



Committee Report

To:	Warden McQueen and Members of Grey County Council
Committee Date:	May 28, 2020
Subject / Report No:	Update on Provincial Policy Statement 2020 / PDR-CW-23-20
Title:	Grey County Comments on 2020 Provincial Policy Statement
Prepared by:	Grey County Staff
Reviewed by:	Kim Wingrove
Lower Tier(s) Affected:	All Municipalities within Grey County
Status:	Recommendation adopted by Committee as presented per Resolution CW97-20; Endorsed by County Council June 11, 2020 per Resolution CC58-20

Recommendation

1. That Report PDR-CW-23-20 regarding an overview of the changes made to the previous Provincial Policy Statement (2014) to form the newly, in effect, Provincial Policy Statement (2020) be received; and
2. That the Report be shared with member municipalities in Grey County.

Executive Summary

The Province released draft policies for a new Provincial Policy Statement and was posted on the Environmental Registry of Ontario from July 22, 2019 to October 21, 2019. County planning staff issued formal comments to the draft policies, October 10, 2019 under Report PDR-CW-41-19. The Province received approximately 450 written submissions. A newly revised Provincial Policy (2020) document was announced February 28th, 2020, to take effect May 1st, 2020. The general intent of the Provincial Policy statement remains the same – to provide overall policy directions on matters of provincial interest related to land use planning and development in Ontario. Many of the policies under the 2014 version remain unchanged. Although, there are observed changes under the following sections which are summarized further throughout the entirety of the report: affordable housing and housing options, settlement area boundaries and employment, growth horizons, climate change, aggregates, agricultural and rural lands, engagement with Indigenous peoples, employment area planning & land use compatibility and, servicing and infrastructure.

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 draft PPS were due by October 21, 2019. Additional revisions have been made and a final copy of the new PPS (2020) can be found [here](#). This is linked to the Attachments section of this report. For reference purposes, links to the draft 2019 PPS and the 2014 PPS have also been provided in the Attachments section.

As part of the outreach process, the province issued a lengthy comment period for planning professionals and others to weigh in on the proposed changes. The province received approximately 450 written submissions. A link to the County's comments on the draft 2019 PPS can be found [here](#). The Province also hosted some in-person and online consultation sessions, both of which the County had the benefit in participating in order to learn more about the proposed policy changes. The new policies were announced February 28th, 2020 forming the PPS (2020). This document took effect May 1st, 2020.

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 newly approved PPS and do not perceive it to contain significant changes from the previous 2014 version. Within the 2020 PPS there are policy changes relating to;

1. affordable housing and housing options,
2. settlement area boundaries and employment
3. growth horizons
4. climate change
5. aggregates
6. agricultural and rural lands
7. engagement with Indigenous peoples
8. employment area planning & land use compatibility and,
9. servicing and infrastructure.

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

The following are summaries and comments regarding the changes made under the 2020 PPS.

1. Affordable Housing and Housing Options

The 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 2020 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 Ministry of Municipal Affairs and Housing (MMAH) will update the Additional Residential Units Information Sheet (Second Units Information Sheet).

The Province has also introduced new terminology around 'market-based' residential types but unfortunately, there is no accompanying definition.

Additional changes require coordination between planning and housing service managers such including the development of Housing and Homelessness Plans.

There are revised definitions of 'public service facilities' and 'special needs' to raise awareness to plan for long-term care homes, as well as 'adaptable and accessible housing'.

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 2020 PPS. The 2014 PPS also required municipalities to plan for a wide range of housing.

Through comments provided by the County to the Province on the initial revised draft of the PPS, staff flagged that it would be pertinent to include a definition for ‘market-based’ in order to allow for consistent policy interpretation. This term is not defined in the new PPS 2020. County staff may seek additional guidance from the Province on how best to interpret this definition.

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. In Grey County, coordination amongst Planning staff and Housing staff already exists which includes working collaboratively on Grey County’s Housing and Homelessness Plan as well as Recolour Grey. Planning staff will look for further ways to collaborate with the Housing department on matters that fall within the purview of land use planning.

Staff remain cautious in predicting whether the 2020 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.

2. Settlement Area Boundaries and Employment

Under the 2014 PPS, municipalities seeking to expand a settlement area or to re-designate employment lands (e.g. industrial or business park lands) to non-employment uses (e.g. residential), were required to complete a comprehensive review. A comprehensive review is a defined study within the PPS and the County Official Plan.

Within the 2020 PPS, the Province has added some flexibility where a comprehensive review will not be required in order to allow for settlement area adjustments. For example, a comprehensive review will no longer be required for instances when a municipality is adding lands to a settlement area, but also removing other lands for a ‘no net change’ in developable land. Boundary adjustments still need to ensure prime agricultural areas are protected. There is also a requirement to consider market demand as part of the justification for settlement area boundary expansions. Applications for boundary adjustments can be municipally or proponent initiated. All other settlement area expansions will require a comprehensive review.

Staff Response – Staff generally have no concerns with the changes to the comprehensive review provisions and appreciate the flexibility these new provisions permit.

With respect to the newly revised section 1.1.3.9(c) 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 sufficient reserve infrastructure capacity to service the lands.”* Staff will work with local municipalities to determine what would be considered ‘appropriately serviced’, since there are many settlement areas within the County with partial servicing and private servicing.

3. 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 2020 PPS has extended this timeframe to 25 years, while still allowing longer timeframes for infrastructure projects and employment areas.

Planning authorities are now required to ensure projected housing land supply is made available to accommodate residential growth for 15 years (changed from 10 years).

Municipalities *may* also choose to maintain land with servicing capacity enough to provide at least a 5-year supply of residential units available for development, rather than just a 3-year supply.

There will be forthcoming guidelines to support municipalities outside of the Greater Golden Horseshoe (GGH) which provide guidance on population/employment projections and allocations.

Staff Response – Staff are supportive of these changes as it provides more flexibility to municipalities to plan for the long-term. The County will need to adjust our official plan to consider a 25-year time horizon, supported through growth projections. This may be done via a future amendment to the County Plan, or at the time of the next official plan review. Following an update to the County Plan to extend the planning horizon, municipalities would have the ability to do so in their own local official plans.

The change from 10 to 15 years for projected housing land supply is supported by staff and is something that municipalities across the County should consider as they move forward with official plan updates and future infrastructure planning.

Staff are encouraged to see policy that speaks to maintaining land with servicing capacity enough to provide a 5-year supply of residential units, rather than simply a 3-year supply. There is flexibility in this policy, but it provides direction for municipalities to ‘plan accordingly’ in the anticipation of future growth.

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.

4. Climate Change

The 2020 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 2020 PPS contains a caveat that the policies relating to natural hazards should be considered in accordance with guidance developed by the Province’s Special Advisor on Flooding. Natural hazards should also be considered when locating infrastructure and public service facilities [section 1.6.4].

Energy supply policy has been amended to support a broad range of energy types (e.g., district energy, renewable energy systems, and alternative energy systems) to support future energy pricing structures.

Staff Response – Staff are generally supportive of the proposed changes in this regard. The Climate Change Action Plan currently being completed by ICLEI Canada will better address ‘impacts of a changing climate’ that extend beyond simply weather-related impacts. This report will also help supplement information required to better understand local adaptation and mitigation initiatives.

On March 9th, the Province released a document titled ‘Protecting People and Property: Ontario’s Flooding Strategy’ which follows the 2019 Report from the Special Advisor on Flooding. These documents are meant to help the Province and municipalities plan for flooding prevention and impacts moving forward.

5. Aggregates

With respect to mineral aggregate resources, there are new policies which restrict the use of ‘vertical zoning’ (section 2.5.2.4).

Staff Response - 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 generally not been utilizing vertical zoning.

6. Agricultural and Rural Lands

Under the new PPS, clarification has been provided regarding lot creation – this is considered a form of residential development. The term ‘limited’ has been removed when defining residential development. Municipalities are required to determine what is ‘locally appropriate’ when it comes to residential development in rural areas, but generally new growth is still to be focused and directed to settlement areas. All other development ‘tests’ are still required to be met such as, ensuring development is appropriate for planned or available infrastructure, appropriate servicing, compliance with Minimum Distance Separation (MDS) formulae is addressed, and development is compatible with the rural landscape.

For agriculture, there is more emphasis on agricultural systems planning where one would consider both the agricultural land base and the agri-food network which includes infrastructure and assets that are important to the viability of the agri-food sector. The wording around this policy allows for flexibility, by encouraging rather than requiring. It is the intention to better support the prime agricultural land base and the economic prosperity of the sector. There are new definitions for ‘agricultural system’ and ‘agri-food network’.

The *on-farm diversified uses* definition is expanded to include ground-mounted solar facilities, meaning these will be permitted in prime agricultural areas, including specialty crop areas, subject to being limited in area.

Staff Response – Staff have concerns with the removal of the term ‘limited’ in the context of rural residential development. It can be challenging to secure a balance in offering flexibility for lot creation (both agricultural and non-agricultural), while also supporting economic development, agriculture, resource use, tourism, residential and recreation. Under Recolour Grey, lot creation policies were amended to permit 1 additional lot per 40 hectares (100 acres). Additional lot creation provisions have been included to speak to ‘split land use types’, where lands form part ‘agricultural’ and part ‘rural’. The new PPS remains consistent in the policy

direction to protect agricultural and other resource-related uses by directing non-related development to areas where it will minimize constraints on these uses (section 1.1.5.7). Staff see merit in the existing rural consent policies under Recolour Grey, and do not see further official plan changes being warranted here. A balance is effectively being achieved, protecting agricultural and other resource-related uses and supporting economic development, tourism, residential and residential recreation.

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. Further guidelines from the Province to aid with implementation will be consulted if/when received (e.g. revised guidance document for Agricultural Impact Assessment (AIAs)).

7. Engagement with Indigenous Peoples

The new PPS places increased emphasis on engagement with Indigenous peoples and communities for land use planning matters and when identifying, protecting and managing cultural heritage and archaeological resources. Whereas the former PPS used wording such as '*encouraged to coordinate planning matters*', the new PPS uses terminology such as '*shall engage with Indigenous communities and coordinate on land use planning matters*'. The understood intention of these policy changes will be to consult and address Indigenous interests earlier in the development process. The Ministry of Indigenous Affairs will develop tools and assist municipalities in engagement and consultation activities with Indigenous communities.

Staff Response – Staff are supportive of this new wording in principle, but still have some outstanding questions on how to proceed to ensure thorough consultation with Indigenous peoples and communities is effectively being met. It should be noted that PPS policies are distinct from 'duty to consult', which rests with the Crown. Grey County currently circulates all planning applications to local First Nations and Metis peoples. Staff are certainly amenable to reaching out to the local Indigenous groups to see where improvements to the existing process could be made. Any further tools developed by the province (Ministry of Indigenous Affairs) to assist municipalities in engagement and consultation activities will be welcome by staff.

8. Employment Area Planning & Land Use Compatibility

There are several new policy additions to section 1.3 *Employment* of the PPS. There is general support for supporting economic investment and mixed-use development.

With regards to employment areas, planning authorities are now encouraged to:

- assess locally-identified employment areas to ensure designations are appropriate at the time of the Official Plan review or update
- plan for appropriate transition between employment areas and adjacent non-employment areas
- prohibit residential and prohibit or limit sensitive land uses that are not ancillary to the primary employment uses in employment areas planned for industrial/manufacturing uses

- lands within employment areas may be converted to a designation that permits non-employment uses without a comprehensive review, provided the area has not been identified as provincially significant or regionally significant and subject to the following:
 - there is an identified need
 - proposed uses would not adversely affect the overall viability of the employment area
 - existing and planned infrastructure and public service facilities are available

There were also amendments and additions made to section 1.2.6 *Land Use Compatibility* that are intended to protect the long-term viability of major facilities (i.e. airports, manufacturing uses, transportation infrastructure and corridors, waste management systems, etc.) and industrial sites. Planning for major facilities and sensitive land uses will now be required to (rather than should) avoid or minimize and mitigate any potential adverse effects to public health and safety. Where avoidance is not possible, planning authorities are required to protect major facilities from encroachment of any proposed adjacent sensitive land uses.

Staff Response – Staff are generally supportive of the proposed changes.

Staff would note that the Ministry of Environment, Conservation and Parks (MECP) is currently reviewing the D-series land use compatibility guidelines. These guidelines provide guidance for planning authorities on how to decide what types of land uses are appropriate near industrial areas. Once completed, staff will rely on these updated guidelines to help implement the 'land use compatibility' policies.

9. Servicing & Infrastructure

There have been some significant changes to the servicing provisions at section 1.6 of the PPS. The 2020 PPS still places priority on development on full municipal water and sewer services, but the servicing hierarchy (municipal, private communal, individual on-site services and partial services) is now more flexible. That is, where municipal services are not available, planned or feasible, planning authorities can consider the additional servicing options (private communal, individual on-site services and partial services) provided that the specified conditions are met.

Many of these changes appear to address some of the unique servicing needs in rural communities. Policy changes include the following:

- i. where municipal services are not available, planned or feasible, private communal services are the preferred form of servicing for multi-unit/lot development.
- ii. individual on-site services may be used in settlement areas for infilling and minor rounding out of existing development where municipal and communal services are not available, planned or feasible and where site conditions are suitable for the long-term provision of such services with no negative impacts.
- iii. additional opportunities for infilling and minor rounding out on partial services within settlement areas provided that site conditions are suitable for the long-term provision of such services with no negative impacts.

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

Additionally, included as part of transportation and infrastructure corridors, the co-location of linear infrastructure should be promoted. This would be inclusive of highways, communications/telecommunications, power lines, gas pipelines, etc.

Staff Response – The wording for item (ii) found at 1.6.6.4 of the 2020 PPS is not too different from the wording in the previous version of the 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 (full municipal services) and 1.6.6.3 (private communal services).”

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 will require additional guidance from the Province to better understand the level of assessment required in order to address the long-term impacts of individual on-site servicing on the environmental health and desired character of rural settlement areas.

With respect to item (iii), the first half of the partial services provision is identical to the PPS (2014) 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 had raised concerns in our initial comments regarding the above policy and continue to have these concerns. First, it can be very difficult to track whether partial services were historically 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 especially in instances where lot creation would normally otherwise be permitted and capacity exists to connect to the municipal service that is adjacent to the subject lands.

Because of the foreseeable challenges in distinguishing whether partial services have been provided to address failed individual on-site services, staff may seek additional guidance from the province.

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

Implementation

The Provincial Policy Statement (2020) came into effect May 1st, 2020. According to the implementation guidelines, the updated PPS applies to all decisions in respect of the exercise of any authority that affects a planning matter made on or after May 1st, 2020. Applications that were received prior to the new PPS coming into effect, where a decision has not yet been made, will now need to demonstrate consistency with the updated policy document.

Legal and Legislated Requirements

The new PPS (2020) came into effect on May 1, 2020. All County planning decisions and our County Official Plan will be required to be consistent with the new PPS. County staff are still reviewing the 2020 PPS against Recolour Grey to determine if there are updates that need to be made to the official plan immediately, or if changes can wait until the next official plan review. The most pressing matter may be the 25-year planning horizon. A future report will be presented to Council on how best to proceed on this topic.

Financial and Resource Implications

Now that the new PPS (2020) is in effect, local official plan policies (county and municipal) will be required to reflect these changes at the time of local policy plan updates. These plan reviews will have financial and resource implications, but the scope should not be dramatically different based on the 2020 PPS. The County and member municipalities may also choose to proceed with amendments in advance of official plan reviews.

Relevant Consultation

- Internal: Planning, Housing, Economic Development
- External: Member municipalities within Grey

Appendices and Attachments

[Provincial Policy Statement 2020](#)

[Draft 2019 Provincial Policy Statement](#)

[County Comments on Draft 2019 PPS](#)

[2014 Provincial Policy Statement](#)