Clause embodied in Report No. 12 of the Planning and Transportation Committee, as adopted by the Council of the City of Toronto at its meeting held on November 6, 7 and 8, 2001.

4

Responding to the Province of Ontario’s Smart Growth Initiative

(City Council on November 6, 7 and 8, 2001, adopted this Clause, without amendment.)

The Planning and Transportation Committee recommends that:

(1) the report (September 28, 2001) from the Commissioner of Urban Development Services be adopted; and

(2) the Minister of Municipal Affairs and Housing be requested to:

(a) rename the proposed Smart Growth Management Councils, by not referring to them as “Councils”; and

(b) ensure that these bodies be comprised entirely of elected representatives and that the City of Toronto has an appropriate level of representation thereon.

The Planning and Transportation Committee reports having requested the Commissioner of Urban Development Services to report to the Planning and Transportation Committee on an effective communication mechanism when the Smart Growth Management bodies are established to ensure that the City’s interests are protected.

The Planning and Transportation Committee submits the following report (September 28, 2001) from the Commissioner of Urban Development Services:

Purpose:

This report makes recommendations with respect to a City position on how the Province of Ontario can make its Smart Growth Initiative work for Toronto and all municipalities of Ontario.

Financial Implications and Impact Statement:

There are no financial implications arising from the adoption of this report.
Recommendations:

It is recommended that Council:

(1) endorse this report as the City of Toronto’s response to Smart Growth in Ontario and that copies of this report be forwarded to the Province of Ontario’s Smart Growth Secretariat, the Minister of Municipal Affairs and Housing, the Prime Minister’s Task Force on Urban Affairs and to the Association of Municipalities of Ontario, Federation of Canadian Municipalities, Ontario Professional Planners Institute, and the Regional Planning Commissioners of Ontario;

(2) direct the Commissioner of Urban Development Services in consultation with appropriate staff, to monitor the development of Ontario’s Smart Growth Initiative and report when appropriate to Council on:
   - the position City Council could take with respect to the Province of Ontario’s continuing development of the Smart Growth Initiative; and
   - the potential implications of any actions taken by the Province of Ontario with respect to this initiative on the City’s policy, programmes, and operating procedures; and

(3) direct the Commissioner of Urban Development Services to report on the position Council could take respecting the development of a regional smart growth management strategy for the Golden Horseshoe/Central Ontario region following the completion of the City led study entitled, “City and Regional Strategies for Growth that Protect Countryside and Air Quality”.

Background:

In January 2001 the Premier announced that the Government of Ontario had a new vision for the Province, called “Ontario Smart Growth”. According to the Government of Ontario Smart Growth means establishing the best quality of life possible, by taking actions to foster and manage growth in a manner that will:

- sustain a strong economy;
- build strong communities; and
- create a clean, healthy natural environment.

The Province expects that achievement of this vision will require co-operation from all levels of government to integrate decisions made on issues, such as, transportation, infrastructure, land use, housing, and public investment and to ensure that these decisions are balanced with elements vital to Ontario’s quality of life.

The Government of Ontario is currently in the process of defining and developing a made in Ontario vision of Smart Growth. During the spring of 2001, the Ontario Government undertook a consultation process that involved a request for written submissions, meetings with municipal
representatives, and seventeen day-long sessions across the Province. In August 2001, the Province released a report entitled, “Listening to Ontario: Ontario Smart Growth, A Summary of Consultations”, which summarized the many suggestions made by the participants. The major themes expressed were:

- giving municipalities stronger land use planning and other authorities to direct the location, timing and form of development, in order to control the more negative aspects of urban sprawl and reduce municipal expenditures;
- directing the Province to make the needed investments in transportation systems to address growing traffic congestion;
- developing an implementation strategy to improve Ontario’s telecommunications infrastructure;
- taking action to enhance Ontario’s economic prosperity, with a particular focus on rural and northern areas of Ontario;
- improving the policy and regulatory framework for protecting and enhancing the natural environment;
- developing stronger land use policies to direct growth away from prime agricultural lands and significant natural heritage features;
- taking action to improve the economic viability of farming in Ontario;
- removing the barriers and making the required investments to address the growing lack of affordable, in particular rental, housing; and
- changing the current provincial – municipal relationship to give municipalities the financial authorities and jurisdictions needed to direct and manage growth.

Although the consultations are continuing and development of a Smart Growth vision for Ontario is still underway, the Province has clearly indicated that the Smart Growth initiative will change the authorities given to municipalities, the provincial–municipal relationship, provincial legislation and regulations, and how the Province directs its spending. This is reflected in the fact that the Province of Ontario already considers the following initiatives as efforts to implement the concept of Smart Growth:

- the proposed Brownfields Statute Law Amendment Act, 2001, to encourage the cleanup and revitalization of former industrial and commercial sites;
- the Oak Ridges Moraine Protection Act, which put a six-month halt to development on the moraine to give the government time to consult on a long-term strategy;
- a public review of the Provincial Policy Statement, which is looking at how well the province’s land-use planning policies are working and whether they are meeting Smart Growth goals;
- a regulation that allows five municipalities to pilot a new development permit system which, if successful, could be used by other municipalities to encourage development that meets Smart Growth criteria;
- a commitment to focus $500 million of the SuperBuild Millennium Partnerships fund on transportation and environmental initiatives;
- a commitment to support redevelopment along Toronto’s waterfront;
- a plan to review the Planning Act to make sure that it’s consistent with the goals of Smart Growth;
an environmental assessment of the proposed mid-peninsula highway in Niagara, which will support international trade;
- a commitment to create a task force to review the expansion of Ontario’s 400-series highways; and
- a commitment to consider new lanes for high occupancy vehicles (HOV) on provincial highways.

More recently, on September 27, 2001 the Premier announced the following initiatives under the banner of Smart Growth:

- $10 billion over 10 years for provincial highways;
- $6 billion over 10 years for public transit funded equally by the Province and Municipalities and a challenge to the Federal Government to contribute $3 billion;
- the elimination of the GTSB and resumption of direct control of GO Transit by the Province; and
- the creation of five regional Smart Growth Management Councils whose mandate is still to be defined but will most likely include the development of regional Smart Growth Management Plans.

Given the scope of the issues being explored under the banner of Smart Growth and the actions already initiated to implement the concept, the potential implications for the City of Toronto are large, particularly in the areas of land use and transportation planning. Opportunities are still available for the City of Toronto to comment and potentially influence the direction of the Province’s Smart Growth Initiative and specific implementation actions. A third phase of consultations focused on specific issues and strategies for Smart Growth is planned for later this year, while consultations are planned or underway for many of the specific implementation actions, including the consultations on the structure and mandates of the regional Smart Growth Management Councils.

The purpose of this report is to:

- develop Toronto’s initial response to Smart Growth; and
- give direction to City Staff to monitor and evaluate the potential implications of the Smart Growth Initiative on City policies, programmes, and procedures.

Comments:

(1) The Need for Smart Growth in Toronto and Region

The Toronto Plan: Directions Report prepared as background for the Official Plan has clearly documented that Toronto and the surrounding Region are at a crossroads, where significant decisions are required today on how and where this Region will grow. The current patterns of urban development are recognized as being unsustainable and as leading to a reduced quality of life. Decisions are required today to meet this challenge because over the next thirty years, the urban region, which includes the GTA and the communities on its western and northern edges from Niagara to Simcoe, will grow by close to three million people. This is one of the fastest rates of growth in North America and represents 85% of Ontario’s growth over that time period.
As indicated in the Directions Report, if quality of life is to be maintained and improved in the future, Toronto and its neighbours need to develop a strong consensus on where future growth will be accommodated and on how this growth will be accommodated in terms of density, land use mix and transportation systems. These are critical questions that need answers today.

The Province of Ontario’s Smart Growth Initiative is a timely initiative that has the potential to contribute towards the development of that consensus and provide the municipalities with the tools and financial resources necessary to lead the way to a more sustainable form of urban development. The City of Toronto and its neighbours, need to take advantage of this opportunity and try to work with the Province to find the right combination of financial incentives, infrastructure investments and land use planning and other policies to foster and direct growth into an urban pattern and form that is sustainable and enhances quality of life for all residents. If a meaningful partnership does not develop, the Smart Growth Initiative has the potential to become no more than a campaign justifying any Provincial action or expenditure related to growth.

(2) The Toronto Position on Smart Growth

City Council has already adopted the concept of Smart Growth. Council’s vision for the city as articulated in its Strategic Plan, clearly states Council’s commitment to build a City that has a strong and diverse economy, maintains and improves the health of the natural environment, and is a place where all residents are able to participate fully and freely in all aspects of the city’s life. This vision essentially reflects the key pillars of Smart Growth as defined by the Government of Ontario.

Principles

If Smart Growth is to succeed in achieving the goal of fostering and managing growth in a manner that will maintain and improve quality of life in Ontario the following core principles must lay the foundation for that smart growth model:

- a Clear Vision and Strategy Built in Collaboration - there must be a clear and well articulated vision and strategy that defines roles and responsibilities and which is agreed to and implemented by the Provincial, Federal and Municipal governments in a co-ordinated and sustained manner.

- new Funding Resources for Municipalities - the current financial resources available to municipalities must be broadened beyond primarily the property tax base and user fees, to provide municipalities with a more sustainable and predictable source of revenue and which can be used to invest in infrastructure and thereby direct growth;

- new Land Use Planning and Financial Authorities for Municipalities - there must be a new relationship between the Province of Ontario and its municipalities, that gives them the authorities to foster and direct growth to the geographic areas and in the forms desired by their community;
- address Current Inequalities – current patterns of economic and urban growth and development in Ontario are restricting people’s choices. Ontario’s vision of Smart Growth must work towards creating a diversity of choice for its residents, particularly in housing type and tenure, transportation and employment opportunities; and

- recognize Ontario’s Diversity - the vision of smart growth in Ontario must recognize the diversity of this Province and therefore ensure the vision and approach to implementation meets the differing needs of communities ranging from Kenora to Windsor to Toronto.

For smart growth to succeed it requires the Federal, Provincial and Municipal governments to develop and implement a shared common vision that is implemented by all three levels in a co-ordinated and sustained manner. The vision must be one that is flexible enough to ensure the approaches taken will address the unique situations of individual communities and allow those communities the authorities and resources to address their situation within the framework of the broader vision.

The following statements highlight Toronto’s unique circumstances and indicate the City of Toronto’s initial thoughts for making Smart Growth a workable and achievable vision.

**Goal:** Growth Management to Control Urban Sprawl

**Action:** Develop a Regional Smart Growth Management Vision and Strategy for the Region including the GTA, Niagara, Hamilton, Waterloo, Wellington, Dufferin and Simcoe.

As already stated, this Region is predicted to accommodate roughly 85% of Ontario’s population and employment growth over the next thirty years. Current patterns of how and where the Region is growing are unworkable and this is being reflected in public outcry over proposed development on the Oak Ridges Moraine, longer commutes, and increasing incidents of poor air quality, to name a few of the more visible negative affects.

City Council in its report to the Province of Ontario on the Oak Ridges Moraine dated July 12, 2001, has already recommended that the Province lead the development of Regional Growth Management Strategy. In support of this effort the City has already initiated a special study entitled, “City and Regional Strategies for Growth that Protect Countryside and Air Quality”.

The announcement by the Province of the desire to develop regional Smart Growth Management Plans could serve as the vehicle for developing a Regional Growth Strategy. Whatever the strategy is called, it must be one that is agreed to by Province and affected communities and it must articulate where and how growth will be managed in this Region. A particular focus must be placed on protecting the Oak Ridges Moraine, other significant natural heritage sites and systems and prime agricultural lands and on controlling urban sprawl, both residential and employment. In addition, it must place a focus on reducing traffic congestion and creating an urban form that will support the development of a transit system that can compete as an attractive alternative to the private motor vehicle. The starting point for a Regional Growth Strategy already exists in the GTSB’s Strategic Transportation Plan, which outlined a proposed network of transit corridors and improvements.
As articulated by the Ontario Professional Planners Institute in its position paper on Smart Growth, the strategy must be based upon the same principles as good planning - the orderly development of socially, economically and environmentally sustainable communities and the efficient and effective use of public investments.

Action: The Province must show leadership

Only the Province has the authority and ability to exercise the leadership necessary to effectively address regional planning issues. It is the only body that can mediate the conflicting interests of the individual municipalities making up the GTA and larger Region. In the absence of direct Provincial leadership, the Province of Ontario should mandate some other body with the authority to develop a Regional Growth Strategy and provide ongoing co-ordination of its implementation. City Council in the past has recommended that the GTSB be that body. While the announced elimination of the GTSB is unfortunate, the desire to create regional Smart Growth Management Councils may be an opportunity to establish the desired body. Whether that body can serve in this function it is too early to say because the Province still needs to define its structure and mandate.

Action: Make Legislative Changes to Manage Growth

Once a Regional Growth Strategy is complete implementation will entail timely and appropriate changes at the Provincial level in the Planning and Municipal Acts, the Oak Ridges Moraine Protection Act and revisions to the Provincial Policy Statement and at the municipal level revisions to Official Plans, Zoning Bylaws and related long range planning documents. The legislative amendments must be strong enough to ensure the implementation of the Regional Growth Strategy will not be undermined by piecemeal expansion of designated urban growth areas. The Provincial interest in controlling urban sprawl and in protecting significant natural heritage features and prime agricultural lands must be clearly stated in the Planning Act and Provincial Policy Statement, in order to provide municipalities with the strength to direct growth into designated urban areas and create an urban structure, in terms of land use mix and density that supports public transit.

Action: Promote Advantages of a Compact Urban Form

One of the strongest and most consistent arguments that is made for the type of urban development that has and continues to occur is market demand. The argument is that people expect and demand the automobile oriented, low density housing, regional shopping centres and single use employment areas that has fuelled much of North America’s urban sprawl. There is a need for a concerted effort to promote the advantages of a more compact urban form and less reliance on the use of the private automobile. Municipalities do not have the resources to lead or fund a campaign of this type, it must be led by the Province.
Goal: Invest in Cities

Action: Create New Stable Forms of Funding for Municipalities

The Association of Municipalities of Ontario in its position paper on Smart Growth and the Federation of Canadian Municipalities in its paper entitled, “Early Warning: Will Canadian Cities Compete?” have clearly articulated that forcing municipalities to rely primarily on the property tax base and user fees for funding is an unsustainable model. These two sources are not sufficient to meet the current and future needs for delivery of services, renewal of urban infrastructure and support actions to attract and direct growth. The Governments of Ontario and Canada must realize that the success of Smart Growth in the United States is due in part to the significant provision of funding from Federal and State Governments.

While the dedication of funds from the Province of Ontario’s Superbuild Fund and the announced provincial funds for public transit and the promised investments in Toronto’s Waterfront by both levels of government are recognized, Toronto and all municipalities need increased and stable levels of funding over and above property taxes.

There are many different options available to the Provincial and Federal Governments to create new and dedicated sources of funding for municipalities. One example, which has already been promoted by the City of Toronto, is the transfer of a dedicated portion of gasoline tax revenues to fund transit services. Another possibility would be to dedicate a portion of the business taxes collected in a community to that community for specific renewal initiatives. Whatever approach is taken, the upper levels of Government must recognize that Toronto and Region produces the majority of Canada’s GNP and without significant investments, Canada’s and Ontario’s economy will suffer in the future.

Goal: Municipalities Need New Tools to Foster and Manage Growth

Action: Land Use Planning Tools to Foster Growth within the Designated Urban Area

The Regional Planning Commissioners of Ontario in their policy paper on Smart Growth, has indicated that if municipalities are to create sustainable communities they need, among other tools, stronger powers to:

- maintain the planned or target development densities and land use mixes within designated urban areas by refusing down-zoning requests; and
- reject proposals for expansion of the urban boundary or changes in the density and land use mix until the time of a comprehensive review of the Official Plan or monitoring shows that growth forecasts and development targets are being met at a faster then expected pace.

In essence there needs to be greater attention and resources focused on redevelopment, intensification, and revitalization. The Province’s initiative to encourage the redevelopment of brownfields is a positive step and in a report to the Policy and Finance Committee staff have recommended how the Province can make this effort an even stronger tool for municipalities. The specific changes needed in the Provincial Policy Statement and the Planning Act to achieve this direction, will be the subject of other reports to Committee and Council.
Action: Give Municipalities New Financial Tools

Research prepared by the Federation of Canadian Municipalities has shown that local governments in the United States and Europe have access to a broader range of financial tools. In comparison to Canadian municipalities, US and European communities can offer various combinations of grants, loans, waived fees, and tax incentives to more aggressively address urban problems ranging from transit provision to a lack of affordable housing. Obviously, in the US and Europe it has been realized that investing in cities means investing in the nation. If Toronto and its neighbours are to compete, it needs access to the range of financial tools available to other major cities/urban regions. In particular, it means giving cities the authority to use a similar collection of smart financing techniques to leverage public money.

Action: Undertake Actions to Encourage More Environmentally Friendly Building Designs

Smart Growth must go beyond just how growth is managed in terms of urban structure and form to include the design and built form of new construction. The GTA and surrounding region is expected to grow by over 3 million people. The energy efficiency, water efficiency, the landscaping, the materials used in construction and much more, of the buildings, factories, and institutions that will house these new residents and jobs will have a large effect environmentally and economically. A significant opportunity exists for the Province to amend appropriate regulations, such as the building code and plumbing code to encourage more environmentally friendly building designs and create new economic spin-offs.

Goal: Offer a Range of Housing Choice

Action: Amend the Development Charges Act

While development charges for housing in the City of Toronto are lower than those found in the surrounding municipalities, the structure of development charges is generally believed to favour lower density development. Generally the current system does not act as a significant incentive for more efficient housing form because higher density developments tend to be overcharged for hard services, while lower density developments are undercharged. Changing the development charge system to one that is based on actual cost pricing would go a long way towards encouraging the construction of a more diverse range of housing stock.

Action: Take Action to Increase the Supply of Affordable Rental Housing

The recently completed City report, “Unlocking the Opportunity for New Rental Housing: A Call to Action”, highlights how the lack of affordable rental housing is having an affect on Toronto’s quality of life and economic well-being. Prepared with the assistance of the City’s Urban Development Roundtable, which includes representatives from all aspects of the housing development industry, this report highlights in a series of recommendations the kinds of actions and policy changes required by both the Federal and Provincial Governments and the City to increase the supply of rental housing. Four of the key recommendations were:
- changing CMHC’s restrictive mortgage insurance criteria;
- amending income tax legislation, the GST, and PST to encourage new rental production and remove inequitable treatment of rental housing;
- allowing municipalities to amend, reduce or waive charges and fees as a tool for encouraging construction of rental housing; and
- undertaking actions to address people’s perceptions of rental housing and thereby eliminate what is often the major roadblock to its construction in many neighbourhoods and communities.

Goal: Create Transportation Systems that Increase the Range of Transportation Choices

Action: Invest and Take Action to Ensure Inter-Regional Transportation Systems Support Smart Growth

The GTA Strategic Transportation Plan prepared by the GTSB was developed upon the basis that improved public transit is fundamental to efficiently serving the growing transportation demands of the GTA. Improved transit services means fewer single occupancy vehicles on the road meaning more efficient movement of goods and people who must make use of the road.

Presently, the Province’s highways are used inefficiently with a preponderance of single occupant vehicles. Buses, which can carry 40 or more times as many people are caught in the same traffic congestion. Giving buses priority on the highway system would improve the attractiveness of this form of transit and create a significant alternative to the single occupant motor vehicle. The Smart Growth Initiative must include a strategy to give priority to transit vehicles on existing roads and expanding transportation choices by providing higher levels of transit service.

The Province of Ontario’s recent commitment to take back the responsibility for operating and funding GO Transit is a significant step towards recognizing that the Province is the only agency with the authority to coordinate inter-regional transportation systems. However, commitments are also needed to support efforts to better coordinate local transit services between municipalities.

Goal: Recognize Toronto’s Unique Situation

Action: Invest in the Renewal and Expansion of Toronto’s Transit Systems

The transit infrastructure that has been built and maintained in Toronto and area over the last forty years has resulted in Toronto having one of the highest rates of transit ridership in North America. Currently the TTC carries over 80% of all transit trips in the GTA. The location and type of rapid transit services provided over the years has shaped the form of the City and has become a key pillar of the City’s liveability and overall quality of life. When developing a strategy for Smart Growth a community should lead with its strengths. The TTC is one of Toronto’s key strengths. Toronto needs transit funding to meet the capital needs of:
- maintaining and renewing existing services;
- meeting the demands that will come with growth; and
- providing new services in select locations to act as a catalyst for redevelopment and intensification.

In the US and Europe both the Federal and State governments make significant financial contributions towards the delivery of public transit. The Province of Ontario has made a commitment to provide $3 billion over 10 years. The Federal Government must now step forward and provide at least an equivalent amount.

Action: Assist Toronto in Addressing the Special Demands of Recent Immigrants

For a variety of reasons, Toronto is the first destination for the majority of new immigrants arriving in Canada. The majority of people moving into the City tend to be young families with very low incomes. This means Toronto faces the challenge of having to provide the majority of services and low cost housing initially required by immigrants arriving in Canada.

While the aspirations and talents brought by new immigrants enriches and benefits our City, the current funding and legislative arrangements put Toronto in a position that no other City in Ontario faces. The strain on various services ranging from schools to support services are large while the demand for low cost, primarily rental housing is, on the demand side of the equation one of the root causes of the current zero vacancy rate. Increased funding is required to assist in meeting the demands for support services, while renewed efforts are required to increase the supply of affordable rental housing.

Conclusions:

The Government of Ontario’s effort to develop a made in Ontario vision of Smart Growth has the potential to significantly change the authorities given to municipalities and provide them with a number of long desired land use planning and financial tools necessary to direct and manage growth. The Smart Growth Initiative is also a timely one for two major reasons. It serves as a vehicle for communicating, once again, to Provincial and Federal Governments the need for a new financial arrangement and for them to invest in Toronto and all major cities of Canada and it can serve as a catalyst for developing a long needed Regional Growth Strategy for the GTA and surrounding region.

This report forms the starting point for the City of Toronto’s involvement in the Province of Ontario’s Smart Growth Initiative and makes recommendations covering the need for stronger growth management, new funding, new land use planning and financial tools and the need to recognize Toronto’s unique circumstances. In order to ensure these recommendations are considered by the Province during the third round of Smart Growth public consultations, this report should be sent to the Minister of Municipal Affairs and Housing and to Ontario’s Smart Growth Secretariat. Also, given that in the United States and Europe, Smart Growth has involved significant Federal funds and investments, this report should also be sent to the Prime Minister’s Task Force on Urban Affairs, which is exploring the Federal Government’s role in urban growth and management. Finally, many of the positions recommended in this report, reflect the positions taken by organizations, such as, AMO, FCM, RPCO and OPPI. This report should be sent to those organizations as reinforcement for their own efforts.
The Province of Ontario’s Smart Growth Initiative will be continuing for some time. While the changes that may occur through this initiative will affect all city operations, there is a strong emphasis on urban growth management and land use planning in the Smart Growth Initiative. This emphasis is reflected in the fact that the Province’s Smart Growth Secretariat is housed in the Ministry of Municipal Affairs and Housing. The Commissioner of Urban Development Services, whose core mandate includes growth management and land use planning, should be directed to continue to monitor the development of the Province’s Smart Growth Initiative and report, when appropriate, to Council on any new recommended positions and how proposed changes may influence City policy, programmes and procedures.

While Council has firmly expressed its desire for the Province to lead or establish a body to lead the development of a Regional Growth Strategy, Council could provide a more detailed position on the type of growth it would like to see occur. Once the study entitled, “City and Regional Strategies for Growth that Protect Countryside and Air Quality”, which is evaluating how the City and larger Region is and could grow is complete, the Commissioner of Urban Development Services will be in a position to recommend an approach for Council’s consideration.

Contact:

Barbara Leonhardt
Director, Policy and Research, City Planning
Tel: (416) 392-8148; Fax: (416) 392-3821
E-mail: bleonha@city.toronto.on.ca