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Provincial Policy Statement Review – Proposed Policies Staff Report to Council

Report Number: 2019-87

Department(s): Planning & Building Services

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Meeting Date: September 23, 2019

Recommendations

1. That the report entitled Provincial Policy Statement Review – Proposed Policies dated September 23, 2019, be received; and,
2. That the report entitled Provincial Policy Statement Review – Proposed Policies dated September 23, 2019, be submitted to the province as feedback no later than the October 21, 2019 commenting deadline; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

Following recent changes to the land use planning system through Bill 108, More Homes, More Choices Act, 2019 (Bill 108) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (the Growth Plan), the provincial government has released proposed changes to the Provincial Policy Statement (PPS) and is now seeking feedback on these proposed legislative and regulatory changes. The purpose of this report is to provide information to Council regarding these changes. The consultation period is from July 22, 2019 to October 21, 2019; it is recommended that this report be submitted to the province as input to this process.

Background

The Provincial Policy Statement (PPS) is a high-level statement which summarizes and provides direction for policies relating to land use planning and development in Ontario. The PPS was first implemented under the authority of Section 3 of the *Planning Act* in

1996, then amended in 1997, and has since been replaced with revised versions in 2005 and 2014.

The PPS is currently under review following the provincial government's release of "A Place to Grow: Growth Plan for the Greater Golden Horseshoe" and the passing of Bill 108: More Homes, More Choice Act in June of 2019, which amended various acts including the *Planning Act*. Furthermore, changes to the PPS have been proposed in order to better align the provincial policies to this recently updated policy landscape.

As decisions on land use planning matters "shall be consistent with" the PPS and as municipalities are the primary implementers of its contents, the Ministry of Municipal Affairs and Housing is seeking written comments and feedback to the proposed PPS changes by October 21, 2019. The Town, by way of this report, seeks to provide their written comments to the province by the time requested.

Discussion

The province has categorized the policy changes into five main policy areas. These five policy areas are described below, followed by the provinces stated objectives for each. Each of these policy areas is followed by staff's response and recommendation(s).

1. Housing and Land Supply

The proposed amendment includes the following key policy changes, as described by the province:

- Increasing the land supply requirements municipalities must meet by:
 - Increasing planning horizon from 20 to 25 years
 - Increasing housing land supply from 10 to 12 years
 - Allowing upper and single-tier municipalities to establish a higher minimum requirement for serviced residential land (from 3 to 5 years)
- Updating provincial guidance to support land budgeting (e.g. the preparation of updated Land Needs Assessment Methodology)
- Increasing flexibility for municipalities related to the phasing of development and compact form
- Adding flexibility to the process for settlement area boundary expansions (e.g. allow minor adjustments subject to specific tests, highlight that study requirements should be proportionate to the size/scale of development)
- Requiring transit-supportive development and prioritize intensification, including potential air rights development, in proximity to transit, including corridors and stations
- Supporting the development of housing to meet current and future housing needs, and add reference to providing housing options
- Supporting municipalities in achieving affordable housing targets by requiring alignment with Housing and Homelessness Plans

- Broadening PPS policies to enhance support for development of long-term care homes

Key among the housing and land supply policy changes is the introduction of a **market-based** approach to housing. This specifically requires planning authorities to provide for an appropriate range and mix of housing options and densities to meet projected “market-based needs”. The proposed changes do not include a definition for this new term and it is difficult to undertake a complete analysis of this policy change without such a definition. If this term refers to current market demand for specific housing typologies, staff would have concerns with this approach as it would likely perpetuate the development of less efficient, land extensive ground-related residential development rather than more efficient, intensive forms of development. In addition, it would not account for changing demographics and associated future housing needs. Such concerns are particularly relevant in areas outside the Greater Golden Horseshoe where the Growth Plan’s density targets are not applicable.

Recommendation(s):

1. Include a definition for “market-based” as it relates to housing that speaks to market required housing (i.e. affordable housing, purpose built rental) rather than current market demand for specific housing typologies.

2. Employment Areas

The proposed amendment includes the following key policy changes, as described by the province:

- Encourage municipalities to facilitate conditions for economic investment, and at the time of official plan review or update, assess locally-identified employment areas to ensure designations are appropriate.
- Provide municipalities with greater control over employment area conversions to support the forms of development and job creation that suit the local context (current and future).
- Provide stronger protection for major facilities such as manufacturing and industrial uses where non-employment uses are planned nearby (i.e. buffering uses from new sensitive uses).

Key among the policy changes regarding **employment areas**, the proposed policy changes state that “within employment areas planned for industrial and manufacturing uses, planning authorities shall prohibit residential and institutional uses that are not ancillary to the primary employment uses in order to maintain land use compatibility”. Notwithstanding this direction, the subsequent policies allow planning authorities to permit conversion of lands within employment areas to non-employment uses through one of two ways:

- i) as part of a *comprehensive review*, or

- ii) in advance of a *comprehensive review* where the area is not identified as being regionally significant or provincially significant (i.e. within a Provincially Significant Employment Zones / PSEZ), subject to meeting certain criteria.

The change here is the second way in which a conversion can occur. Currently, the PPS only allows for conversions to occur through a *comprehensive review*. This change has been added to the PPS to mirror a similar policy inclusion in the recently released new Growth Plan. What is not specified in the proposed changes is detail regarding who the conversion requests are available to (municipalities, landowners, or both), and if this conversion opportunity is restricted to a single use prior to the completion of the *next comprehensive review*, or if it can be used multiple times prior to the completion of any subsequent *comprehensive reviews*.

The proposed changes also include the introduction of the term “regionally-significant” employment areas, as referenced in ii) above. The current PPS does not include this term, and the proposed changes do not include a definition. Given that employment conversions will not be permitted in these areas in advance of a *comprehensive review*, it is important to clarify the methodology by which these areas will be defined. In addition, the PPS states that these areas will be identified by “a regional economic development corporation working together with affected upper- and single- tier municipalities”. It is unclear what such an entity would be in Newmarket’s context, and why a more recognized planning process was not identified to determine these areas.

Recommendation(s):

1. Provide greater clarity regarding who the conversion requests are available to (municipalities, landowners, or both).
2. Provide greater clarity regarding any use restrictions of the conversion request (one-time use vs. multiple uses).
3. Provide a definition for “regionally significant employment area”
4. Consider the use of a more recognized planning process to determine “regionally significant employment areas” in place of identification by a regional economic development corporation.

3. Protecting the Environment and Public Safety

The proposed amendment includes the following key policy changes, as described by the province:

- Enhance direction to prepare for impacts of a changing climate.
- Enhance stormwater management policies to protect water and support climate resiliency.
- Promote the on-site local reuse of excess soil.

The above noted policy changes generally strengthen the major directions in which municipalities will be preparing for the impacts of a changing climate. Staff support the proposed PPS in primarily speaking to the “impacts of a changing climate” rather than

focusing on the term “climate change”, as this focus aligns with Town initiative regarding “changing the conversation about climate” toward a more empowering and collective narrative.

The proposed changes also enable municipalities to manage wetlands, in accordance with provincial guidelines, that are beyond those identified and afforded protections. This “opt-in” flexibility may allow for greater protection of wetlands in southern Ontario. Additionally, the management of climate change impacts to water resource systems at the watershed level shall improve the efficiency of efforts relating to water management by decreasing jurisdictional constraints/overlap and by evaluating the watershed as a system and not as separate entities. Though, it is important to note that this broadened scope does limit the specificity of the evaluation and preparation approaches.

In considering waste generation, management and diversion, and promoting renewable and alternative energy systems, the proposed changes reflect a decreased interest in pursuing goals through non-traditional mitigation techniques. The proposed PPS focuses on a “reduce, reuse and recycle” approach to waste management and the quantitative aspect of energy production/supply. Though these are important to mention, it is staff’s opinion that decreasing the progressive and qualitative sustenance of the policies as done in this proposed revision does not effectively reflect the desire to protect the environment and public safety.

As part of Council’s Strategic Priorities, environmental stewardship is expressed through LID implementation, renewable and alternative energy including implementation under the Newmarket Community Energy Plan, and tree protection of great importance to Newmarket. Staff recommends that the emphasis and priority placed upon mitigation efforts previously discussed in the 2014 PPS be continued in this revision of the PPS.

The proposed policies regarding protecting the environment and public safety also include significant revisions regarding **partial water and wastewater servicing**. The PPS continues to identify municipal sewage services and municipal water services as being the preferred form of servicing for settlement areas, and allows the use of private/partial water/wastewater servicing options in some conditional situations. However, the proposed changes specify that where municipal servicing is not available, planned or feasible, private communal water services are the preferred form of servicing for multi- unit/lot development. The current PPS gives more equal consideration to the use of private communal services and individual on-site services (e.g. well and septic system), where municipal services are not available. However, it is submitted that private communal services are associated with a greater degree of risk than individual on-site services due to the clear understanding of the ownership of individual on-site services.

Recommendation(s):

1. The PPS maintain the existing policy direction that gives more equal consideration to the use of private communal services and individual on-site services.

4. Fast Tracking Review of Development Applications

The proposed amendment includes the following key policy changes, as described by the province:

- Require municipalities to take action to fast-track development applications for certain proposals (e.g. housing).
- Allow mineral aggregate operations to use rehabilitation plans to demonstrate that extraction will have no negative impacts.
- Align policies and definition of cultural heritage with recent changes to the Ontario Heritage Act.
- Refocus PPS energy policies to support a broad range of energy types and opportunities for increased energy supply.
- Direct large ground-mounted solar facilities away from prime agricultural and specialty crop areas.
- Changes to streamline development approvals.

A more specific policy change involves the **fast-tracking** of certain development review processes. The proposed changes to the PPS require development applications for certain proposals, such as for residential and job-related developments, to be expedited “to the extent practical”. Staff note that the new planning review timelines of Bill 108 already require municipalities to make decisions under significantly reduced timelines. In addition, Newmarket is continuously looking for ways to expedite review/approval processes, as evident in the recently approved Site Plan Development Manual and concurrent application process protocols. This proposed change provides little direction to municipalities in terms of process expectations (i.e., how to prioritize developments, what constitutes “practical extent”, how to consider human resource/funding availability and how to ensure responsible/appropriate development).

Recommendation(s):

1. In light of Bill 108, the province first reconsider the need for these changes. If is determined that there is still a need for these changes, it is recommended that language specifying the expectations of the “fast-tracking process” be included, and that municipalities are granted greater flexibility to adopt this process in a manner which is appropriate for their local contexts.

5. Supporting Rural, Northern and Indigenous Communities

The proposed amendment includes the following key policy changes, as described by the province:

- Allow flexibility for communities by clarifying perceived barriers to sewage and water servicing policies for lot creation and development in rural settlement areas.
- Enhance municipal engagement with Indigenous communities on land use planning to help inform decision-making, build relationships and address issues upfront in the approvals process.
- Enhance agricultural protections to support critical food production and the agricultural sector as a significant economic driver.

The proposed policies reflect a greater effort toward economic development, Indigenous reconciliation and food security, which are cornerstones of land use planning efforts in rural and northern parts of the province.

Recommendation(s):

1. Although not directly relevant to Newmarket, staff generally support these changes.

Conclusion

The province is consulting on proposed changes to the PPS. These changes are being proposed following other, significant changes to the land use planning system in Ontario. This report provides a summary of the more significant changes, and makes specific recommendations where applicable for use in the provinces consultation process.

Strategic Plan Linkages

- Long-term Financial Sustainability
- Extraordinary Places and Spaces
- Economic Leadership and Job Creation
- Vibrancy on Yonge, Davis and Mulock
- Environmental Stewardship

Consultation

None.

Human Resource Considerations

None.

Budget Impact

None.

Attachments

None.

Approval

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