



STAFF REPORT ACTION REQUIRED

Proposed Amendment 2 to the Growth Plan for the Greater Golden Horseshoe

Date:	January 4, 2013
To:	Planning and Growth Management Committee
From:	Chief Planner and Executive Director, City Planning Division
Wards:	All
Reference Number:	P:\2013\Cluster B\PLN\PGMC\PG13006

SUMMARY

The Ministry of Infrastructure is undertaking a review of the population and employment forecasts reflected in Schedule 3 of the Growth Plan for the Greater Golden Horseshoe. A draft Proposed Amendment 2 to the Growth Plan including revised forecasts was released in November 2012. Public consultation is taking place until February 8, 2013. If approved, the Amendment would come into force early in 2013.

The Proposed Amendment anticipates more population growth than was previously anticipated, although household growth will be within the range of what was anticipated in earlier forecasts. The proposed employment growth is in line with recent trends.

City Planning staff are currently undertaking a review of the Official Plan. This report identifies some methodological concerns with the revised forecasts. City Planning staff continue to consult with the Ministry on these issues. The Chief Planner and Executive Director of City Planning will submit a letter with concerns and comments on the Proposed Amendment to the Ministry of Infrastructure during the consultation period.

RECOMMENDATIONS

The City Planning Division recommends that:

1. The Planning and Growth Management Committee receive this report for its information.

Financial Impact

There are no financial implications arising from this report.

DECISION HISTORY

This report provides an update on the implications of Proposed Amendment 2 to the Growth Plan, intended to introduce new population and employment forecasts. The City Planning Division originally introduced this issue to the Planning and Growth Management Committee on October 12, 2012. The staff report, *Growth Plan Forecast Review*, is located at <http://www.toronto.ca/legdocs/mmis/2012/pg/bgrd/backgroundfile-50554.pdf>.

ISSUE BACKGROUND

In June 2006, the Provincial Growth Plan for the Greater Golden Horseshoe (“the Growth Plan”) came into effect, under the authority of the *Places to Grow Act, 2005*. The Growth Plan provides growth management policy direction and its underlying legislation requires that all decisions by planning authorities within the Greater Golden Horseshoe conform to the policies and intent of the Growth Plan.

The *Places to Grow Act, 2005* requires that affected official plans be brought into conformity with the Growth Plan and the Plan requires that municipal official plans have regard for the population and employment forecasts in its Schedule 3. The Growth Plan requires that the Ministry review the forecasts at least every five years in consultation with municipalities, and the Ministry may revise the forecasts.

The *Provincial Policy Statement, 2005* requires that municipalities make available land for urban development to accommodate the needs of the growth forecast for up to 20 years. The Growth Plan currently has a forecast horizon to 2031, which is less than 20 years away. Consequently, the Ministry of Infrastructure has reviewed the growth forecasts in Schedule 3 and has issued Proposed Amendment 2 for public consultation. The Proposed Amendment extends the Growth Plan's horizon from 2031 to 2041 and includes a new Schedule 3 with revised forecasts to replace the existing Schedule.

COMMENTS

The Proposed Forecasts

The new Schedule 3 in Proposed Amendment 2 contains population and employment forecasts for upper- and single-tier municipalities of the Greater Golden Horseshoe. The following table contains the proposed forecasts for the City of Toronto.

Growth Plan Proposed Amendment 2 Forecasts for the City of Toronto

(000s)	2031	2036	2041
Population	3,080	3,300	3,400
Employment	1,640	1,680	1,720

The 2031 figures are unchanged from the existing Schedule 3. The Minister is proposing to maintain the 2031 forecasts to ensure the continuity of the work that municipalities have undertaken to bring their official plans into conformity with the existing forecasts.

If the Proposed Amendment is adopted, the forecasts for 2036 and 2041 would be new to the Growth Plan. The former 2001 base year and the prior forecasts for 2011 and 2021 do not appear in the proposed Schedule 3. This would enable each municipality to

determine for itself the growth trajectory that best suits its demographic and economic trends, land availability, development capacity and infrastructure investments to accommodate the forecasted growth in the long term.

Comparing the Forecasts

The forecasts in the current Schedule 3 are based on the “Compact” growth scenario in the supporting technical report prepared by Hemson Consulting Ltd in 2005. Whereas the current Schedule 3 was based on the 2001 Census, the proposed Schedule 3 is primarily based on 2006 Census data and the parameters developed for *Ontario’s Long-Term Report on the Economy* by the Ministry of Finance, released in 2010. The revised forecasts anticipate that the City will grow faster than was anticipated in the 2005 forecast, by 23.6% to 2031 instead of 18.9%. The population and household forecasts remain in line with the City’s earlier projections.

The City of Toronto's Projections and the Provincial Forecast Scenarios to 2031

2031	Flashforward (2002) ²		Growth Outlook for the GGH (2005) ³			GGH Growth Forecasts to 2041 (2012) ⁴		
	(000s)	Base	Max	Current Trends	Compact	More Compact	Low	Ref
Population	3,000 ⁵	3,383 ⁵	3,000	3,080	3,140	3,014	3,193	3,380
Households	1,144	1,319	1,240	1,270	1,280		1,262	
Employment	1,835		1,620	1,640	1,670	1,601	1,640	1,730

Notes:

- 1) Population figures are adjusted for Census undercoverage.
- 2) Source: City of Toronto, City Planning Division (2002) *Flashforward: Projecting Population and Employment to 2031 in a Mature Urban Area*.
- 3) Source: Hemson Consulting Ltd (2005) *Growth Outlook for the Greater Golden Horseshoe*.
- 4) Source: Hemson Consulting Ltd (2012) *Greater Golden Horseshoe Growth Forecasts to 2041*.
- 5) Using a 1996 Census undercoverage rate of 3.27%. The 2006 rate for the Toronto CMA is 4.94%.

Population Growth is On Track with the Forecasts

The City’s population is on track with the population forecast now in the Growth Plan. The Growth Plan anticipated a 2011 population including Census undercoverage of 2,760,000. The City’s 2011 Census population is reported as 2,615,060. Given that the Census undercounts the City’s population, the City’s estimated actual population in 2011 is 2,744,000 ± 15,000. This is very close to the level anticipated by the Growth Plan.

The Growth Plan forecasts population growth of 320,000 over the 20 years between 2011 and 2031, an average of 16,000 per year. The Proposed Amendment forecasts a 2041 population of 3,400,000, an average growth of 21,500 per year after 2011. In 2006, the City’s estimated population including undercoverage was 2,627,000 ± 14,000, and in the next five years the City’s population increased by 117,000 people or an average of 23,400 people per year. Toronto is well on its way to reaching the 2031 population forecast in the Growth Plan, and is on track to achieve the proposed 2041 population forecast.

Housing Growth is On Track with the Forecasts

Toronto’s housing growth is also on track with the household forecasts supporting the

population forecast in the Growth Plan, and with the revised forecast supporting Proposed Amendment 2. The 2005 forecast anticipates that 322,000 housing units will be required to accommodate the forecasted population growth between 2001 and 2031. The Canada Mortgage and Housing Corporation (CMHC) reported that 127,500 units were built between 2001 and 2011. This is 40% of the required units and leaves a balance of 194,500 units to achieve that forecast. In the five years from 2007 to 2011 inclusive, the City received 1,871 development proposals representing 151,900 units. Of these, about 80,100 units are approved or have building permits issued. This represents a further 25% of the required units. Together, this is almost two-thirds of the units required to accommodate the forecasted population by 2031 with 18 years remaining in that forecast period. Of the balance of 194,000 units anticipated to be required after 2011, over forty percent of the units are either already approved or have building permits issued. Toronto is well on its way to housing the population forecasted by the *Growth Plan* to 2031.

The revised forecast anticipates that the average number of persons per household will be higher than previously expected, so that despite the higher population forecast, the number of dwelling units required to accommodate that population by 2031 will be slightly lower than the current forecast.

The Proposed Employment Forecast Reflects Current Trends

The employment forecast in Proposed Amendment 2 anticipates an annual employment growth rate of 0.6% from 2011 to 2021, declining to 0.2% in the next decade and 0.3% between 2031 and 2041. Results from the Toronto Employment Survey show that employment in Toronto has grown annually at a rate of 0.6% from 2006 to 2011, and at an annual rate of 0.2% between 2001 and 2011. The Employment Survey collects data from all 74,600 business establishments in the City. It does not capture all employment because it does not capture work at home nor all jobs with no usual place of work, and these are growing components of total employment. Given these recent employment trends and that the counts are conservative, the proposed employment forecast is in line with recently achieved employment growth.

Timing of the Amendment versus the Census and National Household Survey

The bulk of the Provincial forecasting work was conducted using 2006 Census data. The 2011 Census counts of households and dwelling types were released in September 2012, after the large majority of the forecasting work had been completed. The Ministry reviewed these 2011 Census results upon their release. However, Statistics Canada will not release the undercoverage rates for the 2011 Census until 2013. The undercoverage rate used in the revised forecasts is 4.02% which is considerably less than the 4.94% reported by Statistics Canada for the Toronto Census Metropolitan Area for 2006. This introduces a source of error into the population forecasts, as they are based on slightly less accurate population estimates that will tend to undercount the City's population and its growth.

Counts of employment by place of work were previously a product of the now-discontinued long-form Census. The 2011 counts will not be available until the release of results from the new voluntary National Household Survey, scheduled for June 2013.

Consequently, the revised employment forecasts are based on 2006 Census data. Given the growth in the City's employment over the past five years, the absence of current data represents a serious weakness of the revised employment forecasts.

Next Steps

Official Plan Review and Municipal Comprehensive Review

The City Planning Division is conducting a Five-Year Review of the Official Plan as required by the *Planning Act*. Concurrently, a Municipal Comprehensive Review is being undertaken in order to bring the Official Plan into conformity with the Growth Plan. The City's small-area population projections are being reviewed as part of this exercise, with regard for the Growth Plan forecasts. The transition provisions in the Proposed Amendment do not clearly define whether or not these reviews, the results of which are not yet before Council, are considered "in progress". Ministry staff have suggested that only matters adopted by Council will be considered to be "in progress" for the purposes of the legislation.

The *Places to Grow Act, 2005* requires that an official plan be brought into conformity with a growth plan within three years of the growth plan or its amendment coming into effect. The Minister of Infrastructure is proposing to set an alternate conformity date so that municipalities can coordinate their conformity with their next scheduled review of their official plans. If the Growth Plan is amended prior to adoption of any Official Plan Amendments with regards to the Municipal Comprehensive Review and if this review is not considered to be "in progress" at the time the Growth Plan is amended, then the Official Plan would need to be brought into conformity within the following three years.

Comments to the Ministry

The Minister will accept comments on the Proposed Amendment until February 8, 2013. City Planning staff will continue to report on the status and impact of the Proposed Amendment throughout the Provincial review.

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SIGNATURE

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