

Submission to the Ontario Ministry of Municipal Affairs and Housing on increasing housing supply in Ontario

In response to the public consultation on the Housing Supply Action Plan

by Carolyn Kim and Janelle Lee | January 25, 2019

The Pembina Institute appreciates the invitation to share our views with the Ontario Ministry of Municipal Affairs and Housing on [increasing housing supply in Ontario](#).

General Comments

We are pleased that the Government of Ontario is developing a Housing Supply Action Plan to address barriers that are limiting the volume of ownership and rental housing in the province. As the government is aware, housing is one of the largest cost burdens for households in Ontario and the problem will only escalate if left unaddressed. We have an opportunity to continue to build housing alongside existing and planned transit infrastructure to provide more housing and transportation choices to Ontarians and reduce pollution from automobile travel.

Ontario's population is expected to grow by 30.2% from 14.2 million in 2017 to 18.5 million in 2041, with the Greater Toronto Area expected to be the fastest growing region in the province¹. To date, new housing supply has not kept up with increasing demand from a growing population, creating housing stock shortages and affordability problems². Given these challenges, the Pembina Institute supports the government's objective of increasing housing supply in the province.

We believe that there are three key areas that the government should prioritize when developing the Housing Supply Action Plan: i) supporting municipalities in updating official plans and zoning bylaws to comply with existing provincial growth policies, ii) implementing transit

¹ Ontario Ministry of Finance. "Ontario Population Projections Update, 2017-2041," 2018. <https://www.fin.gov.on.ca/en/economy/demographics/projections/#s2>

² Graham Haines and Brianna Aird, *Finding the Missing Middle in the GTHA. An Intensification Case Study of Mississauga* (Ryerson City Building Institute, 2018). 2. <https://www.citybuildinginstitute.ca/portfolio/missing-middle/>

supportive development that is inclusive and maximizes public benefit, and iii) curbing urban sprawl and safeguarding the environment.

We understand that the government is considering amendments to the *Planning Act* and the Provincial Policy Statement (2014) as part of the Housing Supply Action Plan. Given that these policies are foundational land use planning policies for the province, we encourage the government to carefully consider the implications of any changes made to their content. Furthermore, we encourage the government to coordinate the Action Plan with other policy proposals that may affect land use and planning systems in Ontario, such as the proposed amendments to the Growth Plan (2017), and proposed changes from Bill 66 - Schedule 10 to modify the *Planning Act*³.

We are concerned that these efforts are uncoordinated and are moving at a pace that makes it difficult for relevant stakeholders and the public to understand the cumulative impacts of multiple policy proposals. To that end, we encourage the government to take an integrated and coordinated approach to land use planning, housing development, economic development, and growth management in such a way that allows stakeholders and the public to meaningfully contribute to the policy development process. Our recommendations are outlined below.

Supporting municipalities in updating official plans and zoning bylaws

In order to achieve the intensity and mix of housing needed to meet growing demand, municipalities must implement zoning bylaws that create the conditions necessary to increase the supply of affordable ownership and rental units. Some municipalities have not yet updated their zoning bylaws to be consistent with the intensification targets and growth management directives in the Provincial Policy Statement and Growth Plan. In order to achieve efficient land use and compact, transit-supportive growth, it is important that municipalities meet the intensification targets set out in the Growth Plan.

The province should strengthen its role in monitoring and evaluating policy implementation, as set out in policy 4.14 of the Provincial Policy Statement and 5.2.6.1 of the Growth Plan, to keep municipalities accountable to provincial intensification targets. It is also recommended that the province have a duty to support municipalities in modernizing official plans and zoning bylaws by helping build municipal capacity. This can be done by providing training and guidance for staff and supporting research that will be used to inform planning policies.

³ We acknowledge that government officials announced on January 23, 2019 that Schedule 10 may be removed from the proposed Bill 66.

Implementing transit supportive development

One critical method for achieving the density targets identified in the Growth Plan is transit supportive development (TSD). TSD directs compact urban growth to areas that are well-served by transit, giving more people access to sustainable mobility options. The Provincial Policy Statement provides the foundation for TSD in our cities by requiring new housing developments to efficiently use land and promote the densities required to support transit use. Similarly, the Growth Plan requires municipalities to identify priority growth areas around transit stations in their official plans and zoning bylaws⁴. Both the Growth Plan and the Provincial Policy Statement also call for municipalities to provide a diverse range and mix of housing options, particularly for low and moderate income households. The Provincial Policy Statement also specifies that housing developments should support the use of active transportation and transit.

Although the policy foundation for TSD is important, the province needs to work closely with municipalities to ensure effective implementation and monitoring of these policies. The province must provide support to help municipalities develop and adopt strategies that promote TSD. Tailored zoning bylaws, for example, can be used to encourage new residential and employment developments near transit stations and corridors. The City of Hamilton's new zoning designation for transit-oriented corridors (TOC) is a good example of this⁵. The TOC designation is similar to mixed-use zoning but contains four TOC zones each with their own permitted uses, built form, and regulations that were developed for specific areas within the corridor.

Ultimately, there are strategic opportunities in Ontario to develop around transit stations. It is important that the province hold steady on the intensification targets set out in the Growth Plan around major transit station areas, and to increase these targets over time. This will help foster the density needed to support a comprehensive and integrated transit network, and realize the efficient development patterns envisioned in the Provincial Policy Statement.

Curbing urban sprawl and safeguarding the environment

Increasing housing supply in Ontario to accommodate growth to 2031 and potentially beyond does not require additional greenfield land to be set aside for future development. According to the Neptis Foundation, less than 20% of the designated greenfield areas in the Greater Golden

⁴ Ministry of Municipal Affairs, Growth Plan for the Greater Golden Horseshoe (2017). <http://placestogrow.ca/images/pdfs/ggh2017/en/growth%20plan%20%282017%29.pdf>

⁵ Lindsay Wiginton, *Transit-supportive development and city-building. Brief 3: Tools for building infrastructure and policy conditions* (Pembina Institute, 2018), 3. <https://www.pembina.org/pub/transit-supportive-development-and-city-building>

Horseshoe have been developed since 2006 when the first Growth Plan was established⁶. More than 80% of designated greenfield areas remain to accommodate growth for the next 15 years. The province's housing supply strategy should therefore focus on development opportunities that already exist within designated growth areas rather than increasing the supply of designated greenfield land.

The Provincial Policy Statement recognizes the importance of using land efficiently and ensuring that development and land use patterns are not to the detriment of the environment or public health. The province must ensure that these policies are upheld when increasing housing supply. Unfortunately, the [recently proposed changes to the Growth Plan](#) may undermine such policies. The proposed reductions to the density targets in policy 2.2.7.2, for example, may encourage new urban sprawl, thereby reducing the efficient use of land and the population needed to support transit.

Although the proposed amendments to the Growth Plan stipulate that expansions to settlement areas cannot occur in the Greenbelt, lower density targets mean that eventually more land will be needed to accommodate growing housing demand. By ensuring compact urban developments today, we reduce the risk of needing to encroach on environmentally valuable lands down the road.

Conclusion

Housing supply and affordability are important and pressing topics in Ontario, and we are pleased that the Ministry of Municipal Affairs and Housing is taking action to address them. We urge the government to account for the considerations we have identified above, and we look forward to continuing to work with the government in developing and implementing the forthcoming Housing Supply Action Plan.

Please do not hesitate to contact us should you wish to discuss further.

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⁶ Neptis Foundation, "No shortage of land for homes in the Greater Toronto and Hamilton area," October 2016. <http://www.neptis.org/publications/no-shortage-land-homes-greater-toronto-and-hamilton-area>

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