



**STAFF REPORT
ACTION REQUIRED**

**Five Year Review of the Official Plan and Municipal
Comprehensive Review**

Date:	May 10, 2011
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning
Wards:	All
Reference Number:	Pg 11031

SUMMARY

This report informs Planning and Growth Management Committee of the need to undertake a statutory review of the City of Toronto Official Plan commencing in 2011 as required by the Planning Act and the concurrent commencement of a Municipal Comprehensive Review under the Provincial Growth Plan. The report outlines a general work program and a public consultation strategy for the 5 Year Official Plan Review and Municipal Comprehensive Review.

RECOMMENDATIONS

The City Planning Division recommends that:

1. Committee adopt the consultation strategy approach outlined in this report.
2. Staff schedule public open houses/public meetings in different areas of Toronto and roundtable meetings with representatives of key stakeholder groups to consult on aspects of the Official Plan that may need to be revised.
3. Staff report back to Planning and Growth Management Committee on the results of the public consultation.

Financial Impact

The recommendations of this report will have **no** financial impact beyond what has already been approved in the capital budget for 2011 and 2012.

ISSUE BACKGROUND

A municipal Official Plan (OP) is a statutory document that sets out policies and objectives for how much physical growth will occur, where it should occur and how that growth should occur in terms of its social, environmental, economic and built form policies. Municipal by-laws must conform to the municipality's Official Plan.

In 2007, the Ontario Planning Act was amended to require municipalities to review their Official Plan not less frequently than every 5 years after the Plan comes into effect. The City of Toronto Official Plan was adopted by Council in 2002, and brought into force by the Ontario Municipal Board (OMB) in June 2006 after fulsome deliberations at the OMB. The City of Toronto is required under Section 26 of the Planning Act to commence an Official Plan Review by June 2011. The City of Toronto may review any portions of its Official Plan that Council considers need review. However, there are aspects of the Official Plan that the Planning Act requires to be looked at; matters that Council has already referred previously to be part of this Official Plan Review; and issues that will inevitably arise as a result of Committee and Council deliberations and public consultation.

It is important to recognize that this is a review of the existing Official Plan to consider what policies are working, what policies need to be updated, revised or deleted, and what new policies are required to be added. The purpose of this review is not to create a new Official Plan from first principles.

COMMENTS

1. The Growth Strategy of the Official Plan is Working Well

Residential Development and Population Growth on Track to Meet Provincial Growth Plan and Official Plan Targets

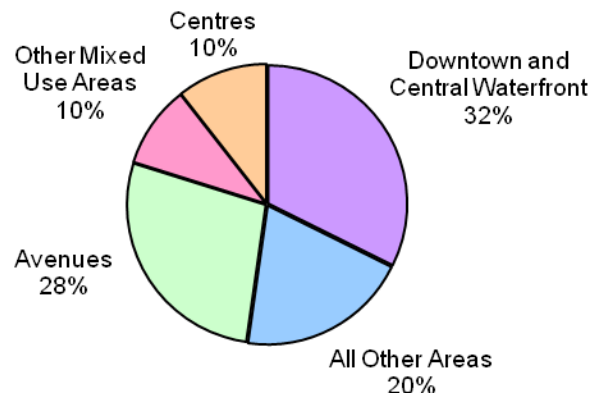
The Official Plan sets out where growth and development is to be directed for the long term, and which areas of the City are to remain relatively physically stable and retain their existing physical character. The Plan provides a framework to accommodate the Provincial targets for Toronto of 3.08 million people and 1.64 million jobs by 2031. The Plan directs the lion's share of growth to the Downtown and Central Waterfront, to the mixed use Centres in Scarborough, North York, Etobicoke and at Yonge / Eglinton, and to the mixed use areas along the Avenues. In addition to the Downtown and Centres, employment growth is anticipated to be located in the Employment Districts. The overall growth strategy is shown on Map 2, Urban Structure to the Official Plan. The statistics that follow are presented in more detail in the Profile Toronto bulletin: "How Does the City Grow?"

The overall residential and population growth strategy of Toronto's Official Plan has been working well over the past five years. The vast majority of residential development since the Official Plan came into effect in June 2006 is occurring in the *Downtown*, the four *Centres*, along the major roads that are identified as *Avenues*, and on other large sites

that are designated as *Mixed Use Areas*. From June 1, 2006 to the end of 2010 there were applications received by the Planning Division for 106,848 residential units, and 80 per cent of those units are located in these priority growth areas and other large sites designated as *Mixed Use Areas*. Of the remaining 20 per cent of residential units that were not in areas identified for residential growth in the Official Plan, some were proposed to be built in *Employment Areas*, partly owing to residential permissions found in prevailing secondary plans and partly due to OMB decisions. Other growth occurred as infill in Apartment Neighbourhoods and Neighbourhoods. Further conversion to residential would not be a common option in the future due to Provincial Growth Plan policies and changes to the Planning Act limiting residential conversion of employment lands.

Construction projects *Downtown* are concentrated and the cranes are a prominent feature of the landscape, while the large amount of development on the *Avenues* is less concentrated and visible but almost as significant. From June 2006 to the end of 2010 there were applications for 246 projects with 29,463 residential units and 661,934 square metres of non-residential gross floor area on *Avenues* spread throughout Toronto. While 32 per cent of residential units applied for between June 2006 and the end of 2010 were in the *Downtown/Waterfront*, 27 per cent were on *Avenues* and a majority of the residential projects on the *Avenues* were mid-rise buildings. The Official Plan recognizes that the build-out of the *Avenues* will be gradual and incremental, and this gradual build-out has certainly commenced in the first five years the Official Plan has been in force. The *Centres* were the location of a further 10 per cent of proposed residential units, most of which were located in the North York Centre and the Scarborough Centre.

Location of Proposed Residential Units



The Official Plan also directs significant growth away from stable low-rise *Neighbourhoods*, and the *Neighbourhood* protection policies have been effective. Council has acted fairly consistently to protect low-rise residential neighbourhoods and the OMB

has generally ruled in the City's favour in its efforts to prevent the intensification and physical transformation of our *Neighbourhoods*.

Not all of the developments approved since the OP came into force in 2006 have been constructed, as City Council has been approving new development at a greater rate than the development industry has been able to construct. Between 2006 and 2010 Canada Mortgage and Housing Corporation reported the completion of 58,217 residential units in the city, about 75% of which are condominium apartments. For the past two years Toronto has represented 40% of all residential completions throughout the GTA, a share not seen since the early 1980s.

Council has approved over 20,000 residential units in each of the past five years, almost double the annual rate of completions. Across the City 84% of the proposed residential units and 67% of the non-residential GFA in the pipeline do not yet have building permits issued. This amounts to 90,000 units and 2.82 million m² of non-residential GFA. Based on housing activity over the past 30 years, this represents about nine years of market demand for residential development. There is more than sufficient potential to house the anticipated population increase, even in the face of declining average household sizes.

The Statistics Canada July 1, 2010 population estimate for Toronto, including under coverage, was 2,720,024 persons. This represents a 4.2 per cent population growth since 2006 and an annual increase of approximately 27,500 people. To reach the Provincial population forecast/target for Toronto, we would only have to add, on average, approximately 17,000 people a year between 2010 and 2031.

There has been no shortage of residential development approvals in the past five years and most development is going exactly where the Official Plan directs it to. The population growth since 2006 has continued to place Toronto ahead of the curve in meeting the population targets in the Provincial Growth Plan and our Official Plan, and there are more than enough residential development approvals to continue to house that population increase.

Non-residential Development and Resurgent Office Market Provide Foundation for Employment Growth

Progress toward the employment target of the Growth Plan and Official Plan can only be measured by results from the Census long-form questionnaire. The cancellation of the Census long-form and replacement with a voluntary National Household Survey will have a significant effect on our understanding of where people work, how they get there on a daily basis, and what kinds of work they do. At any rate, the results of the 2011 National Household Survey place-of-work question will not likely be available until 2013/14, so we can only comment on progress toward the employment target by looking at the 2006 Census results and by looking for trend lines from the city's own annual survey of employers. The latter does not count people who work from home or who have no usual place of work.

In 2006 Toronto had 1.47 million jobs, an increase of 38,000 over 2001. This was a period of slower growth compared with the latter half of the 1990s which saw an increase of 139,000 jobs from 1996 (the base year of forecasts for the Official Plan) to 2001. To reach the Growth Plan target of 1.64 million jobs by 2031 Toronto will need to add about 6800 new jobs each year over the long run. In the ten years between 1996 and 2006 Toronto added an average of 17,700 jobs each year, although this does not include the recessions that occurred both before and after this time frame. If we look at the five year interval of 2001-2006, an average of 7700 jobs were added each year. When we look at the more limited coverage of the annual Toronto Employment Survey, there has been a modest increase in jobs of 35,900 between 2005 and 2010, an average of 7180 jobs per year. During this time employment peaked at 1.31 million jobs in 2008 and declined slightly with the most recent recession, but has grown each of the past two years. While employment will rise and fall with economic cycles, the Toronto Employment Survey shows growth, on average, of more than 10,000 jobs per year since 1996. The City is on track to meet the Growth Plan target of 1.64 million jobs by 2031.

Despite the sluggish economy, Toronto has remained an attractive place for start-up and relocated businesses with 27,280 new businesses, over a third of all businesses, established since 2005.

Over the past five years we have experienced an increase of 51,000 jobs in the office sector, 17,000 jobs in the institutional sector and 8,000 jobs in the service sector that counterbalance losses of 33,000 jobs in manufacturing/warehousing and 8,000 jobs in retailing. The diversity and balance of the economy has remained a unique Toronto strength.

The Official Plan policy of directing growth to the *Downtown, Centres, Avenues* and *Employment Districts* has been generally successful. In the *Downtown* and *Centres*, that are well-served by rapid transit, employment has increased by 54,200 jobs, or an 11.9 per cent increase, while employment in the rest of the City decreased by 18,100 jobs. There is evidence of new economic activity on the *Avenues* in the form of applications since June 2006 for 661,696 square metres of non-residential gross floor area.

The City's designated employment areas, over 90 per cent of which are in *Employment Districts*, are still a very important element of Toronto's economy and tax base with concentrations of manufacturing, warehousing and office uses. Although the number of firms in Toronto's 17 *Employment Districts* has increased, the actual employment has decreased by 28,060 jobs, or 7.3 per cent, since 2005. Most of this employment decrease took place in the manufacturing/warehousing sector. In 2010, there were approximately 355,900 jobs in the 17 *Employment Districts* and another 31,477 jobs in Employment Areas outside of the 17 large Employment Districts. Toronto's *Employment Districts* still contain 27 per cent of the jobs in Toronto, and house important sectors of the local economy, such as manufacturing and warehousing that are not permitted in other areas of the City. There continues to be significant private investment in the City's *Employment*

Districts, since 40% of the non-residential floor space proposed in applications between June 1, 2006 and the end of 2010 were in Toronto's *Employment Districts*.

The employment policies and designations of the Official Plan encourage and promote economic activity by providing a range of opportunities for development that will add to the city's assessment base and provide for jobs. These opportunities are diverse and found in mixed use and institutional locations as well as in areas designated employment area.

As the economy continues to change, the setting for where we work changes. There are more than sufficient opportunities for development that would house firms and jobs in office buildings or the growing, broader institutional sector (universities, colleges and hospitals). There are also significant opportunities for retail development. Even in this dynamic economy in a rich, dense urban setting, certain business activity cannot co-locate with residential activity. There is still a need to protect development sites for such business activity, regardless of the number of jobs housed therein. The Official Plan Review will examine all these needs and prospects to:

- Ensure lands are available in the right locations and lot sizes to accommodate future growth in the office sector, institutional, manufacturing and warehousing sector and the retail sector;
- Protect sufficient lands in employment areas to accommodate growth in employment, and retention of lands for businesses that are permitted only in employment areas;
- Prevent sensitive residential land uses from locating close to industries whose operations may be affected; and
- Provide policies that work together with Council's economic development initiatives to support Toronto's overall economic competitiveness and growth.

a) *Challenges Where Little Development is Taking Place Within Toronto*

The goal of an Official Plan, as set out in the Planning Act, is to direct and manage physical change and its effects on the social, economic and natural environment of a municipality. The Official Plan is working well in directing transit-supportive change to the *Downtown, Centres, Avenues*, and other large sites designated as *Mixed Use Areas* while maintaining the existing physical character of low-rise *Neighbourhoods*. However, as recent studies by the University of Toronto Cities Centre, 'The Three Cities Within Toronto', and the United Way, 'Poverty by Postal Code', have illustrated there are areas of Toronto where less development is occurring whose occupants face significant income, social and health challenges. With little private investment in these areas and with real fiscal constraints on civic investment in transit, affordable housing and services for these districts, the income polarization of the City may continue to advance. While the Official Plan growth strategy is working well, it is not the right tool to deal with poverty issues in areas with little growth and investment. There is a need for the City to also focus on lower income areas where growth is not occurring, regardless of the Official Plan designation.

2. The Official Plan Review

Matters that are Required to be Included in the Official Plan Review

Section 26 of the Planning Act requires that certain matters be included in a review of a municipality's Official Plan. The City is required to revise the Official Plan to ensure that it conforms with Provincial Plans, has regard for matters of Provincial interest, and is consistent with Provincial Policy Statements. This Official Plan Review will therefore have to ensure that Toronto's Official Plan conforms to the Provincial Growth Plan for the Greater Golden Horseshoe, the Rouge Plan, the Green Belt Plan and the Regional Transportation Plan. The City's OPA 72, designed to bring the existing Official Plan into conformity with the Growth Plan was appealed to the OMB and is currently before the Divisional Court on a technical matter. Minor amendments to the Official Plan may be needed to implement the Rouge Plan and the Green Belt Plan. The Regional Transportation Plan requires the City to identify mobility hubs where rapid transit lines meet and include intensification policies for them in the Official Plan and to identify regional rapid transit corridors as 'intensification corridors' in the Official Plan. The Official Plan Review will also review growth patterns in the City and put the City on course to meet Provincial targets of 3.08 million people and 1.64 million jobs by 2031.

Section 26 of the Planning Act also requires that the City review its Official Plan policies dealing with areas of employment, including the designation of lands as areas of employment and the removal of land from areas of employment. Staff have commenced a review of these areas. At its May 6, 2009 meeting Planning and Growth Management Committee requested the Chief Planner to review policies 4.6.1, 4.6.2 and 4.6.3 and assess the impact of these policies on the prime economic function of employment areas. The Chief Planner reported back to Planning and Growth Management Committee in May 2010 with possible amendments to policies 4.6.1, 4.6.2 and 4.6.3 dealing with permitted uses in *Employment Areas* and obtained instruction from Committee to undertake community consultation on these proposals. In the fall of 2010 staff held two public open houses and a number of stakeholder meetings on these proposals. However, as the statutory review of employment policies and designations is now taking place those matters are being incorporated into the Official Plan Review and Municipal Comprehensive Review.

Municipal Comprehensive Review of Employment lands To Be Done Concurrently with the 5 Year Review of the Official Plan

The *Provincial Growth Plan for the Greater Golden Horseshoe*, which also came into effect in June 2006, states that municipalities may permit the conversion of lands within employment areas to non-employment uses only through a 'Municipal Comprehensive Review' where the following key criteria are met:

- The municipality will meet the Province's employment forecasts
- There is a need for the conversion

- The conversion will not adversely affect the viability of the Employment Area
- The infrastructure is there to support the conversion
- The lands are not needed in the long-term for employment uses.

Council may authorize a Municipal Comprehensive Review at any time, independent of the statutory review of the municipal Official Plan. Since the City of Toronto is required under the Planning Act to begin a 5 Year Review of its Official Plan, including a review of policies and designations for employment lands, by June 2011, the Municipal Comprehensive Review for areas of employment referred to in the Provincial Growth Plan is being undertaken concurrently with the 5 Year Review of the Official Plan required under the Planning Act.

Matters Council has already Referred to be Part of the Review of the Official Plan

In 2009 and 2010 Toronto City Council referred a number of civic policy initiatives to the 5 Year Review of the Official Plan for their consideration and/or implementation.

These matters include:

- The implementation of key elements of the Avenues and Mid-rise Buildings Study
- Implementation of elements of the Tower Renewal Program
- Policies to encourage the development of units for households with children in the Downtown
- Elements of the Climate Change Plan and the Sustainable Energy Program
- Strategies to advance infrastructure requirements and deployment of electric vehicles.

Policy Areas Where the Official Plan Needs Updating

There are some aspects of the Official Plan that are out-of-date and no longer respond to the legislative context and/or civic needs. There is one instance where an entire section of the Official Plan needs to be revised. The policies for the preservation of cultural heritage resources were drafted in 2000 as part of a broad consultation with the heritage community and adopted by Council in 2002, and reflect the relatively weak powers of municipalities in Ontario to conserve heritage resources at that time. The Ontario Heritage Act of 2005 created different instruments and powers for the conservation of heritage resources, and the current Official Plan heritage policies do not reflect the City's enhanced tools and powers to conserve heritage resources. A full review of the heritage policies of the OP is to be undertaken in consultation with the heritage community and general public.

There are numerous other instances where an individual policy or map needs updating to reflect changed legislation or 'facts on the ground'. For example, the mapping of existing city parks needs to be updated to show new parks and the mapping of environmentally significant areas needs to show areas identified as environmentally significant in field work over the past five years.

Policy Areas Where Need for Review Arises from Consultations

Staff have commenced a review of areas of the Official Plan policies to determine where the policies may be strengthened or clarified to ensure it clearly reflects Council's policy intent. Other areas of Official Plan policy review will almost certainly arise from the stakeholder roundtables and the Open Houses/Public Meetings recommended to take place in Fall 2011.

3. Public Consultation Strategy

There are three basic elements to the public consultation strategy for the 5 Year Review of the Official Plan and Municipal Comprehensive Review to be launched in September 2011: online consultation, roundtable meetings of key stakeholders and a series of six open houses/public meetings held in different parts of Toronto. It is intended that staff will retain a consultant to assist in the public consultation.

We are proposing to hold six well-advertised open houses/public meetings beginning in September 2011, one in each of the North York Civic Centre, the Etobicoke Civic Centre, the Scarborough Civic Centre, the former York Civic Centre, Metro Hall, and the former East York Civic Centre. The purpose of the meetings will be to give information about growth trends in Toronto and to elicit comments from Torontonians on which aspects of the Official Plan are working and which need to be reviewed, deleted or enhanced.

Also commencing in September 2011, staff are proposing to hold roundtable discussions with different interest groups representing industry, residents and ratepayers associations, the land development industry, civic improvement associations, urban design/architectural associations, and housing providers. As part of the review of heritage policies, a heritage advisory group will also be constituted from representatives of key groups involved in heritage resource conservation to help guide the revision of the Official Plan heritage policies. Following the completion of the Open Houses and stakeholder roundtable meetings, Planning Staff will report to Planning and Growth Management Committee on issues raised during this public consultation.

Many Torontonians lead busy lives with family responsibilities and cannot attend public meetings. We are therefore going to provide an opportunity for online consultation. A special web page within the City's website will be created that will have all background reports and public presentations available as well as an opportunity to comment to staff on aspects of the Official Plan.

Section 26 of the Planning Act contains special public consultation requirements that apply to the required review of the Official Plan. Before adopting amendments arising from the review, a special meeting of Council is required that is open to the public. Notification of that meeting has to be published at least once a week in two separate weeks at least 30 days before the special meeting. Council has to have regard to any

written submissions about what revisions may be required to the Plan, and give any person who attends the special meeting of Council an opportunity to be heard.

4. Resources and Timing

The 5 Year Review of the Official Plan and Municipal Comprehensive Review will be undertaken with existing staff resources within the City Planning Division. There are several specific areas where a paucity of staff resources or the need for specific expertise will require the hiring of outside consultants through a Request for Proposals (RFP). An RFP has already been issued for the hiring of heritage consultants to undertake the review of Official Plan policies for the conservation of cultural heritage resources, given the current heavy workload on the Heritage Preservation Services staff. A more limited RFP is intended to be issued to hire consultants to assist with the public consultation process.

City Planning Division staff have commenced background work on some of the aspects of the 5 Year Official Plan Review that are required to be undertaken by the Planning Act. Background research on the growth patterns within Toronto and employment trends has been completed and is submitted to Planning and Growth Management Committee in a separate report. Staff of the City Planning Division and Economic Development and Tourism Division have already begun the work of assessing the policies and designations for employment lands. The public consultation is proposed to begin in September 2011 and the open houses and roundtable discussions are proposed to take place in September and October 2011. The current timetable calls for any amendments to the Official Plan to be considered by Council prior to the end of 2012.

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