



Committee Report

To: Chair and Members of the Planning Committee
From: Sarah Wilhelm, Manager of Policy Planning
Date: Thursday, May 09, 2024
Subject: **Proposed Provincial Planning Statement, 2024**

1.0 Purpose

This report provides an update and comments on the proposed 2024 Provincial Planning Statement, which has been revised since 2023 and re-released for comment by the Province.

2.0 Background

On April 10, 2024, the Provincial government released an updated draft of the proposed Provincial Planning Statement (2024 Draft PPS) with a 30-day comment deadline. This follows up on the original 2023 Draft PPS which was issued for public comment in April 2023. County planning staff provided comments on the 2023 Draft PPS through Planning Committee report PD2023-17.

The release of the 2024 Draft PPS coincides with the introduction of Bill 185, the Proposed Cutting Red Tape to Build More Homes Act, 2024 by the Province. A review of this package of legislative changes is part of a separate Planning Committee report (see PD2024-19).

3.0 Overview of Proposed Changes

The 2024 Draft Provincial Planning Statement makes significant changes to the land use planning policy framework in the County of Wellington. Once approved, the new Provincial Planning Statement will replace the 2020 Provincial Policy Statement and Growth Plan for the Greater Golden Horseshoe with a more streamlined and less restrictive approach to land use planning and development in Ontario (except in the Greenbelt Area). As the Growth Plan has been the planning framework for Wellington County since 2006, there will be many changes to how growth will be managed in the future.

A summary of the key policy changes is provided in Appendix A. Below, staff provide an overview of five scoped areas that appear to have the most impact for the County and Member Municipalities.

1. No More Municipal Comprehensive Reviews for Settlement Area Expansions

- municipalities are no longer required to identify settlement area expansions as part of a municipal comprehensive review (Growth Plan, 2020) or a comprehensive review (PPS, 2020)
- scoped and less restrictive criteria for considering expansions

The bottom line: Allows for privately-initiated urban and rural settlement area boundary expansions at any time without municipal comprehensive planning oversight or shelter from appeals to the Ontario Land Tribunal.

2. A More Flexible Approach to Managing Growth

- County may continue to use 2051 Growth Plan forecasts for land use planning, with a transition to Ministry of Finance 25-year projections
- County must make land available for a range between 20 and 30 years
- County encouraged to establish intensification and density targets

The bottom line: Appears to result in more frequent, regular updates to forecasts, allocations and calculated land need.

3. Yes to Housing Options and Affordable Housing, but No to Attainable Housing

- provides for an expanded range of housing types
- added back targets and definitions for affordable housing
- changes to definition would require affordability thresholds for ownership housing and rental housing to be based on household incomes, purchase prices and average market rent for the municipality rather than the County (regional market area)
- no policies for attainable housing

The bottom line: More housing options are provided, affordable housing is added back to the PPS, but attainable housing is not addressed.

4. Planning for Sewage and Water Services

- added direction to accommodate growth in a “timely” manner that promotes efficient use and optimization of existing municipal water and sewage services and existing private communal water and sewage services
- services are to be provided to align with comprehensive municipal planning for these services
- added support for allocating and re-allocating the unused system capacity of municipal water and sewage services to meet needs for increased housing supply
- added direction to leverage the capacity of development proponents when planning for infrastructure and public service facilities, where appropriate

The bottom line: Increased importance for municipalities to integrate servicing and land use in decision-making, maintain up to date municipal water and sewage master plans and consider approaches to allocate and re-allocate unused system capacity.

5. Less Residential Lot Creation for Prime Agricultural and Rural Areas

- removal of policies for three residential lots in the prime agricultural areas
- removal of permission for subdivisions on rural lands, but maintains permission for individual lot severances
- reinstatement of previous direction for rural settlement areas (secondary urban centres and hamlets in Wellington) to be the focus of growth and development in rural areas

The bottom line: Restored policy direction to limit residential growth in prime agricultural and rural areas from 2020 PPS; but the removal of required intensification targets and density targets, together with a more flexible approach to settlement area expansions will likely lead to more prime agricultural land consumption.

4.0 Comments

Our office provided comments on the 2023 Draft PPS in May 2023. The Province has made several positive changes reflected in the 2024 Draft PPS which we support. There are also policies that require clarification and others that should be changed.

Comments of Support for:

- A wider range of housing options
- Re-introduction of affordable housing policies
- Re-introduction of residential lot creation prohibition in prime agricultural areas, except for limited surplus farm dwelling severances
- Policy clarity regarding severance of additional residential units in prime agricultural areas
- Direction of rural growth to rural settlement areas
- Ability to use the 2051 Growth Plan forecasts on an interim basis
- Planning horizon with a range between 20 and 30 years
- Ability to allocate and re-allocate unused system capacity of municipal water and sewage services
- Policies for protection of natural resources which have been maintained from 2020 PPS

Comments Seeking Clarification:

Forecasts - For a successful future transition to forecasts based on the Ministry of Finance projections, the County requests additional policy clarity and/or Provincial guidance about:

- how to separate Guelph and Wellington County projections, which are currently combined in one Census Division
- how to forecast for employment growth and households, which are not part of the Ministry of Finance projections
- how to ensure that there isn't an expectation to reconsider long-term projections on an annual basis because the Ministry of Finance projections are released annually

Comments Seeking Changes:

- **Comprehensive Review** - Staff strongly encourage the Province to add back the comprehensive review policy framework from the 2020 PPS.

This will enable Wellington County and its Member Municipalities to make comprehensive decisions about how, where and when communities grow rather than the potential for ad hoc, site-specific requests that may ultimately be determined by the Ontario Land Tribunal through costly and time-consuming appeals.

Otherwise, the Province conflicts with its own policy direction requiring prime agricultural areas to be designated and protected over the long-term for agriculture (Section 4.3, Draft 2024 PPS).

- **Settlement Area Boundary Expansion or New Settlement Areas** - Strengthened policy direction is needed to ensure that boundary expansions or new settlement areas are required to be based on a municipal land needs assessment to accommodate forecasted growth to the horizon of the Official Plan while factoring in any applicable intensification and density targets.

This will give municipalities more control over how much their communities grow and help reduce agricultural land consumption.

Otherwise, the Province conflicts with its own policy direction requiring prime agricultural areas to be designated and protected over the long-term for agriculture (Section 4.3, Draft 2024 PPS).

- **Implementation** - Staff have significant concerns and encourage the Province to remove the implementation policy added to the PPS to require official plans to “...provide clear, reasonable and attainable policies to protect provincial interests and facilitate development in suitable areas”.

As it is written, the policy is highly subjective and likely to lead to more Ontario Land Tribunal appeals, which are costly and time consuming.

- **Affordable and Attainable Housing** - With respect to housing, staff are awaiting more direction on a framework for attainable housing. While affordable housing policies have been added back to the PPS, the term also needs to be included in the definition of housing options.
- **Climate Change** - Stronger policy direction is needed to support municipal efforts regarding climate change. Now is the time that municipalities are looking to initiate climate actions and introduce ways to adapt to significant impacts from extreme weather events. The Province needs to lead this challenge and support municipal efforts on climate change.
- **Aggregate Extraction** - Stronger policy direction is needed to ensure that aggregate extraction uses are truly interim. These uses are almost completely within Provincial jurisdiction and little action has been taken to ensure dormant or minimally used sites are rehabilitated and closed. Sunset clauses on mineral aggregate licenses is a possible solution.
- **Leveraging the Capacity of Development Proponents** - The intent of the proposed policy that requires municipalities to “leverage the capacity of development proponents” in planning for infrastructure and public service facilities is unclear.

We support the option, but not the requirement, for municipalities to enter into agreements with proponents for the provision of infrastructure and public service facilities.

- **Timely Services** - The word “timely” should be removed from the water and sewage services policies as it is highly subjective and likely to lead to more Ontario Land Tribunal appeals, which are costly and time consuming.
- **Greenbelt Plan** - We do not support the proposed implementation approach for the Greenbelt Plan which would include a future administrative amendment to continue to apply existing connections in the Greenbelt Plan to the 2020 PPS and Growth Plan. This is more confusing and less streamlined than the current situation, as it appears that staff would need to continue using the 2020 PPS and Growth Plan in the Greenbelt after they have been replaced by the 2024 PPS.

We suggest instead that the Province take time to make the necessary changes to the Greenbelt Plan and to the proposed Provincial Planning Statement to ensure that there would be no change to how the Greenbelt Plan policies will be implemented moving forward.

5.0 Next Steps

The Province has posted the proposed 2024 Provincial Planning Statement for comments through the Environmental Registry of Ontario (ERO# 019-8462) by May 10, 2024.

Staff will continue to monitor available information about the new Provincial Planning Statement that impact the County and Member Municipalities. No information is currently available about when the Province might issue a final version of the PPS and when the policies will take effect.

This report is based on the synthesis of a considerable amount of information in a relatively short amount of time. It will take time to fully understand the implications of the new policies once they have been finalized. Staff will complete a more detailed analysis once the final version is available.

In the future, Ontario municipalities will be required to implement the new PPS through official plans, zoning by-laws and decisions on planning applications. Staff note that the policies of the proposed 2024 PPS continue to represent minimum standards and allow planning authorities and decision-makers to go beyond them, unless doing so would conflict with the PPS policies.

As the current County Official Plan Review includes a 5-year review component together with the municipal comprehensive review (MCR), the County is well positioned to implement the new PPS policies in the Official Plan. While the potential elimination of the Growth Plan (including the requirement to conduct an MCR) may have implications for our work plan, the Council approved MCR Phase 1 and 2 technical work provide a solid foundation for planning for future growth in Wellington.

6.0 Strategic Action Plan:

This report relates to the following objectives and priorities in the County's Strategic Action Plan:

- Making the best decisions for the betterment of the community
- To assist in solving the current housing crisis

7.0 Recommendation

That the Proposed Provincial Planning Statement, 2024 report be received for information.

That this report be forwarded to the Ministry of Municipal Affairs and Housing on behalf of the County and to Member Municipalities for their consideration prior to the comment deadline for the ERO posting.

Respectfully submitted,



Sarah Wilhelm, RPP, MCIP
Manager of Policy Planning

Appendix A Summary of Key Policy Changes: Proposed Provincial Planning Statement, 2024

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Summary of Key Policy Changes: Proposed Provincial Planning Statement, 2024

The following table provides a high-level overview of key policy changes of the proposed 2024 Provincial Planning Statement (2024 Draft PPS). Please note:

- Those items noted with an asterisk (*) are meant to highlight a change between the 2023 and 2024 version of the proposed PPS.
- Those items without an asterisk are changes from the 2020 PPS and/or 2020 Growth Plan

GROWTH MANAGEMENT	
Forecasts and Allocations	• direction to use Ministry of Finance 25-year projections as basis for population and employment growth (with potential to modify), with a transition phase for municipalities like Wellington to continue using the 2051 Growth Plan forecasts for land use planning* • land to be made available for a range between 20 and 30 years (rather than minimum of 25 years in 2023 Draft PPS)* • municipal land supply to be based on County allocation of population and units
New and Expanding Settlement Areas	• removes direction requiring settlement area expansions to be identified by municipalities as part of a municipal comprehensive review (Growth Plan) or a comprehensive review (2020 PPS) • provides for more flexible approach to considering such requests • requirement to consider need*, infrastructure and public service facility capacity, evaluation of alternative locations in prime agricultural areas*, compliance with MDS, impacts on the agricultural system* through agricultural impact assessment or analysis, phased progression of urban development • continues to require settlement areas (including rural settlement areas) to be the focus of growth and development • does not carry over prohibition on establishing new settlement areas from Growth Plan, but 2024 version only allows where it has been demonstrated that the infrastructure and public service facilities to support development are planned or available*

GROWTH MANAGEMENT (continued)

Intensification	• direction for municipalities to support general intensification and redevelopment • support for municipalities to set targets in built-up areas, but without the previous direction to require minimum targets to be established as in 2020 PPS or 20% minimum intensification target as in the Growth Plan
Density	• density targets encouraged for new settlement areas or expansion lands, but without previous minimum target of 40 residents and jobs per hectare in the Growth Plan for Wellington • Removal of 2020 PPS direction for new development in growing areas to be adjacent to existing built-up area
Strategic Growth Areas	• concept of strategic growth areas carried over from the Growth Plan to the PPS • allows for such areas to be identified by municipalities to be the focus for intensification and higher-density mixed uses • policy removed which allowed minimum density targets to be established for these areas • policies added to enable planning authorities to prioritize these areas for planning and investment for infrastructure and public service facilities
Complete Communities	• concept of complete communities, one of the guiding principles of the Growth Plan, has been carried over to proposed PPS • removes 2020 PPS policy direction to avoid development and land use patterns that would prevent the efficient expansion of settlement areas in those areas which are adjacent or close to settlement areas • adds policy support for improving social equity and overall quality of life for people of all ages, abilities and incomes, including equity-deserving groups

INFRASTRUCTURE AND PUBLIC SERVICE FACILITIES	
Planning for Infrastructure and Public Service Facilities	- added direction to leverage the capacity of development proponents when planning for infrastructure and public service facilities, where appropriate* - removal of policies to support prioritizing infrastructure and public service facility planning and investment in strategic growth areas* - additional policy clarification supporting public service facilities to be planned and co-located with each other, and with parks and open space where appropriate* - new policies supporting municipalities, school boards and childcare service providers to work closely together in planning for schools and child care facilities
Sewage, Water and Stormwater	- added the undefined word “timely” to policy direction for accommodating forecasted growth for planning for sewage and water services*, but continues to promote efficient use and optimization of existing municipal and private communal sewage and water services - added direction to “align” with municipal planning for sewage and water services, where applicable* (rather than consider) - added support for allocating and re-allocating the unused system capacity of municipal water and sewage services to meet needs for increased housing supply* - concept of servicing “hierarchy” replaced with servicing “options” - removal of policy direction to promote use of existing municipal water and sewage services for intensification and redevelopment to optimize the use of the services* - clarification added that municipal sewage services and municipal water services include both centralized and decentralized servicing systems - policy direction added for partial services in rural settlement areas to all individual on-site water services in combination with municipal sewage services or private communal sewage services*
Source Water Protection	new direction to integrate sewage, water and stormwater services with Source Water Protection (Clean Water Act)

AGRICULTURE AND RURAL AREAS	
Agricultural System Mapping	• direction to use an agricultural system approach, but not based on Provincial mapping* • clarification will be needed regarding the application of the Provincial mapping in the Greenbelt Area
Residential Severances in Prime Agricultural Area	• prohibits residential lot creation as in 2020 PPS (removed allowance for up to three residential severances from a parcel of land in the prime agricultural area)*
Additional Residential Units	• permits up to two additional residential units plus the principal dwelling, subject to criteria
Surplus Farm Dwelling Severances	• limits number of severances to one residence per farm consolidation (either principle dwelling or an additional residential unit, subject to criteria)*
Removal of Land from Prime Agricultural Areas	• more flexible approach to allow removal of land from prime agricultural areas for new or expanding settlement areas than 2020 PPS and Growth Plan
New Non-agricultural Uses in Prime Agricultural Area	• new requirement for an agricultural impact assessment in these instances to identify potential impacts and recommend avoidance and mitigation approaches • broadens review of impacts from “surrounding agricultural lands and operations” to “the agricultural system”*
Residential Lot Creation in Secondary Agricultural Area	• limited to severance as in 2020 PPS (removed permission for subdivisions on rural lands)*
Rural Area Growth	• reinstated policy from 2020 PPS requiring rural settlement areas to be the focus of growth and development in rural areas*

NATURAL HERITAGE	
Natural Heritage	• Restored 2020 PPS policies and definitions*
Natural Heritage System	• direction to identify natural heritage systems based on approach recommended by Province, but not based on Provincial Natural Heritage System for the Growth Plan • natural heritage system in Greenbelt would appear to continue to apply

HOUSING	
Affordable Housing	- added back requirement for targets for housing that is affordable to low and moderate income households * - also reinstates definition of “affordable” and “low and moderate income households”, but would measure income for the municipality rather than the regional market area (County)*
Attainable Housing	no new policies proposed to address attainable housing
Housing Options	- definition of housing options expanded to include additional types of housing (e.g. farm worker housing, multi-generational housing, low- and mid-rise apartments, etc.) but removes affordable housing - added support for housing on underutilized shopping malls and plazas*

EMPLOYMENT	
Employment Area Definition	employment area definition scoped to exclude institutional and commercial uses, including those retail and office uses not associated with a primary employment use
Employment Area Conversions	- allows removal of land no longer required for employment area uses (formerly employment conversions), subject to criteria including need - such removals are no longer required to be considered as part of a municipal comprehensive review (Growth Plan) or an official plan review or update (2020 PPS)
Compatibility	overall strengthening of policy requirements for land use compatibility between sensitive land uses and employment areas*
Rural Employment Areas	does not carry over Growth Plan restrictions which limit employment areas on rural lands to those designated as of 2006 and further limit expansion of such areas

CLIMATE CHANGE	
Climate Change	overall, a much more general, less restrictive policy approach to plan for the impacts of climate change

IMPLEMENTATION AND INTERPRETATION	
Approach	- the proposed policies continue to represent minimum standards and allow planning authorities and decision-makers to go beyond them, unless doing so would conflict with the PPS policies - new implementation policy has been added to require official plans to “...provide clear, reasonable and attainable policies to protect provincial interests and facilitate development in suitable areas”
Timing	- a short transition period is still proposed before the final PPS policies take effect to provide municipalities with some time to understand and adapt to the policy changes - the intention continues to be that official plans would be updated to implement the new policies at the time of their ordinary review cycle - Decisions on a planning matter must be consistent with the new PPS, once in effect
Greenbelt Area	- Province is proposing a future administrative amendment to the Greenbelt Plan to clarify that existing policy connections in the Greenbelt Plan to the 2020 PPS and Growth Plan remain in effect - the Government has indicated this scoped policy change would maintain existing Greenbelt Plan standards and clarifies that existing policy connections in the Greenbelt Plan to the 2020 PPS and Growth Plan remain in effect
Zoning	- policy direction for planning authorities to keep zoning by-laws up-to-date with their official plans and the PPS - preamble to PPS also supports forward-looking zoning by-laws that facilitate an appropriate range and mix of housing options for all Ontarians