

Staff Report 2019-0133

Meeting Date: September 17, 2019

Subject: Provincial Policy Statement Review Proposed Policies - July 2019

Submitted By: Sylvia Kirkwood, Manager, Policy and Sustainability

RECOMMENDATION

That the overview of comments on the proposed changes to the new Provincial Policy Statement outlined in Staff Report 2019-0133 be endorsed;

That a copy of staff report 2019-0133 be provided to the Region of Peel and the Ministry of Municipal Affairs and Housing.

REPORT HIGHLIGHTS

- The Ontario Government released proposed changes to the Provincial Policy Statement (PPS) on July 22, 2019 for consultation and feedback.
- Numerous policy changes are proposed that encourage an increased mix and supply of housing to achieve the goals of Ontario's Housing Supply Action Plan and Bill 108 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe.
- The proposed changes include an increase in the planning horizon from 20 to 25 years and increase in land supply from 10 to 12 years.
- The introduction of a new requirement to maintain a 5-year supply of serviced residential land.
- Employment land conversions can now be considered outside of a comprehensive review, at the time of an Official Plan review.
- Municipalities can plan beyond 25 years for the protection of employment areas.

DISCUSSION

Background

Since January 2019, the Province has brought forward numerous initiatives and legislation with impacts to the land use planning system. The Town has provided comments to the Province in response to each initiative and legislation to highlight how these changes would likely impact the Town.

On January 31, 2019, the Town submitted comments to the Province regarding its "Increasing Housing Supply in Ontario" consultation. This consultation was based on five broad themes, including speed, mix, cost, rent and innovation, all related to increasing housing supply in Ontario. It was the first step in developing the Housing Supply Action Plan.

On February 28, 2019, the Town submitted comments to the Province on various proposals including:

- Proposed Amendment to the Growth Plan for the Greater Golden Horseshoe, 2017 (ERO #013-4504)
- Proposed Modifications to O. Reg. 311/06 (Transitional Matters – Growth Plans) (ERO #013-4505)
- Proposed Framework for Provincially Significant Employment Zones (ERO #013-4506)
- Proposed Modifications to O. Reg. 525/97 (Exemption from Approval – Official Plan Amendments) under the *Planning Act*, 1990 (ERO #013-4507)

This consultation was the first step in developing the new Growth Plan.

On May 2, 2019, the Province released More Homes, More Choice: Ontario's Housing Supply Action Plan and the accompanying Bill 108 – the *More Homes, More Choice Act, 2019* (Bill 108). The Action Plan set out a series of coordinated initiatives aimed at increasing housing supply and streamlining development approvals, and this included a commitment to review the Provincial Policy Statement. Bill 108 proposed to amend thirteen different statutes which included:

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| • <i>Planning Act</i> | • <i>Environmental Assessment Act</i> |
| • <i>Development Charges Act, 1997</i> | • <i>Cannabis Control Act</i> |
| • <i>Local Planning Appeal Tribunal Act</i> | • <i>Labour Relations Act</i> |
| • <i>Conservation Authorities Act</i> | • <i>Occupational Health & Safety Act</i> |
| • <i>Endangered Species Act</i> | • <i>Workplace Safety & Insurance Act</i> |
| • <i>Ontario Heritage Act</i> | • <i>Environmental Protection Act</i> |
| • <i>Education Act</i> | |

On May 18, 2019, the Province released A Place to Grow – Growth Plan for the Greater Golden Horseshoe (*A Place to Grow, 2019*). The changes to the Growth Plan allowed for the designation of employment lands and settlement boundary expansions outside of a municipal comprehensive review (MCR) and reduced the density targets for development to 2041 from 80 persons and jobs per hectare to 50 persons and jobs per hectare. The Growth Plan also changed the definition of undelineated built-up areas to small rural settlements and adjusted the process of applying Provincial mapping of agricultural and natural heritage lands.

On July 22, 2019 the Province released changes to the Provincial Policy Statement (PPS) to help implement the Action Plan with the goal of increasing the supply of housing, supporting jobs and reducing barriers and costs in the land use planning system. Comments on the proposed changes to the PPS are due October 21, 2019 via ERO # 019-0279.

Staff comments are outlined under the key themes of the proposed amendments/modifications.

Discussion

The PPS is issued under the authority of section 3 of the *Planning Act* and was first enacted in 1996 with subsequent updates in 2005 and 2014. The PPS provides the foundation for land use planning and development in Ontario and guides municipal decision making on land use policy. The *Planning Act* requires that municipal decision making on land use planning matters be “consistent with” the PPS.

The PPS sets out the provincial policy direction for:

- The efficient use and management of land and infrastructure;
- Ensuring the provision of sufficient housing to meet changing needs, including affordable housing;
- Protecting the environment and resources including farmland, natural resources (e.g., wetlands and woodlands) and water, and addressing climate change;
- Ensuring opportunities for economic development and job creation;
- Ensuring the appropriate transportation, water, sewer and other infrastructure is available to accommodate current and future needs; and
- Protecting people, property and community resources by directing development away from natural or human-made hazards – such as flood prone areas.

While Town staff are supportive of directions of the proposed PPS policies that would increase housing supply, create and maintain jobs and cut red tape while continuing to protect the environment, farmland, and public health and safety, they have significant concerns with several of the proposed policy changes which may result in negative impacts on the Town’s ability to provide positive planning outcomes for its residents. Staff also contend with a lack of clarity to the PPS provisions and/or conflicts between the PPS and other planning legislation.

1. Increasing Housing Supply and Mix

Change:

New policies in the PPS suggest municipalities shall increase the planning horizon from 20 to 25 years and increase housing land supply from 10 to 12 years. Upper- and single-tier municipalities will be required to maintain a 5-year supply of serviced residential lands. The Province aims to provide a “Projection Methodology” as guidance to support land budgeting.

Comment:

Staff does not support the increased planning horizon to 25 years if it impacts the work completed to meet the 20-year horizon (well-established conformity date of 2022). The increased timeframes will significantly impact ongoing planning projects at the Town such as the Official Plan Amendment for the Mayfield West Phase 2 Stage 2 lands and the Official Plan Review 2041 project. The Town of Caledon, in cooperation with the Region

of Peel, have been using the 2041 population and employment forecasts on Schedule 3 of *A Place to Grow* to achieve conformity. The Town recommends that the current planning horizon and forecasts be maintained so that technical work that has already been completed to date is not lost. The proposed timeline in the PPS differs from the *A Place to Grow, 2019* timelines, which will likely result in the Province making further changes to the Growth Plan if the PPS is approved with the increased planning horizon. These changes may also lead to the Province amending the employment forecasts to align with the new horizon. Staff is concerned that the “Projection Methodology” continues to be delayed. Without this essential guidance material, the Region of Peel and the Town of Caledon cannot move forward with the municipal comprehensive review and required settlement area boundary expansions, which delays the provision of housing supply and 2022 conformity date.

Impact:

Town staff would be required to add five years to the planning horizon which would significantly impact the Official Plan Review 2041 work plan that was Council approved on March 5, 2019. The requirement to add 5 years to the planning horizon will strain efforts to realize a new Official Plan within the current term of council.

Change:

Policies in the PPS were enhanced to give municipalities flexibility to allow for minor settlement area boundary expansions subject to specific tests and which also align with the changes in *A Place to Grow, 2019*.

Comment:

Staff is generally supportive of allowing minor settlement area boundary expansions outside of a comprehensive review, subject to specific tests, provided the lands are accounted for at the municipal comprehensive review stage and that the process be Town initiated.

Impact:

The Town has 10,607 hectares of whitebelt land at the outer edge of the settlement area boundary. The new policy in the PPS that would allow municipalities to permit adjustments and expansions of settlement boundaries outside of a municipal comprehensive review would increase development pressure on the Town’s whitebelt lands at the same time as the Town is undertaking an Official Plan Review which could result in multiple and complex planning processes and approvals happening concurrently, which undermines the goal of comprehensive long-range planning and creates a piece-meal planning approach.

Change:

In terms of transit-supportive development, there are new policies that prioritize intensification in proximity to transit stations and corridors including potential air rights development. Conversely, the language surrounding transit-supportive

development has been softened by shifting many “shall” statements to “should” statements for provisions related to transit-supportive development.

Comment:

Staff is not supportive of the softening of language around the integration of transportation and land use planning at all stages of the planning process. Transportation and land use planning are critical components of the planning process and one cannot be planned without the other. Staff recommends that the previous stronger policy language remains in the PPS.

Impact:

The softened language surrounding the integration of transportation and land use planning may likely result in the Town facing difficulties securing and supporting transit services in the future.

Change:

There is an emphasis placed on market-based housing supply and demand to provide housing options across the spectrum, which includes policies that require municipalities to align affordable housing targets with Housing and Homelessness Plans. References are also made to compact form and phasing.

Comment:

Staff is concerned with the requirement that planning authorities provide for an appropriate range and mix of housing options and densities to meet projected “market-based needs” of current and future residents, as this does not consider the comprehensive, integrated and long-term nature of planning to facilitate complete communities or emerging demographic trends. “Market-based needs” approach to housing exclusively looks at current and past trends in the market and this is a significant departure from the previous PPS, which required planning authorities to encourage a range and mix of residential housing, regardless of what the market would support. This approach may add a profitability test to building complete communities. Town recommends removal of the terms “market-based needs” and “market demand.”

Staff is generally supportive of the added reference to housing options to meet current and future housing needs. This theme will be explored during the Town’s Official Plan Review which is an opportunity to revamp and modernize housing policies. However, staff is concerned that policies to address compact form and phasing were amended from “shall” to “should”, which contradicts other PPS policies which encourage intensification, compact growth and requirements for consideration of existing and planned infrastructure to accommodate projected growth.

Impact:

The focus on “market-based needs” and “market demand” is likely to inspire development applications that replicate past development trends, rather than encouraging creative approaches to solve urban/rural issues the Town is facing, as they will likely be able to support known built forms with sales records.

2. Protecting the Environment and Public Safety

Change:

The proposed draft policies enhance direction to prepare for impacts of a changing climate through adaptation efforts, including the development of storm water management policies that support community resiliency.

Comment:

Additional emphasis on climate change adaptation and resiliency, particularly with respect to water and storm water systems will benefit efforts to prepare for a changing climate and embed climate resiliency efforts into development processes.

Impact:

Policies strengthening the Town's efforts to provide climate change adaptation features will better help the Town to realize a climate resilient future.

Change:

While the policies contained in the proposed PPS enhance the importance of climate change adaptation efforts, language surrounding climate mitigation has been minimized and/or removed. Policies directing municipalities to consider waste generation implications and opportunities for renewable energy in land use planning processes were removed and/or amended.

Comment:

The removal of the policies will marginalize efforts to focus on both mitigation and adaptation through effective land use planning policies and environmental strategies. It is much more cost effective to invest in low carbon infrastructure now for new development, rather than make expensive investments in existing development in the future.

The reduced emphasis on climate change mitigation relative to the previous PPS is concerning, given the urgency of the issue and the potential economic opportunities that municipalities can gain from greater energy efficiency, alternative energy systems and renewable energy generation. In particular, land use decisions made today will ‘lock in’ greenhouse gas emissions and other environmental impacts for decades.

Impact:

The softening of language surrounding climate change mitigation will hinder Town efforts to reduce GHG emissions and realize carbon neutrality. Further, by failing to take climate change mitigation actions, the likelihood of having to undertake more extensive and costly adaptation efforts is greatly increased. The removal of several policies related to climate change mitigation, renewable energy, and waste reduction in the 2019 PPS leaves the Town with fewer tools to incorporate energy efficiency and renewable energy policies into land use planning. The changes also contradict other current provincial plans, including the Made-in-Ontario Environment Plan and the Resource Recovery and Circular Economy Acts which aim to reduce greenhouse gas emissions and waste across Ontario. The Province urgently needs a coordinated approach to addressing climate change that will provide consistent direction to municipalities.

Change:

New policies allow for on-site and local reuse of excess soil.

Comment:

The proposed policy will provide additional means for managing excess soil in the locality where it is generated, and where feasible, on-site. The re-use of excess soil onsite will reduce the need to transport it to other localities, thereby minimizing:

- environmental (greenhouse gas) and community (noise, dust and vibration) costs associated with trucks;
- the effects of trucks on local roads and infrastructure; and
- concerns raised by rural residents about the potential contamination of ground water due to excess soil imported from other jurisdictions.

Impact:

Given Caledon's proximity to the GTA and its rural setting/countryside landscape excess soil has become a major issue from abutting GTA urban communities that are rapidly developing. To find a solution to this issue, the Town undertook an excess soil policy review which will result in proposed revisions to existing policy and by-law. Moreover, Caledon's planning and approval process will need to be modified to encourage developers to submit an excess soil management plan to demonstrate how excess soil will be managed, reused locally onsite and/or disposed.

3. Reducing Barriers and Costs

Change:

New policies would require municipalities to fast-track priority development applications for certain proposals which support housing and job-related growth.

Comment:

The open interpretation of “fast-tracking” and “priority applications” is vague and further entrenches the assumption of municipal delays in planning and development approval processes.

Impact:

The lack of clear direction and definitions regarding “fast-tracking” and “priority applications” may result in significant additional demands placed on Town staff and resources to process planning applications. Given the growth that is anticipated for Caledon with Mayfield West and Bolton Residential Expansion Area, a large percentage of applications may be required to be considered “fast-track” applications. An over-abundance of “fast-track” applications may result in either the requirement of additional staffing resources or an inability of Town staff to provide an adequate level of review to ensure high quality developments that incorporate complete community design.

Change:

New policy allows mineral aggregate extraction to occur in protected, provincially significant natural features, including wetlands, woodlands, valley lands, wildlife habitats, fish habitats, endangered and threatened species habitats and areas of natural and scientific interest outside of the Greenbelt, subject to certain policies and where it is demonstrated that extractions will have no negative impacts.

Comment:

These extraction policies don’t take into consideration the long-term effects of developing within protected features. These policies may result in inadequate protection and loss of significant natural heritage features.

Impact:

The Town has 26 existing mineral aggregate operations and an abundance of mineral aggregate resource areas that, if allowed to expand into protected features, will have an impact on the Town’s ability to cope with climate change impacts, especially considering that our Caledon climate forecast model predicts more extreme heat days and increased precipitation. Wetlands and naturally forested areas act to moderate and buffer against the impacts of extreme rainfall (e.g. overland and riverine flooding) and extreme temperatures (e.g. urban heat island effect).

Change:

Policy adjustments were made to align cultural heritage policies of the PPS with the recent changes to the *Ontario Heritage Act*. The PPS proposes to change the definition of “significant” as it pertains to cultural heritage resources.

Comment:

The proposed definition of “significant” as it relates to cultural heritage resources will allow the Province to determine what features constitute cultural heritage value. Clarification of the definition of “significant” is paramount to the recognition of cultural heritage resources as this directs the requisite knowledge base for recognizing attributes that define either a building or cultural landscape and/or heritage features that are associated with cultural heritage resources.

Impact:

The definitions of terms are to be updated within the regulations of the *Ontario Heritage Act*. Until this time, it is unclear how the change to the definition of “significant” will impact the Town’s ability to identify and protect its heritage resources.

4. Supporting Rural, Northern and Indigenous Communities

Change:

Noteworthy policy enhancements were made around requiring planning authorities to engage with Indigenous communities in the Province on land use planning matters.

Comment:

Community engagement is an important element of the planning process. Engaging Indigenous communities helps inform decision making, build relationships and address issues upfront in the approval process. This policy gives the Town more tools to implement successful engagement plans. The Town will be developing a “Duty to Consult” protocol later this fall, as part of the Official Plan 2041 review process.

Change:

New policies allow for greater flexibility for communities to select individual on-site sewage services and individual on-site water when municipal services are not available, planned or feasible in rural settlement areas at the time of Official Plan review or update.

Comment:

Although the Region of Peel is the provider of water and wastewater services, Town staff is concerned that broader policies for water and wastewater servicing in rural settlement areas will lead to increased development pressures in parts of the Greenbelt, Oak Ridges Moraine and the Niagara Escarpment. Moreover, the Town recently completed a policy review for the Palgrave Estates Residential Community which removed the ability to develop on communal services. This policy now conflicts with the PPS.

Impact:

The Town has several rural settlements that may be candidates for alternative servicing options. This includes areas like Palgrave Estates and several villages including Alton and Caledon Village. These changes to the PPS 2019 leave the Town with fewer tools to manage growth and development.

Change:

Other minor policy enhancements were made to agricultural policies to support an agricultural system approach and agri-food network.

Comment:

Staff is supportive of the proposed changes to agricultural policies as this aligns the PPS with other Provincial Plans, policies and guidelines.

Impact:

The Town has 20,820 hectares of prime agricultural land that support a connected and integrated Provincial agricultural land base. These policy changes give the Town more tools to protect farmland in perpetuity.

5. Supporting Certainty and Economic Growth

Change:

New policy suggest municipalities may plan beyond 25 years for the long-term protection of employment areas, were it was previously only 20 years.

Comment:

Staff is generally supportive of the increased planning horizon for employment areas.

Impact:

Caledon is a growing municipality that aims to attract top-tier employers such as Canadian Tire, Amazon and UPS. This added flexibility to plan beyond 25 years for employment areas and outside of a comprehensive review process would help the Town maintain strategic sites for investment including market-ready sites and increase the Town's competitiveness.

Change:

New policies allow municipalities to permit employment land conversions outside of comprehensive review at the time of an Official Plan review and aligns with the changes in *A Place to Grow, 2019*.

Comment:

Staff is generally supportive of allowing conversions of employment lands to non-employment uses, outside of a comprehensive review subject to criteria and at the

completion of an Official Plan Review. Staff suggest the lands should also be accounted for at the comprehensive review stage. This policy change aligns with employment policies in *A Place to Grow, 2019*. However, these changes also contradict other policies in the PPS 2019 that aim to enhance protection of employment lands to maintain their feasibility and viability (i.e. 1.3.2.1). Staff also notes contradictory employment policies between the PPS and a Place to Grow – Growth Plan for the Greater Golden Horseshoe. Policies in *A Place to Grow* require municipalities to maintain a significant number of jobs on lands being converted to non-employment uses (i.e. 2.2.5.10). However, policies in the PPS do not require protection of job numbers.

6. Additional Comments

Change:

New wording in the preamble section of the PPS describes the role of municipal Official Plan and Zoning By-laws within the context of implementation. The PPS also adds new wording around circumstances where approvals under the *Planning Act* may require an integrated planning process and approvals process under other legislation such as the *Environmental Assessment Act*. The “shall be consistent with” policy as it relates to comments, submissions or advice regarding planning matters provided by council of a municipality, was reduced from a numbered policy to a general statement. Although, there is new wording that clarifies the relationship between the PPS and other Provincial Plans, there are many instances of contradiction and issues of readability between all Provincial Plans.

Comment:

The Town recommends that policies that speak to the legislative authority of the PPS and implementation should be given more weight and remain as numbered policies to remove the ambiguity of local and Provincial policy compliance.

Impact:

The Town may be challenged on the legislative authority of the PPS which could lead to more complex and lengthier approval processes.

FINANCIAL IMPLICATIONS

The proposed policy changes specifically “fast-tracking” and “priority applications” may result in a need for additional staffing resources as mentioned above. Staff will continue to monitor the new proposed PPS for any potential financial and staff resourcing implications.

COUNCIL WORK PLAN

Subject matter is not relevant to the Council Work Plan.

NEXT STEPS

Upon Council endorsement of the attached comment letter as per Schedule A of the report, the formal letter will be sent to the Province by October 21, 2019. Any further modifications or amendments to the Provincial Policy Statement shall be incorporated to this report and sent to the Province.

ATTACHMENTS

Schedule A: Provincial Policy Statement Comment Letter (ERO # 019-0279)