

February 15, 2024

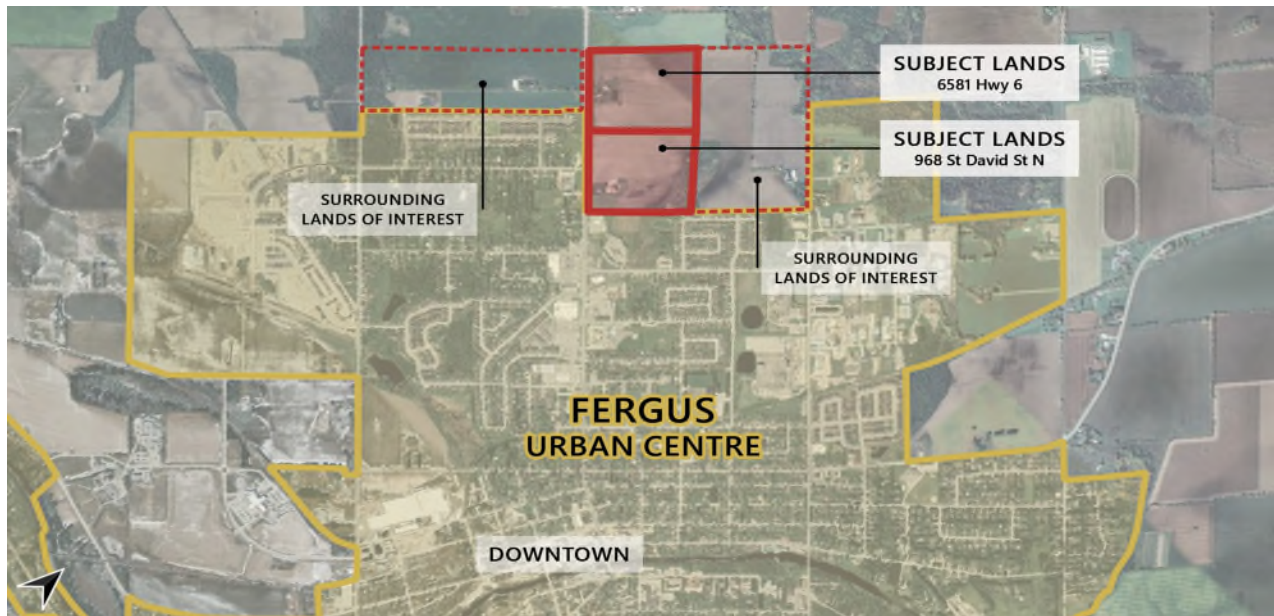
Hon. Paul Calandra
Minister of Municipal Affairs and Housing
777 Bay Street - 17th Floor
Toronto, Ontario
M7A 2J3

Dear Minister Calandra;

**Re: Wellington County Official Plan Amendment 120
ERO Posting 019-6784
Ministry Reference Number 23-OP-221631
Request for Modifications to Population and Households Forecasts
Request for Referral to Ontario Land Tribunal
Pursuant to S.17 (55) Planning Act**

We act for Polocorp Inc. with respect to this matter. Polocorp are owners of lands in the community of Fergus, in Centre Wellington Township, in Wellington County.

The lands are located on the edge of the current urban boundary, as shown in the plan below.



Wellington County adopted Official Plan Amendment 120 on February 23, 2023. It was part of their staged implementation of a Municipal Comprehensive Review, addressing the population forecasts for the County and its constituent lower tier municipalities through to the planning horizon of 2051. The amendment does not conform with the Growth Plan for the Greater Golden Horseshoe, as it is based upon outdated population forecasts. As a result, it did not properly follow the provincial Land Needs Assessment Methodology. It is not consistent with the Provincial Policy Statement, as it will not result in sufficient land being made available to accommodate growth to the planning horizon of 2051. It is now before the Minister for his consideration.

The amendment as adopted does not provide for sufficient population growth. It also does not identify the lands for future settlement area expansion to 2051, leaving this question to later.

Subsequent to the Wellington County adoption of Official Plan Amendment 120, the Ontario Ministry of Finance released (in the summer of 2023) their updated Population Projections for the Province. Based upon these updated Provincial Population Projections, the adopted amendment understates the level of population growth in County by 32,670 people, and has a shortfall of 12,422 households.

This converts into a shortfall in the OPA 120 forecasts in Centre Wellington of 13,296 people, and 5,055 households.

The following modifications should be made to Wellington Official Plan Amendment 120.

In Table 1, Wellington County 2051 Population should read 192,670.

In Table 1, Wellington County 2051 Households should read 70,362.

In Table 2, Centre Wellington 2051 Population should read 71,496.

In Table 2, Centre Wellington 2051 Households should read 27,630.

Similar proportional consequential modifications should be made to 2051 populations and households in Table 3 through Table 7 reflecting the new figures for Table 1.

The Minister of Municipal Affairs originally modified Wellington County Official Plan Amendment 119 and approved the inclusion of the Polocorp lands as settlement area. However, this decision was reversed by Bill 150, and the resulting consequential decision of Wellington County to pause consideration of Official Plan Amendment 123. As a result, the delivery of an anticipated 1,000 homes anticipated on the Polocorp lands has been delayed.

The Minister should modify Wellington County Official Plan Amendment 120 making the modifications to the population and housing forecasts found in this submission, to reflect the most recent population projections from the Ontario Ministry of Finance.

In the alternative, the population and households forecasts included in Wellington should be referred to the Ontario Land Tribunal for a hearing pursuant to section 17 (55) of the Planning Act.

Wellington County is an Increasingly Attractive Destination for New Homeowners in the Greater Golden Horseshoe

As housing prices continue to rise, and the supply of family housing is further restricted in Toronto, families continue to move out seeking their first home. While singles and couples may be content to live in an apartment (often as a temporary arrangement), once they have children, the demand is overwhelmingly for grade-related housing - especially detached and semi-detached homes. As the supply of that form of housing shrinks, families are looking further afield to find their homes.

A result has been the growing popularity of Wellington County as a destination to call home. Communities, such as Fergus, in Centre Wellington, represent the most attractive places to settle down.

Past market trends show that Wellington County has been delivering only 14% of its new housing in the form of apartments (2001 to 2016). Single family homes and semi's are the preferred choice of homebuyers for new homes - with 81% opting for this form of housing.

Ontario Ministry of Finance has Released Updated Population Projections for Wellington County - The Official Plan Should be Updated to Reflect these Updated Projections

In the summer of 2023, the Ontario Ministry of Finance released updated population projections. These saw a significant increase in the forecast population for the Wellington Census Division (consisting of Wellington County and the City of Guelph, in Growth Plan terms).

In fact, according to the Ontario Ministry of Finance, the new projections show that Wellington will surpass the Schedule 3 Growth Plan Population projections for 2051, in 2041 - a full ten years earlier than anticipated under the now outdated Growth Plan forecasts.

This faster than anticipated growth is a reflection in the significant changes in federal immigration policy that have occurred subsequent to Hemson having undertaken the forecasting work that produced the Growth Plan Schedule 3 population forecasts. Immigration is the primary driver of population growth in Ontario - without it, population would actually be declining. The Hemson forecasts were prepared under an assumption that annual immigration to Canada would be 350,000 in 2021, and would increase only very gently after that. In fact, 2021 immigration was 405,000, with steep increases in the targets after that. The 2023 target was 485,000, with annual targets after that set at 500,000 per year. This difference between the 2019 Hemson forecasts and the 2023 Ministry of Finance Population projections is largely attributable to these unanticipated new federal immigration levels.

It should also be observed that actual population growth has far exceeded the new higher immigration targets in recent years largely as a result of a significant increase in “non-permanent resident migration”. While these numbers are not reflected in the federal immigration levels, many - like students - do enjoy a policy pathway to stay in Canada after completing their education.

It is clear that the Ontario Ministry of Finance Population projections, while likely still underestimating actual population growth (based upon the above), are certainly more accurate and updated than the Growth Plan Schedule 3 population forecasts. This is in no way a criticism of the forecasting work undertaken by Hemson - it was certainly based upon valid assumptions in 2019. However, the Ontario Ministry of Finance Population Projections have been able to take advantage of more updated and accurate assumptions, based on the 2021 census, and knowledge of current immigration policy and levels.

Consideration of Up-to-Date 2023 Ontario Ministry of Finance Population Projections Should Result in Changes to Wellington Official Plan Amendment 120 Population Forecasts

The Ontario Ministry of Finance updated population projections can be applied to determine appropriate modifications to Wellington Official Plan Amendment 120. The assumptions and figures below demonstrate how such a consideration of the updates projections can be applied. The Ontario Ministry of Finance Population Projections combine Wellington County and Guelph as a single census unit for their numbers. The numbers below set out the assumptions for separating these on a basis parallel to that in the Growth Plan forecasting.

OPA 120

County Population

2021 100,800

2051 160,000

Growth 2021-2051 59,200

Centre Wellington Population

2021 34,100

2051 58,200

Growth 2021-2051 24,100 (40.7% of County Growth)

Growth Plan Schedule 3

2051 Population

Wellington 160,000 (44% of Wellington plus Guelph)
Guelph 203,000
Total W & G 363,000

Census 2021 Populations

Wellington 97,286
Guelph 143,740
Total W & G 241,026

<i>Growth 2021-2051</i>	<i>W & G</i>	<i>Wellington</i>	<i>Guelph</i>
Census 2021	241,026	97,286	143,740
Growth Plan 2051	363,000	160,000	203,000
Growth 2021-2051	121,074	62,714	59,260
Growth Share		(51.4%)	(48.6%)

Ministry of Finance Population Projections Wellington Plus Guelph

2040 358,046
2041 364,199 (Exceeds Growth Plan W&G 2051 forecast 10 years before 2051!)
2046 395,380

2041-2046 Growth 31,181

Add same to 2046- 2051 395,380 + 31,181 = 426,561

(Ministry of Finance projection projected forward to 2051) 426,251

Difference Between Growth Plan Schedule 3 2051 Forecast and Ministry of Finance Projected forward to 2051

Growth Plan 2051 Guelph + Wellington	363,000
Finance Projected to 2051 Guelph + Wellington	426,561
Total Finance Growth Exceeding Growth Plan	63,561
Of which 51.4% goes to Wellington County	32,670
Of which 40.7% goes to Centre Wellington	13,296
Apply Persons Per Unit of 2.63 from OPA 120	5,055

Therefore OPA 120 understates the number of households required to accommodate growth to 2051. The number of additional households required for Wellington County over the forecasts in OPA 120 is 12,422, of which 5,055 of the additional households should be allocated to Centre Wellington.

Modification to OPA 120 Table 1

Wellington County 2051 Population 192,670 (replacing 160,000)
Wellington County 2051 Households 70,362 (replacing 57,940)

Modifications to OPA 120 Table 2

Centre Wellington 2051 Population 71,496 (replacing 58,200)
Centre Wellington 2051 Households 27,630 (replacing 22,130)

Growth Plan Conformity Requires Conformity with Land Needs Assessment Methodology - Land Needs Assessment Methodology Encourages The Use of Updated Information

The Land Needs Assessment Methodology must be utilized in developing population forecasts in municipal comprehensive reviews, according to policy 2.2.1.5 of the Growth Plan.

The Land Needs Assessment Methodology encourages reliance upon the most up to date information available. It does this, in part, through allowing consideration of alternative growth scenarios. In particular, on page 6 of the Land Needs Assessment Methodology, it states the following:

Municipalities may develop and use an alternate growth scenario in the land needs assessment in order to account for future economic and social trends, particularly those that arise in the period between Censuses or reviews of Plan forecasts” [i.e. Growth Plan Forecasts].

This describes exactly the situation reflected by the new population information presented by the Ministry of Finance forecasts. These Ministry of Finance forecasts do take account of the new economic and social trend of changed immigration levels, which has occurred since the Growth Plan forecasts were prepared.

Sound planning, and proper conformity with the intent and policies of the Growth Plan, require that the most up-to-date information on population projections should be relied upon in setting Official Plan Population forecasts - that is reliance should be had upon the new Ontario Ministry of Finance Population Projections.

Land Needs Assessment Methodology Indicates that Ontario Ministry of Finance Population Projections Can Form the Basis for Population Forecasts in Official Plan Policies

On page 5 of the Land Needs Assessment Methodology, the document sets out potential data sources which can be utilized in the preparation of population forecasts in municipal comprehensive reviews. The document specifically references the “Ontario Population Projections” as a potential data source to be utilized in forming population forecasts in Official Plans.

The Land Needs Assessment Methodology encourages the use of the Provincial Population Projections in developing forecasts, where they offer an opportunity to account for changing trends. It would be properly in conformity with the policies of Growth Plan to modify the population forecasts in Wellington Official Plan Amendment 120, to reflect the most accurate and up-to-date population information available - that provided by the Ontario Ministry of Finance Population Projections.

Growth Plan Policy Provides that Schedule 3 Population Forecasts are Minimums

Policy 5.2.4 of the Growth Plan for the Greater Golden Horseshoe addresses the matter of growth forecasts. Policy 5.2.4.2 states that municipalities will apply the Schedule 3 forecasts “at a minimum” and provides the alternative of “such higher forecasts as are established”.

In the preparation of the land needs assessment for Wellington County, the Schedule 3 forecasts were available - but the new Ministry of Finance Population Projections were not yet available. As such, it made sound policy sense at the time to use the Schedule 3 forecasts as the basis for Wellington Official Plan Amendment 120.

However, since then, new and more up-to-date population projections have been made available from the Province. As such, in exercising his approval powers under the Planning Act, it represents good planning for the Minister to take that information into account. Such a decision to modify the population forecasts in Wellington Official Plan Amendment 120 would be in conformity with the Growth Plan policies, which indicate that the Schedule 3 forecasts are a minimum.

Provincial Schedule 3 Population Forecasts Are Low in View of Federal Immigration Policy

The population forecasts that are found in Schedule 3 of the Growth Plan already appear to be falling far short of actual population growth. The Schedule 3 forecasts were based upon work undertaken by Hemson for the province.

The shortfall in the forecasts is not the result of any flaw in Hemson’s work. Rather, since Hemson undertook their work, federal immigration policy has seen a move to much higher annual immigration levels. As a result, Canadian immigration (the principal source of Ontario population growth) are now running at a level over 135,000 to 150,000 people a year higher than Hemson assumed in their forecasts. With almost half of that growth headed for the Greater Golden Horseshoe, this means that the schedule 3 forecasts anticipated a population growth level that is already about 60,000 to 75,000 people a year lower than the growth that is actually taking place.

Hemson produced a technical report, dated August 26, 2020, entitled Greater Golden Horseshoe: Growth Forecasts to 2051. This technical report “presents the long-term growth forecasts for the Greater Golden Horseshoe”, setting out how the Growth Plan schedule 3 forecasts to 2051 were determined.

The report indicates that “The GGH forecasts assume that immigration continues to be the most important component of growth in the GTA/H”.

Hemson made the following key assumptions:

- Canadian immigration in 2021 would be 350,000.
- This would “gradually increase” over the forecast period.
- Ontario’s share would be about 45%, increasing slightly over the forecast period.
- The Greater Golden Horseshoe share of Ontario immigration will remain steady around 88%.

As a result, Hemson produced a table indicating annual population increases in the Greater Golden Horseshoe attributable to immigration as follows:

Census Interval	Annual Immigration Based Population Increase GGH
2016-2021	137,600
2021-2026	137,200
2026-2031	127,000
2031-2036	133,200
2036-2041	140,400
2041-2046	147,400
2046-2051	153,400

However, Canada has dramatically increased immigration levels since the Hemson forecasts. There has not been a “gradual” increase over the horizon, but rather a dramatic step up, with no indication it will drop in the future.

Year	Canada Immigration Levels	Hemson Assumption
2021	405,000 (actual)	350,000
2022	432,000 (actual)	
2023	465,000 (forecast)	
2024	485,000	
2025	500,000	
2026	500,000	

Based on the above, the Schedule 3 forecasts have fallen short by over 70,000 in 2023. Even assuming that the steep immigration growth flattens after 2025, and the gap between actual immigration growth in the Greater Golden Horseshoe and the Hemson forecasts remains steady, the cumulative result is a significant shortfall in the forecasts in schedule 3, compared with what is now likely to occur based upon federal immigration policy.

Provincial Policy Statement Requires that Sufficient Land Be Made Available to Accommodate Growth - Based Upon Most Up-to-Date Information, Wellington OPA 120 Population Forecasts Will Not Result in Sufficient Land Supply Being Provided

The Provincial Policy Statement requires in policy 1.1.2, that “sufficient land be made available” to accommodate growth to the planning horizon (which is 2051 in the case of Wellington County, as part of the Greater Golden Horseshoe).

However, because Official Plan Amendment 120 is based upon now out-of-date population forecasts, its approval will result in a shortfall of land to accommodate the anticipated growth in the Provincial Population Projections. As such, any approval of Wellington OPA 120 as adopted, will not be consistent with the Provincial Policy Statement.

In order for a Minister’s decision respecting Official Plan Amendment 120 to be consistent with the Provincial Policy Statement, as is required in law by section 3 of the Planning Act, the Amendment will need to be modified to ensure that “sufficient land be made available”, which will only happen if the policy is modified to reflect the new Population Projections.

Province Can Modify the Adopted Plan, or Refer It to The Ontario Land Tribunal for a Hearing

Under section 3 of the planning act, the Minister, in carrying out his responsibilities and making planning decisions, must act in conformity with provincial plans (in this case the Growth Plan for the Greater Golden Horseshoe), and consistent with the Provincial Policy Statement on Land Use Planning. A decision to approve Official Plan Amendment 120 as adopted by Wellington County will not be consistent with the Provincial Policy Statement, or conform with the Growth Plan.

In the case of the Growth Plan, conformity with the Plan and the Land Needs Assessment Methodology will be achieved if Official Plan Amendment 120 is modified to reflect the best and most up-to-date population forecasts available - those in the 2023 Ministry of Finance Population projections.

In the case of the Provincial Policy Statement, the Minister can make a decision that is consistent with the policy requirement by making modifications to the Amendment to reflect the up-to-date population projections.

The following modifications should be made to Wellington Official Plan Amendment 120:

In Table 1, Wellington County 2051 Population should read 192,670.

In Table 1, Wellington County 2051 Households should read 70,362.

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In the alternative, the Minister should refer Wellington County Official Plan Amendment 120, to the Ontario Land Tribunal for a hearing, and to consider the issues reflected in this submission and the requested modifications above.

Yours truly,

AIRD & BERLIS LLP



Hon. Peter Van Loan P.C., K.C
Partner

HV:MB

Cc.

tyler.Shantz@ontario.ca (Municipal Services West)
ian.kerr@ontario.ca (Municipal Services West)
erick.boyd@ontario.ca (Municipal Services West)
michael.kilimuntowski@ontario.ca (Chief of Staff)
hannah.anderson@ontario.ca (Director Stakeholders)
richard.ositashvili@ontario.ca (Policy Director)
MMAHOfficialPlans@ontario.ca