EXECUTIVE SUMMARY

In 2004, an Ontario Government discussion paper raised the alarm about the consequences of the low-density outward growth that had characterized the 1980s and 1990s in the region surrounding Toronto:

> *If we continue to consume land for urban development at the rate we have been for the past three decades, we will jeopardize the financial, social and environmental factors that make the region so attractive to new residents and new economic growth. Business-as-usual development will consume 1,000 sq km of primarily agricultural land by 2031, an area twice the size of Toronto.*[1]

In 2006, the government introduced *Places to Grow: Growth Plan for the Greater Golden Horseshoe* to change the pattern of development in one of the fastest-growing metropolitan regions in North America. Many studies had shown that the low-density, car-oriented development that prevailed in the 1980s and 1990s would, if continued, lead to worsening traffic congestion, a widening infrastructure deficit, increasing environmental degradation, the loss of high-quality farmland, and other negative consequences. The policies of the Growth Plan were meant to prevent or mitigate these outcomes.

This study, the first comprehensive review of the Plan and its outcomes to date, paints a picture of an innovative, award-winning plan under pressure and behind schedule. There are also questions about whether the many exceptions made to the provisions of the Plan, the lack of consistent methods in municipal land budgeting, and uncoordinated implementation will, in the end, achieve the Province's original regional vision. Are there lessons to be learned from the adoption of the Growth Plan to date that can inform the ten-year review of the Plan due to take place in 2016?

KEY QUESTIONS AND FINDINGS

What did the research focus on?

When the Growth Plan became law in 2006, municipalities in the Greater Golden Horseshoe were required to bring their official plans (the policy documents that shape and control local development) into conformity with the policies, forecasts, and targets in the Growth Plan. Neptis researchers studied these official plans, focusing on the adoption of three key elements of the Growth Plan:

1 Government of Ontario, A Growth Plan for the Greater Golden Horseshoe: Discussion Paper, Summer 2004, p. 5.

- **Allocation of population forecasts**: The Plan forecast growth in population and employment in the region to 2031 and allocated that growth to the 21 upper- and single-tier municipalities up to 2031; Amendment No. 2 extends those forecasts to 2041.
- **Minimum intensification targets**: The Growth Plan requires that by 2015, 40% of all new residential development occurring annually must be located within existing built-up areas; some exceptions to this requirement are allowed.
- **Designated Greenfield Area minimum density targets**: The Growth Plan requires that future development on currently undeveloped land be planned to achieve a minimum density of 50 persons and jobs per hectare combined by 2031. The density is to be determined at the level of single- and upper-tier municipalities. Again, the Plan allows for some exceptions to this requirement.

How much land has been set aside to accommodate growth in the Greater Golden Horseshoe up to 2031 and how does that compare with what the government previously warned would be lost to urbanization?

The report provides the first complete calculation of how much land will be urbanized throughout the region by 2031. Neptis researchers found that little has changed as far as land consumption goes since the government carried out its original studies for the Growth Plan. That is, about 436,900 hectares will be urbanized across the Greater Golden Horseshoe by 2031. This number includes 329,800 hectares that were already urbanized when the Plan was adopted. Before 2006, about 88,000 hectares of land had been designated for further urbanization. As municipalities updated their official plans to conform to the Growth Plan, an additional 19,100 hectares of land were designated for urban expansion. Together the amount of land available for new development totals 107,100 hectares or 1,071 square kilometres. *This is slightly more than the amount of land mentioned in the government's own call to action in 2004.*

Are municipalities meeting the targets set by the provincial government to promote compact growth and complete communities? Are these targets being translated into meaningful change in the way municipalities plan for growth?

Most municipalities have adopted the "minimum" targets of the Plan: an intensification target of 40% and a greenfield area density target of 50 people and jobs combined per hectare for undeveloped lands. Only two municipalities plan to exceed these "minimums" and many have been permitted to use even *lower* targets.

In other words, most municipalities *and the Province itself* are treating the "minimum" targets as maximum requirements. Many municipalities have set targets *below* the stated "minimum."

Thus while some municipalities are following the requirements of the Growth Plan to promote intensification and denser development, others do not appear to be making significant changes in the way they plan for growth. Since the Plan includes neither incentives for municipalities to go beyond the minimum targets, nor penalties for those that fall short, this finding should not be surprising.

Moreover, the Plan delegates key implementation decisions to upper-tier municipalities, creating inconsistencies in the way they allocate growth and plan for infrastructure. Given the lack of clear guidelines on how municipalities should implement the Plan's policies and battles over the language of the Plan at the Ontario Municipal Board, the adoption of the Growth Plan has produced a patchwork of different approaches to growth management across the region.

Although some variation in approaches is expected and necessary, given the diversity of municipalities in the region, there is no evidence that the observed variations relate to local needs. For example, intensification rates are lower for some larger more urbanized communities and higher for smaller, more rural communities.

Where is growth (new people and jobs) being allocated in the GGH and how does this allocation affect land consumption across the region?

A more troubling finding emerged when Neptis researchers looked at the way growth is distributed between municipalities in the Greater Toronto and Hamilton Area (known as the Inner Ring in the Growth Plan) and the remainder of the region (the Outer Ring).

The Neptis calculations show that nearly half of the land designated for urbanization across the Greater Golden Horseshoe is in the Outer Ring, outside the Greenbelt, *even though the Outer Ring is expected to attract only one-third as many new residents and one-quarter as many jobs as the Inner Ring.* What this means is that the Outer Ring municipalities, many of which do not offer transportation alternatives to the private automobile and do not have well-developed water, sewer, and other infrastructure, will be permitted to recreate the kind of low-density, car-oriented development patterns that have led to problems in the Inner Ring.

This outcome stems from the fact that the Growth Plan's growth forecasts did not depart from prevailing historic trends in the distribution of total population and employment between the Inner and Outer Rings. (The Growth Plan does not directly allocate land for growth, but allocates population and employment forecasts to municipalities, which then translate those forecasts into land needs.) The forecasts did not direct growth away from the rural areas beyond the Greenbelt and towards the more heavily urbanized areas in the Inner Ring. Rather, the Growth Plan is allowing growth to continue outwards, at low densities, to the less urbanized parts of the region beyond the Greenbelt.

There is also the question of the Rural Settlement Areas, which requires further study. These 403 small villages and hamlets are located throughout the region, and include a total of 48,000 hectares on which development may take place. Little is known at present about how much of this total area is serviced and how much is already developed. While not intended to be a focus of development, Rural Settlement Areas will accommodate some growth, but it is not clear how this growth will be managed.

Is the region "running out of land for development"?

In a word, no. Since the Growth Plan and Greenbelt Plan were established, representatives of the development industry have argued that the Growth Plan has constrained the land supply and forced up housing costs. The 107,000 hectares set aside to accommodate the forecast increase in population (estimated at 3.7 million people by 2031), shows that in fact, sufficient land has been set aside to accommodate population and employment at average densities similar to those that are typical today. If those densities were to increase, the current land supply would last even longer.

This finding has implications for the fate of the "Whitebelt" – the unofficial term for the land between the outer edge of the planned urbanized area around Lake Ontario and the inner edge of the Greenbelt. The Whitebelt consists of almost 46,000 hectares at present, most of which is located in the regional municipalities surrounding the City of Toronto. Although some observers have argued that this area should be made available for urban development immediately, the findings show that it would be premature to release any additional land for development before the 2016 review of the Plan.

Is the Growth Plan "working"?

Since the Growth Plan is not fully in place, it would be premature to speculate on its ultimate effects on development patterns. However, at this point we can say that it has been undermined before it even has a chance to make an impact.

In its five-year (2011) review of the Growth Plan, the Province stated, "Computer modelling indicates that the Growth Plan will help to curb sprawl. Comparing two future scenarios – one that assumes that the Growth Plan **will be fully implemented** and one that does not take the Growth Plan into account – suggests that the Growth Plan could help to conserve as much as **800 square kilometres** of agricultural and rural land by 2031"[2] (emphasis added).

But the Growth Plan is ***not*** being fully implemented. Many municipalities (more than half of those in the Outer Ring, for example) are ***not*** intending to achieve 40% intensification or to accommodate 50 people and jobs per hectare in new developments. Certainly the Plan is not working in the sense that

2 https://www.placestogrow.ca/index.php?option=com_content&task=view&id=281&Itemid=84, emphasis added.

it has not protected the amount of agricultural and rural land that the government stated that it would like to conserve.

Looking ahead

The Province is required to undertake a review of the Growth Plan in 2016, the tenth anniversary of the Plan's establishment. It is hoped that the conclusions in this Report will alert the Province and the upper-tier municipalities that there is still considerable work to be done to establish effective growth management in the region and avoid the negative consequences of dispersed, low-density development patterns.

In particular, the findings support the conclusion that more than simply land use regulation is needed to manage growth in a large and diverse city-region. At the time the Growth Plan was introduced, the Province identified fiscal tools as necessary complements to its land use policies. These included true-cost pricing for infrastructure and development charges that reflect the different costs of development in different locations. Other planning tools (such as revisions to development standards that act as a barrier to compact development) may also help ensure that the Greater Golden Horseshoe develops in a way that is consistent with the vision announced in the Growth Plan.