



Committee Report

To:	Chair and Members of Grey County Planning and Economic Development Advisory Committee
Committee Date:	May 4 th , 2023
Subject / Report No:	Proposed Bill 97 and Provincial revision of the Provincial Policy Statement / PDR-PEDAC-19-23
Title:	County Comments on Bill 97 and Draft Provincial Policy Statement (2023)
Prepared by:	Grey County Planning Staff
Reviewed by:	Randy Scherzer
Lower Tier(s) Affected:	All Municipalities
Status:	Recommendation adopted by Committee as presented per Resolution CW74-23; Endorsed by County Council June 8, 2023, per Resolution CC38-23.

Recommendation

1. That report PDR-PEDAC-19-23 regarding proposed Bill 97, the '*Helping Homebuyers, Protecting Tenants Act, 2023*' and the proposed update to the Provincial Policy Statement 2023, be received; and
2. That report PDR-PEDAC-19-23 be forwarded on to County Council for their consideration for inclusion in the County of Grey's comments on the 'Review of proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument' posted on the Environmental Registry through posting #019-6813; and
3. That the report be shared with member municipalities having jurisdiction within Grey County; and,
4. That should the revised natural heritage policies be released with a limited commenting timeline, with no ability to prepare a further report for the Planning and Economic Development Advisory Committee, or County Council, that Council consider directing staff to submit comments directly to the province on those updated policies.

Executive Summary

The province recently introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act*. Bill 97 proposes updates to the *Planning Act*, in addition to several other pieces of provincial legislation.

The province also recently released a new draft Provincial Policy Statement (PPS) 2023 for review and comment via the Environmental Registry of Ontario (ERO). The new draft PPS follows the province's 2022 consultations where the government proposed to integrate the PPS with the '*A Place to Grow: Growth Plan for the Greater Golden Horseshoe*' into a new province-wide policy instrument. The stated intent of the review is to determine the best approach that would enable municipalities to accelerate the development of housing and increase housing supply (including rural housing), through a more streamlined province-wide planning policy framework.

Within this report, County Staff offer a summary of the proposed legislative and policy changes with some commentary on the proposed changes that could impact the County in both positive and negative ways.

Background and Discussion

On April 6, 2023, the province introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act*. Bill 97 proposes changes to several pieces of legislation, including the *Planning Act* and the *Development Charges Act*. Bill 97 builds off other recent changes to the *Planning Act*, including changes in 2022 through Bills 109 and 23. The County provided comments on both Bills 109 and 23, and links to those previous staff reports have been included in the Attachments section of this Report. A summary of some of the planning elements of Bill 97 has been included in this Report, which also offers some comments for consideration by the Planning and Economic Development Advisory Committee (PEDAC) to share with County Council.

In late 2022, the province announced a review of the Provincial Policy Statement (PPS) 2020 and '*A Place to Grow: Growth Plan for the Greater Golden Horseshoe*' (hereafter referred to as the Growth Plan), with the goal of consolidating the two documents. The entire province is covered by the PPS, but Grey County is not covered by the current Growth Plan. In this 2022 consultation, there were no draft policy updates shared, but a series of discussion questions for stakeholders to consider, with a stated goal of accelerating the development of housing and increasing housing supply. The County submitted comments to the province on this consultation through staff report PDR-CW-01-23, which has been linked to in the Attachments section of this Report.

On April 6, 2023, the province released a new draft 2023 PPS, which is a combined PPS and Growth Plan. Through the Environmental Registry of Ontario, the Province is seeking comments on this new draft PPS by June 5, 2023. The intent of this report is to provide a summary of the proposed changes that impact the County, outside of the agricultural and rural lands. A parallel report is also being prepared for the Agricultural Advisory Committee (AAC) on the agricultural and rural lands components.

It is noteworthy that although the province has released a new draft PPS 2023, this draft document does not include updated natural heritage policies. The province has noted that these policies are to follow at a later date. At the time of drafting this report, these policies had not yet been released and nor were staff aware of the timeline for releasing such policies. It is difficult to

understand the full scope of the new PPS, with such a major component of the PPS still outstanding.

Proposed Bill 97 Changes

The *Planning Act* changes proposed through Bill 97 are not as extensive as the changes approved in 2022 through Bills 109 and 23. Some of the Bill 97 changes correct or update changes made through those earlier Bills. A brief summary of some of the relevant *Planning Act*, *Municipal Act*, *Ministry of Municipal Affairs and Housing Act*, and *Development Charges Act* changes are as follows:

1. Updates to the implementation timeframe for planning application refund dates introduced through Bill 109. Bill 97 changes the refund initiation date for zoning amendments and site plan applications from January 1, 2023, to July 1, 2023. The amendment would also allow for regulations to designate municipalities as being exempt from the refund requirements.
2. Updates to the definition of “area of employment” to further refine areas of employment to manufacturing and warehousing, but not to include institutional uses or commercial uses, except where such commercial uses are associated with the manufacturing or warehousing.
3. Clarification on the parking requirements for additional residential units (ARUs) based on the Bill 23 changes. Bill 97 makes it clear that municipal official plans and zoning by-laws can require more than one parking space for the primary residential unit.
4. Changes to the interim control by-law appeal procedures to adjust both who can appeal and the timing for issuing notice of passing.
5. Changes to the site plan provisions for residential developments of no more than 10 residential units, to prescribe areas where site plan control could still be utilized for smaller numbers of residential units.
6. New powers are granted to the Minister with respect to:
 - a. Requiring municipalities and landowners to enter into agreements where the Provincial Land Development Facilitator has been engaged.
 - b. Exempting lands subject to Minister’s Zoning Orders (MZOs) from PPS consistency and official plan conformity when applying for planning applications such as plans of subdivision.
 - c. Making regulations with respect to the transition date of a new PPS.
 - d. Making regulations regarding the powers of municipalities to set up demolition or conversion by-laws for residential rental properties.
7. Striking out the “parcel of urban residential land” definition and replacing it with “parcel of land” as it applies to ARUs. The changes to the *Development Charges Act* will exempt all standalone ARUs from the payment of development charges, assuming the overall site density limits are not exceeded. The changes to the *Planning Act* clarify that where a municipality adds such ARU policies outside of serviced settlement areas, the policies themselves are no longer appealable.
8. Appointing up to four Deputy Facilitators under the Provincial Land and Development Facilitator.

Staff Comments

County staff generally have no concerns over items # 1 – 5, 6(a), 6(c), 7, and 8 above. Ideally item # 1 would've included the ability for a municipality and a proponent to 'pause' the refund timeline, where the two parties have agreed and are working together to move the applications forward in an efficient manner.

Staff understand the province's stated purpose behind 6(b), but still believe there should be some consideration of local official plan policies. With respect to 6(d), the change provides details on the Minister's ability to regulate local municipal abilities to set up rental replacement by-laws. County staff request that the province consider expanding the tools of municipalities to protect existing rental properties, versus limiting the scope of such by-laws.

Provincial Policy Statement (PPS) and Growth Plan Context

The PPS provides overall policy direction on matters of provincial interest related to land use planning and development in Ontario. The PPS applies province-wide, except where the policy statement or another provincial plan provides otherwise. Provincial Plans, such as *'A Place to Grow: Growth Plan for the Greater Golden Horseshoe'*, build upon the policy foundation provided by the PPS by providing additional policies to address issues facing specific geographic areas in Ontario.

The PPS is to be read as a whole, as the policies reflect and respect the complex inter-relationships among environmental, economic, and social factors in land use planning. Local context is emphasized as an important consideration in determining how these outcome-oriented policies are to be implemented in a specific area. The policies are meant to balance the creation of strong, livable, healthy communities which enhance human health and social well-being, with the environment, resource use, the economy, and climate change resilience. Municipalities can provide more detail in their local official plan policies than the PPS, provided those policies are not in conflict with the PPS.

Land use planning decisions made by municipalities, planning boards, the province, commissions, or agencies of the government shall be consistent with the PPS. The PPS was last updated in 2020.

As noted earlier, Grey was not previously covered by the Growth Plan. For the Greater Golden Horseshoe, the Growth Plan provided detailed policies, as well as population and employment targets which Growth Plan municipalities were required to implement in their official plans. In the draft 2023 PPS, the province has included Schedule 1, which is a list of large and fast-growing municipalities, for which the draft PPS contains some additional policy direction. There are no Grey County municipalities included in Schedule 1.

Proposed Provincial Policy Statement (2023) Updates

As it pertains to the purview of the County's PEDAC, there are some key subject area updates to the PPS which could impact the County, which are as follows:

1. Growth targets, allocations, and planning horizon
2. Affordable housing and coordination
3. Major transit station areas
4. Employment land conversions
5. Climate change

6. Servicing
7. Missing natural heritage policies
8. Implementation and updated definitions

A summary of the changes and some brief staff comments are provided below for each of the above-noted themes.

1. Growth Targets, Allocations, Intensification, and Planning Horizon

- a. The 2023 PPS changes the growth planning relationship for several municipalities that were previously covered by the Growth Plan who no longer have their population and employment projections prescribed to them. Schedule 1 to the PPS provides a list of large and fast-growing municipalities, for which some additional policies apply. Section 2.3.5 of the new PPS encourages planning authorities to establish density targets for new or expanding settlement areas as appropriate, while large and fast-growing municipalities are encouraged to plan for a minimum density target of 50 residents and jobs per gross hectare.

Staff Comment: This change does not directly impact Grey County, as Grey has been responsible for projecting our own population and employment growth. Grey County municipalities are not included in Schedule 1.

Staff note that for the County's Primary Settlement Areas, our minimum residential density targets are 25 units per net hectare for Owen Sound and Hanover, and 20 units per net hectare for the rest of the County's Primary Settlement Areas. In Official Plan Amendment (OPA) # 11, the County is proposing to increase all Primary Settlement Areas to 25 units per net hectare, but this section of the OPA is currently under appeal. Staff note that these residential density targets appear to align very well with the province's recommended minimums, although they are measured in slightly different metrics (i.e., people per gross ha. versus units per net ha.). County staff note that the above provincial targets are for large and fast-growing municipalities, but in an effort to make efficient use of land and infrastructure, staff see merit in Grey County municipalities being held to similar standards. The County currently does not have any density policies for employment or commercial areas.

- b. The 2020 PPS permitted a planning horizon of up to 25 years. The new PPS proposes to change this to "at least 25 years".

Staff Comment: Staff support the intent of this change i.e., to facilitate long-term planning, but would note that it could have impacts on official plans, development applications, and infrastructure planning. More specifically without an upset limit on the planning horizon, it may be difficult to establish what the planning horizon is, as it relates to growth needs and infrastructure planning. For example, from a development application perspective, if a municipality has enough designated land in their official plan for the next 25 years, what's to stop a developer from asking for a boundary expansion to support a 30-year growth horizon. From the infrastructure planning perspective, it makes it very difficult to support growth needs, without a defined timeframe and corresponding population/employment projections for that planning horizon.

- c. The changes also note that when the Minister approves an MZO, the resulting development is in addition to the projected needs established in the official plan. The MZO lands would then be incorporated into the official plan and infrastructure plans at the time of the next official plan update.

Staff Comment: This change could have impacts on municipal abilities to plan for growth and infrastructure needs. If MZO lands are considered beyond the current official plan allocations, then it could result in a municipality seeing requests for settlement area expansion, which need infrastructure improvements, without the municipal ability to factor in both the current municipal official plan projections and the MZO increases.

- d. There are a number of changes to the intensification policies including permitting and facilitating all types of intensification by allowing for the conversion of existing commercial and institutional buildings.

Staff Comment: Staff are generally supportive of the intent of these changes, but note that the PPS should still allow for some municipal autonomy to: (i) preserve certain existing commercial spaces (e.g., ground floor commercial on a downtown main street), and (ii) limit or phase intensification in areas where costly infrastructure upgrades would be required.

2. *Affordable housing and coordination*

- e. The 2023 PPS has removed the definition for “affordable” as it pertains to both rental and home ownership.

Staff Comment: Staff have concerns with this change, as it drives the housing policies further away from a measure of affordability that is tied back to income. In the Bill 23 changes to the *Development Charges Act*, the province introduced a new measure of ‘affordability’ which is 80% or less of market value. County staff believe that this definition partnered with the removal of “affordable” from the PPS could severely hamper the efforts to produce housing that is truly affordable to large segments of the population (i.e., not just deeply affordable but even more moderately affordable). This change could also impact municipalities who have existing affordable housing targets in their official plans, which are linked to the 2020 definitions for affordable.

- f. The definitions for “housing options” has been expanded to include a wider range of housing choices and living models across the province.

Staff Comment: Staff are supportive of this change.

- g. Land use planning and planning for housing is required to be coordinated with Service Managers and school boards.

Staff Comment: Staff are generally supportive of this change. With respect to coordinating with Service Managers, this is not entirely different from the 2020 PPS which requires that planning consider the applicable housing and homelessness plans. Although County Planning staff can work with Community Services staff on such housing policies to support a range of housing options, planning policies alone do not address the critical need for deeply affordable housing and mental health and addictions supports, that cannot otherwise be met by the private sector, or the County’s current allocated housing support funds.

Staff support better coordination of activities between land use planning and school boards. Staff encourage the province to consider further coordination of other public service facilities such as the health care sector and hospitals.

3. Major transit station areas

- h. Several policies and concepts regarding major transit station areas (MTSAs) have been carried over from the growth plan, including having minimum density targets in MTSAs. These policies generally apply to those municipalities listed in Schedule 1 as large and fast-growing. Sections 2.4.2.4 and 2.4.2.5 appear to allow non-Schedule 1 municipalities the ability to still plan for MTSAs and establish minimum density targets both on and off higher order transit corridors.

Staff Comment: Staff are generally supportive of these policies, but note that Grey County does not currently have any MTSAs or higher order transit corridors. The policies would appear to allow the County and member municipalities to plan for such facilities, which could further potentially allow for the use of inclusionary zoning tools. It is however important to note that higher order transit is generally defined to include rail, subways, light rail, and buses in dedicated rights-of-way. As such, if a Grey County municipality were to plan for such facilities it would likely require greater population density and a radical investment in public transit infrastructure.

4. Employment land conversions and employment changes

- i. Together with the changes in Bill 97, the draft PPS scopes employment areas to industrial and warehousing uses, including ancillary retail and office uses. The previous definition included other types of employment in these areas, including offices. These changes would have the effect of prohibiting standalone commercial or institutional uses in designated employment areas.

Staff Comment: These changes generally would not impact Grey County municipalities, save and except those municipalities that may permit some standalone commercial or institutional uses in their employment areas. Staff are generally supportive of these changes, but note that some municipal autonomy regarding existing non-conforming uses in such areas may be warranted.

- j. The draft PPS appears to have lessened the restrictions regarding the separation between employment areas and sensitive land uses.

Staff Comment: Staff are not supportive of this change. The importance of employment lands has never been higher, and therefore these lands need to be protected from neighbouring incompatible land uses.

- k. The 2023 PPS has removed the need for a comprehensive review when considering a conversion of a designated employment area to a non-employment use.

Staff Comment: Staff see merit in some flexibility around re-designating employment areas, particularly those that may be isolated or surrounded by incompatible land uses. However, staff recommend that the comprehensive review provisions not be deleted from the PPS, but rather

the province may wish to better define those instances where a comprehensive review is not required or can be scoped commiserate with the scale of the proposed re-designation.

5. *Climate change*

- I. The PPS section on climate change has been largely re-written, though the newly worded policies appear to be very similar in intent to the former policies i.e., requiring planning authorities to reduce greenhouse gas emissions and prepare for climate change impacts. Aside from the dedicated climate change section of the PPS, there are a number of sections which reference the “impacts of a changing climate”, such as the servicing and stormwater sections, which are proposed to be deleted. Other changes have removed wording in the waste management policies regarding reduction, reuse, and recycling objectives.

Staff Comment: Staff would request that the province take an increased leadership role both in this section of the PPS, and woven throughout the PPS, to require more action on greenhouse gas emissions, climate change mitigation, adaptation and resiliency. Servicing, stormwater, and waste management are all great opportunities to further include climate change direction. Policies on green development standards, or other supportive tools, would assist municipalities in achieving their own reduction goals. Several of the policies in the 2023 PPS appear contrary to climate objectives, such as allowing greater amounts of low-density housing scattered across the countryside (i.e., outside of settlement areas).

- m. The province has introduced a new definition for “low impact development” in the PPS, as it pertains to stormwater management.

Staff Comment: Staff support this change.

6. *Servicing*

- n. There are changes to the servicing policies in the draft 2023 PPS. While the servicing hierarchy appears to have remained intact, there are several changes to this section, which are unclear in their interpretation. For example, the policies note that municipal services can include both centralized and decentralized servicing systems, without defining either term. There have also been changes to the partial servicing provisions which no longer contain a limitation on extending partial services into rural areas. In the draft PPS servicing policies relating to settlement areas, references to infilling and minor rounding out for the use of individual on-site services have been deleted.

Staff Comment: Staff request that the province consider adding some additional definitions to clarify terms such as centralized servicing systems, decentralized servicing systems, infilling, and minor rounding out. Some of these terms are not new to the PPS, but having definitions would save future interpretation conflicts. Staff also recommend that increased emphasis be placed on the financial viability of servicing infrastructure and coordination with municipal asset management planning.

7. *Missing natural heritage policies*

- o. One of the tenants of the PPS, is that the document is to be read as a whole, and that no one policy is to be read in isolation. Given that the province has yet to release natural heritage policies, it's difficult to understand the full scope of the province's proposed changes.

Staff Comment: County staff encourage the province to consider putting this PPS review 'on hold' or delaying the final comment deadline until such time as those draft policies have been released and stakeholders such as municipalities have had the opportunity to review and bring reports to their respective councils, boards, or clients.

County staff will monitor this matter and advise when the draft natural heritage policies are released. If there are major changes being proposed, staff anticipate a future staff report being warranted, provided the commenting deadline facilitates the timing for such a report. Depending on timing, such comments may need to bypass the County's PEDAC and proceed directly to Committee of the Whole. Should the deadline not facilitate a staff report, staff may seek direction to provide comments directly to the province.

8. *Implementation, updated definitions, and other policy matters*

- p. The draft 2023 PPS contains a number of new, updated, and deleted definitions, some of which have already been flagged in this Report. There are other definitions which have been deleted such as "fish", "fish habitat", "endangered species", "wetlands", "coastal wetlands", "wildlife habitat", "threatened species", and "woodlands" which have all been deleted.

Staff Comment: Staff appreciate the additional clarification on the newly defined terms. Some of the updated and deleted terms give cause for concern, including the deletions related to "affordable", and the severely scoped definition of "significant". There are also definitions that staff have flagged in other sections of this Report, which would be useful additions to the PPS.

With respect to the deleted definitions related to natural heritage features, staff are unclear if these will be included with the forthcoming proposed natural heritage policies, or if these are proposed to be completely deleted from the PPS. Staff note that the definition for an "Area of Natural and Scientific Interest" is in the draft PPS, but most other definitions have been deleted. Staff encourage the province to consider reinstating a number of these important definitions.

- q. There are newly added sections to the PPS, which encourage meaningful early engagement and knowledge sharing with Indigenous communities.

Staff Comment: Staff have not consulted with local First Nations and Metis peoples on these proposed changes. The changes appear to be positive, but staff would defer to Indigenous communities as to whether these changes are supported or not.

- r. Section 6.2.3 of the draft PPS encourages planning authorities to engage the public and stakeholders early in local efforts to implement the PPS. This includes providing the necessary information and informed involvement of local citizens, including equity-deserving groups.

Staff Comment: Staff support the intent of this comment, but respectfully request that the province undertake a larger portion of this engagement both now, as part of the draft PPS, and later once a new PPS has been approved. While staff are happy to work with local citizens and stakeholders as part of municipal official plan updates, staff feel the province could show leadership by robust consultation and education on the draft and final PPS. To date, staff have not been made aware of any workshops or education materials, beyond the Environmental Registry posting on the PPS. Furthermore, the draft PPS is not available in its totality yet, as the natural heritage policies have yet to be released.

- s. The implementation section of the draft PPS proposes to delete a clause which states; *“The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans.”*

Further changes to the implementation section note that; *“Planning authorities shall keep their zoning and development permit by-laws up-to-date with their official plans and this Policy Statement by establishing permitted uses, minimum densities, heights and other development standards to accommodate growth and development.”*

“Where a planning authority must decide on a planning matter before their official plan has been updated to be consistent with this Policy Statement, or before other applicable planning instruments have been updated accordingly, it must still make a decision that is consistent with this Policy Statement.”

The province has also noted that they “may” identify indicators for monitoring of the PPS, versus the former “shall” identify indicators for monitoring.

Staff Comment: Staff do not support the removal of the acknowledgment of the official plan’s role in implementing the PPS. Staff have relied on this statement many times in the past to support explanations to the public on the role of the official plan in carrying out the provincial vision for land use planning.

Staff are supportive of keeping official plans and zoning by-laws up-to-date, but note that this becomes very difficult to do with the constant legislative and policy changes at the provincial level. Many municipalities across the province have yet to fully update their official plans and zoning by-laws from the 2020 PPS, in addition to the Bill 109 and Bill 23 changes. Furthermore, staff are still awaiting further information and regulations on Bill 23, to enact some of the legislative changes locally. To update upper and lower-tier official plans, followed by zoning by-laws, it takes significant municipal efforts and expenses. While staff support the province’s desire for continuous improvement in land use planning, there needs to be some stability and lag-time, so that planning authorities can ‘catch-up’ to all the changes in legislation and policy. This constant change also causes confusion and delays in processing development applications.

Staff further note that transitioning to a newly updated PPS also causes implementation timing issues, as evidenced by the above-noted statement on deciding on a planning matter prior to updating an official plan to be consistent with the PPS. The transitional powers relating to the PPS implementation in Bill 97 are broad, such that they could impact both future development applications, and on-going applications. With the scope of changes proposed in 2023 draft PPS, this transition could be significant and result in many applications that conflict with current

official plans, but are consistent with the PPS (e.g., residential lot creation in prime agricultural areas).

Staff empathize with the province regarding indicators for monitoring. While the County Plan contains similar policies, it is very difficult to monitor a plan as broad as the PPS or the County Official Plan. Staff appreciate some flexibility in working with the province and stakeholders on how to monitor such plans.

- t. In 2022 when the province announced the review of the 2020 PPS and Growth Plan, the province announced that the review would be focused on housing. The primacy and need for housing come through clearly in the draft 2023 PPS.

Staff Comment: Early public criticisms of the draft PPS are that ‘it’s housing above all else’, or ‘housing at all costs’. Staff support the province in taking bold action to address the housing needs across the province. Grey County wants to be a partner to work alongside the province in helping to address the housing needs of Ontario. That said, staff are also cognizant that housing is just one matter of provincial interest, and other matters such as agriculture, resource use, and the natural environment all need to be balanced in order to provide a sustainable long-term vision for Ontario. While staff support several of the policy updates in the 2023 PPS, there are numerous others that could have negative long-term impacts, which may outweigh the current need for action on housing. Staff encourage the province to consult further with a diverse cross-section of stakeholders and the public on the PPS 2023, with the aim of ensuring it’s providing a proper balance of Ontario’s provincial interests.

Legal and Legislated Requirements

None with this Report.

Financial and Resource Implications

At this stage, the financial impact of proposed policy and legislative changes is not known. Staff will continue to monitor the PPS review as well as Bill 97, and will keep County Council up to date on the status and impact. An update to the PPS could trigger future updates to the County Official Plan and member municipal official plans. These updates could also create more inefficient land development that may have broader tax levy implications.

Relevant Consultation

Internal: Planning, CAO/Deputy CAO, Legal Services, Community Services

External: Member municipalities within Grey County and Other municipalities/counties outside of Grey.

Appendices and Attachments

[ERO Posting 019-6813](#)

[ERO Posting 019-6821](#)

[PDR-AAC-20-23 County comments on the Draft Provincial Policy Statement 2023](#)

[Proposed Provincial Policy Statement, 2023](#)

[PDR-CW-01-23 Comments on Review of Growth Plan and PPS](#)

[PDR-CW-37-22 Bill 23 More Homes Built Faster Act](#)

[PDR-AF-17-22 Bill 109 More Homes for Everyone Act](#)

[Provincial Policy Statement, 2020](#)