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PD Report No. 16-2024

**COUNCIL MEETING**

**April 22, 2024**

**DISCUSSION PAPER: DRAFT PROVINCIAL PLANNING STATEMENT 2024**

**RECOMMENDATION**

The Chief Administrative Officer recommends:

1. **THAT PD Report 16-2024 be received;**
2. **AND THAT Staff be directed to submit the matters outlined in Attachment No. 2 to this Report as Township Council’s comments on the Draft Provincial Planning Statement 2024 through to the Province for their review and consideration;**

**3. AND THAT a copy of this Report, including Attachment No. 2, be circulated to Brian Riddell, MPP Cambridge, for his review and consideration.**

**1. PURPOSE**

The purpose of this Report is to:

i) provide an overview to Township Council on the Draft Provincial Planning Statement 2024 and how this will influence the future land use planning program of the Municipality; and,

ii) provide for Council’s consideration items that they may wish to submit to the Province as part of the on-going public consultation phase associated with the Draft document.

**2. BACKGROUND**

**2.1 Context and Overview**

The Province of Ontario released the proposed Provincial Planning Statement (PPS) 2024 on April 10, 2024 for public comment. The draft Statement proposes mostly minor changes from the 2023 Draft, which was initially published for comment in April 2023 and further updated in June 2023 to provide amendments to certain definitions related to natural heritage. Township Council at its meeting on July 10th, 2023 reviewed PD Report No. 29-2023 and provided comments to the Province as part of the consultation period available at that time.

The proposed PPS 2024 document is posted for public review and comments with a submission deadline of May 12th, 2024.

A copy of the proposed PPS 2024 document is included as Attachment No. 1 to this Report.

The proposed PPS 2024 will replace the existing Provincial Policy Statement 2020 and the Growth Plan for the Greater Golden Horseshoe 2020.

The PPS 2024, when approved, is issued under Section 3 of the *Planning Act* and represents the primary Provincial land use planning document for Ontario. Municipalities when preparing Official Plan documents, or, when Council renders decisions on *Planning Act* related matters are to make decisions that “*are consistent with*” the Policies contained within the PPS.

It is unclear at this time as to when the new PPS 2024 will be approved by Province.

In the preparation of this Report, Staff are focussing on contents within the Draft PPS 2024 that would effect the land use planning program of North Dumfries, and/or, represent new information of significance from what was previously published in the Draft 2023 document.

**3. OPTIONS AND ANALYSIS**

It Is evident that the vision or focus of the draft PPS 2024 is to unlock perceived barriers to development and to build more homes.

***Planning for People and Homes***

A new proposed policy 2.1.1 provides that planning authorities shall base population and employment growth forecasts on Ministry of Finance 25-year growth projections, which may be modified as appropriate.

Draft policy 2.1.3 provides that, 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. This is a change from the 2023 Draft, which set a time horizon of 25 years and did not set an upper limit. The draft policy would also provide that planning for *infrastructure, public service facilities, strategic growth areas*and *employment areas*may extend beyond this time horizon.

The modeling of growth forecasts and the associated time period (minimum 20 years but not more than 30 years horizon) is a critical element when the Township embarks upon its next update to the Official Plan. It also notes that establishing employment areas may have a time horizon of greater than 30 years.

Draft policy 2.1.6 removes the concept of “healthy, liveable and safe communities” contained in the PPS, 2020 and instead provides that “*planning authorities* should support the development of *complete communities*.” Certain considerations for planning authorities that were contained in the PPS, 2020, such as “avoiding development and land use patterns which may cause environmental or public health and safety concerns” and “promoting development patterns that conserve biodiversity,” among others, are not proposed to be included in the draft Statement.

***Housing***

Proposed Policy 2.2.1(a) would re-introduce the requirement from the PPS, 2020 that planning authorities establish and implement minimum targets for the provision of housing that is *affordable*to *low and moderate income households.* The draft Statement re-introduces *low and moderate income households*as a defined term (with slight modifications from the PPS, 2020 definition), which the 2023 Draft proposed to remove. This policywould require Service Managers to address the full range of *housing options* including*affordable*housing*.*

Proposed policy 2.2.1(b) would continue to require planning authorities to permit and facilitate the *development* and *redevelopment* of underutilized commercial and institutional sites for residential development. The draft policy has been further revised to specifically identify underutilized shopping malls and plazas as potential commercial sites for redevelopment. Additional references to the development of underutilized shopping malls and plazas have been incorporated into other parts of the draft Statement. The draft policy continues to promote the introduction of new *housing options*within previously developed areas and *redevelopment* which results in a net increase in residential units.

***Settlement Areas and Settlement Area Boundary Expansions***

The 2023 Draft proposed significant changes to the policies related to *settlement areas*. The draft Statement incorporates those revised policies while also proposing modifications and additional policies. For example, draft policy 2.3.1.4, which encourages (but does not require) planning authorities to establish minimum targets for *intensification*and *redevelopment*,is carried over from the 2023 Draft, but has been modified to refer to *intensification* and *redevelopment* in “built up areas” rather than *settlement areas*, as specified in the 2023 Draft. Similarly, draft policy 2.3.1.5 has also been modified from the 2023 Draft to provide that planning authorities are encouraged (but not required) to establish density targets for *designated growth areas*(rather than *settlement areas*). For *large and fast-growing municipalities*, this draft policy would encourage (but not require) a density target of 50 residents and jobs per gross hectare in *designated growth areas* (rather than *settlement areas*).

A new draft policy 2.3.1.6 would direct planning authorities to establish and implement phasing policies, where appropriate, to ensure that development within *designated growth areas* is orderly and aligns with the timely provision of *infrastructure* and *public service facilities*.

The draft Statement proposes to permit a planning authority to identify a new *settlement area* or allow a *settlement area*boundary expansion at any time. The draft Statement would also remove the current conditions required to be satisfied before *settlement area* additions or boundary expansions are permitted. Instead, the draft Statement provides that *planning authorities* “shall consider” the following:

1. the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;
2. if there is sufficient capacity in existing or planned *infrastructure*and *public service facilities;*
3. whether the applicable lands comprise *specialty crop areas;*
4. the evaluation of alternative locations which avoid *prime agricultural areas*and, where avoidance is not possible, consider reasonable alternatives on lower priority agricultural lands in *prime agricultural areas;*
5. whether the new or expanded *settlement area*complies with the *minimum distance separation formulae;*
6. whether impacts on the *agricultural system*are avoided, or where avoidance is not possible, minimized and mitigated to the extent feasible as determined through an *agricultural impact assessment*or equivalent analysis, based on provincial guidance; and
7. the new or expanded *settlement area*provides for the phased progression of urban development.

Whereas the 2023 Draft provided that the planning authority “should consider” the above, the draft Statement now proposes that the planning authority “shall consider” these matters.

The draft Statement proposes a new standalone policy 2.3.2.2, which provides that planning authorities may identify a new *settlement area* only where it has been demonstrated that *infrastructure*and *public service facilities* to support development are planned or available.

***Strategic Growth Areas***

A new draft policy 2.4.1.1 encourages planning authorities to identify and focus growth and development in *strategic growth areas*.

The draft Statement does not carry over the proposed policy of the 2023 Draft which would have required *large and fast-growing municipalities* to identify and focus growth and employment in *strategic growth areas* by identifying an appropriate minimum density target for each *strategic growth area*.

Similarly, the draft Statement does not carry over the policy of the 2023 Draft which would have prohibited the reduction in the size or change in the location of an *urban growth centre*identified in an in-effect official plan, except through a new official plan or an official plan amendment adopted under section 26 of the *Planning Act*.

The draft Statement proposes general policies for *strategic growth areas* that focus onachieving *complete communities*, a range and mix of *housing options*, intensification and mixed-use development. Proposed policies provide that within *strategic growth areas,* planning authorities should prioritize planning and investment for *infrastructure* and *public service facilities*, identify the appropriate scale and type of development and the transition of built form to adjacent areas, permit *development*and *intensification* to achieve *complete communities* and *compact built form*, consider a student housing strategy and support redevelopment of commercially-designated retail lands (e.g. underutilized shopping malls and plazas) to support mixed-use residential development.

***Rural Areas***

Neither the draft Statement nor the 2023 Draft propose significant changes to the PPS, 2020 policies related to rural areas; however, it is notable that unlike the 2023 Draft, the draft Statement does not identify multi-lot residential development as a permitted use on rural lands.

***Employment***

Draft policy 2.8.1.1(d) encourages intensification of employment uses that are compatible with compact mixed-use development. The draft policy removes the previously proposed references to “office, retail, industrial, manufacturing and warehousing” as examples of such employment uses. The policy has been further modified to require planning authorities to promote economic development and competitiveness by addressing land use compatibility adjacent to *employment areas* by providing an appropriate transition to *sensitive land uses*.

For lands outside of *employment areas*, draft policy 2.8.1.2 encourages the development of industrial, manufacturing and small-scale warehousing uses that can be operated adjacent to *sensitive land uses* without causing *adverse effects*. This adjacency is encouraged within *strategic growth areas*and within other mixed-use areas where *frequent transit service* is available.

Draft policy 2.8.1.3 proposes that residential, employment, *public service facilities*and other *institutional uses* be permitted “on lands for employment outside of *employment areas”* to support the achievement of *complete communities.*

Another noteworthy change carried over from the 2023 Draft is the draft Statement’s proposal to remove the existing PPS, 2020 policy requiring separation or mitigation from *sensitive land uses*within *employment areas* planned for industrial and manufacturing uses. Instead, draft policy 2.8.2.4 requires planning authorities to “maintain land use compatibility between *sensitive land uses* and *employment areas*” in accordance with the draft Statement’s land use compatibility policies “to maintain the long-term operational and economic viability of the planned uses and function of these areas.”

Another significant change proposed to be carried over from the 2023 Draft is contained in draft policy 2.8.2.5, which would modify the existing employment conversion policies by permitting planning authorities to remove lands from employment areas at any time (rather than through a municipal comprehensive review), only where it can be demonstrated that:

1. there is an identified need for the removal and the land is not required for *employment area*uses over the long term;
2. the proposed uses would not negatively impact the overall viability of the *employment area*by:

* 1. avoiding, or where avoidance is not possible, minimizing and mitigating potential impacts to existing or planned *employment area*uses in accordance with policy 3.5;
  2. maintaining access to *major goods movement facilities and corridors;*

1. existing or planned *infrastructure*and *public service facilities*are available to accommodate the proposed uses; and
2. the municipality has sufficient employment lands to accommodate projected employment growth to the horizon of the approved official plan.

The definition of *employment area* is proposed to be revised and now references the amended definition of “area of employment” in the *Planning Act*that was adopted through Bill 97 but is not yet in force. The draft Statement would define *employment areas*as, “those areas designated in an official plan for clusters of business and economic activities including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An *employment area*also includes areas of land described by subsection 1(1.1) of the *Planning Act.*Uses that are excluded from *employment areas*are institutional and commercial, including retail and office not associated with the primary employment use listed above.”

The Provincially Significant Employment Zones identified in the Growth Plan are not proposed to be carried forward.

***Land Use Compatibility***

The draft Statement retains the proposed changes to land use compatibility policies contained in the 2023 Draft. The draft policies set out in section 3.5 would make it easier to establish *sensitive land uses* in the vicinity of existing or planned industrial, manufacturing “or other *major facilities*” that are vulnerable to encroachment.

Draft policy 3.5.2 would eliminate current PPS, 2020 requirements to demonstrate: an identified need for the proposed use; that alternative locations have been evaluated and there are no reasonable alternative locations; and that *adverse effects* to the proposed *sensitive land use*are minimized and mitigated.

Instead, where it is not possible for *major facilities*and *sensitive land uses*to avoid potential *adverse effects* from odour, noise and other contaminants, proposed adjacent sensitive land uses would only be required to demonstrate that potential impacts to industrial, manufacturing or other *major facilities* are minimized and mitigated in accordance with provincial guidelines, standards and procedures.

***Sewage, Water and Stormwater***

The draft Statement proposes to include policy 3.6.1 d) to require the consideration of opportunities to allocate and reallocate if necessary, the unused system capacity of *municipal water services* and *municipal sewage services* to meet current and projected needs for an increased housing supply.

The draft Statement also proposes to modify policy 3.6.5 to provide that *partial services* may be permitted within rural *settlement areas*, where new development will be serviced by *individual on site water services*incombination with *municipal sewage services*or *private communal sewage services*.

***Natural Heritage***

Aside from amending certain definitions, the 2023 Draft did not propose any changes to the natural heritage policies of the PPS, 2020. The draft Statement similarly does not propose any changes.

***Water***

A new proposed policy 4.2.3 would require *large and fast-growing municipalities* to undertake *watershed planning*, whereas pursuant to the 2023 Draft, “municipalities” would have merely been encouraged to do so. A new draft policy 4.2.4 provides that where planning is conducted by an upper-tier municipality that includes one or more lower-tier *large and fast-growing municipalities*, the upper-tier shall undertake *watershed* *planning* in partnership with lower-tier municipalities, including the lower-tier *large and fast-growing municipalities.*

In the context of North Dumfries, proposed policy 4.2.3 would not apply as we do not fall within the definition of *large and fast-growing municipalities.*

***Agriculture***

The 2023 Draft proposed to make significant changes to policies related to the development of lands in *prime agricultural areas*. Some of these changes are proposed to be carried forward while others are not.

The proposed policy framework which is carried over into the draft Statement speaks to encouraging a geographically continuous agricultural land base through an *agricultural system* approach but will no longer require municipalities to use the provincially mapped Agricultural System. Municipalities will still be required to designate and protect prime agricultural areas for long-term use. However, as set out below, it will be easier to establish more housing within prime agricultural lands.

The province has noted that during its consultations on the 2023 Draft, it heard concerns from agricultural stakeholders regarding the proposed policies that would allow severances in *prime agricultural areas*. Certain changes have been proposed as a result and are discussed below.

Draft policy 4.3.2.4 would permit a principal dwelling associated with an agricultural operation to be located in *prime agricultural areas*as an agricultural use, except where prohibited by policy 4.3.3 (lot creation and adjustments).

Draft policy 4.3.2.5 provides that where a residential dwelling is permitted on a lot in a *prime agricultural area*, up to two additional residential units shall be permitted in accordance with provincial guidance, provided that specified criteria are met. These criteria include compliance with the *minimum distance separation formulae*, compatibility with surrounding agricultural operations, the appropriate provision of *sewage and water services*, the ability to address public health and safety concerns, the requirement for additional units to be of a limited scale and located within, attached or in close proximity to the principal dwelling or farm building cluster and minimizing land taken out of agricultural production. The Province’s stated intent of this policy is to permit more housing on farms for farmers, farm families and farm workers, without creating new lots.

The draft Statement proposes that additional residential units established through this policy could only be severed in accordance with policy 4.3.3.1, meaning up to three lots may be created.

Currently, the PPS, 2020 discourages residential lot creation in *prime agricultural areas* and it has been very difficult for some time to create new lots outside of a residence surplus created by farm consolidation. The draft Statement re-introduces a policy in section 4.3.3.1 which discourages lot creation in *prime agricultural areas*,however this policy also provides a series of criteria which, if met, would allow for up to three lots to be created.

The criteria for lot creation and adjustments has been modified considerably from the 2023 Draft. The draft Statement now provides that lot creation in *prime agricultural areas*may only be permitted in accordance with provincial guidance for *agricultural uses* and in *agriculture-related uses* (in terms of lot size) and *infrastructure*. The draft policy also provides that up to one *residence surplus to an agricultural operation*may be permitted per farm consolidation provided certain criteria are met, including limiting the new lot to a minimum size needed to accommodate the use, the availability of appropriate *sewage and water services* and the requirement that new dwellings and additional residential units be prohibited on any remnant parcel of farmland created by the severance.

Draft policy 4.3.5.2 would require an *agricultural impact assessment* or equivalent analysis based on provincial guidance where it is not possible to avoid impacts from any new or expanding non-agricultural uses on surrounding agricultural lands and operations.

A new proposed policy 4.3.6 would encourage planning authorities to support local food, facilitate near-urban and *urban agriculture,*and foster a robust *agri-food network.*

**Aggregate Resources**

As a carry over from the PPS 2020, Policy 4.5.2.1 in the draft Document still makes reference that the “demonstration of need for *mineral aggregate resources*, including any type of supply / demand analysis, shall not be required, notwithstanding the availability, designation or licensing for extraction of *mineral aggregate resources* locally or elsewhere.”

As a carry over from the previous 2023 draft of the PPS, the current draft document eliminates the alternative evaluations for mineral aggregate extraction rehabilitation by removing the following wording from the proposed Section 4.5.4.2 *"other alternatives have been considered by the applicant and found unsuitable. The consideration of other alternatives shall include resources in areas of Canada Land Inventory Class 4 through 7 lands, resources on lands identified as designated growth areas and resources on prime agricultural lands where rehabilitation is not feasible. Where no other alternatives are found, prime agricultural lands shall be protected in this order of priority; specialty crop area, Canada Land Inventory Class 1, 2, and 3 lands.”*

The reworked policy in the 2024 document now reads as follows:

4.5.4 Extraction in Prime Agricultural Areas

1. In *prime agricultural areas*, on *prime agricultural land*, extraction of *mineral aggregate resources* is permitted as an interim use provided that:
   1. impacts to the *prime agricultural areas* are addressed, in

accordance with policy 4.3.5.2; and

* 1. the site will be rehabilitated back to an *agricultural condition*.

1. Despite policy 4.5.4.1 b), complete rehabilitation to an *agricultural condition* is not required if:
   1. the depth of planned extraction makes restoration of pre-extraction agricultural capability unfeasible; and
   2. agricultural rehabilitation in remaining areas is maximized.

***Natural Hazards***

Draft policy 5.2.1 has been carried over from the PPS, 2020, but would require planning authorities to collaborate with conservation authorities, where they exist, to identify *hazardous lands* and *hazardous sites*, and manage development in these areas in accordance with provincial guidance.

***Human-Made Hazards***

The draft Statement proposes to remove the current PPS, 2020 policy requiring planning authorities to support, where feasible, on-site and local reuse of excess soil through planning and development approvals while protecting human health and the environment.

The draft Statement also proposes to amend policy 5.3.2 to provide that sites with contaminants in land or water shall be assessed and remediated as necessary prior to any activity on the site associated with the proposed use, such that there will be no adverse effect.

***Implementation and Interpretation***

Draft policy 6.1.6 would explicitly require planning authorities to keep their zoning by-laws and official plans up-to-date with the draft Statement by establishing permitted uses, minimum densities, heights and other development standards to accommodate growth and development.

Draft policy 6.1.7 would provide that where a planning authority must decide on a planning matter before its official plan has been updated to be consistent with the draft Statement, or before other applicable planning instruments have been updated accordingly, it must still make a decision that is consistent with the draft Statement.

Policy 6.1.12 of the draft Statement proposes to carry over a policy from the Growth Plan which provides that density targets represent minimum standards and planning authorities are encouraged to go beyond these minimum targets, where appropriate. Draft policy 6.1.13 would require minimum density targets to be revisited at the time of each official plan update.

The policy of the PPS, 2020 which provides that “the official plan is the most important vehicle for implementing [the] Provincial Policy Statement” is still proposed to be removed, but would remain part of the draft Statement’s non-policy preamble.

***Co-ordination***

The draft Statement proposes to include two new policies, policy 6.2.5 and 6.2.6, which direct planning authorities to collaborate with publicly assisted post secondary institutions to facilitate early and integrated planning for student housing and to develop a strategy that includes consideration of off-campus housing targeted to students.

Policy 6.2.10 states that where there is no upper-tier municipality (or where planning is not conducted by an upper-tier municipality), planning authorities shall ensure that policy 6.2.9 is address as part of the planning process and should coordinate these matters with adjacent planning authorities.

Policy 6.2.9 and specifically subsection d) is an important item for consideration in recognition that with the Proclamation of Bill 23 *Build More Homes Faster Act, 2022* the Region of Waterloo will be deemed to be an upper-tier municipality with no planning responsibilities. In this context, subsection d) of policy 6.2.9 states that policy direction is required on matters that cross municipal boundaries. This implies as part of new Official Plans or decisions rendered on planning applications, items such as higher order roads, transit, municipal water and sanitary services, or other aspects of key infrastructure networks need to be planned and coordinated across municipal jurisdictions.

**3.2 Next Steps – Township Response to the draft PPS 2024**

Staff have reviewed the proposed Provincial Planning Statement 2024 in the context of a myriad of other legislative changes recently made to the *Planning Act* and other applicable legislation that affects the land use policy and development review / decision making process.

In this context of all of the Provincial changes since October 2022 to the present time period, there has been a seismic shift in how development is to be considered and the framework of decisions. Almost fifty years of evolving land use planning principles and practices has been re-written. The Province has articulated consistently and loudly that going forward there is an emphasis on establishing a clear decision making model with the objective of leveraging housing supportive policies, removing barriers and continuing to protect the environment through a streamlined Province-wide land use planning policy framework.

There are aspects of the proposed PPS 2024 where Staff believe that Council should consider providing focussed comments to the Province during the current public consultation period which closes on May 12th, 2024. Staff’s suggested areas for review and consideration are designed to “improve” the proposed PPS 2024 and reflect to a large extent hot button issues that have chronically impacted the Township.

The opportunity for Council to participate in the public consultation of the draft PPS 2024 is important as Section 3 of the *Planning Act* requires future Official Plans and decisions of Council arising from the consideration of *Planning Act* applications *“to be consistent with”* the policies as set out in the PPS. So to shape a more dynamic land use planning framework, Council should focus on areas where improvements could be introduced to the proposed PPS 2024 so as to inform future Official Plan policies and decisions.

The suggested items for Council’s consideration are included in Attachment No. 2 to this Report. If Council is comfortable with the direction charted in the suggested amendments to the proposed PPS 2024 it is the intent that these items would then form the Township’s formal submission to the Province on the draft PPS document.

**4. FINANCIAL IMPLICATIONS**

There are no implications on the 2024 Budget arising from the consideration of this Report.

**5. ATTACHMENTS**

1. Proposed Provincial Policy Statement, 2024
2. Suggested Modifications to the Draft PPS 2024

**For further information on the contents of this Report, please contact Andrew McNeely, Chief Administrative Officer at (519) 632-8800 or via email at** [**amcneely@northdumfries.ca**](mailto:amcneely@northdumfries.ca)

Report Prepared and Respectfully Submitted By:

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Andrew McNeely,

Chief Administrative Officer