



Staff Report PL2023-029

Title of Report: PL2023-029-Draft Provincial Policy Statement
Department: Planning
Council Date: June 7, 2023

Recommendation:

Be it resolved that Council receive Staff Report PL2023-029 for information.

Background

The Province has sent out a draft Provincial Policy Statement for comments. One of the objectives of this new policy statement is to combine the Places to Grow Plan for the Greater Golden Horseshoe and the Provincial Policy Statement 2020.

The other major objective of the draft policy statement is to further the development of more housing and increasing housing supply. This is done largely by the removal of policy barriers and restrictions.

The deadline for written comments is June 6, 2023 to be submitted to the province. It is anticipated that the Statement will come into force in the fall of 2023.

Provincial Planning Statement 2023 updates.

Below is a review and discussion around the most relevant changes to the PPS with a focus on potential impacts to Southgate. The entire draft document can be found as attachment #1 to this report.

Planning for People and Homes

Draft policy 2.1.1 provides that, at the time of 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 25 years, informed by provincial guidance. 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.

Draft policy 2.1.1 further provides that where the Minister of Municipal Affairs and Housing has made a zoning order, the resulting development potential is to be considered in addition to projected needs over the planning horizon established in the official plan. At the time of the municipality's next official plan update, this additional growth would be required to be incorporated into the official plan and related infrastructure plans.

Staff Comments: Staff generally support these changes. These two changes have a significant impact on Southgate and Dundalk. The growth estimates and changes made in our newly approved official plan would be considered to be on the lower side based on these changes. Much of the settlement area expansion and growth identified in the Official Plan was as a result of the three MZO's that were approved. It also suggests that we should consider additional lands for the purposes of planning for infrastructure such as water and wastewater. During a 5 year review of our new Official Plan the growth numbers and designated areas should be reviewed in more detail to ensure that we have a 25 year supply in addition to the MZO lands in order to comply with this change. There should be a cap on amount of supply that should be included in an OP to prevent sprawl by developers seeking to purchase cheaper land outside of the settlement boundary. This could result in more costly development over the longer term.

Housing

Proposed Policy 2.2.1(a) removes the requirement that planning authorities establish and implement minimum targets for the provision of housing which is affordable to low- and moderate-income households. The definition of "affordable" is proposed to be removed from the PPS.

Staff comment: Staff are not supportive of this change as it does not encourage affordable housing and instead drives the price of housing away from the affordable threshold. Without a target or definition there is no way for a municipality to measure what is affordable or that they are achieving the goal of creating affordable housing. Developers can now provide \$800,000 homes and be considered affordable if the average price is \$1,000 000 which is not truly affordable housing.

Planning authorities are proposed to be required to co-ordinate land use planning and planning for housing with Service Managers and school boards to address the full range of housing options, including "housing affordability needs."

Staff comment: Staff are supportive of this change. There has often been a disconnect between service managers and schoolboards and the municipality. It is hoped this policy will strengthen dialog, coordination and partnerships between these groups to facilitate complete communities. It is noted that because school boards are funded by the province the province will need to step up to provide the appropriate funding to build the required schools for all of the new development.

Settlement Areas and Settlement Area Boundary Expansions

In section 2.3 of the draft statement, it proposes to make significant changes to policies related to settlement areas. Notably, the removal of the requirement that planning authorities establish and implement minimum targets for intensification and redevelopment within built-up areas.

Staff comment: This policy change will encourage sprawl which is a costly form of development to service. To maximize infrastructure dollars, it always makes more

sense to promote intensification were feasible. Staff fail to see how the removal of this policy will help with building of more homes faster. This policy opens the way for green field development which is cheaper and easier for the development industry.

Another major change is that a planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only when certain conditions have been demonstrated. The draft Statement would permit the planning authority to identify a new settlement area or allow a settlement area boundary expansion at any time. The Statement would also remove the current conditions required to be satisfied before settlement area additions or boundary expansions are permitted. Instead, the Statement provides only that planning authorities "should consider" the following:

that there is sufficient capacity in existing or planned infrastructure and public service facilities;
the applicable lands do not compromise specialty crop areas;
the new or expanded settlement area complies with the minimum distance separation formulae;

Staff comment: Staff are supportive of this policy change for municipalities as it will facilitate faster development of parcels that are partly in and partly out of a settlement area. It also seems of little value to conduct a comprehensive review if the lands are an extension of existing development where roads and services are already present. The key will be ensuring that the policy is not abused by developers purchasing cheaper land outside the settlement area and applying to have it included within the settlement area and causing significant sprawl of urban areas. This could create servicing challenges in the future as well as remove a considerable amount of farmland from development.

The Statement would encourage (but would not require) planning authorities to establish density targets for new settlement area expansion lands as appropriate, based on local conditions. It would encourage (but not require) large and fast-growing municipalities to plan for a minimum density target of 50 residents and jobs per gross hectare. This is the current density target set out in the Growth Plan.

Staff Comment: Staff are supportive of setting a minimum density target to promote more efficient use of land and services. This issue has been raised by members of Council and it is something to be considered in an Official Plan update.

Draft policy 2.4.1.2 would prohibit the reduction in the size or change in the location of an urban growth area identified in an in effect official plan ("in effect as of" date to be determined), except through a new official plan or an official plan amendment adopted under section 26 of the Planning Act.

Staff comment: This policy proposes to restrict municipalities from making urban growth areas and settlement areas smaller within the Official Plan. This is primarily

to require municipalities to maintain a sufficient land supply and support housing in serviced settlement areas. Staff are supportive of this policy.

Employment

Draft policy 2.8.1.1(d) encourages intensification of employment uses that are compatible with compact mixed-use development, broadly listing “office, retail, industrial, manufacturing and warehousing” as examples of such employment uses.

Staff Comment: This policy opens the door for mixed use development to occur which can be beneficial. The caution here is to ensure that the industries permitted are not noxious in anyway toward residential type uses.

Draft policy 2.8.3 would appear to direct that residential, employment, public service facilities and other institutional uses shall be permitted “on lands for employment outside of employment areas” to support the achievement of complete communities.

Staff Comment: This policy appears to protect Employment areas and supports the uses listed as being located outside of employment areas in a more mixed use style of development to achieve complete communities.

Another noteworthy change is the 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 “to maintain the long-term operational and economic viability of the planned uses and function of these areas.”

Staff comment: This policy benefits the Eco Park phase 1 and 2 in that it does not require industry to mitigate for any existing sensitive land uses as the industrial use will be protected for the long term.

Another significant change is draft policy 2.8.2.4 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 comprehensive review), only where it can be demonstrated that they meet a set criteria.

Staff Comment: This policy is very useful in cleaning up old employment areas that are no longer considered to be employment areas such as railway lands and historical industrial development in downtown locations. This will permit an easier transition of these lands to a residential use faster. The township staff are supportive of this policy.

The definition of employment area is proposed to be revised to be consistent with the definition of “area of employment” proposed to be included in the Planning Act through Bill 97. The definition explicitly includes manufacturing, research, and development in connection with manufacturing, warehousing, and goods movement associated with retail and office and ancillary facilities. The definition would

explicitly exclude (the Statement uses the term “exclude,” rather than prohibit) institutional and commercial uses from employment areas.

Staff comment: This means that areas that are considered to be employment areas can not include mixed uses that are commercial or institutional uses. This could be somewhat limiting for businesses who often have retail warehousing associated with their development.

Land Use Compatibility

Proposed changes to the land use compatibility policies as set out in draft section 3.5.2 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.

Staff comment: While this policy makes it easier to establish residential development near industrial facilities it will inevitably create more complaints for Council and by-law officials to deal with. Staff are not supportive of this change which will impact the municipality significantly over time. The Township already experiences significant complaints regarding odour dust and noise and this policy will only add to that.

Natural Heritage

As of April 6, 2023, natural heritage policies and related definitions have not been included in the draft Provincial Policy Statement.

Staff Comments: Without these policies municipalities are unable to plan for ways to address the inability to get qualified natural heritage comments for applications. The County of Grey has delayed the hiring of a Natural Heritage expert until the new policies are presented. Staff are not supportive of leaving the policy blank and believe that natural Heritage Policies need to be included in the policy to ensure proper development on Natural Heritage lands.

Agriculture

Section 4.3 of the Statement proposes to make significant changes to policies related to the development of lands in prime agricultural areas. The new policy framework 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.

It will be easier to establish more housing within prime agricultural lands; 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.

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.

Staff Comment: This is a normal practice in that it would be no different than a farm house. The problem arises with all the Surplus farm severances are taken into account that specifically prohibit development on the retained lands through a zoning by-law amendment. These lands can not potentially be opened up again for residential development which will increase residential development in the countryside. Staff believe that there should be some clarity required to this policy to determine how previous surplus farm severances should be addressed.

Draft policy 4.3.2.5 would permit, subordinate to the principal dwelling, up to two additional residential units in prime agricultural areas, provided certain conditions are met, including compliance with the minimum distance separation formulae and the appropriate provision of sewage and water services (among other requirements). At the same time, the additional residential units established through this policy can be severed in accordance with policy 4.3.3.1, meaning up to three lots may be created, potentially conflicting with the concept that they are subordinate to the principal dwelling.

Staff Comments:

Staff are not supportive of this policy. Southgate is largely an agricultural community and allowing for more residential units in the countryside will create conflicts and potentially sterilize thousands of acres across Ontario. Once a house and lot are created it can never be used for agriculture again. Considering these are the best agricultural lands that we have according to the classification, the province should be protecting farmland and not allowing it to be developed. The MDS conflicts created by this policy will result in some farmers not being able to expand their farming operation.

This policy does benefit some farmers who are truly looking to build a house for their children to keep the farm in the family. The unfortunate part about it is, that this is a short-term view of the situation. There is no guarantee that family members will purchase or own the new homes and lots in the future. Family members can sell the house and that could potentially introduce individuals that are not used to country living and all the issues that go with it. Furthermore, it allows two new lots to be created which complicates MDS issues with respect to housing clusters if there is a historical severance in the past.

Draft policy 4.3.3.1(a) would permit residential lot creation in such areas in accordance with provincial guidance for "new residential lots created from a lot or parcel of land that existed on January 1, 2023," subject to conditions set out in the draft policy. Up to three residential lots may be permitted on any property located in an existing prime agricultural area, provided that certain conditions can be met, including a requirement that any new lot be located outside of a specialty crop area; has existing access on a public road, with appropriate frontage for ingress and egress and is adjacent to existing non-agricultural land uses; or consists primarily of lower-priority agricultural lands (among other requirements).

Staff comment: This policy will significantly alter the rural landscape within Southgate. It will introduce more conflicts, sterilize more land and prohibit agricultural livestock operations from expanding. It could also overload municipalities from an application perspective. Municipalities that have been restrictive with their severance policy in the past may face increased application volumes as some smaller farmers “cash in” on the ability to remove equity from the farm. Up to three residential lots on farms within the agricultural designation does not direct growth to the appropriate place in staff’s opinion. Growth in the countryside is more expensive and will be serviced by private services. This will have the effect of increasing agricultural lot prices which does nothing for affordability. Staff do not support this policy.

The draft policies of section 2.6 (1)(c) appear to permit rural plans of subdivision again. The policy specifically permits multi lot development in the rural area which is contradictory to the policy that focuses growth to settlement areas.

Staff Comment: Staff do not support rural plans of subdivision as it also creates significant impacts on agriculture and aggregate extraction. It creates conflicts between the uses such as noise and odour and it can sterilize both farmland and aggregate resources from being extracted. These rural lots are a more costly form of development and often have a negative effect on the general tax levy compared to development within more built-up settlement areas.

Respectfully Submitted,

Municipal Planner: Original Signed By
Clinton Stredwick, BES, MCIP, RPP



CAO Approval: Original Signed By
Dina Lundy, CAO

- Attachments:**
- 1. Draft Provincial Planning Statement (2023)**