

<b>To:</b>	Warden Hicks and Members of Grey County Council
<b>Committee Date:</b>	October 10, 2019
<b>Subject / Report No:</b>	Proposed 2019 Provincial Policy Statement / PDR-CW-41-19
<b>Title:</b>	Grey County Comments on Proposed 2019 Provincial Policy Statement
<b>Prepared by:</b>	Grey County Staff
<b>Reviewed by:</b>	Kim Wingrove
<b>Lower Tier(s) Affected:</b>	All Municipalities within Grey County
<b>Status:</b>	Recommendation adopted by Committee as presented per Resolution CW199-19 October 24, 2019; Endorsed by Council October 24, 2019 per Resolution CC83-19;

## Recommendation

1. That Report PDR-CW-41-19 regarding an overview of the proposed changes to the 2019 Provincial Policy Statement be received; and
2. That Report PDR-CW-41-19 be forwarded to the Province of Ontario and confirmed as the County of Grey's comments on the proposed regulation changes posted on the Environmental Registry through posting #019-0279; and
3. That the Report be shared with member municipalities having jurisdiction within Grey County; and
4. That staff be authorized to proceed with submitting these comments prior to County Council approval as per Section 25.6(b) of Procedural By-law 5003-18.

## Executive Summary

The Province recently released a new draft 2019 Provincial Policy Statement. Staff have had the opportunity to review the draft Provincial Policy Statement, and do not view it as a complete 're-write' but rather an update. Many of the proposed changes are geared towards supporting a variety of housing options, including promoting further affordable housing. Other changes include increased guidance on climate change, engagement with indigenous peoples, settlement area boundaries, growth horizons, and tweaks to existing policies or wording. Staff are supportive of some of the proposed changes, while there are other changes that staff have concerns and questions about.

# Background and Discussion

On July 22, 2019 the Province released a new draft Provincial Policy Statement (PPS), which would update the 2014 PPS. Comments on the 2019 PPS are due by October 21, 2019. A copy of the new PPS can be found [here](#), and is linked to in the Attachments section of this report. For reference purposes a link to the 2014 PPS has also been provided in the Attachments section.

County staff would commend the Province for allowing for a longer comment period on the new PPS, versus some of the legislative changes announced earlier in 2019. The Province also recently hosted some in-person and online consultation sessions which County staff have had the benefit of participating in, to learn more about the 2019 PPS. Having additional time, as well as having the benefit of participating in these sessions has been very beneficial in (a) understanding the changes, and (b) having the time to prepare fulsome comments on the new PPS.

All planning decisions in Ontario must be consistent with the PPS, including local planning documents such as official plans and zoning by-laws. Staff have reviewed the draft PPS and do not perceive it to contain significant changes from the current 2014 version, however there are some changes which may impact Grey County. Within the 2019 PPS there are policy changes relating to;

1. affordable housing and housing options,
2. agriculture and aggregates,
3. climate change,
4. engagement with indigenous peoples,
5. fast-tracking development applications,
6. *Green Energy Act* repeal,
7. growth horizons,
8. land use compatibility,
9. servicing,
10. settlement area boundaries and employment,
11. terminology changes, and
12. what's missing from the PPS.

Although not directly a part of this consultation the Province has also noted that there will be additional standalone guidelines coming which help provide implementation guidance for the PPS.

What follows are some summaries and comments on the proposed 2019 PPS changes, for each of the above subject areas.

## *1. Affordable Housing and Housing Options*

The proposed changes place more emphasis on ensuring communities across the Province contain an appropriate mix of housing options to meet the needs of Ontarians. Within the 2019 PPS there's a broader range of housing referenced including tiny homes, additional residential units (more commonly referred to as secondary units), life lease housing, community land trusts, and co-operative housing. The Province has also introduced new terminology around 'market-based' residential types.

Additional changes require coordination between planning for housing and development, with the Housing and Homelessness Plans provided by housing service managers such as Grey County.

The 2019 PPS also requires municipalities to maintain a minimum of 12 years of residential growth lands, whereas the previous PPS had a 10-year requirement.

**Staff Response** – In general staff are supportive of the proposed changes, as we recognize the need for all types of housing across Grey County. Having this detailed support in the PPS is not radically different than the 2014 PPS, except that there are a broader range of housing types listed in the new 2019 PPS. The 2014 PPS also required municipalities to plan for a wide-range of housing.

Coordination between planning and the Housing and Homelessness Plans also makes sense in principle. However, staff would note that Housing and Homelessness Plans also cover areas beyond just those controlled by land use planning. While certain elements of planning should be coordinated with Housing and Homelessness Plans, it should also be clear that there are other matters which the Housing and Homelessness Plans will need to address outside of land use planning.

There are a few new terms in the 2019 PPS including references to ‘market-based’ residential which should be defined terms, in order to properly interpret the policies.

Staff remain cautious in predicting whether the 2019 PPS changes will result in more private affordable housing being built, but it is certainly supportive of such housing. Further financial incentives, or government funding (at all levels of government) may be required before significant investment in affordable housing is realized.

Outside of the PPS review process, the Province should also consider changes to the Ontario Building Code (OBC) to further enable new or innovative forms of housing such as tiny housing.

The change from 10 to 12 years is supported by staff.

## *2. Agriculture and Aggregates*

The policies protecting prime agricultural lands, and mineral aggregate resources are different in the new 2019 PPS. For agriculture, there is more emphasis on agricultural systems planning, as well as numerous references to agricultural impact assessments (AIAs).

With respect to mineral aggregate resources, there are new policies which restrict the use of ‘vertical zoning’ (section 2.5.2.4), and policies which allow for the displacement of environmental features, provided the rehabilitation plan accounts for such features as part of rehabilitation of the site (section 2.5.2.2).

**Staff Response** – Staff are generally supportive of the changes to the agricultural policies, and the systems planning approach. This generally aligns with the policy approach in the County’s new official plan, Recolour Grey. Staff would however request clarification as to whether this will require all municipalities to undertake Land Evaluation, Area Review (LEAR) studies to ‘re-map’ our agricultural systems. If this is the case, staff would request assistance from the Province in undertaking this study, similar to what was done in the Greater Golden Horseshoe area. The Province may also wish to consider developing guidelines on the identification of specialty crop

areas, as in the past the Province has noted that such areas are generally not covered by a traditional LEAR study. Staff would also request further guidance on AIAs, as we've yet to see a finalized guideline on this yet, although we are aware that the Province has been working on such guidelines.

With respect to the changes on mineral aggregates, staff have no concern with the restrictions on vertical zoning, as that's been the advice Provincial staff have been giving for several years now. As a result, municipalities in Grey have not been utilizing vertical zoning.

Within the new PPS there is a policy which states;

*“Outside of the Greenbelt Area, extraction may be considered in the natural heritage features listed in section 2.1.5, 2.1.6 and 2.1.7, provided that the long-term rehabilitation can demonstrate no negative impacts on the natural features or their ecological functions.”*

Portions of this policy are implementing a practice that was already in a provincial guideline known as the Natural Heritage Reference Manual (NHRM). The NHRM allowed for the removal of a significant woodland, provided the rehabilitation plan considered tree planting once the pit or quarry ceased operations. Staff believe there are certain circumstances where this may be appropriate, e.g. if a young pine plantation was removed and ultimately replaced by another plantation once the pit/quarry has been extracted. That said, staff do not believe this is appropriate in all cases, or for the range of features and species the Province is now permitting (e.g. for endangered species, fish habitat, etc.). Staff recommend that this policy be refined to limit the instances where it can be used.

### **3. Climate Change**

The 2019 PPS includes wording in several sections which require planning authorities to prepare for the 'impacts of a changing climate'. Section 3.0, Protecting Public Health and Safety, of the 2019 PPS contains a caveat that the policies relating to natural hazard are subject to on-going review by the Province's Special Advisor on flooding.

**Staff Response** – Staff are generally supportive of the proposed changes in this regard. Staff would recommend broadening the definition for 'impacts of a changing climate', to include more than just weather-related impacts.

Staff also believe that there should be more language in the PPS which speaks to the prevention of matters which will exacerbate climate change, rather than just the adaptation to climate change impacts.

Staff would also request that municipalities and conservation authorities be consulted on the on-going review by the Province's Special Advisor on flooding, prior to finalizing any new policies or directions moving forward.

### **4. Engagement with Indigenous Peoples**

The new PPS places increased emphasis on engagement with indigenous peoples and communities. Whereas the former used wording such as 'encouraged to coordinate planning matters', the new PPS uses terminology such as 'shall engage with'. Identifying, protecting, and

managing cultural heritage and archaeological resources also require engagement with indigenous communities.

**Staff Response** – Staff are supportive of this new wording in principle. Staff would note that Grey County currently circulates all our planning applications to local First Nations and Metis peoples. It would however be useful for the Province to clarify a few matters with respect to engagement and the ‘duty to consult’. On past projects, County staff have heard mixed messages from local indigenous groups, noting that ‘circulation and asking for comments does not equate to consultation and does not satisfy the duty to consult, which rests with the crown’. Furthermore, staff have heard that First Nations and Metis peoples are not always able to comply with some of the statutory timeframes established in the *Planning Act*. In many instances the County has received timely comments from local indigenous peoples. However, in some cases, local indigenous peoples have also asked for compensation to help them review a planning application from a technical perspective. Currently the County does not budget to pay for such external technical reviews on private development applications. In some of these cases, proponents have chosen to pay for these reviews, and in other cases proponents have refused to pay. This timely engagement will become even more crucial with (a) the reduced application processing timeframes under Bill 108, and (b) if municipalities are expected to fast-track applications as per section 5 of this report. Staff would recommend the Province work with indigenous peoples and communities to determine (a) their capacity to participate in planning matters, (b) whether or not additional funding is required (and if so where is that funding coming from), and (c) what constitutes engagement (i.e. is it *Planning Act* style notice circulations and requests for comments, or does it mean something different for indigenous peoples) and whether that differs from the duty to consult which rests with the crown.

## 5. Fast-Tracking Development Applications

The 2019 PPS contains the following provisions in section 4.7;

*“Planning authorities shall take action to support increased housing supply and facilitate a timely and streamlined process for local development by:*

- a) identifying and fast-tracking priority applications which support housing and job-related growth and development; and*
- b) reducing the time needed to process residential and priority applications to the extent practical.”*

**Staff Response** – Staff are supportive in principle of the above-noted provisions; however, staff have concerns that this may not be feasible and it may lead to expectations that cannot be met. Based on the recent changes in application processing times through Bill 108, where in some cases processing times were cut almost in half, municipalities will be struggling to process applications in that timeframe. If one couples this with the notion that certain applications now need to be ‘fast-tracked’, it may be impossible to meet those timeframes. Staff are cognizant that we do not want to build expectations that applications can be processed more quickly, and then fail to meet those deadlines.

Staff also have concerns that based on the above-wording it could be very tough to determine which applications would be candidates for fast-tracking (i.e. housing and job-growth would cover most of our applications). Furthermore, when would it be determined on whether to fast-

track (i.e. presumably developers would want to be able to build that certainty into their proformas). Presumably municipal councils would develop criteria for when an application is eligible, but would a developer be given the 'okay' at the pre-submission consultation stage that they qualify for fast-tracking or does that not come until the application is submitted. Staff also question what the consequences of agreeing to fast-track, and then not being able to do so would be.

County staff would also recommend that if the Province is requiring municipalities to fast-track certain applications, that there also be a commitment from Provincial ministries to fast-track their comments and approvals related to said applications.

With respect to fast-tracking the provision of affordable housing, and the provision of appropriate servicing/infrastructure, the biggest impediment to municipalities is funding. If there was further stable Provincial funding for infrastructure and affordable housing, it would make (a) the provision of these services much more feasible, and (b) the likelihood of being able to fast-track approvals more realistic.

## *6. Green Energy Act Repeal*

With the Province's repeal of the *Green Energy Act*, there have been some proposed amendments to the PPS. The proposed changes remove the term 'electricity generation facilities and transmission and distribution systems' from a number of sections of the PPS. It is also clarified that 'ground-mounted solar facilities' are now included as an 'on-farm diversified use', which means they could be considered in prime agricultural areas, subject to being limited in area.

**Staff Response** – The proposed changes generally stem from the Province's repeal of the *Green Energy Act*, which now gives municipalities more autonomy over renewable energy approvals. While staff appreciate the added direction here, we would also request the Province consider providing further direction on other types of renewable energy generators such as wind turbines, bio-mass facilities, etc.

## *7. Growth Horizons*

The 2014 PPS capped municipalities ability to plan for and designate land to a maximum timeframe of 20 years, save and except for infrastructure projects. The new 2019 PPS proposes to extend this timeframe to 25 years, while still allowing longer timeframes for infrastructure projects.

Within the 2019 PPS there are also references to forthcoming guidelines which provides guidance on population/employment projections and allocations.

**Staff Response** – Staff are supportive of this change and provides more flexibility to municipalities to think longer term and plan accordingly. This may require municipalities to adjust their official plans, to consider a 25-year time horizon in the growth projections and land allocation needs. However, staff believe that this is not a pressing requirement for most municipalities and could instead be done at the time of the next official plan review.

Staff are very supportive of the Province issuing guidelines on population/employment projections and allocations. When the Province develops such guidelines municipalities should be consulted and given the opportunity to provide input.

## 8. Land Use Compatibility

Section 1.2.6 of the PPS, dealing with land use compatibility, has been expanded, as well as changing the definition of ‘major facilities’ to now include manufacturing uses.

Section 1.3.2.3 has also been updated to note 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.”*

**Staff Response** – Staff are supportive in general of the proposed changes. Staff would question what a ‘residential use ancillary to an industrial use’ would be? If this is meant to be a factory which also has temporary sleeping quarters in it (e.g. for an evening security guard), then staff see no concern. However, if it’s meant to allow for more live-work opportunities, then staff generally do not view these as compatible in industrial parks.

Staff would also note that one of the key tools utilized by municipalities regarding compatibility and guiding separation distances is the Ministry of the Environment, Conservation and Parks (MECP) D-Series Guidelines. For a few years now, provincial staff have noted that the D-Series Guidelines are under review, and that updated guidelines will be coming soon. County staff are still awaiting these updated guidelines and would ask that the Province prioritize their completion.

## 9. Servicing

There have been some significant changes to the servicing provisions at section 1.6 of the PPS. The 2019 PPS still places priority on development on full municipal water and sewer services, but it also contains further guidance on;

- (i) when individual well and septic systems are appropriate,
- (ii) when municipalities need to review their servicing capabilities in non-serviced settlement areas, and
- (iii) when partial services can be utilized.

Provincial staff have noted that the above changes should give more flexibility to rural communities and rural settlement areas in accommodating their growth needs.

The Province is also now requiring that stormwater management planning be integrated with planning for sewage and water services.

**Staff Response** – Staff have no concerns with requiring the integration of stormwater management planning with water and sewer services.

With respect to items (i) – (iii) above staff do have some concerns. Although the Province may perceive the above changes as providing additional flexibility, staff require additional clarification before being able to concur with this conclusion. All development in Grey County is currently required to meet the PPS servicing hierarchy whereby development on full municipal services is prioritized. That said, Grey does have a number of Secondary Settlement Areas which are serviced by wells, septic systems, and in some cases partial services. While these Secondary Settlement Areas are not major growth nodes within the County, they do represent important growth opportunities for our rural settlement areas.

The wording for item (i) found at 1.6.6.4 of the 2019 PPS is not too different from the wording in the current PPS. However, the second half of this section, which corresponds to item (ii) above contains the following wording;

*“At the time of the official plan review or update, planning authorities should assess the long-term impacts of individual on-site sewage services and individual on-site water services on the environmental health and the character of rural settlement areas. Where planning is conducted by an upper-tier municipality, the upper-tier municipality should work with lower-tier municipalities at the time of the official plan review or update to assess the long-term impacts of individual on-site sewage services and individual on-site water services on the environmental health and the desired character of rural settlement areas and the feasibility of other forms of servicing set out in policies 1.6.6.2 and 1.6.6.3.”*

In principle staff see merit in the above provisions, and it makes sense to do so at the time of an official plan review. However, staff would seek more guidance on what level of assessment the Province is seeking here. For example, is it simply a ‘desk-top’ study which looks at the amount of existing development, with the amount of projected development within the coming growth horizon to see if the installation of water and sewer services is feasible? Or is it a more involved study that may get into detailed hydrogeological study and a nitrate assessment? Are said assessments to be conducted at the time of a lower-tier official plan review, upper-tier official plan review or both (the policy wording notes collaboration between upper and lower tiers)? In many cases staff see very little feasibility for Secondary Settlement Areas to be serviced by municipal services, i.e. the amount of current growth coupled with the growth potential would never warrant the financial investment for full municipal services. For these smaller Secondary Settlement Areas, a desktop study should suffice in this regard. In other cases, we may have a few Secondary Settlement Areas that are approaching the threshold for full municipal services, and perhaps for those settlement areas more detailed study is required. This type of study may be more appropriately done at the lower-tier level, with consultation from the upper-tier, based on municipalities being the owners and operators of water and waste water treatment facilities.

With respect to item (iii), the first half of the partial services provisions are identical to the current PPS provisions, but the second half reads as follows;

*“Where partial services have been provided to address failed services in accordance with subsection (a), infilling on existing lots of record in rural areas in municipalities may be permitted where this would represent a logical and financially viable connection to the existing partial service and provided that site conditions are suitable for the long-term provision of such services with no negative impacts. In accordance with subsection (a),*



*the extension of partial services into rural areas is only permitted to address failed individual on-site sewage and individual on-site water services for existing development.”*

Staff have concerns with the above for a few reasons. First, it can be very difficult to track whether partial services were installed to address failed systems. For example, if water services were installed in a community in the 1980's, how is a planner in 2019 to know whether or not those water services were installed to address failed systems?

Second, in those instances where services were installed to address failed services, it would seem quite restrictive to then only allow development on existing lots of record. Where municipalities have land within designated settlement areas, on partial services, it would appear overly restrictive to not allow any new lot creation where (a) the development is within the reserve servicing capacity of the service being provided, and (b) where site conditions are suitable for the long-term provision of such services with no negative impacts.

Third, staff would note that the definition for 'rural areas' in the PPS also contains rural settlement areas, which means that smaller towns, villages, or hamlets could be constrained by this policy. Perhaps it was not the intent of this policy to also constrain rural settlement areas, and if that was the case it should be clarified in this policy.

There are also changes within the servicing section which replace the phrase 'where municipal sewage and municipal water services are not provided' with the new phrase 'where municipal sewage and municipal water services are not available, planned or feasible'. Staff require further clarification on what the intent of this policy change is, and whether the term 'planned' should be removed here.

During discussion with the Grey County Committee of the Whole on this staff report, the Committee requested clarification from the Province as to whether or not rural plans of subdivision were permitted under the 2019 Provincial Policy Statement, or if such subdivisions could only be permitted in settlement areas.

Staff recommend that the Province reconsider some of these servicing policies after further consultation with rural municipalities, as well as clarifying whether or not rural plans of subdivision are permitted in the 2019 Provincial Policy Statement.

## ***10. Settlement Area Boundaries and Employment***

Under the current 2014 PPS when a settlement area seeks to expand, or when a municipality is seeking to re-designate employment lands (e.g. industrial or business park lands) to non-employment uses (e.g. residential), then a comprehensive review is required. A comprehensive review is a defined study within the PPS. Within the 2019 PPS the Province has added some flexibility to allow for some settlement area adjustments where a comprehensive review is not required. For example, instances when a municipality is adding lands to a settlement area, but also removing other lands for a 'no net change' in developable land, this can now be done without a comprehensive review. The Province has also included some provisions for a simplified employment lands review, where the lands are not provincially or regionally significant.

Section 1.3.1(c) of the PPS also contains a new provision which states that planning authorities shall promote economic development and competitiveness by;

*“facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment.”*

**Staff Response** – Staff generally have no concerns with the changes to the comprehensive review provisions and appreciate the flexibility these new provisions permit. Staff would recommend that the Province consider a similar simplified process for an employment lands review, where there is no net change in developable land, that they have for settlement area boundary adjustments. For example, when a municipality is removing 10 hectares of employment land from the south end of town but adding 10 hectares of employment land to the north end of town within the current designated growth area, there should be no need for a comprehensive review.

With respect to the newly revised section 1.1.3.9 of the PPS, dealing with ‘abbreviated comprehensive reviews for settlement area boundary adjustments’, it speaks to *“the settlement area to which lands would be added is appropriately serviced and there is reserve infrastructure capacity to service the lands.”* Staff question whether this would preclude privately serviced settlement areas from such boundary adjustments? Staff would also recommend a wording change here to replace the words ‘is appropriately serviced’ to ‘can be appropriately serviced’ to recognize the fact that lands outside of settlement areas are unlikely to be municipally serviced prior to being added to the settlement area.

Staff would also recommend that the Province consider adding wording to the PPS that is similar to the recent changes made to the Growth Plan. Under this new wording there would be some ability to add lands to a settlement area, up to 40 hectares, without the need for a full comprehensive review prior to the addition of these lands.

With respect to policy 1.3.1(c) County staff understand the intent of this policy, but do not understand the practical application as it pertains to official plans, zoning by-laws, or the activities of planning departments. Staff would suggest that this is an activity already undertaken by most economic development departments across Ontario. Certainly, planning and economic development staff will work closely with one another to ensure that lands are ‘shovel-ready’ for investment, to the extent feasible. However, staff are unaware of exactly what this new requirement means with respect to formally ‘identifying strategic sites for investment’.

## **11. Terminology Changes**

There are a number of instances in the 2019 PPS where the Province is introducing new terminology (e.g. ‘market-based’ as noted above), and others where wording changes are being proposed (e.g. there are a number of instances where the word ‘shall’ is being replaced by the word ‘should’).

**Staff Response** – Staff would request that new terms which impact interpretation, such as market-based, be defined in the PPS for ease of understanding.

Where the Province is switching from ‘shall’ to ‘should’, County staff have interpreted this to be a less stringent test i.e. ‘should’ will not be as mandatory as ‘shall’. If this is indeed the correct

interpretation of the Province's changes in this regard, then staff would note that there are many uses where 'shall' should remain as 'shall' rather than switching to 'should' (e.g. policy 1.1.3.6).

## 12. *What's Missing from the PPS*

Currently in both the 2014 and proposed 2019 versions of the PPS, the Province is generally divided into settlement areas, rural/agricultural areas, and natural heritage features. While this is appropriate for large parts of the Province, County staff also see merit in adding a fourth category for recreational areas and/or recreational settlement areas. Grey County has several areas around the ski hills, Beaver Valley, Georgian Bay, and our inland lakes that have a unique function which is not the same as a traditional settlement area with residential, industrial, commercial and institutional uses. These areas also do not function like traditional agricultural/rural areas, i.e. they are not necessarily farming areas. Instead they are areas with major recreational amenities and some residential or commercial development, which may or may not be on full municipal services. There are several other counties and regions that would have similarly functioning areas. Under the current PPS municipalities are forced to categorize such areas as settlement areas or rural/agricultural areas for the purposes of interpreting the PPS. Staff have at times referred to some of these areas as recreational settlement areas but noting that the 'recreational' denotation means that some uses traditionally associated with settlement areas will not be found there (i.e. we are unlikely to see industry to institutional uses in an inland lake community). Staff believe that there can be a new policy framework in these areas which is distinct from traditional settlement areas and rural/agricultural areas which would benefit the PPS.

## Legal and Legislated Requirements

Once the new PPS is passed, all County planning decisions and our County Official Plan will be required to be consistent with the new PPS. Some of the 2019 PPS changes are welcomed by the County, however there are changes that cause concern, or are difficult to interpret at this stage.

## Financial and Resource Implications

At this stage there are no immediate financial or resource implications to these regulations, as the full details of its implementation are not known. Some of the proposed changes will create more uncertainty to municipalities, however the introduction of further implementation guides should aid in interpretation in this regard. Should new requirements such as fast-tracking, or the need to complete a LEAR study, be placed on municipalities there could be financial or resource implications. Similarly, a new PPS will most likely require county and municipal official plan updates, which would have financial and resource implications.

Staff will continue to monitor proposed 2019 Provincial Policy Statement and keep County Council aware of any changes.

## Relevant Consultation

Internal: Planning, Housing, Economic Development

External: Member Municipalities within Grey (to be circulated following Committee of the Whole)

## Appendices and Attachments

[Draft 2019 Provincial Policy Statement](#)

[2014 Provincial Policy Statement](#)