

October 8, 2022

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RE: City of Hamilton

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The Ontario Home Builders' Association (OHBA) is the voice of the land development, new housing and professional renovation industries in Hamilton. The OHBA represents nearly 4000 member companies made up of all disciplines involved in land development and residential construction, including: builders, developers, professional renovators, trade contractors, consultants, and suppliers. The residential construction industry employed over 554,000 people, paying \$37.7 billion in wages, and contributed over \$76 billion in investment value into Ontario in 2021. The OHBA is proudly affiliated with the West End Home Builders' Association (WE HBA).

#### **Environmental Registry Background**

On June 8, 2022, the City of Hamilton adopted amendments to the Urban Hamilton Official Plan and Rural Hamilton Official Plan pursuant to sections 17 and 26 of the Planning Act by By-law Nos. 22-145 and 22-146. The amendments are now before the Minister of Municipal Affairs and Housing for a decision under the Planning Act. The amendments to the Urban Hamilton Official Plan and Rural Hamilton Official Plan propose that the City will accommodate population and employment growth to 2051 within the City's existing urban area, as well as a five hectare urban expansion to Waterdown Village. The amendments provide policy direction on growth management, urban structure, housing, employment, cultural heritage, climate, and infrastructure, among other matters. If approved, the amendments to the Urban Hamilton Official Plan and the Rural Hamilton Official Plan would apply to the entirety of lands within the City of Hamilton.

#### OHBA Position on Hamilton's Official Plan

The OHBA appreciates that professional planning staff at the City of Hamilton recognized that an urban boundary expansion will be required to accommodate population growth to the year 2051. OHBA is supportive of the professional planning staff position to significantly increase the intensification rate from the current below 40% to a rate of 60% while also expanding the urban



boundary. However, given new population forecasting from the Ministry of Finance and data from the Smart Prosperity Institute that Hamilton requires 52,400 new housing units over the next decade, the "Ambitious Density" scenario with a 1340 ha urban boundary expansion is likely insufficient to accommodate the volume of growth anticipated. More land is required, thus OHBA recommends that the Ministry of Municipal Affairs and Housing consider the initial "Increased Density" target growth scenario in which 1630 ha of lands at an absolute minimum should be brought into the urban boundary.

We need to plan for the future. Our association strongly supports intensification and transitoriented communities as a mechanism to support a significant proportion of our future population growth. OHBA believes that the City of Hamilton is well positioned through the provincial planning framework to accommodate a range of new housing supply opportunities through both greenfield development opportunities and through intensification.

The OHBA also believes strongly that an urban boundary expansion of at least 1630 ha is necessary and is in the public interest given the significant housing supply shortage Hamilton and the local economic region is facing. Without addressing this, Hamilton will continue to see significant displacement of our residents. Our association maintains that the population pressures leading to this point are unlikely to diminish. The outlook for Hamilton region to continue attracting international talent is bright given the Government of Canada's recently announced immigration targets and the fact that it is home to two leading educational institutions (Mohawk and McMaster). Our concern is that as the housing shortage worsens, it will push up home prices in Hamilton even further, pricing out current residents and causing newcomers to move elsewhere.

# Hemson Consulting's Provincial Forecasts Establish a Baseline for a Growth Plan Compliant, Market-Based Supply and Mix of Housing

The introduction of the Provincial Land Needs Assessment Methodology (LNAM) issued under the Provincial Growth Plan reinforces that a market-based approach to housing supply is a foundational consideration for municipalities in the Greater Golden Horseshoe when calculating land needs. Recognizing that local needs are diverse, the LNAM provides the key components to be completed as municipalities plan to ensure that sufficient land is available to accommodate all housing market segments; avoid housing shortages; consider market demand; and plan for all infrastructure that is needed to meet the complete communities objectives to the horizon of the Plan.



The LNAM requires that settlement area boundary expansion calculations be based on a market-based forecast. Housing forecasts are to be adjusted only to the extent necessary to meet the intensification target and density target in the Growth Plan. The LNAM requires a balance between achievement of the minimum targets of the Growth Plan while ensuring sufficient land supply for housing that meets the projected needs of current and future residents, meaning a market-based supply. A market-based supply of housing is good planning and in the public interest. It reduces the risk that a municipality will have shortages of desired housing types and it also ensures municipalities will not face financial shortfalls resulting from committing to development-related growth costs without reciprocal growth-related revenue.

The Hemson forecasts for the province are a modified market demand for housing, and themselves represent a shift away from pure market demand. It is important to recognize that intensification targets of Growth Plan are minimums and can be met or exceeded by municipalities at any time by simply approving development. In other words, the potential to accommodate growth through intensification is only limited by the local municipal willingness to approve it.

## The context has evolved in terms of demographic demand and population growth

Hamilton's Official Plan—submitted to the province for review in June 2022—presents several challenges to the province's goal of building 1.5 million homes for Ontarians, as recommended by the provincial Housing Affordability Task Force. The Official Plan is based on Hemson's 2021 housing forecasts, which are now incompatible with the provincial goal of 1.5 million homes. The Hemson forecasts identify that by 2031 Hamilton will require 35,000 homes, however Dr. Mike Moffatt of the Smart Prosperity Institute has identified that Hamilton actually requires 52,400 new homes. This alone would leave a 17,400-unit shortfall in Hamilton if the minimum number of homes required by the Growth Plan were built. A complete paradigm shift in planning and housing will be required as we currently build on average ~2,000 units a year in Hamilton – the Growth Plan minimums would take us to ~3,500; while new forecasting projections suggest we need to build over 5,000 units in Hamilton on an annual basis each and every year going forward. This is a monumental task.

There is broad consensus that Ontario needs to ramp up housing production to resolve our housing affordability crisis.3,4,5 In years since the Hemson Schedule #3 Forecasts were

<sup>&</sup>lt;sup>1</sup> "Ontario's Need for 1.5 million More Homes" Smart Prosperity Institute, August 2022. https://institute.smartprosperity.ca/1.5MillionMoreHomes.

<sup>&</sup>lt;sup>2</sup> Ibid.



generated, the Federal Government has significantly increased immigration targets and international students (non-permanent residents) have significantly increased in numbers adding additional pressure to the housing system despite not being adequately captured in the Schedule #3 Forecasts. Furthermore, new forecasting that considers these emerging factors from the Ministry of Finance greatly exceeds the Schedule #3 Forecasts that are baked into the Growth Plan. Through its review of Hamilton's Official Plan, OHBA strongly recommends that the provincial government should seize this opportunity for bold action on increasing housing supply by implementing the Housing Affordability Task Force recommendations.

## Local municipal consultation (GRIDS 2) and the City Survey

We appreciate the efforts of the planning department and city staff to have a robust public consultation process through a complex set of public policy discussions. OHBA however has concerns that the public consultation process became increasingly monopolized by a narrow range of interest groups, some of which are not even based in Hamilton with the intention of disrupting the orderly development of new housing in accordance with the policies of the Growth Plan for the Greater Golden Horseshoe (including the LNAM and MCR processes) and the Provincial Policy Statement. The provincial government should be aware of this and recognize that these narrow interests do not represent the broader public interest, especially amidst the growing housing crisis.

The rapid population growth Hamilton has experienced has created a shortage of housing of all types, which needs to be addressed in a thoughtful, balanced and rationale manner. Now is not the time for small plans, but rather bold action.

The West End HBA directly participated in the city consultation with the following public submissions and deputations in just the last couple of years:

- Deputation to City Council, Official Plan Amendment to Implement GRIDS 2 / MCR May 17, 2022
- Submission on GRIDS 2, Rethinking Hamilton's Planning Framework: OP Consultation –
   March 8, 2022
- Submission on GRIDS 2, Important Info Relating to GRIDS 2 / MCR Process, November 9, 2021
- Submission on GRIDS 2, MCR Phasing Criteria May 31, 2021
- Deputation to General Issues Committee, GRIDS 2 Deputation March 29, 2021



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• Submission on GRIDS 2, GRIDS 2, MCR and LNA – March 5, 2021

At the request of Council, the City of Hamilton staff conducted a mail-out and online survey, which claimed 90.4% of Hamiltonians were against an urban boundary expansion to help accommodate new residents. However, according to a statistically significant randomized survey completed by Nanos Research—the top public opinion firm in Canada—80% of Hamiltonians surveyed did not recall receiving a survey from the City, 3,4,5 with a staggering 87.9% of younger residents (ages 18-34) not remembering receiving it at all. The validity of the city survey is compromised.

In contrast to the City survey, the Nanos Research survey found (in a representative sample of residents) a much more balanced viewpoint on the urban boundary expansion. In their survey, 38% said the best approach to handling growth in Hamilton is to expand the urban boundary, while 32% stated that boundaries should be kept the same, and another 22% opposed both the boundary expansion and intensification. Younger residents of Hamilton (18-34) were twice as likely to prefer expanding the urban boundary (50%) compared to older residents of Hamilton (55+) (25%). Incidentally, young people and renters in Hamilton were the least likely to recall receiving a city survey but were also the most likely to prefer a boundary expansion. The founder of Nanos Research, Nik Nanos, suggested the reason results of their survey differed so dramatically from the City's survey is that when respondents self-select to participate, only those with the time and motivation to participate choose to do so; therefore, the city results are "not necessarily representative" of opinions within the city as a whole and therefore confirms the City survey is not an accurate depiction of public sentiment.

Hamilton's Official Plan Amendment No. 167 is based on an underestimate of housing demand and does not conform with the provincial Land Needs Assessment Methodology.

To avoid political backlash from expanding the urban boundary (as was recommended by professional planning staff, their consultants, and a peer review of that consultant work),

Hamilton City Council knowingly submitted an Official Plan that results in a shortfall of ~60,000

<sup>&</sup>lt;sup>3</sup> "Housing Shortages in Canada: Solving the Affordability Crisis" Cmhc-schl.gc.ca, June 23, 2022. https://www.cmhc-schl.gc.ca/en/professionals/housingmarkets-data-and-research/housing-research/research-reports/accelerate-supply/housing-shortages-canada-solving-affordability-crisis.

<sup>&</sup>lt;sup>4</sup> "Making Housing More Affordable" Government of Canada Budget 2022, April 7, 2022. https://budget.gc.ca/2022/report-rapport/chap1-en.html.

<sup>&</sup>lt;sup>5</sup> "Report of the Ontario Housing Affordability Task Force" Ministry of Municipal Affairs and Housing, February 8, 2022. <a href="https://files.ontario.ca/mmah-housingaffordability-task-force-report-en-2022-02-07-v2.pdf">https://files.ontario.ca/mmah-housingaffordability-task-force-report-en-2022-02-07-v2.pdf</a>.



homes in the next 30 years from the Hemson growth forecasts<sup>6</sup> which are already incompatible with the provincial goal of 1.5 million homes. Furthermore, in that same Plan which plans for much higher rates of intensification, the City of Hamilton includes a height restriction of 30-stories maximum city-wide. This is an overly prescriptive policy framework that does not have a vision towards the future.

Through Official Plan Amendment No. 167, Hamilton did take initial steps toward the elimination of exclusionary zoning—as was recommended by the Housing Affordability Task Force—recognizing Hamilton's neighbourhoods will evolve over time to accommodate projected household growth. It was however only a small step limited to conversions of existing housing. OHBA appreciates that small step towards the modernization of Hamilton's dated approach to zoning<sup>7</sup>, however, much more needs to be done. The provincial government should use its review of Hamilton's Official Plan Amendment No. 167 as an opportunity to more than double the supply of housing in Hamilton.

## Local politics rather than data and evidence have driven local decision making.

The local interest is not the same as the broader public interest. The Provincial Policy Statement captures the Provincial and public interest in planning, and the Growth Plan for the Greater Golden Horseshoe guides regional planning. Hamilton is not an island onto itself. Hamilton Council disregarded Provincial policy and disregarded the recommendations of their own professional planning staff due to local political pressure in the lead up to a municipal election cycle. The No Urban Boundary Expansion (NUBE) decision, combined with other policies such as the city-wide 30-storey height limit reflect a hyper-political perspective shaped on a flawed city survey and local opposition to new housing supply.

In the lead up to the No Urban Boundary Expansion decision, some members of council claimed that the Growth Plan Schedule #3 Forecasts were deliberately inflated to serve a political agenda. The Ministry of Municipal Affairs and Housing is certainly aware of and in fact led the technical process along with Hemson Consulting in generating the Schedule #3 Forecasts. The Auditor General's report made no mention nor listed any concern with the process behind the Schedule #3 Forecasts. However, in the three years since those forecasts were generated, the

<sup>&</sup>lt;sup>6</sup> Minister Steve Clark, "No Boundary Expansion Option for Hamilton is Unrealistic and Irresponsible" Hamilton Spectator, October 15, 2021 <a href="https://www.thespec.com/opinion/contributors/2021/10/15/no-boundary-expansion-option-for-hamilton-is-unrealistic-and-irresponsible.html">https://www.thespec.com/opinion/contributors/2021/10/15/no-boundary-expansion-option-for-hamilton-is-unrealistic-and-irresponsible.html</a>

<sup>&</sup>lt;sup>7</sup> City of Hamilton, "The Zoning By-Law 6593" Office Consolidation dated June 13th 2019, passed July 25th, 1950. https://www.hamilton.ca/sites/default/files/media/browser/2015-03-30/hamilton-zoning-by-law-6593-june13-2019.pdf



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Federal Government has significantly boosted immigration targets. New forecasts from the Ministry of Finance have emerged, and demographic research from the Smart Prosperity Institute suggests that we are in fact "forecasting for failure". The Schedule #3 forecasts underestimate the rapid and accelerating pace of population growth. New data and new evidence require a new approach.

OHBA brings these facts to the Ministry of Municipal Affairs and Housing in this ERO submission as evidence that the local decision-making process in Hamilton disregarded provincial policy and their own professional planning staff recommendations and ignored demographic reality. Assertive provincial intervention is required to ensure that the City of Hamilton does much more than the bare minimum. The Ministry must set the stage towards economic prosperity and housing abundance by supporting the provincial objective of 1.5 million homes in the coming decade.

#### **OHBA Seven Key Principals and Recommendations**

- Responsibly expand the Hamilton's Urban Boundary to conform to the Growth Plan and the LNAM. The Urban Boundary Expansion of at least 1630 ha should include a range and mix of housing with transit supportive densities in complete communities.
- The height limit for tall buildings (30-stories) should be removed entirely from the Official Plan. The City of Hamilton Official Plan should have no height limit.
- Encourage and facilitate transit-oriented communities, not ONLY on the future Hamilton LRT route, but significantly expand intensification-oriented policies to encourage much higher levels of intensification and high-density housing opportunities along all BLAST network corridors.
- Amend policies in the Official Plan that limited mid-rise and mid-density to six-stories unless a long list of criteria such as complying with angular plans and neighbourhood "character" were complied with (in which case up to 12-stories would be permitted). Hamilton's Official Plan should facilitate and allow mid-density intensification to a 12-storey limit as-of-right, without numerous layers of red-tape designed to make it virtually impossible to achieve a 12-storey threshold.
- Remove all references in the Official Plan regarding urban design inhibitors including, but not limited to angular plans, neighbourhood character, and shadows.
- Abolish minimum parking standards.
- Eliminate exclusionary zoning. OHBA acknowledges that Hamilton's Official Plan Amendment No. 167 makes positive initial steps towards eliminating exclusionary zoning. Further amendments are required to liberalize low-density zoning to allow a



greater range of housing options and to actually allow new construction rather than just conversions. The Official Plan should allow as-of-right residential development of up to 6-units and 4-stories on a single residential lot. Furthermore, the Official Plan must set the policy framework for a comprehensive review and modernization of ALL of the City of Hamilton zoning.

#### Conclusion

The Ministry of Municipal Affairs and Housing has a duty to protect the public interest. Now is the time for bold action on housing in Hamilton and across Ontario. The Greater Golden Horseshoe is Canada's primary economic engine and is the fastest growing region in North America. It is critical that there is a holistic provincial planning framework to provide a broad, long-term, and comprehensive plan that promotes prosperity, employment growth and an appropriate supply of housing. The OHBA supports the continued protection of 83,674 hectares (836 km2) of land designated in the City boundaries within the existing provincial Greenbelt. The OHBA also supports the protection of provincially significant natural heritage systems beyond the greenbelt. Outside of the Greenbelt, a long-term urban reserve (whitebelt) was set aside to accommodate future growth. Provincial intervention is now required to address the future housing needs of Hamilton and expand the Urban Boundary by at least 1630 ha into the long-term urban reserve (whitebelt).

We are currently experiencing such a grade-related housing shortage in the Greater Golden Horseshoe, where almost none of the lands included to accommodate settlement area expansion growth from the 2006 Growth Plan have proceeded to the development stage. Furthermore, the City of Hamilton's zoning has not been comprehensively reviewed since amalgamation or the original 2006 Growth Plan. Through the changes in the Growth Plan (2019 and 2020) and updates to planning laws and policy statements, the current Provincial Government has moved to restore balance in housing choice and permit the ability to provide housing that meets the aspirations of Ontario families, while balancing the need to continue to urbanize and achieve transit-oriented communities. After a decade and a half of policies that produced the current housing supply crisis, it will take time and a determined continued effort to turn things around.

The OHBA strongly believes that a healthy housing system only exists when all levels of government work together with the private sector to ensure the right mix of housing choices and supply that provide all residents' shelter needs through their full life cycle. A properly functioning housing system should provide stability to both renters and owners, at prices people can afford and in the choice that meets their needs. The housing system must also be



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able to respond to meet projected demographic and market requirements for current and future residents. The Greater Golden Horseshoe is forecast to welcome at least 4.6 million new people over the in the next three decades. Without assertive provincial intervention, there will continue to be an exodus of young families out of Hamilton and other inner ring municipalities, leapfrogging the greenbelt and moving to communities up the 403 like Paris, Woodstock and even further, in search of more affordable ground-oriented housing. This is causing displacement and pressures on housing and infrastructure in those communities. Hamilton needs to grow up, in and out to accommodate its fair share of Ontario's target of 1.5 million additional homes. Local political considerations have clouded rational decision making to accommodate long-term growth. OHBA strongly recommends significant policy amendments to Hamilton's Official Plan that will support a boundary expansion, facilitate much higher levels of intensification and transit-oriented communities and finally to put an end exclusionary zoning in Hamilton.