



Report: PDL-CPL-19-37

Region of Waterloo

Planning, Development and Legislative Services

Community Planning

To: Chair Tom Galloway and Members of the Planning and Works Committee

Date: October 22, 2019

File Code: D01-01

Subject: Regional Response to Provincial Policy Statement Review (ERO Posting No. 019-0279)

Recommendation:

That the Regional Municipality of Waterloo forward Report PDL-CPL-19- 37, dated October 22, 2019 to the Ministry of Municipal Affairs and Housing as the Region's response to the Province's proposed changes to the Provincial Policy Statement (ERO Posting No. 019-0279).

Summary:

This report outlines staff's comments regarding the Provincial government's proposed changes to the Provincial Policy Statement. It addresses several matters of Regional interest, including housing supply and mix, extraction of aggregate mineral resources, and protection of provincially significant environmental features. Staff's detailed comments and recommendations are contained in Attachment A.

Report:

The Provincial government is consulting on proposed changes to the 2014 Provincial Policy Statement (PPS). The PPS is the Province's primary policy document guiding municipal decisions on land use planning. It sets out the Provincial interests in housing, natural resources, environmental protection, infrastructure planning and other areas. Under the Planning Act, all municipal planning decisions must be consistent with the PPS.

Many of the government's proposed changes to the PPS are updates or refinements to existing policies. These changes are generally positive and should improve clarity and policy direction. However, there are several proposed changes that, if approved, would

weaken or work against policy directions that the Region has been working towards for many years, such as providing stronger source water and environmental protection policies, and supporting the creation of more compact, transit supportive communities.

Key Areas of Concern

Depth of Extraction of Mineral Aggregate Operations

The government is proposing to prohibit municipalities from setting the vertical limits of aggregate extraction in their zoning by-laws. Staff do not support this proposed change. Extracting mineral aggregates close to, or below the water table has the potential to impact the quantity and quality of water, including both vulnerable and sensitive groundwater resources. Consequently, it is inappropriate to prevent the use of vertical zoning under the Planning Act to protect municipal drinking water resources.

Recommendation:

The Province should not revise Policy 2.5.2.4 to prohibit municipalities from setting the vertical limits of aggregate extraction in their zoning by-law.

Aggregate Extraction within Provincially Significant Natural Features

The PPS currently prohibits development or site alteration (which by definition includes mineral aggregate extraction) within certain provincially significant natural features, unless it has been demonstrated that there will be no negative impacts to the environment. The Province is proposing to revise this test by allowing long-term rehabilitation plans to be used to demonstrate that aggregate extraction will have no negative impacts. It is inappropriate to defer mitigating the negative impacts of aggregate extraction to long-term rehabilitation plans. This approach could result in the permanent destruction of significant natural features or habitat.

Recommendation:

The Province should not move forward with the proposed changes to Policy 2.5.2.2, or allow long-term rehabilitation plans to be used to demonstrate that aggregate extraction will have no negative impacts on provincially significant natural features.

Planning to Satisfy Housing Market Demand

The government is proposing changes to the PPS that would require municipalities to consider “market demand” and “market-based needs” when planning for land and housing supply. However, the government has not defined these terms or explained how they should be implemented.

Recommendation:

The Province should not implement a market-driven approach to planning for land and

housing supply, and delete all proposed references to market demand and market-based need.

Housing Supply and Mix

The proposed changes to the PPS would increase the land and housing supply requirements that municipalities must meet by: increasing the planning horizon in official plans from 20 to 25 years; and increasing minimum housing supply from 10 to 12 years.

In staff's opinion, the current supply requirements in the PPS are appropriate and strike the right balance between supporting the need for a range of housing and not over-designating land for development. Designating too much land could impact a municipality by requiring investments in costly infrastructure before they are needed and spread development over larger areas, delaying the achievement of a municipality's intensification and density targets.

Recommendation:

The Province should maintain the current 20-year planning horizon, and the 10 and three-year housing supply requirements contained in the PPS.

Climate Change

The government is proposing to strengthen the policy direction for municipalities to prepare for the impacts of climate change. While we support this direction, the PPS should also emphasize the need for municipalities to help mitigate climate change through lower greenhouse gas emissions. Recently, the Region, the City of Kitchener, the Township of Wilmot and the Township of Woolwich declared a climate emergency. These declarations emphasize the need to take stronger action to reduce the greenhouse gases, in addition to adapting to climate change.

Recommendations:

- 1) The Province should revise Policy 1.1.1 (i) to delete the words "local" and "regional", and add a new subsection (j) to direct municipalities to take steps to prevent or mitigate climate change;
- 2) The Province should expand Policies 1.1.3.2, 1.6.1, 1.6.6.1, 1.6.6.7, 1.8.1, 2.2.1 and 3.1.3 to direct municipalities to prevent or mitigate climate change; and
- 3) The Province should delete the words "potential", "opportunities" and "local and regional" from the definition of "the impacts of a changing climate";

Renewable and Alternative Energy Systems

The government is proposing to delete some of the renewable and alternative energy policies from the PPS. If approved, these changes would give municipalities less direction

to plan for renewable and alternative energy systems in new developments, which are important components to support energy conservation, increase efficiency and reduce greenhouse gas emissions. Consequently, staff do not support deleting these policies.

Recommendation:

The Province should not remove Policies 1.6.11.2 and 1.8.1 f), to maintain the current policy direction to municipalities regarding renewable and alternative energy systems.

Change in Policy Direction from “Shall” to “Should”

The government is proposing to change the policy direction of certain policies in the PPS from “shall” to “should”. These changes would weaken or work against long-standing Regional policy directions, including: supporting transit-supportive densities in greenfield areas; phasing development to align with the provision of services; and making better use of existing and planned infrastructure.

Recommendation:

The Province should not change “shall” to “should” in Policies 1.1.3.6, 1.1.3.7 and 1.6.7.2.

Integration of Transportation and Land Use Planning

The government is proposing to delete Policy 1.6.75, which requires municipalities to integrate transportation and land use planning at all stages of the planning process. The rationale for removing this policy from the PPS is unclear. The Region and the Province have made substantial investments to the Region’s transportation infrastructure, including the ION rapid transit system, expansions to the GRT bus network and the King-Victoria Transit Hub in Kitchener. These investments highlight the need to better integrate land use and transportation planning at all stages of the planning process.

Recommendation:

The Province should not delete Policy 1.6.7.5 from the PPS.

Sewage and Water Servicing Hierarchy

The government is proposing to add a new policy language that would enable upper-tier municipalities to assess the feasibility of accommodating additional growth in rural settlement areas through forms of servicing other than individual wells and septic systems (e.g., private communal sewage and water services.) We do not support the use of communal services. Growth should be directed to areas on full municipal services.

Recommendation:

The Province should delete its proposed new paragraph after Policy 1.6.6.4.

Fast-Tracking Priority Development Applications

The government is proposing to add a new Policy 1.6.7.5, which would require municipalities to fast-track priority development applications. While staff support the need to streamline development approvals, we do not agree with the concept of fast-tracking priority applications. Given the shorter approval timelines approved under Bill 108, it would be challenging for the Region and the area municipalities to further fast-track applications. In addition, every applicant will likely request their proposal to be considered a priority. This approach could create an uneven playing field and lead to complaints of bias or unfairness in the process.

Recommendations:

The Province should not add new Policy 1.6.7.5 to require municipalities to fast-track priority applications.

Implementation and Interpretation

The government is proposing to restructure the implementation and interpretation policies of the PPS. Some policies in Part IV (Implementation and Interpretation) would be deleted and moved to Part I (Preamble), Part II (Legislative Authority) and Part III (How to Read to Provincial Policy Statement). One of the policies that would be deleted from Part IV and moved to Part III is Policy 4.9. This policy currently enables municipalities to adopt policies beyond the minimum standards established in the PPS. It is our view that Policy 4.9 is an implementation policy and is more appropriate in Part IV of the PPS.

Recommendation:

The Province should keep Policy 4.9 as currently written in Part IV of the PPS.

Proposed Next Steps:

If adopted, this report would be submitted to the Province as Regional Council's comments on the proposed changes to the PPS.

Corporate Strategic Plan:

The Region's participation in this consultation broadly supports the following strategic objectives;

- Objective 4.3 - Increase the supply and range of affordable and supportive housing options; and
- Objective 3.6 - Improve environmental sustainability and livability in intensifying urban and rural settlement areas.

Financial Implications:

Nil.

Other Department Consultations/Concurrence:

This report was prepared with input from several other departments and divisions.

Attachments

Attachment "A" - Detailed Comments and Recommendations to the Province

Prepared By: John Lubczynski, Principal Planner

Approved By: Rod Regier, Commissioner, Planning, Development and Legislative Services

Attachment A**Detailed Comments and Recommendations to the Province****Depth of Extraction of Mineral Aggregate Operations**

The Province is proposing to add the following new language (shown in **bold**) to Policy 2.5.2.4 of the PPS:

“2.5.2.4 Where the Aggregate Resources Act applies, processes under the Aggregate Resources Act **shall address the depth of extraction** of new or existing mineral aggregate operations or their expansions.”

According to Provincial staff, the purpose of this change is to eliminate duplication by prohibiting municipalities from setting the vertical limits of aggregate extraction in their zoning by-laws (i.e., commonly referred to as “vertical zoning”). Staff do not support this proposed change because:

- 1) A municipality’s authority to restrict the use of land under the Planning Act includes the right to set both the horizontal and vertical boundaries of the permitted use. Therefore, municipalities have the authority to set the vertical limits of a mineral aggregate operation in their zoning by-law. As a policy document, the PPS is subordinate to the Planning Act and can not be used to supersede or diminish a municipality’s authority to pass by-laws under Section 34(1).
- 2) Extraction of mineral aggregates close to, or below the water table has the potential to impact the quantity and quality of water, including both vulnerable and sensitive groundwater resources. Waterloo Region is one of the largest municipalities in Canada that relies on groundwater for most of its drinking water. The PPS requires municipalities to implement any necessary restrictions on development to protect all municipal drinking water supplies and designated vulnerable areas. If passed, the above policy change would work against this objective by removing the use of municipal zoning by-laws to set the vertical limits of aggregate extraction. It is inappropriate to prevent the use of this planning tool by municipalities to protect municipal drinking water resources.
- 3) Currently, any operator licensed for an above-water-table pit can apply to extend extraction down into the water table. All that is required to extend the depth of extraction is a site plan amendment approved by the Ministry of Natural Resources and Forestry (MNRF). Such an amendment is typically circulated by the MNRF to affected municipalities, but municipalities have only a limited commenting role in the process and no right of appeal if they have any groundwater concerns.

As part of the ROP review in 2009, Regional Council sought to address this issue by adopting ROP policies requiring the area municipalities to include the vertical limit of extraction in their zoning by-law. These ROP policies were not intended to duplicate

the processes under the ARA, but rather to trigger a zone change application under the Planning Act whenever an operator proposed to increase the depth of extraction, instead of only a site plan amendment under the ARA. The zone change process would enable the Region to require the submission of studies to identify any potential groundwater impacts. However, the Province did not approve the Region's proposed vertical zoning policies when it approved the new ROP, and Regional Council appealed the matter to the former OMB. The OMB subsequently deferred the matter to allow the Region to revisit the issue during the current ROP review.

Recommendation:

The Province should not revise Policy 2.5.2.4 to prohibit municipalities from setting the vertical limits of aggregate extraction in their zoning by-law.

If the Province proceeds with this change, it should amend the ARA to strengthen the protection of water resources by creating a more robust application process for existing operators proposing to expand extraction into the water table. This process should allow for increased public engagement on applications that may impact water resources, and to implement any required mitigative measures. It should also allow municipalities and others to appeal an application to the Local Planning Appeal Tribunal.

Aggregate Extraction within Provincially Significant Natural Features

The PPS currently prohibits development or site alteration (which by definition includes mineral aggregate extraction) within certain provincially significant natural features, unless it has been demonstrated that there will be no negative impact to the natural features or their ecological functions. Examples of such features include provincially significant woodlands, valleylands, and habitat of endangered species and threatened species. The Province is proposing to revise this policy test, which has been in place since 1994, by adding the following new language (shown in **bold**) to Policy 2.5.2.2:

“2.5.2.2 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.”

If approved, this change would potentially permit aggregate extraction in a provincially significant natural feature (except for provincially significant wetlands), if the operator could demonstrate that any negative environmental impacts could be mitigated through a “long-term” rehabilitation plan. This test would apply irrespective of the severity or magnitude of the impacts (e.g., complete destruction of significant woodland). Staff do not support this proposed change because:

- 1) While rehabilitating aggregate sites can play an essential role in mitigating the environmental impacts of the extraction process, the test for no negative impacts

should not be assessed through long-term rehabilitation plans, which may take several decades to achieve with no guarantees of success. Given this long-term uncertainty, it is inappropriate to defer mitigating the negative impacts of aggregate extraction until an unknown point in the future.

- 2) The proposed change is regressive and would establish a lower standard of protection than currently exists in the PPS and the ROP. Provincially significant natural features are the most critical elements of the natural heritage system in terms of biodiversity and providing valuable ecological functions. Aggregate extraction in such features should be non-negotiable and prohibited outright if there are any negative environmental impacts, regardless of any potential long-term rehabilitation plans.
- 3) Like other communities in Ontario, Waterloo Region continues to face challenges related to the rehabilitation of mineral aggregate sites. Under the ARA, operators are required to complete “progressive” and “final rehabilitation” of their site. However, rehabilitation rates are often low and there are no timeline requirements for completion. A recent review of the aggregate licenses in Waterloo Region showed that only 20 percent of the land excavated for aggregate production has undergone rehabilitation. Consequently, addressing the negative impacts of aggregate extraction through long-term rehabilitation plans is risky and could result in the permanent destruction of significant natural features or habitats.

Recommendation:

The Province should not move forward with the proposed changes to Policy 2.5.2.2, or allow long-term rehabilitation plans to be used to demonstrate that extraction will have no negative impacts on provincially significant natural features.

If the Province proceeds with this change, it should strengthen the requirements for any operators proposing to use this approach through the following new measures:

- require an overall net gain in biodiversity by: expanding the natural area and enhancing its ecological functions; taking actions to increase a species’ population; creating buffers and linkages between protected areas; and strengthening long-term management plans to help ensure conservation permanence;
- introduce a security deposit model to minimize the risks associated with long-term rehabilitation plans;
- require operators to demonstrate the need for the aggregate resources, including an assessment of supply and demand;
- establish time limits after which the operator and the public know that a site should be rehabilitated; and

- allow expansions of aggregate sites only on the basis of progress that has already taken place with rehabilitation.

Planning to Satisfy Housing Market Demand

The government is proposing to add several new references to the PPS requiring municipalities to consider “market demand” and “market-based needs” when planning for land and housing supply. Two examples of this change include Policies 1.1.3.8 and 1.4.3, which state (additions shown in **bold**)

- “1.1.3.8 A planning authority may identify a settlement area or allow the expansion of a settlement area boundary only at the time of a comprehensive review and only where it has been demonstrated that:
- a) sufficient opportunities to accommodate growth and **to satisfy market demand** are not available through intensification, redevelopment and designated growth areas to accommodate the projected needs over the identified planning horizon;”
- “1.4.3 Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected **market-based needs** of current and future residents of the regional market area by:

According to Provincial staff, these policy changes are the government’s response to criticisms that Ontario’s planning system has become overly regulated, too focused on intensification, and unresponsive to market demands for new ground-related housing (i.e., single and semi-detached units, and townhouses). The proposed changes seek to introduce a more market and economic-driven approach to planning for land and housing supply.

Staff recognize that municipalities must plan for a full range and mix of housing to accommodate households of different sizes and incomes. However, we have several concerns regarding the proposed new policy language. First, the government has not defined “market-demand” and “market-based needs”. Broadly speaking, housing market demand refers to what households demonstrate they are willing to purchase or rent in the housing market. However, without clear definitions, the new terminology could lead to conflicting opinions on what it means and how it should be implemented. For example, in considering market-based needs:

- which variables should be assessed (e.g., housing types, number of bedrooms, number of storeys, mortgage rates, household incomes, house prices, rental data)?
- what are the market area boundaries (e.g., local municipality, regional market area)?
- what is the timeframe for assessing market demand?

In addition, it is unclear how a market-driven approach would align with the policy direction in the PPS to support affordable housing for low- and moderate-income earners. Traditionally, the housing market has under-supplied affordable housing because it is less profitable than other forms of housing. Implementing a market driven approach could exacerbate this problem, and increase pressures on municipal governments to fill the gaps in affordable housing.

In staff's opinion, assessing land needs primarily on assumptions about the market demand for specific types of housing, and how much land it might require, would consume more land, increase servicing costs, and make it more difficult to change established development patterns. This approach would also work against municipalities' efforts to build more compact, mixed- used and transit supportive communities. As municipalities in Ontario continue to grow and evolve, they need to plan for a diverse mix of housing suitable in terms location, affordability, and unit size rather than focusing on meeting the market demand for any specific housing types.

Recommendation

The Province should not implement a market-driven approach to planning for land and housing supply and delete all proposed references to market demand and market-based need.

If the Province decides to move forward with this approach it should:

- provide clear definitions for the terms “market demand” and “market-based needs”;
- publish guidelines or technical bulletins to explain the intended outcome of these policies and how municipalities should implement them; and,
- ensure that the land needs assessment methodology for municipalities in the Greater Golden continue to focus on the achievement of the Growth Plan's intensification and density targets, and does not base the assessment of land needs on plans for a specific mix of housing types.

Minimum Land Supply Requirements for Housing

To provide for an appropriate supply of land for housing, the PPS currently requires municipalities to maintain at all times:

- 1) the ability to accommodate residential growth for a minimum of 10 years through intensification and greenfield development; and,
- 2) land with servicing capacity to provide at least a three-year supply of residential units through intensification and land in draft approved and registered plans.

The government is proposing to increase the land supply requirement from 10 to 12

years, and give upper-tier and single-tier municipalities the option of maintaining a minimum of five years of serviced residential land, rather than three.

Regarding the 10-year land supply requirement, as part of the last review of the ROP, the former Ontario Municipal Board (OMB) expanded the Region's urban area boundary by approximately 1,500 hectares of land for new housing. The additional land increased the Region's total residential land supply in greenfield areas to about 3,800 hectares. This land supply, combined with the potential supply of new units in existing built-up areas, is sufficient to accommodate the Region's forecasted growth to 2031.

With respect to the three-year housing supply requirement, as of year-end 2018, the Region had over 20,000 residential units in draft approved and registered plans of subdivision in serviced greenfield areas. In aggregate terms, this inventory represents a supply of approximately seven years of serviced residential land. There are approximately 7,000 additional residential units available in pending plans of subdivision. If the potential supply of new units in pending plans and residential intensification is considered, the Region's total housing supply would increase even further. Over the past decade, an average of 50 percent of the Region's new housing units was constructed through intensification.

Based on the above land and housing supply figures, the Region is currently meeting the government's current 10 and three-year supply requirements in the PPS. Given that these requirements represent minimum standards, and that municipalities have the ability to exceed those standards if they choose, increasing the housing supply requirements to 12 and five-year is unnecessary and would place undue pressure on municipalities outside the Greater Golden Horseshoe experiencing little or moderate growth.

Recommendation:

The Province should maintain the current 10 and three-year land and housing supply requirements contained in the PPS.

Extending the Planning Horizon from 20 to 25 Years

The government is proposing to increase the planning horizon municipalities must use in their official plan from 20 to 25 years. This increase would not impact the Region, or any municipality in the Greater Golden Horseshoe, because under the Provincial Growth Plan (which prevails over the PPS), the Region must plan to accommodate growth to 2041 (i.e., a planning horizon of 22 years.) Notwithstanding this, it is our view that the 20-year planning horizon is appropriate and should not be increased. The current timeframe strikes the right balance between supporting the need for a range of housing, and not over-designating land for development. Designating too much land could potentially impact a municipality by:

- requiring investments in costly infrastructure before it is necessary;

- spreading development early in the planning period over larger areas, thereby delaying the achievement of density targets needed to facilitate transit ridership in greenfield areas;
- failing to meet intensification targets that are key to maximizing the use of existing infrastructure; and,
- removing excessive amounts of prime agricultural land.

In addition, considering today's rapidly changing social and economic conditions, it is difficult to accurately forecast a municipality's population and employment growth beyond 20 years. Given this uncertainty, it is inappropriate to designate land for development for a planning horizon of up to 25 years.

Recommendation:

The Province should maintain the current 20-year planning horizon contained in the PPS.

Climate Change

The PPS currently requires municipalities to consider the impacts of a changing climate when planning communities. However, the phrase "impacts of a changing climate" is not defined and open to interpretation on how municipalities should implement this policy. To provide greater clarity and direction, the government is proposing that planning authorities be required to plan for the "impacts of a changing climate", which would be defined as follows:

"Impacts of changing climate: means the potential for present and future consequences and opportunities from changes in weather patterns at local and regional levels including extreme weather events and increased climate variability."

If approved, the above definition would apply to several parts of the PPS, including: land use patterns (Policies 1.1.1 and 1.1.3.2); sewer and water services (Policy 1.6.6.1); stormwater management (Policy 1.6.6.7); watershed planning (Policy 2.2.1); and natural hazards (Policy 3.1.3).

In staff's opinion, the proposed definition of "impacts of a changing climate" is problematic. First, the words "potential" and "opportunities" in the definition downplays the negative impacts of climate change by focusing attention on potential benefits. While there may be some benefits, these words serve to minimize the extent of the negative social, economic and environment impacts of climate change.

Secondly, the references to "local" and "regional" levels after the words "changes in weather patterns" could be taken to diminish the scale of the problem, rather than identifying the jurisdiction of municipal influence. This wording is also found in Policy 1.1.1

subsection i). While municipalities certainly need to prepare for the impacts of climate change at the local and regional level, the PPS should not lose site of the fact that climate change is fundamentally a global problem requiring all levels of government to respond.

Although we support the enhanced direction to prepare for the impacts of climate change, the PPS should also emphasize the need for municipalities to help mitigate climate change through lower greenhouse gas emissions in their communities. Recently, the City of Kitchener, the Township of Wilmot and the Township of Woolwich followed the lead of many other cities in Canada and around the world by declaring a climate emergency. These declarations emphasize the need to take stronger action to reduce the greenhouse gases, in addition to adapting to climate change.

Recommendations:

- 1) The Province should Revise Policy 1.1.1 (i) to delete the words “local” and “regional”, and to add a new subsection (j) to direct municipalities to take steps to prevent or mitigate climate change;**
- 2) The Province should Policies 1.1.3.2, 1.6.1, 1.6.6.1, 1.6.6.7, 1.8.1, 2.2.1 and 3.1.3 to direct municipalities to prevent or mitigate climate change; and**
- 3) The Province should delete the words “potential”, “opportunities” and “local and regional” from the definition of “the impacts of a changing climate”;**

Renewable and Alternative Energy Systems

The government is proposing to revise the renewable and alternative energy policies in the PPS to:

- remove Policy 1.6.11.2, which states that municipalities should promote renewable and alternative energy systems, where feasible;
- delete Policy 1.8.1 f), which requires municipalities to support land use and development patterns that maximize opportunities for renewable and alternative energy systems; and
- amend Policy 1.6.11 to add renewable and alternative energy systems as part of the broader list of energy supply options (e.g., district energy, electricity generation facilities and distribution systems) that municipalities should plan for to accommodate current and projected needs.

The overall effect of these changes is to give municipalities less policy direction to plan for renewable and alternative energy systems. Considering the importance of these systems in supporting energy conservation, improved air quality and reduced greenhouse gas emissions, we do not support removing Policies 1.6.11.2 and 1.8.1 f).

Recommendation:

The Province should not remove Policies 1.6.11.2 and 1.8.1 f), to maintain the current policy direction to municipalities regarding renewable and alternative energy systems.

Change in Policy Direction from “Shall” to “Should”

The government is proposing to change the policy direction of several policies in the PPS from “shall” to “should”. From a policy perspective, these terms are important because they establish a different standard of implementation. “Shall” is used to indicate that a policy is mandatory and must be implemented. Conversely, “should” is used to indicate that there is some discretion and flexibility when applying a policy. Three examples of this proposed change include:

- 1.1.3.6 New development taking place in designated growth areas should occur adjacent to the existing built-up area and ~~shall~~ **should** have a compact form, mix of uses and densities that allow for the efficient use of land, infrastructure and public service facilities.
- 1.1.3.7 Planning authorities ~~shall~~ **should** establish and implement phasing policies to ensure:
 - a) that specified targets for intensification and redevelopment are achieved prior to, or concurrent with, new development within designated growth areas; and
 - b) the orderly progression of development within designated growth areas and the timely provision of the infrastructure and public service facilities required to meet current and projected needs
- 1.6.7.2 Efficient use ~~shall~~ **should** be made of existing and planned infrastructure, including through the use of transportation demand management strategies, where feasible.

While we recognize the need for some flexibility in applying certain policies of the PPS, the above changes would weaken or work against long-standing Regional policy directions.

Policy 1.1.3.6 seeks to build more compact greenfield communities with a broader mix of uses. Changing this policy to “should” would weaken this objective and potentially increase the rate of which land is consumed. It would also work against the goal of creating transit-supportive densities in greenfield areas and reducing our reliance on automobiles.

Policy 1.1.3.7 directs municipalities to establish and implement phasing policies to control when and where development occurs in a municipality. Changing the direction of this

policy to “should” could undermine the achievement of a municipality’s intensification targets, and also impact the timing of new infrastructure to support development in greenfield communities.

Policy 1.6.7.2 requires municipalities to maximize the use of existing transportation, including the use of transportation demand management strategies, where feasible. Revising this policy to “should” is counterproductive and works against the broader goal of the PPS to provide efficient and cost-effective transportation systems. It would also increase the demand for new roads and highways and ultimately increase infrastructure deficits.

Recommendation:

The Province should not change “shall” to “should in Policies 1.1.3.6, 1.1.3.7 and 1.6.7.2

Integration of Transportation and Land Use Planning

The government is proposing to delete the requirement for municipalities to integrate transportation and land use planning at all stages of the planning process. This requirement is currently outlined in Policy 1.6.7.5, which reads:

“1.6.7.5 Transportation and land use considerations shall be integrated at all stages of the planning process.”

We do not support the deletion of this policy from the PPS. In the past, decisions on land use planning were often made in isolation from considerations of a municipality’s broader transportation system. While this approach was acceptable when cities were smaller with plenty of space to grow, it eventually contributed to increased traffic congestion, fewer transportation choices and reduced air quality as cities grew larger and more complex. To help address this problem, the Region has been working towards a more integrated approach to land use and transportation planning, with the overall goal of supporting a more sustainable and multi-modal transportation system.

In addition, the rationale for this proposed change is especially confusing given the Province’s collaboration and substantial investments in the Region’s transportation infrastructure. Recent examples include: funding for the King-Victoria Transit Hub project in Kitchener; improving GO Transit service between Kitchener and Toronto; supporting the development of the ION rapid transit system; and funding several recent upgrades to the GRT bus system, including the construction of new GRT Northfield Bus Maintenance Facility. Keeping Policy 1.6.7.5 in the PPS would help support these and other infrastructure investments by directing decision-makers to integrate transportation and land use considerations at all stages of the planning process.

Recommendation:

The Province should not delete Policy 1.6.7.5 from the PPS.

Sewage and Water Servicing Hierarchy

Section 1.6.6 of the PPS sets out the sewage and water servicing hierarchy that municipalities must follow in approving new development (i.e., municipal services, private communal sewage services, individual services, and partial services). The government is proposing to revise this section to clarify how certain servicing policies should be implemented. For example, Policy 1.6.6.3 is proposed to be revised as follows (deletions shown in ~~strike through~~, additions shown in **bold**):

“1.6.6.3 Where municipal sewage services and municipal water services are not ~~provided available~~, **planned or feasible**, ~~municipalities may allow the use of~~ private communal sewage services and private communal water services **are the preferred form of servicing for multi unit/lot development to support protection of the environment and minimize potential risks to human health and safety.**”

This change clarifies that where municipal services are not available, planned or feasible, applications for multi-unit/lot development should be serviced by private communal sewage and water services, rather than on individual on-site sewage and water systems. Notwithstanding the improved clarity, we note that the ROP does not provide for the consideration of new development on private sewage or water communal systems. The Region removed these communal servicing options from its servicing hierarchy during the last ROP review because of the financial risks to the Region if these communal systems fail.

With respect to rural settlement areas, the government is proposing to add the following new paragraph to Policy 1.6.6.4:

“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.”

If approved, this policy would enable the Region, in collaboration with the area municipalities, to undertake a study during the ROP review to:

- 1) assess the long-term impacts of individual on-site sewage services and individual onsite water services and on the environmental health and the desired character of the region’s rural settlement areas (e.g., Maryhill, St. Agatha); and

- 2) evaluate the feasibility of accommodating additional growth in rural settlement through other forms of servicing, including municipal sewage services, municipal water services, private communal services and private communal water services.

Although this study is not mandatory (i.e., it uses the term “should” instead of “shall”), we question the overall merits of the policy itself. Subject to the results of the study, the aim of the policy is to direct additional growth to rural settlement areas, rather than to cities and towns that offer access to transit, a mix of jobs, local stores and other services.

Fundamentally, this approach to city building is contrary to the overall goal of the PPS, which is to promote more efficient land use patterns to make better use of existing infrastructure and public services. Directing additional growth to rural settlement areas would consume more agricultural land, increase automobile dependency and result in longer commuting distances.

Recommendation:

The Province should delete its proposed new paragraph after Policy 1.6.6.4, and not require planning authorities to 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, and the feasibility of other forms of servicing set out in Policies 1.6.6.2 and 1.6.6.3.

If the Province proceeds with these changes, we recommend that the proposed servicing study should only apply to municipalities outside the Greater Golden Horseshoe.

Fast Tracking Priority Development Applications

The government is proposing to require municipalities to identify and fast-track priority development applications. This requirement is reflected in proposed Policy 4.7, which reads:

- 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.

While staff support the need to streamline approvals, we do not agree with the concept of fast-tracking applications. Given the shorter approval timelines under Bill 108, combined with the need for public consultation, it would be challenging for the Region and the area municipalities to further fast-track applications.

In addition, if the approval process is modified to fast-track priority applications, every applicant will request their proposal to be considered a priority. This approach could create an uneven playing field and lead to complaints of bias or unfairness in the process. Ultimately, re-allocating municipal resources to expedite priority applications could result in delays to the approval of “non-priority” applications. Such delays could trigger more appeals to the LPAT for non-decisions and further tax a municipality’s scarce resources to address those appeals.

Recommendations:

1) The Province should not add new Policy 1.6.7.5 to require municipalities to identify and fast-track priority applications.

If the Province decides to proceed with this change, it should provide clear guidance to municipalities on how to implement this policy. For example, in the case of housing, which factors should be used to prioritize applications (e.g., affordability, proximity to transit, or building type (e.g., “missing middle” housing)? With respect to employment-related applications, should priority be based on the number of jobs, type of jobs, or location the proposed development (e.g., Urban Growth Centre or Major Transit Station Areas)?; and

2) The Province should support municipal efforts to streamline planning approvals by:

- **requiring the Ministry of Municipal Affairs and Housing, in collaboration with its one-window land use planning partners, to find ways to streamline Provincial decisions of upper-tier and single-tier official plans, and support the implementation of Provincial plans and policies. Provincial guidance on policy interpretation and ongoing technical support is critical during the municipal comprehensive review process;**
- **providing financial and technical support to municipalities interested in implementing development application tracking system to better monitor applications, identify delays in the process, and facilitate problem resolution; and**
- **enacting regulations to implement the “zoning with conditions” provisions under Section 34(16) of the Planning Act. Where appropriate, such by-laws could help expedite development approvals by enabling a municipality to permit the use of land or buildings subject to one or more prescribed conditions, as opposed to a holding symbol on the zoning for the site.**

Implementation and Interpretation

The government is proposing to restructure the implementation and interpretation policies of the PPS. Some policies in Part IV (Implementation and Interpretation) would be deleted and moved to Part I (Preamble), Part II (Legislative Authority) and Part III (How to Read to

Provincial Policy Statement). According to Provincial staff, these changes are reorganizational in nature and do not alter how the PPS is to be implemented and interpreted.

One of the policies that would be deleted from Part IV and moved to Part III is Policy 4.9, which reads:

“4.9 The policies of this Provincial Policy Statement represent minimum standards. This Provincial Policy Statement does not prevent planning authorities and decision-makers from going beyond the minimum standards established in specific policies, unless doing so would conflict with any policy of this Provincial Policy Statement”

Notwithstanding Provincial staff’s comments, it is our view that Policy 4.9 is an implementation policy and is more appropriate in Part IV (Implementation and Interpretation) of the PPS.

Recommendation:

The Province should keep Policy 4.9 as currently written in Part IV of the PPS.

Planning for Employment Areas/Land Use Compatibility

The government is proposing to revise Policy 1.2.6.1 to provide enhanced policy direction for land use compatibility and stronger protection for major facilities (e.g., industrial and manufacturing uses) where sensitive uses are planned nearby. While we generally support this change, it is unclear how this enhanced policy direction would relate to the government’s proposed new Policy 1.3.2.2, which reads:

1.3.2.2 At the time of the official plan review or update, planning authorities should assess employment areas identified in local official plans to ensure that this designation is appropriate to the planned function of the employment area.

Employment areas planned for industrial and manufacturing uses shall provide for separation or mitigation from sensitive land uses to maintain the long-term operational and economic viability of the planned uses and function of these areas.

The second paragraph of this policy could be interpreted to mean that the responsibility for ensuring land compatibility rests solely with the industrial or manufacturing use. By contrast, Policy 1.2.6.1 indicates that “major facilities” and “sensitive land uses” must be planned and developed to ensure land use compatibility. This wording specifies that sensitive land uses are equally responsible for ensuring land use compatibility if they encroach upon any existing major facilities. One way to address this discrepancy would be to delete the second paragraph in Policy 1.3.2.2.

Recommendation:

The Province should delete the second paragraph in proposed new Policy 1.3.2.2.