrastructure timing decisions should be driven by an objective to meet the minimums. Planning for a lower population inherently has more risk, potentially resulting in land or housing supply constraints, which in turn will increase pressure on land values. With proper monitoring of growth, updating/reviewing forecasts and phasing, lands/housing can be brought on stream so that it is aligned with growth.

We understand that these forecasts will be reviewed at various stages throughout the 2051 planning horizon as part of ongoing growth management exercises, including future MCRs, Development Charge Background Reviews and Servicing/Transportation masterplans. The longer-term forecasts also support recent changes within the PPS, which state that sufficient lands should be available to meet the projected need for a time horizon of up to 25 years.

IBI Group does not share the concern expressed by the Region that the potential designation of lands for a period of 29 years will result in a substantial over designation. As the Regional staff confirmed, these forecasts will be reviewed as part of regular growth management work and can be addressed through subsequent MCRs.

The Region also has concerns regarding the simplified proposed Land Needs Assessment Methodology (LNAM), commenting in particular that it does not contain sufficient detail to ensure it can be implemented in a consistent manner. However, IBI Group believes that the Region can, through its MCR, ensure that the LNAM is applied in a transparent manner in the Region. The revised methodology will also allow municipalities across the GGH to address the unique forecasts, housing market and growth management contexts. Further, results of the LNAM and MCRs will be reviewed by the Province for conformity to the Growth Plan and the PPS.

Finally, the Region suggests that the Province should continue five-year reviews of the forecast and strive to align the review with the release of Statistics Canada Census data. Although IBI Group agrees with assessing growth against Census information, the timing of this alignment may be difficult, as the release of Census data comes in waves, and often over a 12-month period following the Census. This data will not necessarily include new/under-construction units. The Census is an important data source within growth management, but new data may not always align with the next Regional MCR.

Other Growth Plan Policy Changes

We support the policy change to allow municipalities the opportunity to forecast higher population and employment growth than shown in Schedule 3, if warranted through the MCR.

We support planning for a market-based range and mix of housing, to ensure a sufficient supply of land and mitigate rising housing costs. In our opinion, this market-based approach is critical

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in markets such as the Region of Waterloo to ensure an appropriate supply of housing to meet the needs of its current and future residents.

We support retaining the date of July 1, 2022 (or earlier) for municipalities to bring their official plans into conformity with the Growth Plan. Many municipalities have been working on their Official Plan review for some time but have been delayed due to the changing Provincial policy regime. Waterloo Region is one such municipality. It is important to finalize these Official Plan reviews as soon as possible in order to provide additional housing supply.

Land Needs Assessment Methodology (LNAM)

IBI Group has been closely involved in the public and stakeholder consultations conducted by the Province regarding the development of the LNAM. The original purpose of the methodology was to implement a streamlined approach to determining community area and employment area land needs across the GGH.

It is IBI Group's position that any methodology which will be used as part of the upper-/single-tier growth management process should not be overly prescriptive, as it needs to provide enough flexibility to account for jurisdictional differences and ensure that all municipalities have the data and resources available to carry out the land needs assessment.

IBI Group has the following comments regarding the proposed LNAM:

- The proposed methodology is a step in the right direction and is anticipated to create positive changes to planning and providing an adequate housing supply to accommodate the current and future population;
- The revised LNAM, as proposed, is a high-level outline of key components that must be included and addressed and represents a much more simplified approach than the previous methodology. The simplified approach permits municipalities to account for jurisdictional differences and apply the methodology in a manner that makes sense based on the geography being examined;
- Given that the proposed methodology is a high-level outline of key components, the methodology will be applied uniquely in each jurisdiction, which will likely result in a range of different approaches, similar to what occurred with the 2006 Growth Plan conformity work;
- Many of the smaller municipalities may not collect the data required to complete the land needs assessment using the existing methodology. The proposed methodology allows municipalities to complete the analysis with the information that is available and appropriate given their context;
- The proposed methodology will allow the Region of Waterloo the flexibility to govern planning to address unique growth patterns and challenges over the planning horizon;
- IBI Group is pleased to see that the proposed methodology will be based on the land needs of accommodating additional housing units and jobs required to meet market demands. This is anticipated to allow for development to take place quicker to bring the much-needed housing supply online to accommodate rapid population growth bearing in mind the practical attention required to the types of delays referenced above; and

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- Therefore, given the Region of Waterloo is expected to absorb a large share of growth in the Outer Ring, the municipality must ensure that development applications are reviewed and approved in a timely manner. This will require an efficient planning process to bring the required residential and non-residential development online to achieve the population and employment growth forecasts to 2051.

Methodology alone, however, will of course not deliver adequate housing supply, and municipalities and planning authorities have an important role in the approval and facilitation of new development. Our client advises that lengthy approvals processes, chiefly procedural and municipal infrastructure delays, are not easily measured and tracked but should be considered. We have provided a brief chronology of two examples in order to help the Province understand the challenges faced in delivering housing in the Region of Waterloo in a timely manner.

In one instance, a 175 acre subdivision site in the City of Kitchener, which was identified in the City of Kitchener's Council Approved 2006 Staging of Development Report for Municipal Draft Approvals in 2007 did not achieve its very first building permit until 2018 due to planning and municipal infrastructure delays.

- Completed planning applications submitted in 2007. Comments by City staff indicated that this was the most comprehensive neighbourhood plan ever received at the municipality,
- Draft Approved January 18, 2010 (only following appeal to the Ontario Municipal Board)
- City of Kitchener Infrastructure (trunk sanitary sewer extension) delays until 2017
- Developer only to begin to grade and service the site from 2017 to 2018
- Homeowners able to move in to new housing units beginning in 2019

This was a 12-year process from completed application to achieving the first building permit. Complete build out of nearly 1,000 new housing units will now take another 5-7 years.

As a second example, a 145 acre site at Fischer-Hallman and Bleams Road in Southwest Kitchener faced significant delays throughout the planning, and approval process and extension of municipal infrastructure.

- Completed applications were submitted in March 2009;
- Assigned Priority B (highest level in greenfield) in City of Kitchener's Council Approved 2011 Staging of Development for Draft Approval Priority
- Applications unanimously approved by City of Kitchener Council August 13, 2013
- Subsequently appealed to Ontario Municipal Board by nearby developer group
- OMB appeal resolved in settlement in late 2015
- 2016 to 2019 Region of Waterloo road widening EA, municipal culvert crossing reconstruction delays (exacerbated by MOE Part II Order bump up from neighbouring developer) along with delays to advancement of City of Kitchener infrastructure (Middle Strasburg Trunk Sanitary Sewer extension) all contributed to further delays

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- 2020 above culvert and trunk sewer projects now under construction
- Developer anticipates grading and servicing to be completed in 2020 and 2021
- Homeowners able to move into new housing units anticipated 2022
- A 13-year process for this development to move from applications to the anticipated very first building permit being available in 2021 (and then another 5-7 years to complete delivery of nearly 1,400 new housing units)

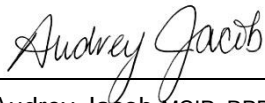
Our clients advise IBI Group the above examples are not anomalies among similarly sized Waterloo Region development sites but rather the norm in the timeline for delivering housing to the marketplace in the Region of Waterloo.

Looking Forward into the Future

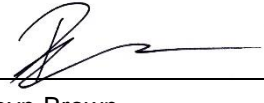
Overall, IBI Group believes that extending the population and employment forecasts to 2051 and basing the land needs assessment on market demand is a step in the right direction. This direction would provide more flexibility in planning for growth and allow municipalities to better plan for infrastructure investments and bring an adequate housing supply on stream to accommodate the current and future population. IBI Group is optimistic that the amendments will positively impact planning for growth in the Greater Golden Horseshoe.

Yours truly,

IBI Group Professional Services (Canada) Inc.



Name: Audrey Jacob MCIP RPP PLE
Title: Deputy Regional Director, Canada East
Email: ajacob@ibigroup.com



Name: Robyn Brown
Title: Associate Director – Planning
Email: robyn.brown@ibigroup.com