

GETTING THE GROWTH PLAN RIGHT

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INTRODUCTION

Malone Given Parsons Ltd. (MGP) has been providing planning, economic and development management expertise to the public and private sectors since 1978. The firm is one of the largest planning consulting firms in Canada offering partner level specialized expertise in urban and regional planning, master planning, development approvals, retail and commercial market analysis, economic development and growth management strategies, and land economics.

The firm has been actively involved as lead planners for new Greater Toronto and Hamilton Area (GTHA) community areas that now house over half a million people, and is engaged in leading planning efforts throughout the region's New Community Areas. This front line experience gives practitioners' insights into how policy implementation works on the ground. MGP has also developed a comprehensive GIS database describing land designations and development status throughout the GTHA that enables the quantification of land uses subject to the Growth Plan policies.

This combination of experience and data provide a unique platform from which to offer informed comment on the implications of the *Growth Plan for the Greater Golden Horseshoe, 2006* ("2006 Growth Plan") and the *Proposed Growth Plan for the Greater Golden Horseshoe, 2016* ("2016 Proposed Growth Plan").

This paper summarizes key issues with implementation of the 2006 Growth Plan, and the consequences of implementing the proposed 2016 amendments in the GTHA. Subsequent papers will provide details on analytical methodology and results and explore approaches to resolution of the current land supply crisis.

LET'S START FROM AN ACCURATE MEASURE OF WHAT LAND IS AVAILABLE

- + The 2016 Proposed Growth Plan proposes changes to the 2006 Growth Plan that will increase intensification by 50% and Designated Greenfield Area density by 60%. These policy changes, if implemented, will dramatically alter the form of communities, and are being proposed without regard for the costs to municipalities, the impact on housing costs, the reduction in housing choices, and particularly low density family housing. The change is based on an erroneous understanding of available supply of vacant land for residential use.
- + The 2016 Proposed Growth Plan requirement for all Designated Greenfield Areas to achieve a minimum of 80 residents and jobs per hectare cannot be achieved when over 50% of those Designated Greenfields are already built on, or committed to be built on. This proposed density target of 80 residents and jobs per hectare would have to be applied to the remaining 50%, resulting in absurd densities of 130 or more residents per hectare on the periphery of the Greater Toronto and Hamilton Area (GTHA).
- + The basis for these increased densities is flawed. The Province appears to have underestimated the amount of growth that has taken place on Designated Greenfield lands. Our analysis shows that just over 17,000 hectares of Community Designated Greenfield lands remain vacant to accommodate residential growth in the GTHA.
- + The facts must be considered in developing a plan that can accommodate over 3 million new people, while sustaining a robust economy and offering a community form that aligns with market preferences.

HOW MUCH LAND DO WE HAVE FOR HOUSING?

- + MGP has undertaken an extensive analysis of land supply throughout the GTHA. This has built on digitization of all upper, lower and single-tier Official Plans through to a secondary plan level of detail (where available), as well as mapping of Provincial Plans, infrastructure, and environmental feature boundaries derived from public data sources, as a basis for a complete analysis of the status of ongoing development approvals as of 2016.
- + The analysis concludes there are only 17,200 hectares of “vacant” residential Designated Greenfield land that has not yet been “committed”, representing only 5.6% of the total 295,000 hectares of Settlement Area lands in the GTHA. These 17,200 vacant hectares are the only lands with opportunity to implement new Greenfield policies, such as the 2016 Proposed Growth Plan minimum density target 80 residents and jobs per hectare.
- + This Greenfield vacant land supply is a “net” number designated as New Community Areas to accommodate growth to 2031. It accounts for and excludes all areas that can not be developed such as wetlands, woodlands and other “take-outs”, as well as all Employment Area lands that prohibit residential development. 2016 Proposed Growth Plan policies should contemplate additional take-outs such as stormwater management requirements to accommodate Regional Storm events as required by regulatory agencies.
- + It should be noted that those 2031 boundaries are premised on achieving the 40% intensification requirement. This vacant land supply will be insufficient to the extent that intensification targets cannot be met, or land requirements for infrastructure have to increase.

Figure 1: MGP Identifies Land Supply of 17,200 Vacant Hectares Available for New Housing in the GTHA

Description	Designated Greenfield Area ¹	
	Hectares (ha)	Percent (%)
Total Greenfield Area	63,200	100.0%
Land Not Developable ²	17,600	27.8%
Employment Area Greenfield ³	13,200	20.9%
Greenfield with Uses Not Yet Determined	600	1.0%
Total Community Area Greenfield ⁴	31,800	50.3%
Committed Community Area ⁵	14,600	23.1%
Vacant Community Area	17,200	27.2%

Source: Malone Given Parsons Ltd., 2016.

Notes:

(1) Designated Greenfield Area includes Expansion Areas -Community Area (6,700 ha) and Employment Area (3,200 ha)

(2) “Land Not Developable” includes all environmental features and natural heritage systems as per Local Official Plans which may or may not include buffers, cemeteries, major highways, railways, utilities and airports. This area is understated and will ultimately be larger as further work is necessary to determine additional buffers required for environmental features, as mandated through policy.

(3) Employment Areas in the Designated Greenfield Area are for employment uses and prohibit residential uses.

(4) Community Areas in the Designated Greenfield Areas accommodate residential and related uses.

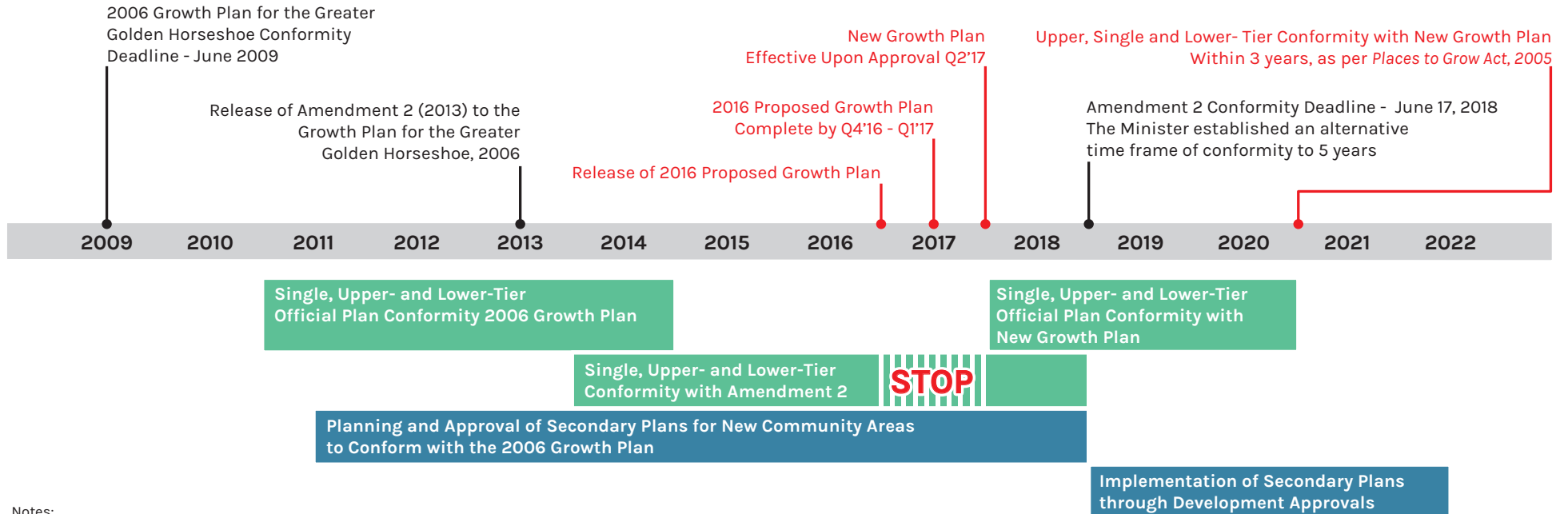
(5) “Committed” lands include land already built-out, under construction, or far enough along in the development process that it would be unreasonable to re-open plans on approval of the New Growth Plan. In general, this “committed” status is accepted to be Draft Plan of Subdivision Approval or Registration.

NEW GROWTH PLAN SHOULD PROVIDE TRANSITION FOR PLANNING AND APPROVALS WORK UNDERWAY TO IMPLEMENT THE 2006 GROWTH PLAN

+ The delay in developing significant portions of the Designated Greenfield Area has become the critical constraint for delivering new housing to keep pace with the Province’s 2031 planning horizon. Plainly stated, while the overall supply of land aligns with growth projections of the 2006 Growth Plan to 2031, the timing for development of much of these lands is likely not achievable by 2031 as approvals to implement the 2006 Growth Plan are 10 years or more behind schedule.

+ Of the “vacant” 17,200 hectares of Designated Greenfield lands, the majority are currently mid-way through a development process to implement the 2006 Growth Plan, relying on density target of 50 residents and jobs per hectare. This includes 6,900+ hectares of New Community Areas that have been delayed for over 8 years relative to the initial 2009 implementation date of the 2006 Growth Plan.

Figure 2 - The Expected Time Frame for Implementation of the 2006 Growth Plan and the New Growth Plan



Notes:

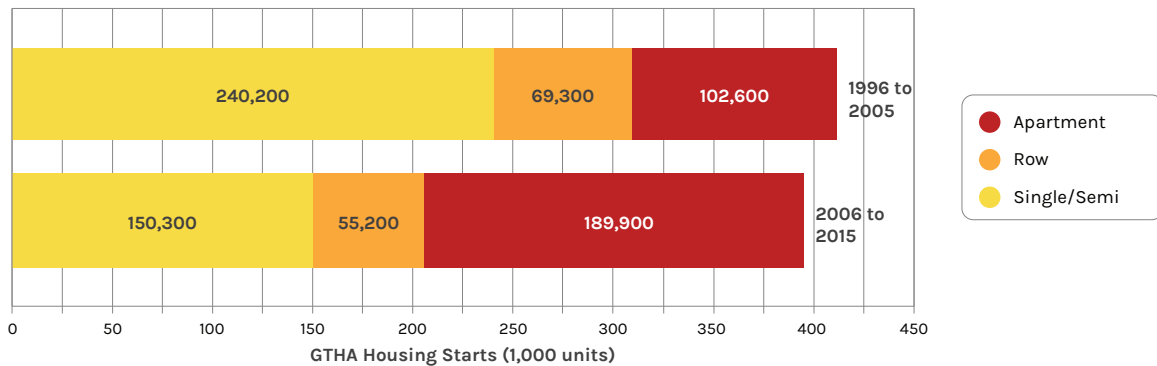
- (1) Black text indicates the current process to implement the 2006 Growth Plan as amended by Amendment 2.
- (2) Red text indicates the process required to implement the New Growth Plan.
- (3) Amendment 2 (2013) extended the horizon of the 2006 Growth Plan to 2041, included population and job forecasts for 2031, 2036 and 2041 for upper- and single-tier municipalities, and provided policy direction on how to apply the forecasts.

- + Consequently, the provision of sufficient housing to match population growth is in crisis, particularly with regard to single and semi-detached forms of housing which continue to be the preferred choice for housing families.
- + Exacerbating this housing supply issue is the 2016 Proposed Growth Plan requirement for a new minimum density target of 80 residents and jobs combined per hectare, applied over the entire Designated Greenfield Area. Implementation of this new target would require all planning and approvals work underway by municipalities and stakeholders over the past decade to stop and be re-done to accommodate a higher density target, further delaying the delivery of new housing. Any relief that was coming to the housing supply will be lost as additional time will be necessary to redo work based on new density targets.
- + This additional effort could take another 5-8 years to adjust to as it would require revisiting overall land budgets, new community consultation processes, and re-doing expensive and lengthy studies such as Subwatershed Study modeling, transportation capacity, and water and wastewater servicing analyses. Such further delays in implementing the Province's New Growth Plan will have dire timing consequences on the availability of new land for housing.
- + Provincial Staff expect to have supporting studies and guidance material identified in the Plan prepared to support municipal implementation by 2018, with a land budget methodology potentially expedited to 2017. Some of the studies were to have been prepared to support the 2006 Growth Plan. The addition of these new studies will unnecessarily further delay implementation of the Growth Plan while municipalities wait to commence a whole new round of conformity exercises with unknown requirements.
- + In many cases the required studies duplicate the work being conducted by local municipalities and Conservation Authorities. The outcomes from the proposed Provincial studies are already addressed through Provincial policy guidance and in municipal Official Plans, and should be removed as a requirement from the Growth Plan. The one exception is the regional economic analysis and identification of provincially significant employment areas. The creation of jobs for the GGH is a matter of Provincial Interest and the Province should provide guidance on this, however this study was deleted from the 2016 Proposed Growth Plan. The Province should lead in the creation of a strategy to create jobs.
- + Immediate relief is required to expedite the approval process to alleviate the housing supply crisis.

THE SUPPLY OF APPROVED AND SERVICED LAND IS THE CRITICAL CONSTRAINT, NOT RAW LAND SUPPLY

- + The GTHA is experiencing a significant shortfall in the provision of serviced, permit-ready land for grade-related housing (singles, semis and townhouses). Ground-related housing starts in the GTHA declined from approximately 310,000 units in the 1996-2006 time period to 205,000 in the 2006 to 2015 time period. This shortage is one of the primary contributing factors to the increase in housing prices in the GTHA.
- + The increasing requirements for planning, environmental and technical studies and approvals have greatly increased the length of time required to take Designated Greenfield lands to the housing construction stage. Making servicing infrastructure available also extends the time to make land development-ready and sometimes requires developers to upfront the work. Depending on the area, it could take up to 10 years before a piece of land is ready for development.
- + The recycling of existing low density housing stock counted on as the baby boomers age is not happening as more people are aging in their homes – a trend that is supported by the province’s health care initiatives and rising home values.
- + The impacts of implementing the 2006 Growth Plan are being felt as evidenced by the shift in housing starts to a larger number of apartment units and house price escalation, in part because there is a shortage of low density land. In aggregate, Toronto’s production of apartments has offset the overall unit deficiency in the GTHA. The issue is that many of these apartments are small and cannot accommodate families.
- + The 2016 Proposed Growth Plan’s increased density of 80 residents and jobs per hectare in the Greenfield lands will further reduce the opportunity to provide single family housing which is still the market preference.

Figure 3 - The Decline in Ground-Related Housing Starts Highlights the Supply Challenge in the GTHA












Source: Canadian Mortgage and Housing Corporation, Annual Housing Starts, 1996-2015

DENSITY OF 80 RESIDENTS AND JOBS PER HECTARE SHOULD NOT BE APPLIED TO ALL GREENFIELD AREAS

- + The amendments proposed by the 2016 Proposed Growth Plan require achievement of a density of 80 residents and jobs per hectare across all Designated Greenfield Area lands, with that target premised on being “transit supportive”. With reference to Figure 4, it is evident that the Province has misinterpreted MTO’s guidance on transit supportive densities.
- + The MTO guidelines are specific to a 5-10 minute walk radius around a transit stop and are further intended “not to be applied as standards”. The 2016 amendments apply the minimum density guidance in a blanket fashion across all Designated Greenfield Area lands as a core policy element in planning for growth.
- + Density of 80 residents and jobs per hectare should not be applied to the entire Designated Greenfield Area, but rather focus on areas that will be serviced by transit.

Figure 4 – MTO’s Suggested Minimum Densities to Support Transit

Strategies Legend	Transit service type	Suggested minimum density
 Green Action	Basic Transit Service (One bus every 20-30 minutes)	22 units per ha / 50 residents & jobs combined
Applicable Community Scale	Frequent Transit Service (One Bus every 10-15 minutes)	37 units per ha / 80 residents & jobs combined
 Small	Very Frequent Bus Service (One bus every 5 minutes with potential for LRT or BRT)	45 units per ha / 100 residents & jobs combined
 Mid-size	Dedicated Rapid Transit (LRT/BRT)	72 units per ha / 160 residents & jobs combined
 Large	Subway	90 units per ha / 200 residents & jobs combined
 Big City		
Planning Scale		
 Site		
 District		
 Municipal		
 Regional		

The table above illustrates suggested *minimum density thresholds* for areas within a 5-10 minute walk of transit capable of supporting different types and levels of transit service. The thresholds presented are a guide and not to be applied as standards. Other factors such as the design of streets and open spaces, building characteristics, levels of feeder service, travel time, range of densities across the network and mix of uses can also have a significant impact on transit ridership. *Mobility hubs* and major transit station areas may require higher minimum densities.

Source: “Transit Supportive Guidelines,” Queen’s Printer for Ontario, 2012; Page 24

APPLICATION OF THE PROPOSED DENSITY TARGET TO THE ENTIRE GREENFIELD AREA IS BASED ON A FLAWED UNDERSTANDING OF "DEVELOPED" LAND

- + The Province has been relying on a flawed understanding of “developed” land, further concluding that 80 residents and jobs per hectare is a reasonable density target that can be applied over the entire Designated Greenfield Area with minimal disruption to lands already subject to a development process or ongoing Secondary Planning efforts.
- + The Province, in its Places to Grow Performance Indicators report (released 2015), concluded that 2,682 ha of Designated Greenfield Area had been developed. This analysis relied on data collected between 2006 and 2011, and did not reflect the high levels of absorption that took place between 2012 and 2016. In addition, the Province’s analysis only considered what was actually built and did not consider lands at a stage of approval that cannot be reversed, otherwise referred to as “committed”.
- + MGP’s analysis of the 2006 Growth Plan Designated Greenfield Area concludes that a total of 14,400 hectares (58%) is “committed” and not vacant. As demonstrated in Figure 5, when compared to the Province’s assumption that 2,682 hectares (4.7%) have been developed, there is clearly an order of magnitude oversight.
- + The impact of this oversight is considerable. The remaining “vacant” Community Area land must counterbalance any shortfall in the Growth Plan mandated minimum density, and be planned to achieve much higher densities.
- + Under the 2016 Proposed Growth Plan density target, MGP’s analysis identifies “vacant” lands will need to target densities between 130 residents and jobs per hectare, and 300+ residents and jobs per hectare, dependent on location in the GTHA.

Figure 5 – MGP’s Detailed Analysis Shows that 57% of DGA Lands are Committed vs. the Province’s Estimated 4.7%

GTHA REGION	Total Designated Greenfield Area (ha)	MGP ANALYSIS ¹		PROVINCIAL REPORTING ²	
		"Committed" Designated Greenfield Area (ha) ³	% of Total Designated Greenfield Area	"Developing" Designated Greenfield Area (ha)	% of Total Designated Greenfield Area
City of Hamilton	2,200	1,300	58.0%	219	4.8%
Region of Durham	4,700	2,800	56.6%	409	3.1%
Region of Halton	4,000	2,000	51.1%	310	2.6%
Region of Peel	6,400	3,700	57.2%	671	6.7%
Region of York	7,600	4,800	62.8%	1,073	5.6%
GTHA TOTAL	24,900	14,400	57.9%	2,682	4.7%

(1) Source: Malone Given Parsons Ltd., 2016;

(2) Source: “Places to Grow Performance Indicators”, 2015, Page 14

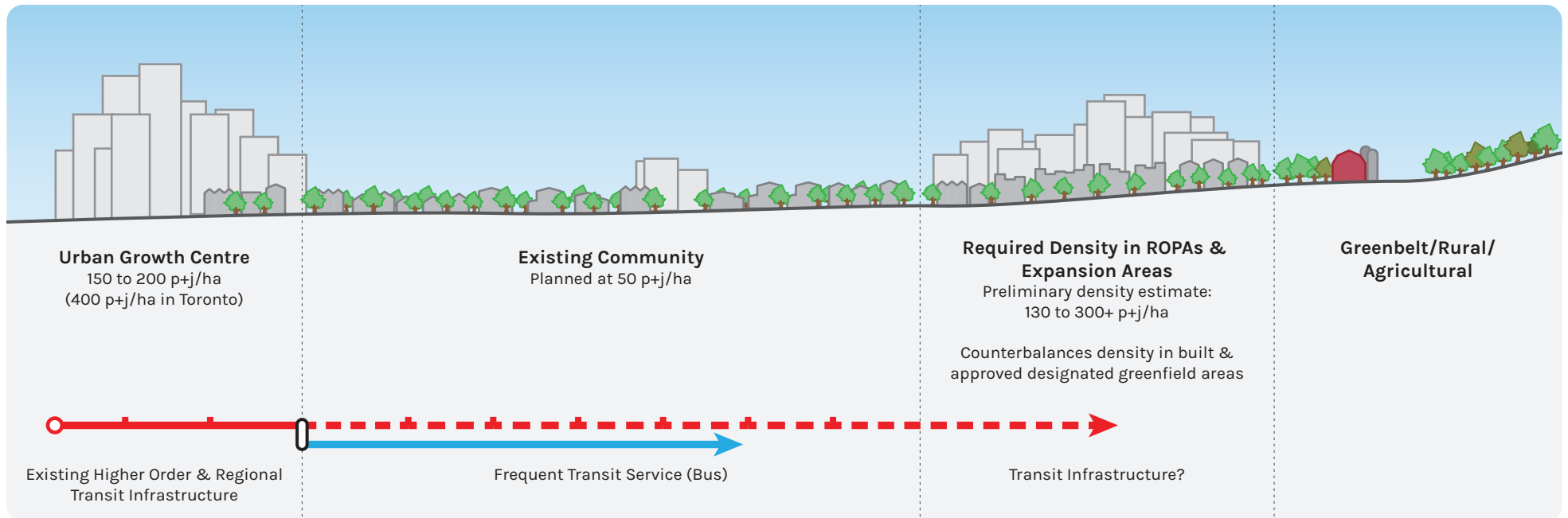
(3) Preliminary rounded estimates of Designated Greenfield Area as of 2006 and excludes Expansion Areas -Community Area (6,700 ha) and Employment Area (3,200 ha)

THE 2016 PROPOSED GROWTH PLAN WILL DIRECT DENSITY TO THE URBAN FRINGE

+ MGP's analysis included mapping of higher order transit corridors relative to land supply. What is immediately apparent is that the 2016 Proposed Growth Plan Designated Greenfield Area density target of 80 residents and jobs per hectare can only be achieved on the 17,200 hectares of vacant Community Area lands at the outer most parts of the GTHA, furthest from transit. It is a perverse planning approach that would direct some of the highest densities in the GTHA to the fringe of urban development, directing density away from intensification areas.

- + Few of these fringe locations are near existing or planned frequent transit, much less higher order transit. Directing higher densities to these areas is a recipe for traffic congestion and more automobile reliance by putting too much density too far from existing or planned transit.
- + As illustrated below (see Figure 6), these densities are equivalent to those mandated for Urban Growth Centres and Major Transit Station Areas, nodal focal points of intense urban development further supported by higher order transit.

Figure 6 – The Blanket Application of an 80 P+J/ha Target Forces Urban Nodal Densities to the Periphery

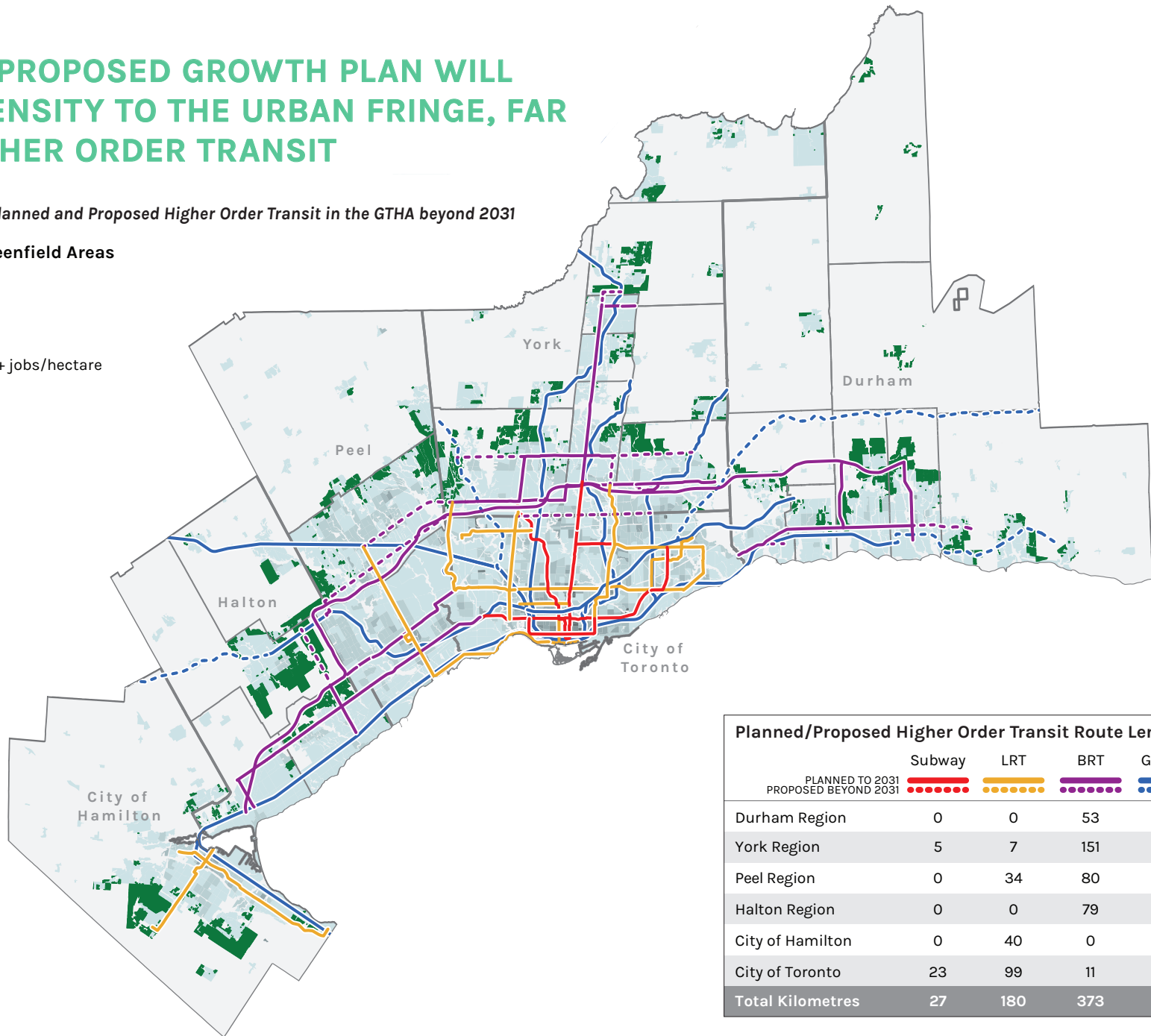


THE 2016 PROPOSED GROWTH PLAN WILL DIRECT DENSITY TO THE URBAN FRINGE, FAR FROM HIGHER ORDER TRANSIT

Figure 7 – Existing, Planned and Proposed Higher Order Transit in the GTHA beyond 2031

● Designated Greenfield Areas

Density
0 to 250+ people + jobs/hectare

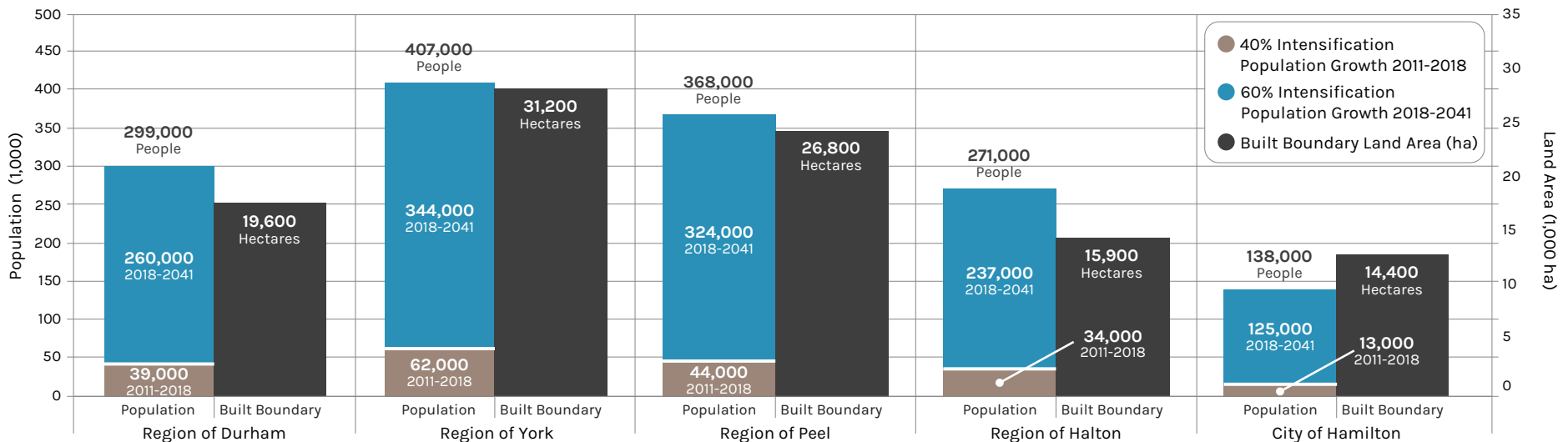


Planned/Proposed Higher Order Transit Route Length (km)					
	Subway	LRT	BRT	GO/UPE	Total KM
PLANNED TO 2031	●●●●●	●●●●●	●●●●●	●●●●●	
PROPOSED BEYOND 2031	●●●●●	●●●●●	●●●●●	●●●●●	
Durham Region	0	0	53	37	89
York Region	5	7	151	40	203
Peel Region	0	34	80	0	114
Halton Region	0	0	79	0	79
City of Hamilton	0	40	0	0	40
City of Toronto	23	99	11	47	180
Total Kilometres	27	180	373	124	705

GETTING INTENSIFICATION RIGHT - ONE SIZE DOES NOT FIT ALL

- + The Plan's primary thrust of directing intensification to the Built-up Area, particularly focusing the highest density development within walking distance of transit, is sound. The proposed policies could be improved by requiring municipalities to support strategic intensification areas with action plans to secure requisite hard and soft infrastructure improvements.
- + There remains ample opportunity to provide gentle density increases (townhomes and low-rise apartments) elsewhere within the Built-up Area. However, the 2016 Proposed Growth Plan removes 2006 policies that support that strategy. This deletion will preclude many infill developments, particularly considering systematic NIMBY-ism, Stable Neighbourhood designations, and outdated zoning bylaws throughout the GTHA. The Plan should continue to encourage intensification throughout the entire Built-up Area to maximize the potential of existing infrastructure and preserve the opportunity for gentle infill intensification.
- + Variation in such factors as relative cost, location attractiveness, proximity to transit, lack of servicing infrastructure, the age and form of the community, lack of suitable land and community resistance all influence opportunities for intensification, making it difficult to apply a standard percentage to each municipality. Further, as shown in the graph below, there is significant variation in land areas within built boundaries and the populations allocated to them. Halton and Durham have relatively small such areas, and substantially less transit capacity (Figure 8), but are allocated disproportionately high intensification populations.
- + The 2016 Proposed Growth Plan's requirement for 60% intensification should be applied only to areas served by frequent and higher order traffic where higher density development makes sense.

Figure 8 - A "One Size Fits All" Intensification Target has Differential Impacts to the GTHA's Regions.



Source: Malone Given Parsons Ltd., 2016

FIXING THE 2016 PROPOSED GROWTH PLAN AMENDMENTS AND THE LAND SUPPLY BOTTLENECK

It is evident that implementing the proposed 2016 amendments to the Growth Plan will result in directing significant growth to areas further from transit, and will cause further delays in the implementation of the plan.

This paper recommends the following actions to correct these unintended consequences:

PUT DENSITY IN THE RIGHT PLACE

1. Renew a policy of intensification throughout the Built-up Area
2. Require the highest densities along BRT/LRT and subway routes, where municipalities must delineate corridor and station areas under MTO's Transit Supportive Guidelines, and support the development of these areas with hard and soft infrastructure strategies.
3. Apply increase over 40% intensification only to lower-tier municipalities with existing higher-order transit.

EXPEDITE IMPLEMENTATION OF THE GROWTH PLAN

4. Do not increase the greenfield density target for existing Designated Greenfield Areas with initiated studies - preserve the 10 years of 2031 implementation work already completed/in progress.
5. Calculate the proposed 80 residents and jobs per hectare Designated Greenfield Area density target as a net community housing target, providing a more predictable community planning outcome by excluding other features such as stormwater management facilities, arterial roads, and employment lands from the density calculation.
6. Expedite provincially-led implementation work and remove new proposed studies best completed by municipalities/conservation authorities so as not to further delay implementation of the New Growth Plan.
7. The Province should lead on economic development and the creation of jobs to support the plan by preparing a regional economic analysis and identify provincially significant employment areas as originally proposed in the 2006 Growth Plan.

