

ERO 025-0844 - Proposed Updates to the Projection Methodology Guideline to support the implementation of the Provincial Planning Statement, 2024

ERO 025-0844 Policy Changes	
PREFACE	
Question	Comments
<p>Each scenario could include a background narrative with hypothetical local conditions to illustrate step-by-step how different municipalities would follow and implement the guidance. The scenarios could illustrate how the proposed guidance is applicable to a range of considerations. If there are any specific matters you would like addressed or better explained through case study scenarios, please include the specifics of what would be most helpful.</p>	<ul style="list-style-type: none"> • Overall, staff support a Projection Methodology Guideline that provides flexibility to municipalities to adjust their population, household and employment forecasts based on local conditions and the most up to date information available. Staff are supportive of a policy driven approach in forecasting future land needs. This in turn would allow local municipalities to determine whether they want to implement more transformational urban growth strategies rather than repeating growth patterns from previous decades. • Staff suggest that the draft guidelines speak to municipalities identifying potential growth areas beyond a 30 year planning horizon (e.g. preferred growth areas). • Staff recommends that the guidelines provide a case study scenario with elevated intensification growth strategies to reflect municipalities that are constrained from outward expansions due to the Greenbelt Plan and/or need to preserve prime agricultural areas.

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Chapter 1: INTRODUCTION	
Question	Comments
<p>This chapter defines the structure of the document, provides policy context from the PPS, and provides the guiding principles as well as the considerations which inform the new methodology.</p>	<ul style="list-style-type: none"> • Staff recommend that a statement be provided under the guiding principles section on page 4 stating that all four principles must be considered and balanced in applying the guidelines. The PPS and Provincial Plans (e.g. Growth Plan, Niagara Escarpment Plan) provide a policy driven land use framework that constrain outward urban expansions to protect prime agricultural areas and natural heritage areas which cannot be 'avoided' in planning for growth. • Page 5 - Staff are supportive of the guidance to consider the timing of 'major' updates issued by the Ministry of Finance. • Page 5 - Staff are supportive of the distinction made between a projection and a forecast. It is helpful in communicating the difference to the community.
Chapter 2: ESTABLISHING MUNICIPAL POPULATION PROJECTIONS	
<p>This chapter details two methods of obtaining a municipality's projected upper and lower bounds of growth: take the municipality's percentage of a census division's population and divide the CD's projected growth by that, and determine the municipality's share of growth for 5 of the previous 10 years then divide the projected CD's growth accordingly. The chapter states that these projections should then be divided into age cohorts.</p>	<ul style="list-style-type: none"> • As the City of Hamilton is located entirely within a single Census Division, staff do not have comments on Step 1: obtaining and determining municipal projections. • Page 11 - Staff are supportive of applying a local context in supplementing Ministry of Finance projections. Staff recommend that the Guideline document reference Provincial Policies and Plans as being another factor that is not considered in Ministry of Finance population projections. Specifically Provincial policies supporting the preservation of Prime Agricultural Areas and the Greenbelt Plan which restricts outward urban expansions (78.4 of the City of Hamilton is located within the Greenbelt Area)
Chapter 3: DEVELOPING HOUSING NEEDS FORECASTS	

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<p>This chapter describes how to calculate housing needs by using projected age cohort growth to determine household formation then adjusting for factors like suppressed household formation, supply and demand, and intensification targets. The result should be used to calculate land needs.</p>	<ul style="list-style-type: none">• Page 20 (suppressed household formation) - Staff recommend that the comparison with other comparable municipalities go both ways (e.g. it can be adjusted upwards or downwards in comparison to other similar municipalities).• Page 20 (suppressed household formation) - Staff recommend guidance be provided on how municipalities could calculate suppressed housing formation. One option is to include example calculations in the proposed case study scenarios.• Page 21 (target vacancy rates to achieve market balance) - Staff request clarification in the Guidelines if this is referring to just purpose built rental or also includes the secondary rental market.• Page 21 (housing options and affordability) - Staff recommend that Additional Dwelling Units should also be listed in this section as a consideration when establishing minimum targets for provisions of different housing segments. Staff recognize that the definition of housing options include additional dwelling units but recommend that this specific form of housing be emphasized more in the guidelines.• Page 21 (housing options and affordability) - Staff support the guidance to allow adjustments relative to affordability and housing options. Additional guidance / clarification is requested in the document on how to reconcile this consideration with suppressed household formation.• Page 21 (market contingency factor) - Staff support guidance that factors in the market contingency factors but are of the opinion that these factors can result in forecasted housing needs being pushed downwards as well as upwards depending on the circumstances. In addition, staff do not view changes in land use planning or other legislation or regulations as being an 'unusual event'. Building on other comments, staff recommend the document speak to how municipalities are to consider existing Provincial land use policies (including Provincial Plans) which impact the availability and
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	<p>intensity in which lands are to be developed. Specifically, the Greenbelt Plan and Provincial polices that support the protection of prime agricultural areas and natural features. Staff note that Provincial policies encouraging intensification within Major Transit Station Areas and Strategic Growth Areas have been referenced.</p> <ul style="list-style-type: none">• Page 23 (Considerations) - Staff support considering housing units that are in the land use approval process in its land needs assessment. Additional clarity is recommended on where in the land use approval process a development should be to be considered (e.g. does it require Draft Plan of Subdivision Approval and/or Conditional Site Plan Approval?).• Page 25 (recommended approach for intensification targets) - Staff recommend that Provincial Plans (e.g. Greenbelt Plan) should be listed as a local condition which is considered when the City is establishing its intensification rate. Beyond this, staff recommend the guidance also take into consideration the total amount of land potentially available for urban expansion within a municipality based on Provincial policy and plans (e.g. White Belt area) and recognize that where this area is limited, municipalities should consider the long-term implications (e.g. beyond 30 years) of expansion when establishing its intensification targets.• Page 25 (recommended approach for intensification targets) - Staff suggest additional guidance be provided as to what is meant by market demand and recommend this be incorporated into the proposed test case scenarios. Specifically, with Hamilton being part of the broader Greater Toronto Hamilton Area (GTHA) what scale of market area is being referred to?• Page 25 (considerations) - A boarder challenge that the City of Hamilton will face when establishing its Intensification Rate through its next Official Plan review is how to consider active and potential privately initiated urban boundary expansion applications which, if approved by City Council or the Ontario Land Tribunal may have a
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	<p>significant impact on the City’s ability to meet its intensification target over the Official Plan planning horizon. Staff recommend that the guidance be updated to at least acknowledge the impact of privately initiated expansion applications on the City’s intensification target and suggest that guidance be included in whether and/or how to consider both potential and active expansion applications.</p>
<p>Chapter 4: DEVELOPING EMPLOYMENT FORECASTS</p>	
<p>This chapter describes how to forecast employment needs by obtaining an employment to population ratio then applying this to population forecasts. This is then adjusted to account for the different land needs of different types of employment such as rural employment or intensification to determine land needs.</p>	<ul style="list-style-type: none"> • Page 33-34 - The description of the three employment types (General, Employment Land and Rural) is helpful and staff are supportive of the guidance that additional sub-categories may be used to reflect local conditions. • Page 34 (considerations) - Staff recommend that the use of North American Industry Classification System also be provided as an option that municipalities may use to classify types of employment. • Page 37 (considerations) - Staff recommend the guidance acknowledge that what constitutes a ‘Major Office’ is determined in the local Official Plan. The scale of what constitutes a ‘Major Office’ may differ from municipality to municipality based on their size. • Page 37 (consideration) - Staff support the emphasises placed on intensification of vacant or underutilized employment areas in the Guidance document. • Page 37 (consideration) - In addition to recognizing the automation of some warehouse and logistics uses decreasing the number of jobs but that these uses still must be located in employment areas, staff suggest referencing the PPS policy directing these uses in close proximity to major goods movement facilities and corridors.
<p>Chapter 5: LAND NEEDS ASSESSMENT</p>	

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This chapter describes two methods to obtain a land needs assessment: using prior obtained forecasts for an overall persons-per-unit measure at a targeted density, and using different density targets for different housing and employment types. It encourages both to be used and allows for a simplified third method in municipalities too small to obtain detailed calculations.

- Page 41 (recommended approach) - Staff recommend that one of the test case scenarios includes a situation where there is a mix and match of components.
- Page 42 (recommended approach) - Building on other comments, staff recommend guidance also be provided with respect to in process privately initiated urban boundary expansion proposals in determining land needs.
- Page 42 (recommended approach) - In response to the commentary that “ There may be lands within settlement areas that are not able or anticipated to be developed by the horizon for a range of policy reasons or market conditions. Municipalities should compensate for these lands to ensure there is sufficient land to the horizon”. Is the horizon referred to the 15 year time horizon under the Provincial Planning Statement of the full time horizon of the Official Plan?
- Page 49 (consideration) - With respect to the commentary on inter-municipal collaboration, staff seek clarification on whether this is just referring to other municipalities within the same Census Division? Staff recommend this be clarified to include municipalities within adjacent Census Divisions.
- Page 49 (Comparing the land needs assessment methods) - Staff recommend that Method 2 be modified to allow municipalities to use either Floor Space Index (FSI) or jobs per hectare density calculation for employment. Jobs per hectare is aligned with existing Provincial Policies (including MTSA’s) and for some municipalities has been how job density is calculated.

Chapter 6: IMPLEMENTATION

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<p>This chapter describes best practices for conducting projections, including keeping documentation of all actions, coordinating with other municipalities, and using the land needs assessment to achieve the PPS, 2024 requirements.</p>	<ul style="list-style-type: none"> • The proposed methodology has two central components: forecasting and land needs assessment. Staff recommend that an optional step be included in the methodology where municipalities can first send their forecasting (including all supporting documentation) to confirm that MMAH agrees with the forecasts, then proceed with the Land Needs Assessment component. Staff are concerned that without this confirmation there is risk that municipalities will proceed with comprehensive Official Plan reviews based on these forecasts, including extensive public engagement, Indigenous consultation, infrastructure assessments and updated growth strategy policies, only to have MMAH make modifications to the forecasts at the conclusion of the Official Plan review process, forcing municipalities to have to repeat this work at significant time and expense. • As a general resource and for transparency, staff suggest that the Province make municipal Official Plan forecasts and land needs assessments undertaken under this methodology publicly available.
<p>GLOSSARY</p>	
	<p>Page 56 (Regional market area) - Staff recommend that the guidance expand upon or provide examples of what would constitute a 'larger market area' under the PPS definition. For example, would the GTHA constitute a regional market area or larger market area?</p>