



The Corporation of the Town of Milton

Report To: Council

From: Jill Hogan, Commissioner, Development Services

Date: June 3, 2024

Report No: DS-049-24

Subject: Residential and Non-Residential Needs Analysis Study - Phase 1
Draft Report

Recommendation: THAT Council receive the Residential and Non-Residential Needs Analysis Study Phase 1 report prepared by Watson & Associates; and

THAT the Residential and Non-Residential Needs Analysis Study Phase 1 draft report, attached as Appendix A, be used to inform planning for growth through Part 1 of the Town's new Official Plan.

EXECUTIVE SUMMARY

- This report presents the Residential and Non-Residential Needs Analysis Study Phase 1 draft report, attached as Appendix A. The Study provides forecasting and analyses of population and employment to inform the quantity and types of housing and non-residential land uses that the Town can anticipate and should plan for through the new Official Plan.
- This report reviews the changing planning policy framework at the Provincial and Regional level, and provides an overview of how the Study addresses anticipated provincial policy regarding planning for growth. The draft growth forecast tables, attached as Appendix B, will be included in Part 1 of the new Official Plan for subsequent consultation through that process.

REPORT

Background

The development of the Town's new Official Plan is currently underway. As part of the 2023 budget, Council approved the Res/Non-Res Take Up/Land Needs Study (capital project C900103). The Study, renamed the Housing and Non-Residential Needs Analysis Study,

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provides key analysis to inform the growth management, housing (including affordable housing) and employment land use policies of the new Official Plan. The contract to undertake the Study was awarded to Watson & Associates Economists Ltd. (Watson) on May 08, 2023 through report [CORS-028-23](#).

The Study consists of two phases. Phase 1 includes forecasts and analyses of population, housing and employment. Phase 1 will inform Milton's growth management from now until 2051 based on demographic, socio-economic, macro-economic, regional market and any other applicable trends impacting future demand. Phase 2 focuses on completing an assessment, which is required by the Planning Act before Council may consider using inclusionary zoning as a tool to support the delivery of affordable housing. This report presents to Council the draft report for Phase 1 of the Study. Phase 2 of the Study will be presented to Council later this year.

Bill 23, the More Homes Built Faster Act, changed the Ontario Planning Act to remove planning responsibilities from a number of upper-tier municipalities, including Halton Region. Through Bill 185, the Cutting Red Tape to Build More Homes Act, these provisions are proposed to come into effect on July 1, 2024. Once Halton Region ceases to have planning responsibilities, the Town will have direct responsibility for implementing Provincial policy through its Official Plan.

Halton Region's Regional Official Plan Amendment 49 (ROPA 49) included population and employment forecasts to 2051 that are close to the minimum population and employment targets established in A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (the Growth Plan).

The Province is proposing that a new Provincial Policy Statement (PPS) would replace both the existing PPS, 2020 and the Growth Plan. An updated draft of the proposed new PPS was released on April 10, 2024. The proposed new PPS, together with the removal of Regional planning responsibilities, provides the Town with responsibility and more flexibility to forecast its own growth.

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Although the proposed new PPS is not yet in effect, this Study and work on the Town's new Official Plan is being undertaken with the assumption that the existing PPS, 2020 and the Growth Plan will be revoked and replaced with the proposed new PPS.

Projected Needs to Inform Land Use Planning

Policies 2.1.3 and 2.1.1 of the proposed new PPS (April 2024) require that:

2.1.3 - At the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance.

2.1.1 - As informed by provincial guidance, planning authorities shall base population and employment growth forecasts on Ministry of Finance 25-year projections and may modify projections, as appropriate.

The new Official Plan is being planned to the year 2051. To build off the growth analyses work that were previously conducted by the Province and the Region, the Town's Official Plan is being planned to the same time horizon as the Growth Plan and ROPA 49. Planning to 2051 would satisfy the proposed new PPS requirement to plan for a time horizon between 20 and 30 years.

The main objective for Phase 1 of the Study is to forecast residential and non-residential needs over the planning horizon. Watson & Associates are industry leaders in demographics, economics, land use planning, economic development and municipal finance. To forecast residential and non-residential needs to 2051, Watson's draft report for Phase 1 of the Study includes:

- A review and summary of the planning policy context, including the changing provincial policy framework and regional role (Chapter 2);
- An overview of macro-economic and regional employment trends, such as manufacturing sector outlook, Canada's immigration targets, the changing nature of work, and net migration within the Province and Region (Chapter 3);
- Milton's recent and historical demographic and socio-economic trends, as well as residential and non-residential development trends (Chapter 4);

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- A review of the Town's urban community and employment land supply, including the lands added to the Urban Boundary through ROPA 49 (Chapter 5);
- Forecasts of three scenarios of potential population growth, including by age group, from 2021 to 2051 by five year periods (Chapter 6);
- A forecast of the post-secondary student population (Chapter 6);
- Forecasts of housing needs for the three scenarios to accommodate the projected population, including by structure type and tenure, from 2021 to 2051 by five year periods (Chapter 6);
- Forecasts of three scenarios of potential employment growth, including by employment category, from 2021 to 2051 by five year periods (Chapter 6); and
- Allocation of the recommended scenario's population and employment forecasts to the Town's different growth areas (Chapter 7).

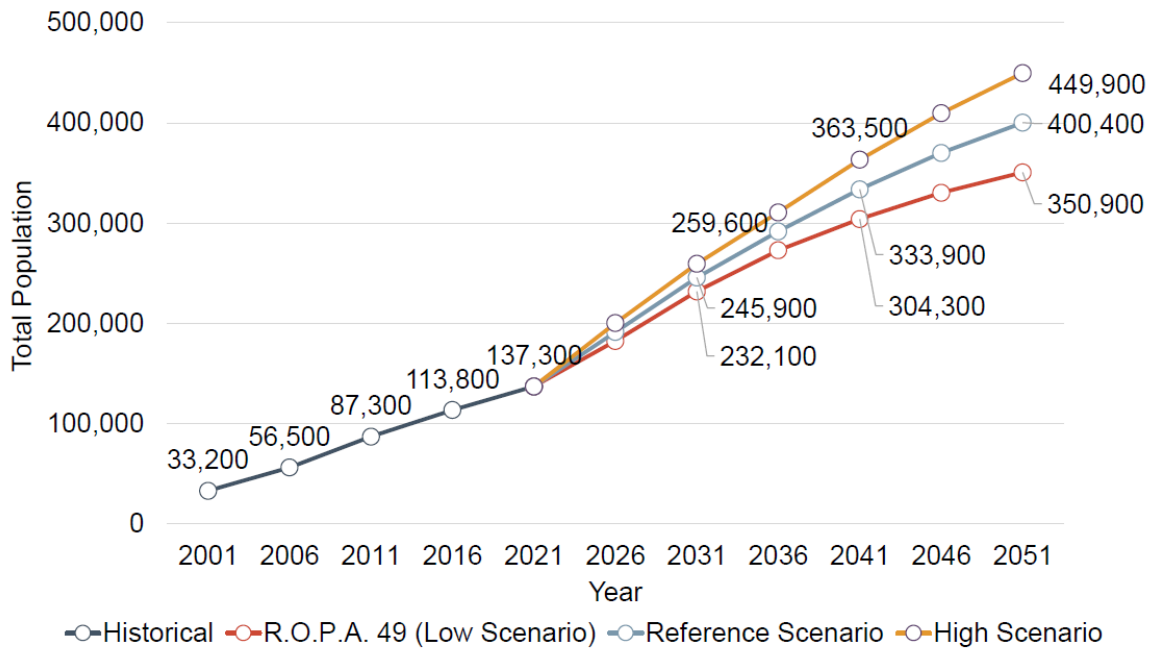
Population, Housing and Employment Growth Scenarios to 2051

Watson developed three scenarios of potential population and employment growth to 2051, as described in Chapter 6 of the draft report. Each growth scenario is based on a range of assumptions related to population and employment growth for the Province, Greater Toronto and Hamilton Area, Halton Region and Town of Milton. These assumptions are informed by the Study's review of macro-economic conditions, population, demographic, economic, and employment trends. The Ministry of Finance (MOF) 25-year projections were used as a benchmark for Watson's forecasts. However, it is important to note that the MOF projections only include population and employment forecasts for Halton Region and do not include forecasts for the lower-tier municipalities.

As shown below, Figure ES-1, ES-2 and ES-3 from Watson's report summarize the three population, housing and employment forecast growth scenarios: Low (ROPA 49) Scenario, Reference (Medium) Scenario, and High Scenario.

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Figure ES-1
Town of Milton
Total Population, 2001 to 2051



	2021	2051	2021 to 2051	Annual Growth	Annual Growth Rate
R.O.P.A. 49 (Low Scenario)	137,300	350,900	213,600	7,100	3.2%
Reference Scenario	137,300	400,400	263,100	8,800	3.6%
High Scenario	137,300	449,900	312,600	10,400	4.0%

Note: Population figures include net Census undercount estimated at approximately 3.3%.
Figures have been rounded.

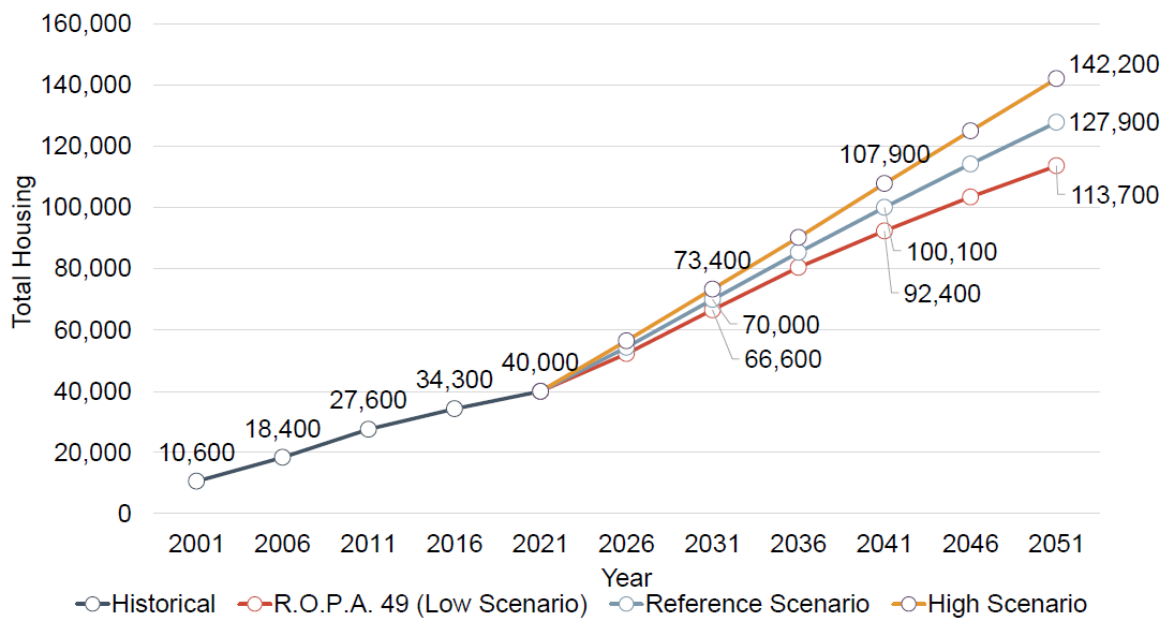
Source: Historical data derived from Statistics Canada Table: 17-10-0140-01 and Table: 17-10-0139-01; forecast prepared by Watson & Associates Economists Ltd.

The Low Scenario is based on the population and employment projections approved and modified by the Province for ROPA 49. The ROPA 49 projections, as approved, were based on the Growth Plan's population and employment forecasts which were completed in August 2020. Having reviewed more recent macro-economic conditions and updated long-term economic outlook, as well as having new 2021 census data available, Watson note that the level of growth in the Low Scenario assumes that the provincial economy will underperform, on average, relative to near and long-term economic forecasts. The Low Scenario also assumes that national immigration will underperform relative to federal targets over the 2021

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to 2051 planning horizon. The Reference Scenario and High Scenario assume that the provincial economy will respectively meet and exceed near and long-term economic forecasts, as well as respectively meet and exceed federal immigration targets. For the three population growth scenarios, corresponding housing needs were forecasted based on forecast age structure and headship rates.

Figure ES-2
Town of Milton
Total Housing, 2001 to 2051



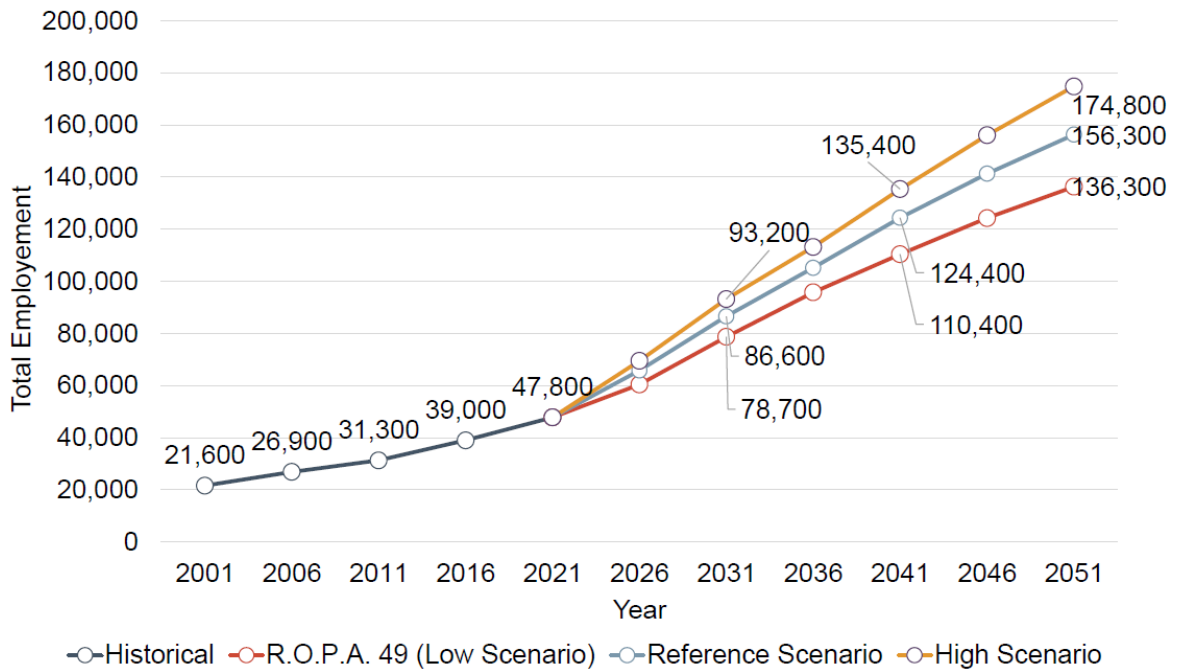
	2021	2051	2021 to 2051	Annual Growth	Annual Growth Rate
R.O.P.A. 49 (Low Scenario)	40,000	113,700	73,700	2,500	3.5%
Reference Scenario	40,000	137,900	97,900	2,900	3.9%
High Scenario	40,000	142,200	102,100	3,400	4.3%

Note: Figures have been rounded.

Source: Historical data derived from Statistics Canada Census Profile; forecast prepared by Watson & Associates Economists Ltd.

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Figure ES-3
Town of Milton
Total Employment, 2001 to 2051



	2021	2051	2021 to 2051	Annual Growth	Annual Growth Rate
R.O.P.A. 49 (Low Scenario)	47,800	136,300	88,500	3,000	3.6%
Reference Scenario	47,800	156,300	108,500	3,600	4.0%
High Scenario	47,800	174,800	127,000	4,000	4.4%

Note: Figures have been rounded.

Source: Historical data derived from Statistics Canada Place of Work data; forecast prepared by Watson & Associates Economists Ltd.

Recommended Growth Scenario

The three scenarios forecasted by Watson represent the range of potential future growth which can be anticipated for Milton to 2051. Based on Watson’s review, they are recommending that the Reference (Medium) Scenario be the preferred growth scenario for planning purposes through the Town’s new Official Plan. They note that the Reference scenario represents a reasonable rate of population growth relative to historical trends and

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forecast immigration levels expected for Canada and Ontario in the near and long-term. The forecast trends in net migration and natural increase for this scenario is ambitious but reasonable for the purposes of long-range planning and growth management.

The forecast level of housing growth required to accommodate the Reference Scenario represents a considerable increase in housing activity. The average annual housing growth in the Town from 2001 to 2021 has been 1,500 units. To accommodate the level of growth projected in the Reference Scenario, an average of 2,900 units would be needed annually from 2021 to 2051. It is important to note that Watson's forecasts for housing growth indicate the projected needs/demand to accommodate the projected population. Factors impacting supply, such as market forces and infrastructure availability, will impact the ability of Town to accommodate the projected demand.

Housing Mix

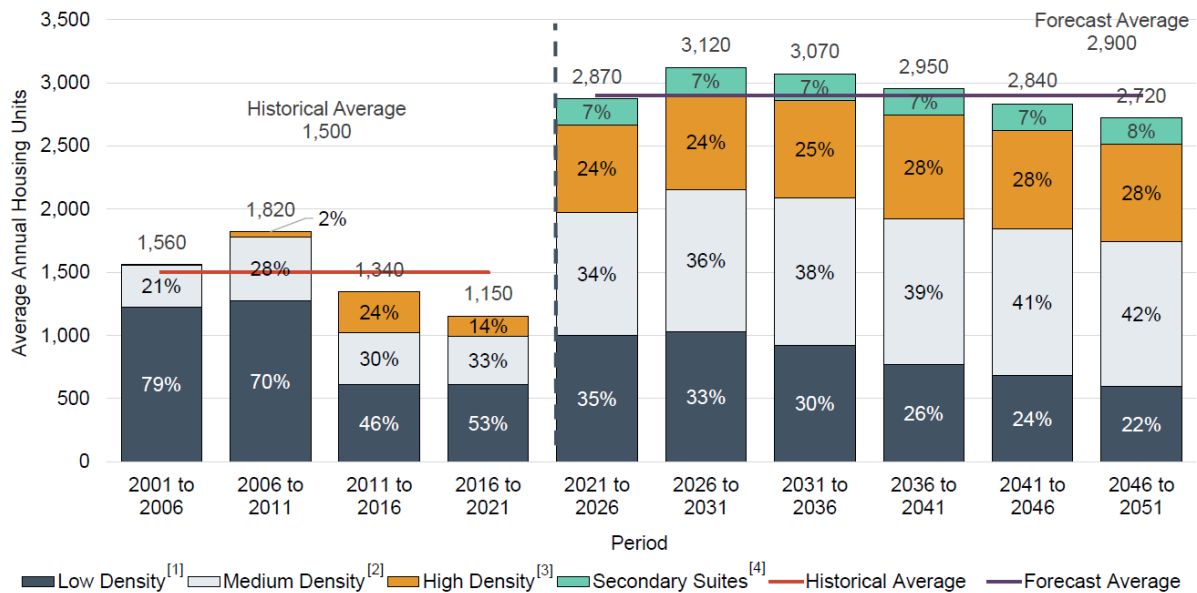
Policy 2.1.4 of the proposed new PPS (April 2024) require municipalities:

2.1.4 - To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents of the regional market area.

Based on the needs of the forecasted demographics and households that are anticipated to live in Milton over the planning horizon, as well as considering recent building permit activity and active development applications, new housing required for the Reference Scenario over the 2021 to 2051 period is expected to comprise of 28% low-density (singles and semi-detached), 38% medium-density (multiples), 26% high-density (apartments) units, and 7% secondary suites. As shown in the figure below, medium- and high-density housing are expected to be much more prevalent moving forward as compared to the past 20 years.

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Figure 6-8
Town of Milton
Housing Forecast by Structure Type, 2001 to 2051



^[1] Low Density includes singles and semi-detached houses.

^[2] Medium Density includes townhouses and apartments in duplexes.

^[3] High Density includes bachelor, 1-bedroom and 2-bedroom + apartment units.

^[4] Secondary suites includes self-contained living accommodations such as apartments, small residential units that are located on a property that have a separate main residential unit.

Note: Figures have been rounded and may not add up precisely.

Source: Historical data derived from Statistics Canada Census profiles. Forecast prepared by Watson & Associates Economists Ltd

Intensification Target

Policies 2.3.1.4 and 2.3.1.5 of the proposed new PPS (April 2024) states:

2.3.1.4 - Planning authorities are encouraged to establish and implement minimum targets for intensification and redevelopment within built-up areas, based on local conditions...

The policy in the proposed new PPS provides municipalities with more flexibility to establish its own intensification targets and identify its own built-up areas. The Growth Plan is more prescriptive in requiring a minimum of 50 per cent of all residential development occurring annually in Halton Region to be within the delineated built boundary. The delineated built

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boundary was delineated by the Province to represent the approximate area that was developed as of 2006. Since 2006, significant development has occurred in the Town. The delineated built boundary as identified in the Growth Plan is no longer a good representation of the built-up area in the Town. The minimum 50 percent intensification target is also difficult to achieve on an annual basis and does not reflect local conditions.

With the more flexible policy in the proposed new PPS, the Town would be able to define its own built-up area and intensification target for growth. Staff is proposing that the areas identified as Existing Community Area would serve as the built-up area for the purposes of establishing an intensification target. The Existing Community Area, as shown on the map and table in Appendix C, is proposed to include the areas of Old Milton, the Downtown Urban Growth Centre (UGC)/Major Transit Station Area (MTSA), Bronte-Main-Meritor, Bristol, Sherwood, Milton Heights and Boyne. Approximately 30% of new housing units forecasted from 2021 to 2051 is expected to occur within the Existing Community Area.

Phasing of Growth

Policy 2.3.1.6 of the proposed new PPS (April 2024) states:

2.3.1.6 - Planning authorities should establish and implement phasing policies, where appropriate, to ensure that development within designated growth areas is orderly and aligns with the timely provision of the infrastructure and public service facilities.

To inform the phasing of growth over the planning horizon, Watson's population, housing and employment forecasts project residential and non-residential needs in five-year periods. The Town-wide needs for each five-year period has also been allocated to different planning policy areas to inform the potential timing of secondary planning and provision of infrastructure and public service facilities for the various growth areas. The new Official Plan will be proposing monitoring policies for building permit activity and development applications to inform growth management and the phasing of growth in real-time to ensure the following policies of the proposed new PPS will be met:

2.1.4 - To provide for an appropriate range and mix of housing options and densities required to meet projected requirements of current and future residents of the regional market area, planning authorities shall:

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a) maintain at all times the ability to accommodate residential growth for a minimum of 15 years through lands which are designated and available for residential development; and

b) maintain at all times where new development is to occur, land with servicing capacity sufficient to provide at least a three-year supply of residential units available through lands suitably zoned, including units in draft approved or registered plans.

As shown in Table 2 in Appendix B, the phasing of growth is proposed to be delineated in three general categories for Community and Employment Areas: Existing, New and Future. Appendix C includes a map and table that summarizes the planning policy areas proposed to comprise each phasing category. In general, the growth areas used in the Study are reflective of existing planning policy areas such as Secondary Plan Areas and Major Transit Station Areas. However, there are some growth allocation areas assumed in the Study that will be further refined through the new Official Plan.

Existing Community and Employment Areas, such as Boyne, Derry Green, and the Downtown Urban Growth Centre/Major Transit Station Area, are expected to accommodate housing and job growth throughout the planning horizon to 2051 through build-out of already developing areas and on-going intensification.

New Community and Employment Areas, such as the Trafalgar Secondary Plan Area, Milton Education Village and the Agerton Employment Areas, are expected to start construction prior to 2031 and accommodate housing and jobs to 2051.

Subject to monitoring, Future Community and Employment Areas (which include the urban expansion lands added to the urban boundary by the Province through ROPA 49) are not expected to be required for housing starting before 2032 and jobs before 2037.

Settlement Area Expansions

The modification and approval of ROPA 49 by the Minister of Municipal Affairs and Housing (the Minister) on November 04, 2022 added significant amounts of new community and employment lands to the Town's urban settlement area for accommodating future growth to 2051. Watson's Study demonstrates that the settlement area expansion lands, added through the Minister's modifications to ROPA 49, are needed by the Town to accommodate an appropriate range and mix of land uses to 2051.



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The New Official Plan

Work is currently underway for the development of a new Official Plan (OP) for land use planning to the year 2051. Phase 1 of the Study provides key analyses for informing the quantity and type of housing and non-residential land uses the Town should be anticipating and planning for. The Study takes into consideration the changing planning policy framework and provides the necessary supporting information for input into the new OP. The draft tables in Appendix B include the growth forecasts that will be included in the draft of Part 1 of the new OP. Policy directions for Part 1 of the OP will be presented to Council later this month. Subsequently, Staff will begin public consultations on Part 1 of the new OP including the draft growth forecast tables presented in Appendix B as informed by the Study.

Financial Impact

The Town undertakes a number of financial planning and forecasting exercises in order to support the timely and sustainable growth of the community. These processes include the completion of Fiscal Impact Studies, Development Charge Background Studies, the Budget process, as well as a number of master planning exercises.

The reference scenario, as recommended for inclusion in the updated Official Plan for the Town, incorporates updates to the forecasted growth in population and employment. These updates include changes to both the overall quantum of growth, as well as the composition of growth (density, location, etc.). These changes will be assessed with respect to the impact on the amount and type of services that will be required within the Town through master planning processes and other exercises. The overall financial impacts will also be updated through an update to the Town's Fiscal Impact Study, with consideration given to the costs and revenues that are associated with the higher volumes of growth. An update to the Town's Fiscal Impact Study is expected following completion of the next iteration of the Town's Asset Management Plan as well as the Town's next Development Charge Background Study and By-law.

The financial impacts that result from growth in the community can take several forms including, but not limited to:

- Capital Budget Impacts – where the initial investment in the required infrastructure cannot be funded from the new development (due to legislated or discretionary exemptions or other constraints), non-growth related funding sources (primarily property taxes) are required to fund any shortfalls.
- Operating Budget Impact – where an existing tax rate results in an annual funding deficit relative to the service levels that are provided to the community, or where the service levels provided to the community are required to increase as the community grows, a financial pressure on the property tax rates can result from growth in the community.

These impacts will be further analyzed through future financial planning exercises and presented to Council to inform decisions with respect to service levels, the timing of growth and the various tools that are available to the Town.



Respectfully submitted,

Jill Hogan
Commissioner, Development Services

For questions, please contact: Wendy Chen, Senior Policy Planner Phone: Ext. 2296

Attachments

Appendix A - Residential and Non-Residential Analysis Study Phase 1 Draft Report

Appendix B - Draft Growth Forecast Tables for the New OP

Appendix C - Map of Growth Phases and Planning Policy Areas

Approved by CAO
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.