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Should rural settlements in the Greater Golden Horseshoe be a focus for growth?

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Should rural settlements in the Greater Golden Horseshoe be a focus for growth?

This is the fourth in a series of Briefs on the land supply for future urban development designated by municipalities across the Greater Golden Horseshoe to accommodate growth to 2031 and beyond. This Brief examines the land supply represented by Undelineated Built-up Areas (UBUAs) – rural settlements identified by the Province as being without full municipal water and wastewater servicing. Although the Growth Plan states that these small towns, villages, and hamlets should not be a focus of growth, a contradiction between the Growth Plan and a supplementary provincial document allows municipalities to count subdivisions on the edges of UBUs as “intensification.”

Ontario’s ***Growth Plan for the Greater Golden Horseshoe***, a plan for managing growth in the Toronto region, makes a clear distinction between on the one hand, urban settlements with full municipal water and wastewater systems and on the other, rural settlements (small towns, villages, and hamlets) that depend on private or communal wells as a source of water and on septic tanks for wastewater disposal.

The distinction is crucial, because the Growth Plan explicitly states that “population and employment growth will be accommodated by... directing major growth to settlement areas that offer municipal water and wastewater systems and limiting growth in settlement areas that are serviced by other forms of water and wastewater services.”¹ This principle is consistent with the Provincial Policy Statement, which specifies that *municipal* sewage services and *municipal* water services are the preferred form of servicing for settlement areas.²

- By “full municipal services,” we mean both municipal-scale water treatment facilities (rather than individual or communal wells) and municipal-scale sewage treatment facilities (rather than septic tanks).
- By “partially serviced,” we mean a settlement that has either municipal-scale water servicing *or* municipal-scale sewage treatment, but not both.

An analysis by the Neptis Foundation, however, shows that a contradiction in wording between the 2006 Growth Plan and a 2008 supplementary provincial document has created a policy gap that allows municipalities to direct growth to settlement areas without full municipal services. This contradiction was first noted and described by the Neptis Foundation in 2013.³ Since then further Neptis research has shown that decisions made by the Province during the Growth Plan implementation process have not only allowed subdivision-style development, mainly in the form of single-detached housing, in areas without full municipal servicing, but also allowed these developments to be counted as intensification.

The contradiction is important for three reasons. First, although individually most of these towns, villages, and hamlets are small, collectively they represent a sizable amount of land. Neptis analysis shows that as of spring 2016, across the Greater Golden Horseshoe more than 31,000 hectares (76,600 acres)⁴ within hamlets, villages, and small towns remain unbuilt, most of them in the Outer Ring.

- 5,100 hectares (12,600 acres) in the Greater Toronto and Hamilton Area,
- 26,100 hectares (64,500 acres) in the Outer Ring (see Figure 1)

¹Ministry of Public Infrastructure Renewal, *Growth Plan for the Greater Golden Horseshoe, 2006*, section 2.2.2j.

²Provincial Policy Statement, 1.1.3.2(a)(2)).

³Rian Allen and Philippa Campsie, *Implementing the Growth Plan for the Greater Golden Horseshoe: Has the strategic regional vision been compromised?* The relevant section is found at <http://www.neptis.org/publications/how-will-growth-be-accommodated/chapters/growth-rural-communities>

⁴Note that the 31,000 hectares (more than 76,600 acres) of undelineated built-up area supply is distinct from and in addition to the more than 103,000 hectares (over 254,000 acres) of Designated Greenfield Area (DGA) set aside by GGH municipalities under the Growth Plan to accommodate growth between 2006 and 2031.

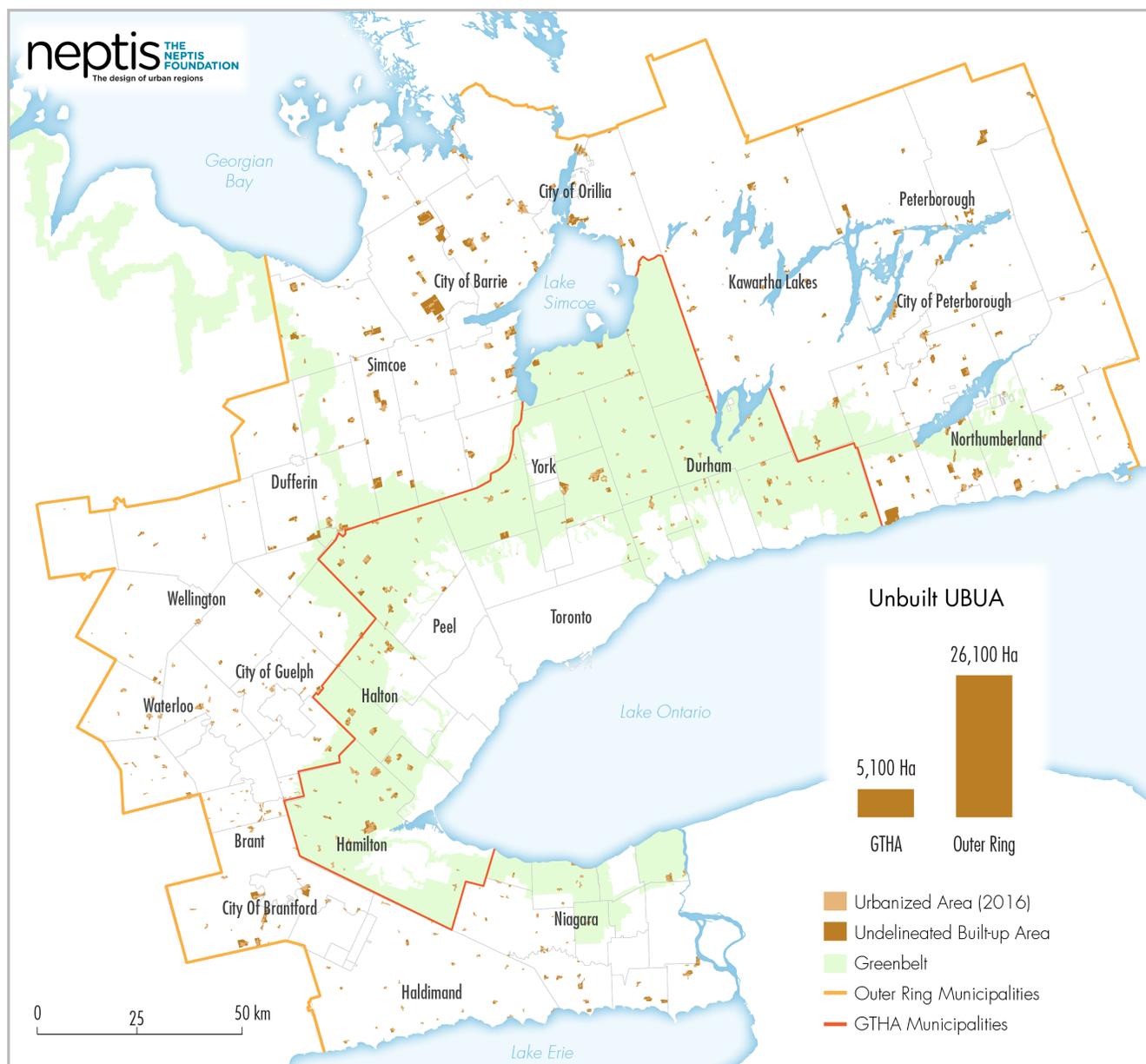


Figure 1: Amount of unbuilt land in undelineated built-up areas (UBUAs) across the Greater Golden Horseshoe, 2016

Second, growth in these areas will lead to demands to extend water and wastewater pipes to partially serviced settlements, at considerable cost. Rural settlement areas are scattered across the Greater Golden Horseshoe and most are discontinuous from existing urban settlements, so pipes would have to be extended long distances to serve these settlements.

Third, and of greatest concern, is the prospect that changes to the 2016 Growth Plan, now under consideration by the Province, will entrench the practice of greenfield development in rural settlements being counted as intensification, thereby undermining the spirit and intent of the original Growth Plan.

How definitional differences led to a policy gap

The rural settlement areas in question are officially known as “undelineated built-up areas,” (UBUAs). The term was coined in 2008 during the implementation process for the Growth Plan. In fact, the precise boundaries of each settlement are “delineated” in municipal official plans, but not in provincial documents, where they appear simply as dots on a map. There are more than 400 of these settlements scattered across the Greater Golden Horseshoe (see Figure 1).

The UBUAs were identified in 2008 when the Province mapped the “Built Boundary.” The Built Boundary

encloses an area within each urban settlement that is defined for the purpose of measuring and implementing intensification. The intensification of existing urbanized areas is one of the key policy levers in the Growth Plan intended to curb sprawl. The policy in the 2006 Growth Plan requires that upper- and single-tier municipalities direct 40 percent of all residential development to areas inside the Built Boundary. Growth outside that boundary may occur on the contiguous Designated Greenfield Area (previously undeveloped land set aside by municipalities for future development).

The rationale for not defining a Built Boundary in rural settlements was that UBUs “are not expected to be a focus for intensification.”⁵ As a result, they did not require a delineated Built Boundary for monitoring intensification.

The policy conflict emerges in the different ways in which UBUs are defined or described in the two documents: the 2006 Growth Plan and the 2008 Built Boundary document.

The definition of the Designated Greenfield Area in the 2006 Growth Plan states, “**Where a settlement area does not have a built boundary, the entire settlement area is considered designated greenfield area.**” Meanwhile, Section 3 of the 2008 Built Boundary document states, “**The built boundary consists of delineated and undelineated built-up areas.**”⁶ This second definition allows for any development anywhere in a rural settlement, or UBU, to be counted as intensification, a stark contradiction of the definition in the 2006 Growth Plan.

Neptis research indicates that during the implementation of the Growth Plan, some municipalities used the wording in the 2008 Built Boundary document to justify treating development proposals in rural settlements areas as intensification.

Intensification is defined in the Growth Plan as “The development of a property, site or area at a higher density than currently exists through: a. *redevelopment*, including the reuse of *brownfield sites*; b. the development of vacant and/or underutilized lots within previously developed areas; c. infill development; or d. the expansion or conversion of existing buildings.”⁷

Unintended consequences: UBUs become focal points for growth

Neptis has found that some municipalities are planning to direct significant amounts of subdivision-style development to UBUs and to count these developments as intensification. They include municipalities in Simcoe County, which has the largest amount – about 38 percent – of unbuilt land in UBUs in the Outer Ring (see Figure 2). Simcoe County’s Official Plan states:

Where a settlement area has an undelineated built-up area by the Province, the entire settlement area is considered to be a built-up area, and all new residential units within such settlement areas *contribute towards the intensification target* [emphasis added].⁸

⁵Ministry of Public Infrastructure Renewal, *Built Boundary for the Growth Plan for the Greater Golden Horseshoe, 2006*, Toronto, 2008. Section 2, Step 4, rule i. Retrieved from https://www.placestogrow.ca/index.php?option=com_content&task=view&id=373&Itemid=15

⁶Ministry of Public Infrastructure, *Built Boundary for the Growth Plan for the Greater Golden Horseshoe, 2006*, Toronto, 2008. Section 3.

⁷Ministry of Infrastructure, *Growth Plan for the Greater Golden Horseshoe, 2006, Office Consolidation*, Toronto, 2013, Section 7. Office consolidation retrieved from: https://www.placestogrow.ca/index.php?option=com_content&task=view&id=359&Itemid=12.

⁸*Simcoe County Official Plan*, Policy 3.5.24. Retrieved from <http://www.simcoe.ca/Planning/Documents/SimcoeOfficialPlanText.pdf>

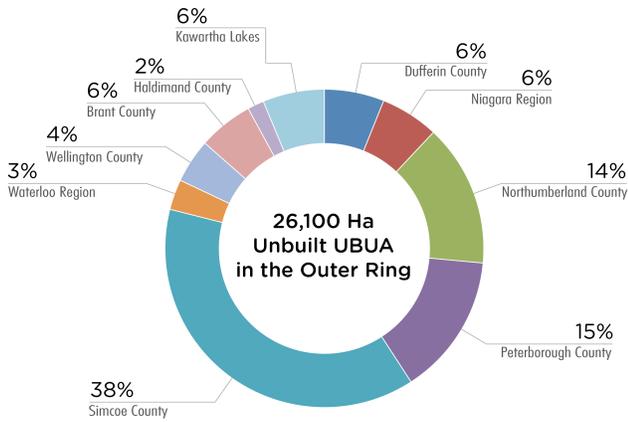


Figure 2: Distribution of unbuilt land in undelineated built-up areas among Outer Ring municipalities

Simcoe has planned for almost 40 percent of its growth to be in the form of intensification. But rather than directing intensification to locations with well-

established urban infrastructure, institutions, and amenities – such as Collingwood, Midland, Alliston, or Wasaga Beach – a review of the County’s land budgets shows that about 65 percent of the units that have been approved as intensification in Simcoe County are being directed to UBUs; 83 percent of these units are in the form of single detached housing units.⁹

This type of scattered development, on this scale, undermines the goals of the Growth Plan while allowing the County, on paper at least, to meet and even exceed its minimum intensification requirement (which, for Simcoe County as a whole, was adjusted to 32 percent¹⁰). Figure 3 shows how intensification units have been allocated in Simcoe County.

Some of the development being planned in the UBUs in Simcoe County reflects leapfrog development pressures first identified in the early 2000s.¹¹

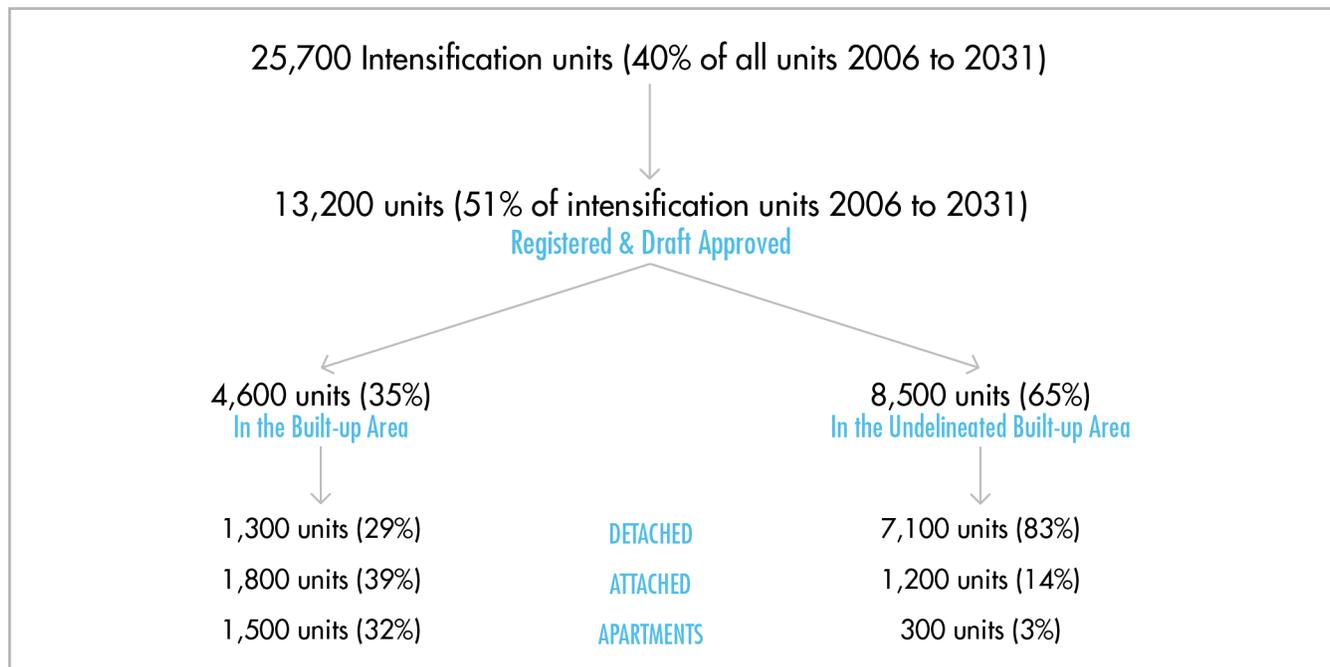


Figure 3: How intensification units are allocated in Simcoe County

⁹Neptis studied the land budgets of all 16 Simcoe County municipalities for the period 2011–2013 (<http://www.simcoe.ca/dpt/pln/growth>) to understand how much growth is being directed to the UBUA. The gross land budget does not identify how many intensification units are being assigned to the delineated built-up area relative to the undelineated built-up area. To understand that breakdown, Neptis looked at Registered and Draft-Approved development applications, which make up about 13,200 intensification units or 51% of all planned intensification units in Simcoe County; 8,500 unit or 65% of Registered and Draft Approved units were being directed to the UBUA, of which 83 percent were single detached houses.

¹⁰Rian Allen and Philippa Campsie, *Implementing the Growth Plan for the Greater Golden Horseshoe: Has the strategic regional vision been compromised?* Neptis, 2013. Retrieved from: <http://www.neptis.org/publications/how-will-growth-be-accommodated/chapters/intensification>

¹¹Leah Birnbaum, Lorenzo Nicolet, Zack Taylor, *Simcoe County: The New Growth Frontier*, Neptis 2004. See section 3.2.1.

What does “intensification” in Simcoe County UBUs look like?

One example of development in a UBUA that is being counted as intensification can be found in Innisfil, where small, discontinuous rural communities with relatively small amounts of projected growth are being connected to distant water and wastewater treatment plants.

The settlement of Lefroy-Belle Ewart is partially serviced with well water and septic tanks, but pipes are being extended from a wastewater treatment plant in Alcona, a nearby urban settlement, to service a subdivision being developed in the unbuilt portion of the UBUA, shown in Figure 4.

Lefroy is not the only UBUA that will be connected to Alcona. The multi-million-dollar expansion of the Water Treatment Plan in Alcona, planned for completion in 2018, links scattered settlement areas across Innisfil and Bradford West Gwillimbury, including Big Bay Point/Friday Harbour in northeast Innisfil, the Bradford West Gwillimbury employment lands on Highway 400, and planned growth in the rural settlement area of Bond Head, where the population is expected to increase to 4,400 people from about 500 people.¹²

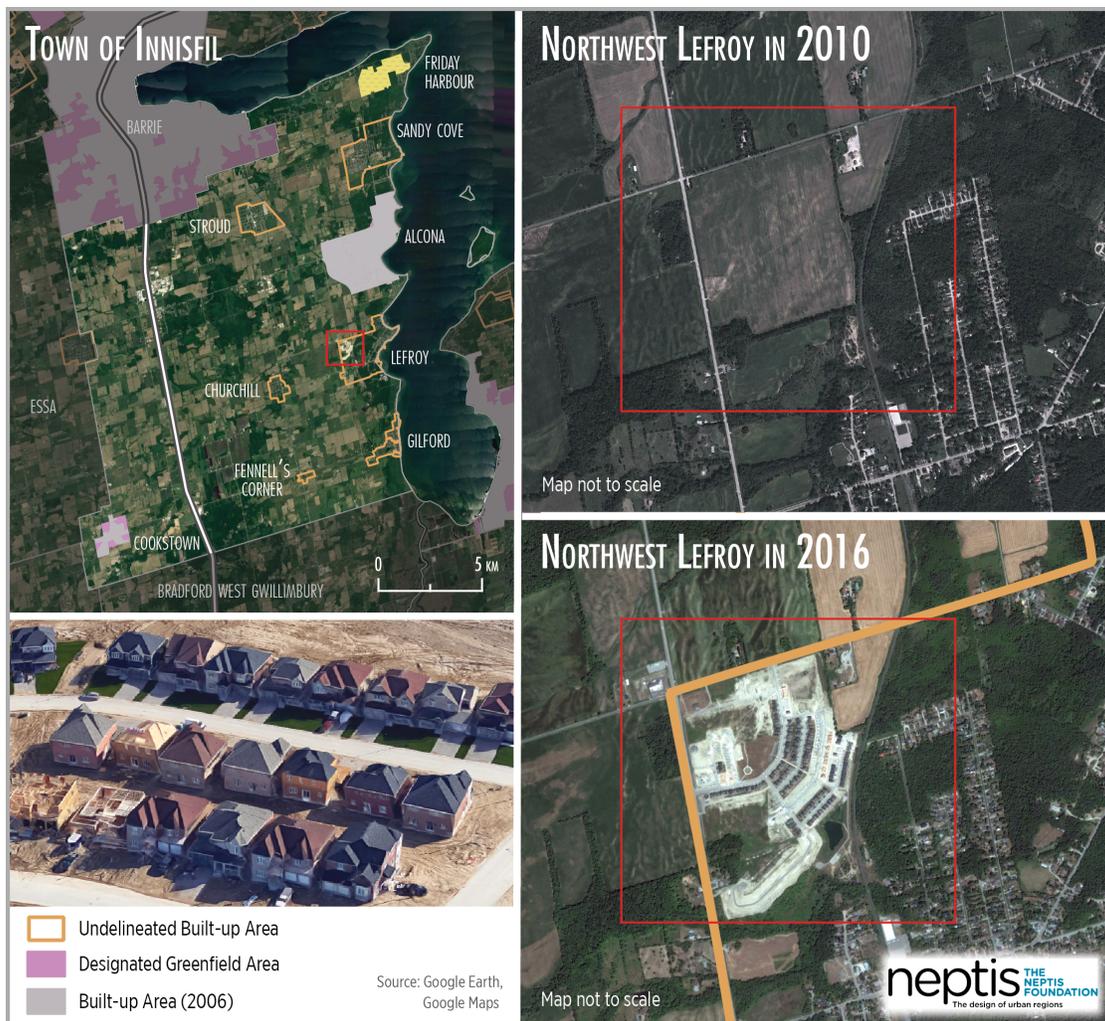


Figure 4: Recent residential development in Lefroy, an undelineated built-up area in the Town of Innisfil

¹²See Amendment no. 16 to the Official Plan of the Town of Bradford West Gwillimbury: Bond Head Settlement Area Secondary Plan, section 6.1.3.2. Retrieved from <http://www.townofbwg.com/Shared%20Documents/Planning/Official%20Plan%20Amendment%2016%20-%20Bond%20Head%20Settlement%20Area%20-%20OMB%20Approved.pdf>

The planning under way represents the pattern of growth that the Growth Plan explicitly discourages, that is, leapfrog development – the building of expensive new infrastructure to serve far-flung developments across vast stretches of rural and agricultural land when growth should be directed to existing areas with servicing capacity.

If municipalities are allowed to count new subdivisions in unbuilt areas of rural settlements as intensification, this will contribute to pressure to bring in piped services from distant treatment plants at considerable cost, even though a relatively small amount of population and employment growth has been allocated to UBUs. This, in turn, will create pressure to add more development along or near the path of these pipes.

Another example of development in a rural settlement being counted as intensification can be found in Horseshoe Valley in Oro-Medonte. The settlement has grown around a resort community far from any urban areas. Expansion plans for the UBUA exceed the capacity of its small-scale communal wastewater collection system. The municipality is now considering interim wastewater options,¹³ since municipal-scale systems are still only in the early planning stages.¹⁴ Paying first for interim wastewater treatment and later investing in municipal-scale infrastructure is another type of outcome the Growth Plan was intended to prevent.

Both examples show that scattered development comes at considerable costs in water and wastewater servicing. Moreover, as these small communities add new subdivisions, demand will grow for other types of services and amenities (schools, libraries, recreational facilities, and community centres), creating further costs for municipalities.

As we have shown, subdivisions are being built on the outskirts of small towns, villages, and hamlets; more have been approved for development. If these subdivisions are allowed to be counted as “intensification,” then the distinction between intensification and greenfield development in the Growth Plan becomes utterly meaningless.

How *not* to amend the Growth Plan: Turning a contradiction into policy

The proposed Growth Plan amendments of 2016 codify the approach taken by Simcoe County through a change in the definitions (contained in Section 7): **“Where the built boundary is undelineated, the entire settlement area is considered built-up area.”**¹⁵

This wording would allow residential development in 31,200 hectares of unbuilt land in rural settlements (UBUs) without full municipal servicing to be counted as intensification. The Built Boundary was never meant to include large quantities of undeveloped land, yet including the UBUA in the definition of the Built Boundary would do just that.

¹³Township of Oro-Medonte, 2015, *Horseshoe Valley Lands Horseshoe Ridge Phases 4 and 5 – Interim Wastewater Master Servicing Study Summary Report in Support of the Horseshoe Ridge Phase 4 Draft Plan of Subdivision and Zoning By-Law Amendment*, retrieved from <http://www.oro-medonte.ca/Shared%20Documents/Public%20Notices%20and%20Media%20Releases/sub-01/2016-SUB-01%202016-ZBA-01%20Interim%20Wastewater%20Report.pdf>

¹⁴The township has only just launched the Environment Assessment process for the Horseshoe Craighurst Corridor Water, Wastewater and Transportation Master Plan. See <http://www.oro-medonte.ca/community/horseshoe-craighurst-master-plan>

¹⁵Ontario Land Use Planning Review, *Proposed Growth Plan for the Greater Golden Horseshoe*, Toronto, 2016, section 7. Retrieved from: https://www.placestogrow.ca/index.php?option=com_content&task=view&id=420&Itemid=101

	Current Growth Plan (2006)	Proposed Growth Plan (2016)
Built-up Area	“All land within the built boundary.”	“All land within the built boundary. Where the built boundary is undelineated, the entire settlement area is considered built-up area. ”
Built Boundary	“The limits of the developed urban area as defined by the Minister of Infrastructure in accordance with Policy 2.2.3.5.”	“The limits of the developed urban area as defined by the Minister in consultation with affected municipalities for the purpose of measuring the minimum intensification target in this Plan. The built boundary consists of delineated and undelineated built-up areas. ”
Designated Greenfield Area	“The area within a settlement area that is not built-up area. Where a settlement area does not have a built boundary, the entire settlement area is considered designated greenfield area. ”	“The area within a settlement area that is required to accommodate forecasted growth to the horizon of this Plan and is not built-up area. Designated greenfield areas do not include excess lands.”
Settlement	“Urban areas and rural settlement areas within municipalities (such as cities, towns, villages and hamlets) where: a) development is concentrated and which have a mix of land uses; and b) lands have been designated in an official plan for development over the long term planning horizon provided for in the Provincial Policy Statement, 2005...”	“Urban areas and rural settlement areas within municipalities (such as cities, towns, villages and hamlets) that are: a) built up areas where development is concentrated and which have a mix of land uses; and b) lands which have been designated in an official plan for development.”

Table 1: Policy differences between the 2006 Growth Plan and the 2016 Proposed Growth Plan in the treatment of undelineated built-up areas

The proposed amendments to the Growth Plan also raise the intensification requirement from 40 percent to 60 percent. This change, if approved, could create pressure on municipalities in the Outer Ring to direct more development to small towns, villages and hamlets to attain the higher target, effectively “gaming” the requirements of the Growth Plan. The result? Leapfrog development in areas without full municipal servicing or supported by expensive servicing schemes.

Beyond Simcoe County, the pressure will be particularly intense in municipalities that have no urban settlements with a Built Boundary, such as Hamilton Township in Northumberland County or Douro-Dummer Township in Peterborough County. Since these municipalities have no urban areas of their own, growth can be accommodated *only* in UBUs. After Simcoe County, Northumberland and Peterborough counties have the largest amounts of unbuilt UBUA in the Outer Ring – 14 percent and 15 percent, respectively.

During the analysis for this Brief, it became clear to Neptis researchers that the change had been proposed for the amended Growth Plan without a clear

understanding of just how much unbuilt greenfield land remains within the UBUA and the sheer scale of growth that is being directed towards rural settlements in the name of “intensification.”

Why not expand rural settlements?

Why did the 2006 Growth Plan (as well as the 2005 Greenbelt Plan and the 2014 Provincial Policy Statement) seek to limit outward growth in settlements without full municipal services? The two main reasons are environmental and economic.

First, suburban-style subdivisions built alongside established rural settlements without municipal water and wastewater services are auto-dependent, consume agricultural and rural land, and may have adverse effects on nearby natural areas. The Growth Plan was designed to limit development that “contributes to the degradation of our natural environment, air quality and water resources, as well as the consumption of agricultural lands and other natural resources so critical to the future economy.”

¹⁶Ministry of Infrastructure, *Growth Plan for the Greater Golden Horseshoe, 2006, Office Consolidation*, Toronto, 2013, Section 1.1. Office consolidation retrieved from: https://www.placestogrow.ca/index.php?option=com_content&task=view&id=359&Itemid=12.

Second, these types of development entail long-term infrastructure costs, as pressure mounts to bring full municipal servicing to formerly rural areas. Water and wastewater plants, and the pipes required to extend servicing to rural settlements will cost millions, if not billions of dollars, at a time when much of the province's existing infrastructure is in need of upgrading or replacement. The Growth Plan was created to address the problem of building "new infrastructure...to service lower-density areas, while existing infrastructure in the older parts of our communities remains underutilized."¹⁷

The costs of new infrastructure will be paid partly through development charges (which are passed on to homebuyers), partly by the municipalities (which may affect property taxes), and partly by provincial or federal grants (which will reduce the money available for repairing or replacing existing infrastructure). Municipalities will also need to finance ongoing operating and maintenance costs for these subdivisions, which may not be sustainable in the long run.

Studying the policy gap

Neptis commissioned a policy gap analysis,¹⁸ which looked at the original Growth Plan, the proposed amendments to the Growth Plan, the original Greenbelt Plan and proposed amendments, and the Provincial Policy Statement (PPS). The analysis concluded that although it is clearly the intent of these documents to *limit* subdivision-style development on unserviced or partially serviced land, there is nothing that explicitly *prohibits* such development. Likewise, the Greenbelt Plan, although it prohibits subdivision-style development in rural areas, does not expressly prohibit development within UBUs.

The analysis also notes that the decision by the Province to distinguish between delineated and undelineated settlement areas was made on the premise that areas within the UBUA were not intended to be a focus for intensification. Yet the amendments as currently proposed would allow growth anywhere in any UBUA to count as intensification.

Conclusion

The 10-year-review of the Growth Plan and the proposed amendments together represent an opportunity to correct a decision made during the implementation of the Growth Plan to allow greenfield development within rural settlements (undelineated built-up areas or UBUs) to be counted as intensification. If the Growth Plan is to work as intended, the important distinction between intensification and greenfield development needs to be maintained. The distinction is important because of the unsustainable costs of servicing small, scattered developments across the Greater Golden Horseshoe. The need to control these costs was one of the main reasons the Growth Plan was established in the first place.

The fact that this significant policy gap has allowed for interpretations of the Growth Plan that are directly contrary to the stated goals of the Growth Plan is an important reminder of the need to monitor growth in the Greater Golden Horseshoe, including the extension of water and wastewater infrastructure to rural areas. Unless growth is monitored, it will be impossible to tell whether the Growth Plan is working as it was intended to do.

There is a choice to be made: do we direct growth to settlements in which it contributes to cost-effective infrastructure investments or do we continue to allow growth in rural settlements in ways that increase infrastructure demands and costs?

¹⁷Ministry of Infrastructure, *Growth Plan for the Greater Golden Horseshoe, 2006, Office Consolidation*, Toronto, 2013, Section 1.1. Office consolidation retrieved from: https://www.placestogrow.ca/index.php?option=com_content&task=view&id=359&Itemid=12.

¹⁸*Undelineated Built-Up Areas: A Gap that could undermine the Growth Plan*. DeMarco Allan, 2017.