

Ms. Cordelia Clarke Julien
Assistant Deputy Minister
Ontario Growth Secretariat
College Park 23rd Flr Suite 2304,
777 Bay St, Toronto, ON M7A 2J3

Re: Proposed Amendment 1 to A Place to Grow: Growth Plan for the Greater Golden Horseshoe, ERO number 019-1680

Dear Ms. Clarke Julien,

Please accept these comments on proposed amendment 1 to A Place the Grow: Growth plan for the Greater Golden Horseshoe (the Growth Plan), on behalf of the Ontario Regional and Single Tier Treasurers, the Regional Planning Commissioners of Ontario and the Regional Public Works Commissioners of Ontario. Collectively members of these three groups are responsible for the financing, planning and public works servicing in Ontario's largest regions and cities, representing over 75% of Ontario's population.

Members of ORSTT, RPCO and RPWCO are directly responsible for many of the decisions that will realise the Greater Golden Horseshoe Growth Plan. Their experience in implementing the Growth Plan over the last 14 years gives them insight and expertise with regard to proposed Amendment 1 changes to population and employment forecasts, the planning horizon, and other proposed growth related policies.

In 2015, with funding support from the Ontario Growth Secretariat, ORSTT, RPCO and RPWCO prepared a report, [*Implementing the Growth Plan: Seeking Provincial and Municipal Alignment to Support a Prosperous Ontario*](#). This report provided recommendations to the Ontario Government on changes to the Growth Plan based on ten years of experience in implementation. It is essential to draw on the lessons learned from previous municipal experience with the GGH Growth Plan. While some of the issues raised in the 2015 report have been addressed, as we look down the path to 2051, there are central lessons to be learned from implementation of the Growth Plan to date. There are also new risks, such as the COVID economic downturn, that need to be taken into account.

- There are many variables that affect the quantum and temporal and spatial nature of growth. The GGH Growth Plan is meant to provide some certainty for municipal planning through coordinated, aligned, managed growth across the region.

- This managed growth requires continuous dialogue, information sharing, alignment and coordination between the Province and GGH municipalities. It equally requires alignment and coordination across provincial ministries with regard to strategic investments, approvals, and policy direction.
- There is concern that efforts at creating greater certainty as municipalities finalise their municipal comprehensive reviews, land needs assessments and Official Plan amendments may be undermined by the use of Ministerial zoning orders and the Office of the provincial land and development facilitator created under Bill 197, the *COVID-19 Economic Recovery Act*.
- It has been evident for over a decade that some GGH municipalities have not been able to meet provincial growth forecasts. Yet it is a requirement to plan, finance and build servicing to meet the forecasts. In some municipalities, this has resulted in building servicing too early, too much capacity or building in the wrong place. This risk will continue to pose unacceptable impacts and consequences over the next 30 years.
- The Growth Plan must avoid creating perverse conditions through uncalibrated growth forecasts that require municipalities to make investments that result in taking on debt for population or jobs that do not materialize or that arrive later than forecasted.
- The financial risks associated with conforming with provincial growth targets are even greater in the face of the COVID-19 pandemic and resulting economic downturn. [Some real estate analysts](#) are warning of a decade long slow down in real estate as a result of the pandemic, loss of employment and higher indebtedness amongst millennials, and a slow down in immigration. Municipalities and the Province are also facing unprecedented fiscal challenges that will no doubt have an impact on infrastructure investments going forward. The Province must not treat COVID as a bump in the road towards 2051, but rather a potential game changer that could alter the longer term growth landscape in the GGH in unpredictable ways.

ORSTT-RPCO-RPWCO would welcome a formal forum with the Ministry of Municipal Affairs and Housing and other relevant ministries and provincial agencies, to promote continued dialogue on aligning and coordinating actions to meet the growth targets, track the progress of growth against the Growth Plan forecasts, and address issues as they arise.

The following comments are provided in the spirit of this continued collaborative dialogue. They address the following issues:

- 1-Proposed Schedule 3 forecast scenarios and the 2051 forecast horizon
- 3- Forecasts as a minimum
- 4- Conformity
- 5- Sustainable financing for growth
- 6- Provincial alignment and coordination
- 7- Land Needs Assessment methodology
- 8- Mineral Aggregate Operations

1. Schedule 3 Employment and Population Forecast Scenarios and the 2051 forecast horizon

With respect to the three proposed scenarios, overall the reference forecast appears to best balance growth plan objectives with on-the-ground growth.

Nevertheless, the further out the forecasting horizon, the greater the uncertainty and financial risk for municipalities that the forecasts and the actual growth on the ground will not align.

ORSTT-RPCO and RPWCO recommend keeping the current 2031 and 2041 horizon milestones in Schedule 3. Within this context, municipalities should be permitted to adjust lower to account for slower growth, but not adjust to advance higher in those horizon years.

While RPCO-RPWCO-ORSTT members support targets, we understand that attaining the forecasted levels of growth will be contingent on creating as much certainty as possible by controlling those variables that are within government control.

These include:

- i- Managing growth through phasing
- ii- Provincial alignment and coordination
- iii- Timely support for higher order transit
- iv- A sustainable municipal financial model for growth
- v- Support for affordable housing
- vi- Regular review of the GGH GP forecasts

These points are each addressed below.

Managing growth through phasing

Municipalities can best mitigate against the uncertainty and untenable financial risk inherent in striving to meet growth forecasts by phasing their planning and staging their infrastructure servicing. This involves completing a community using existing infrastructure capacity before proceeding to expand that capacity or extend infrastructure to the next growth area. This approach is both operationally more efficient and would result in significant cost savings for the municipality and its rate payers.

Likewise, municipalities need the unappealable authority to carefully phase urban boundary expansions to ensure development happens in a comprehensive, logical manner. With the planning horizon extended to 2051, some municipalities anticipate that they will come under extreme pressure from developers to expand their urban boundaries earlier than planned, undermining municipal efforts to use existing servicing capacity efficiently and building transit supported, complete communities.

GGH municipalities need a commitment from the Province that phasing will be necessary for municipalities with substantial urban expansion. The Province needs to give municipalities authority to uphold the ability to phase development. Phasing should be based on a municipality's fiscal capacity to finance growth, the provision of infrastructure and completion of communities.

Provincial alignment and coordination to achieve the Growth Plan targets

One of the important lessons learned from the first ten years in Growth Plan implementation was the misalignment of aspects of Provincial policies, planning and investments to complement municipal needs to meet the growth targets. This is particularly challenging with regard to transit planning and investments. For instance, there is a need to align the Ministry of Transportation's GGH Transportation Plan forecasts with Growth Plan amendments and upper tier MCRs.

Going forward, deliberate alignment and coordination is needed at two levels – 1- between the Province and GGH municipalities, and 2- across provincial ministries and agencies with responsibility for policy, investments, capital planning, policy, approvals and other permitting that impact attainment of the Growth Plan targets.

ORSTT-RPCO-RPWCO would welcome the opportunity to work closely with the Province to ensure maximum alignment in support of the Growth Plan. Some of the critical areas where alignment and coordination are needed across provincial ministries and between the Province and GGH municipalities are outlined below.

1. Timely approvals for strategically important infrastructure to support growth

MECP's role in approving infrastructure, including water and wastewater treatment and distribution/collection, is critical to the protection of public health and the environment. More timely approvals including environmental compliance approvals and environmental assessments are essential to align with anticipated growth and to avoid costly delays in projects that are critical to support growth.

Changes to the *Environmental Assessment Act* in the recently passed *COVID-19 Economic Recovery Act* (Bill 197) and further regulatory changes to modernize the EA process are welcomed as they are expected to significantly shorten the length of EA processes. In order to further accelerate housing construction projects, among others, the Province should consider a streamlined process for municipal infrastructure projects that service developments that are key to local and regional growth, similar to the scope of O. Reg. 231/08 Transit Projects and Metrolinx Undertakings. These types of projects could be included in the anticipated Streamlined EA regulation.

To avoid duplication, the *Planning Act* could be amended to allow for ‘equivalency’, whereby public consultation and appeals opportunities conducted under the environmental assessment process satisfies requirements of the planning process (*Planning Act* and Official Plan).

2. Infrastructure funding to support strategic servicing infrastructure

In nominating priority projects for federal-provincial funding, the Province could work with municipalities to identify strategically important projects that are critical in terms of timing, location and growth forecasts, to be recipients of federal-provincial funding to move them forward more quickly. This would include strategically important transit, water, and wastewater infrastructure. Combined with streamlined approvals as noted above, this would significantly accelerate the planning and construction of strategically important servicing infrastructure to support growth.

3. Unappealable or limited appeals to growth related OP amendments

Even with provincial policy backing, municipal growth related OP amendments to conform to the Growth Plan used to be routinely appealed to the OMB, causing years of delay in moving forward with plans. The introduction provisions under the *Planning Act* that made amendments to conform with a provincial plan unappealable has significantly shortened the timing of conformity exercises at the upper tier and single tier level. The Province should maintain its policy of making upper and single tier OP amendments to conform with the Growth Plan unappealable. It should extend this policy to local area municipal O.P. amendments.

4. Aligning infrastructure planning horizons

In some municipalities, infrastructure projects have not moved forward due to delays in provincial infrastructure investments and approvals. To the extent that some growth targets are dependent on provincial water and wastewater approvals, provincial transit investments, Metrolinx service expansion, as well as MTO roads planning, these provincial and provincial agency planning horizons should align with municipal capital planning horizons.

Timely support for higher order transit

Planning and financing transit has always been a challenge for built out municipalities as well as growing suburban municipalities. The impact of the pandemic on ridership has devastated revenues for mature transit systems and slowed ridership growth for newer ones. Receiving funding to establish new transit systems, like in Simcoe County, has always been a challenge given that DC-eligibility and gas tax funding are based on previous ridership.

Transit projects are particularly important to support growth. Delays in transit projects, some of which have taken over 15 years from initial planning to construction, have had serious temporal and spatial impacts on growth and financing growth in certain municipalities.

Going forward, identifying these higher order transit and rail projects and determining how long they will take to come on line should be a critical consideration before municipalities invest in expanded service capacity in areas serviced by the transit lines, and urban boundaries are expanded.

Sustainable Financing of Growth

Progress in achieving the vision of the Growth Plan is dependent on a sustainable financial model for growth. This is all the more urgent given the economic downturn. Municipal budgets will be pared down and there will be intense pressure on the property tax and user rate base to meet basic existing operational and servicing needs. There will be no room to subsidize growth through existing utility rates and property taxes. As municipalities have long maintained, growth must pay for growth.

Achieving a sustainable financing model for growth is critical to achieving the Growth Plan targets and for the financial health of cities and regions in the GGH. ORSTT-RPCO-RPWCO's ten year evaluation of the Growth Plan identified challenges that need to be addressed to put growth related financing on a sustainable footing.

1- Reduce the period of time between investing in growth related servicing and when it is needed, to avoid cashflow issues from DC revenues that are paid much later.

- a) Some of the risks associated with the lag in DC revenue to pay for growth related services can be addressed through disciplined phasing of growth and staging of infrastructure projects.

2- Reduce the gap between forecasts and actual growth numbers (employment and/or population)

- a) The risk inherent in actual growth not meeting forecasts can in part be addressed by changing provisions around post period benefit deductions
- b) Forecasts should be reviewed every five years and amended at least every ten years to avoid a widening gap between forecasts and actual growth numbers over the full thirty year horizon period.

3- Ensuring that all growth related servicing costs are DC-eligible,

- a) Ensuring that all growth-related servicing costs are DC-eligible is an important element of a sustainable financing model for growth.
- b) Municipalities welcomed recent changes to the Development Charges Act that addressed some of the limitations in D.C. eligible expenses (e.g., the elimination of the 10% statutory deduction).
- c) However, there remain concerns that need to be addressed, associated with DC rate freezing, the planning horizon for transit, and the list of services eligible for development charge cost recovery. (e.g. costs associated with subway expansions, airports and municipal parking)

Support for Affordable housing

One of the greatest risks to meeting the growth targets, particularly in the GTHA, is housing affordability.

Municipalities need support to build an appropriate mix of housing that supports complete communities, and attracts population growth where people can live, work and play in their community.

Affordability of housing in the GTHA is a contributing factor to the slower than anticipated population growth in some municipalities. The high cost of housing has caused many homeseekers to move farther afield, beyond the Greenbelt, for affordable housing. Affordability, among other factors, may explain why York Region's current population is approximately 80,000 short of where it was forecasted to be, despite having adequate housing supply.

Housing affordability goes beyond building more housing supply. It involves building the right housing supply at a price point/tenure that makes it readily accessible. The increasing gap between household incomes and housing costs has created a situation where upwards of 80% of income earning households in some areas of the GGH are challenged to finding housing that meets their needs without overextending themselves.

Given the low DC share of social housing, there is a need for federal and provincial investment in social housing, particularly in the GTHA to keep lower income families from moving outside of the region and to maintain and attract a diverse workforce.

The Province should expand municipal inclusionary zoning authority to require that a share of new construction be affordable to low and moderate income buyers and renters.

Forecast as minimum

References to the Schedule 3 forecasts as minimums in proposed Amendment 1 and the new Land Needs Assessment methodology are of concern to ORSTT-RPCO-RPWCO. Treating forecasts as minimums permits municipalities to surpass their growth targets. In doing so, it introduces an inherent conflict in the intent of the Growth Plan.

The policy of forecasts as minimums provides too much flexibility and may undermine the guiding principle of managing growth across the Greater Golden Horseshoe. The purpose of the Growth Plan was to provide municipalities with some certainty for forecasting municipal services and cross jurisdictional needs like transit, not just for land budgeting.

In order to maintain the integrity of the Growth Plan as an integrated framework for sustainable growth management, ORSTT-RPCO-RPWCO recommend the removal of the proposed changes to policies 2.2.1 and 5.1.4 which, as currently proposed, would allow the use of higher growth forecasts than those contained in Schedule 3.

Conforming to Amendment 1

Upper-tier and single-tier municipalities will be required to update their Official Plans by July 2022 to accommodate the 2051 forecasts for population and employment. Municipal comprehensive reviews that are currently underway will also need to revise their projections to meet the new minimums.

The Province has indicated that there will be no transition provisions, other than for LPAT completed hearings where a decision has not been rendered.

The GGH municipalities represented by ORSTT, RPCO and RPWCO have taken different positions with respect to transition and the timing of conformity. Some municipal councils have requested an extension to bring their O.P. and MCR into conformity (e.g. Region of Durham, City of Toronto, Barrie). Others have indicated that they will be able to conform within the existing timelines (e.g. Niagara Region, Peel Region).

Land Needs Assessment Methodology (LNA)

Municipalities welcome a standardized land needs assessment methodology. Using standardized assumptions can prevent O.P. appeals to the LPATs (ones not adopted pursuant to section 26 of the Planning Act) based on challenges to the assumptions underlying the LNA.

However, the proposed standardized approach has gone from being overly prescriptive to too open and flexible. Using the proposed methodology, it will be difficult to achieve agreement on LNA inputs.

A more detailed, standardized methodology is needed that at a minimum provides more clarity on balancing the market with Growth Plan objectives of intensification. The Province and municipalities need to continue to work together on a methodology that works for municipalities with different rates of growth and strikes the right balance between being prescriptive and offering some options to reflect the different needs and level of sophistication in determining land needs in high growth and lower growth municipalities.

Mineral Aggregate Operations

Proposed Amendment 1 includes a proposed change to GGH Growth Plan policies related to mineral aggregate resources which would make it easier to establish new mineral aggregate operations closer to market throughout the GGH outside of the Greenbelt.

While ORSTT-RPCO-RPWCO understand the interest in locating mineral aggregate operations closer to the GGH, we have serious concerns with the potential for some mineral aggregate operations to interfere with public or private ground water sources. Any change in the Growth Plan policies must include strict criteria for the protection of sources of water, erring on the side of caution. Ontario's established source water protection regime provides great expertise, data and analysis related to source water protection for public drinking water systems that forms a strong basis on which to develop such criteria.

We thank the Province for the opportunity to comment on the proposed Amendment 1 and LNA methodology. We look forward to engaging with the Province on sustainable implementation of the Growth Plan. Key to success over the coming decade is finalizing Growth Plan forecasts grounded in recent actual growth and other economic factors, as well as contingent on committed provincial investment in transit. A whole of government focus with an unprecedented level of integrated thinking and planning across ministries and agencies is vital. Our three organizations are well positioned to assist the Province in this regard.

ORSTT, RPWCO and RPCO would welcome a structured opportunity to be a trusted sounding board for implementation of a coordinated, aligned approach to growth management. In doing so, Ontario could boast its approach as a leading practice, one that reduces red tape and signals that Ontario is open for business.

Sincerely



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