



Garett Stevenson, MCIP, RPP
Interim Director of Planning
Development Services - Planning
200 King Street West, 6th Floor P.O. Box 1118
Kitchener ON N2G 4G7
519-741-2200 ext. 7070
garett.stevenson@kitchener.ca

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Hon. Steve Clark, Minister of Municipal Affairs and Housing
College Park, 17th Flr.
777 Bay St.
Toronto, ON, M7A 2J3

Dear Minister Clark:

RE: City of Kitchener Comments –Review of A Place to Grow and Provincial Policy Statement (ERO Posting 019-6177); Conserving Ontario’s Natural Heritage (ERO Posting 019-6161)

I am writing to you today to share some key perspectives from the City’ of Kitchener’s review of the following ERO postings:

- Review of A Place to Grow and Provincial Policy Statement (ERO Posting 019-6177)
- Conserving Ontario’s Natural Heritage (ERO Posting 019-6161)

Review of A Place to Grow and Provincial Policy Statement (ERO Posting 019-6177)

The Province is proposing to integrate the Provincial Policy Statement (PPS) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (A Place to Grow) into a new province-wide planning policy instrument with the goals of:

- Leveraging the housing-supportive policies of both policy documents
- Removing or streamlining policies that result in duplication, delays, or burden in the development of housing
- Ensuring key growth management and planning tools are available where needed across the province to increase housing supply and support a range and mix of housing options
- Continuing to protect the environment, cultural heritage and public health and safety; and
- Ensuring growth is supported with the appropriate amount and type of community infrastructure.

The principle of combining the PPS and A Place to Grow to reduce duplication and increase consistency is reasonable. A combined PPS/A Place to Grow based on the goals outlined above is a reasonable approach to continue to provide a balanced policy basis that municipalities can build on according to their local context and values.

Attachment A to this letter includes specific Kitchener staff comments on the above-mentioned ERO posting. In addition to our specific comments, the Province is encouraged to continue meaningful dialogue and require municipalities to provide opportunities for meaningful dialogue with first nations partners in all matters of land use planning throughout the province. Attachment A focusses on the themes of growth management; complete communities; intensification; and natural heritage in response to [the questions](#) asked in ERO Posting 019-6177.:

Conserving Ontario's Natural Heritage (ERO Posting 019-6161)

A Provincial discussion paper for conserving Ontario's natural heritage is seeking feedback on how Ontario could offset development pressures on wetlands, woodlands, and other natural wildlife habitat. The Province is considering an offset policy through this discussion paper.

Any ecological offsetting or compensation policy must only be developed with great care to avoid further environmental degradation, be science-based, and be designed to demonstrate ecological successes to all the citizens of Ontario through transparent processes and adequate monitoring. Kitchener does not support the creation of an ecological offsetting policy to enable an increased supply of greenfield land for housing, reducing environmental protections, especially when there are other opportunities to increase housing supply through intensification and vacant DGA lands. Increasing DGA land and removing policies that are protective of natural heritage will not result in the types of complete communities that are desired or desirable.

Attachment A to this letter includes specific Kitchener staff comments on the above-mentioned ERO posting.

Kitchener continues to be a leader in Ontario and has undertaken many steps to enable the faster approval of housing including:

- Our Development Services Review acknowledge by yourself in announcing the changes advanced through Bill 23;
- Kitchener's recently approved \$2 million fund to pay development charges and exempt parkland dedication for affordable housing, and;
- Updates to our zoning by-law to allow for tiny houses (additional dwelling units) on over 25,000 lots throughout the city.

We look forward to collaborating with the Province to implement policy changes and play our role in delivering 1.5 million new homes to Ontarians over the next decade. We formally request opportunities to review and comment a draft of a streamlined, province-wide land use planning policy framework.

Sincerely,



Garett Stevenson, MCIP, RPP
Interim Director of Planning

Attachment A - City of Kitchener Staff Comments on Review of A Place to Grow and Provincial Policy Statement (ERO Posting 019-6177); Conserving Ontario's Natural Heritage (ERO Posting 019-6161)

Review of A Place to Grow and Provincial Policy Statement (ERO Posting 019-6177)

The following are Kitchener staff comments on the above-mentioned ERO posting. Comments are focused on the themes of growth management; complete communities; intensification, and; natural heritage in response to on [the questions](#) asked in ERO Posting 019-6177.

GROWTH MANAGEMENT

Kitchener is located within a larger interconnected economic region which includes the cities of Waterloo and Cambridge, along with several townships.

Through recent legislative changes, the Province has signaled a streamlined approach to managing the Province's growth. There is merit in a continued coordinated approach to managing growth in geographic areas with shared interests and infrastructure, like groundwater/sourcewater protection, wastewater and water treatment, natural heritage, and transit. Coordination will assist with continuing to balance increasing housing supply while maintaining agricultural lands for needed food supply and protecting and conserving lands that are an integral part of our watershed and natural heritage system that crosses municipal boundaries.

Settlement Area Boundary Expansions

The province has indicated a preference for a simplified process for the expansion of settlement area boundaries; one that can respond to changing circumstances, local contexts, and market demand to maintain and unlock a sufficient supply of housing. The existing Provincial Policy Statement (PPS) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (A Place to Grow) policies have been effective and have helped ensure a balanced, policy-led approach through municipal comprehensive review processes to assess land needed to accommodate forecast growth. The land needs assessment methodology was simplified and updated to include market considerations in August 2020.

Strong Provincial settlement area policies and Land Needs Assessment guidance remain crucial to ensuring communities plan for the appropriate amount and locations of growth both within existing built-up areas and greenfield areas. Additionally, policies that link land use planning to lifecycle infrastructure costing remain critical to building quickly and affordably.

Population and Employment Forecasts, and minimum density targets

The ERO posting suggests a policy direction that enables municipalities to determine the amount and type of housing and land needed for employment. A continued coordinated, allocation-based approach to population and employment forecasts facilitated by the Province, as is currently the approach in A Place to Grow, is preferred and could potentially be expanded province wide. If each municipality were to plan for uncoordinated population and employment forecasts, this could imperil critical farmland, natural heritage systems, drinking water resources and lead to premature and financially unsustainable extensions of municipal services. Provincially prescribed population and employment forecasts enable high quality analysis and a realistic, GGH-wide (or province wide), coordinated methodological approach to forecasting. Provincially prescribed targets should be maintained and based on technical analysis.

In growth areas, such as those currently included as part of A Place to Grow, the delineation of and minimum growth targets for urban growth centers, major transit station areas, and strategic growth areas

should be maintained. The concept of a built-up area and designated greenfield area together with minimum growth targets/densities should also be maintained. Together with policies about managing and directing growth, these areas and targets provide a consistent, clear framework for making efficient use of existing land, infrastructure and resources to accommodate forecast population and employment.

COMPLETE COMMUNITIES

The creation of complete communities has been a longstanding principle of Provincial land use policy. Complete communities include an appropriate mix of jobs, local stores and services, a full range of housing, transportation options and public service facilities. Building complete communities in Ontario is an important part in achieving a thriving economy, a clean and healthy environment, and social equity.

The language in the ERO posting suggests a significantly stronger emphasis on housing. While Kitchener remains committed to streamlining housing approvals and will work with the Province to build 1.5 million new homes in Ontario in the coming years, it continues to be important to maintain a long-term lens when it comes to land use policy. Housing, while critically important to Ontarians, is one component of a complete community. A balance of the full range of components that form a complete community should be thoughtfully maintained. A singular emphasis on housing may have unintended long-term impacts, making it harder to achieve the benefits of a complete community. This can ultimately harm Ontarian's quality of life.

Cultural Heritage

Cultural heritage resources add value and contribute to a community's sense of place. The PPS currently requires the conservation of significant built heritage resources and cultural heritage landscapes. Kitchener has always balanced heritage conservation with matters of public interest and have proven success with the reuse and redevelopment of heritage resources for healthcare, housing development, award winning offices, and vibrant commercial spaces. An integrated PPS/A Place to Grow should continue to include policies on cultural heritage conservation as part of complete communities.

Natural Heritage

Similar to cultural heritage resources, Ontario's natural heritage system adds value and contributes to a community's sense of place. Additional comments on the value of the retention of PPS policies on natural heritage are outlined below.

Infrastructure

The PPS currently contains a range of policies on public spaces, recreation, parks, transit, open space, infrastructure and public service facilities. All of these aspects contribute greatly to complete communities. An integrated PPS/A Place to Grow should continue to provide direction on these matters.

Employment Area Conversions

The ERO posting speaks to a streamlined and simplified policy direction for converting lands within employment areas to residential and mixed-use development. Employment area conversions should be thoughtfully done as these lands are a key part of a complete community and vibrant economy. Once employment areas convert to a residential use, it is unlikely to ever return to an employment use. Employment lands are a limited commodity; easing the Provincial policy framework protecting them could lead to a gradual deterioration of the industrial land supply in Ontario, impacting employment. Quality jobs are integral to Ontario's long-term prosperity.

The employment area conversion policies in A Place to Grow have been imperative to protecting employment lands that are crucial to the planning of a strong economy. A Place to Grow currently provides

a balanced approach with respect to how employment lands may be converted with long term employment objectives in mind. Long-term protection of employment lands is essential ensuring a vibrant local economy that can adapt to the rapidly changing economic and global trends. A case study in Kitchener shows the benefits of strong Provincial policies protecting employment area in Ontario.

Case Study: protecting employment areas can lead to more jobs – Kitchener Frame

The 70-acre former Kitchener Frame site in Kitchener exemplifies how strong Provincial policies protecting employment lands can result in longer-term industrial jobs. Kitchener Frame, an auto parts manufacturer which employed 1,200 people, [vacated their factory on the property in 2008](#). In 2012, City Council refused an application which would have converted a portion of the property from industrial uses to over 300,000 square feet of commercial uses including a grocery store. The [City's staff report in 2012](#) relied on strong Provincial policies from the PPS and A Place to Grow protecting employment areas; these policies formed part of the basis of Council's refusal of the application.

Staff noted that once employment lands are lost, they are difficult to replicate elsewhere in the City. From the report: "If the City gives up the potential to support industrial uses on this site, the City may give up further growth in our manufacturing economy". This logic holds true for potential conversion of employment lands to residential and mixed-use development.

Council's refusal was appealed and subsequently settled. The settlement added some commercial uses on the property, however, said commercial uses did not develop. In 2021 Kitchener City Council approved a change to Kitchener's Official Plan to convert most of the commercial parcels back into industrial employment to facilitate a mix of warehouse, manufacturing, and light industrial uses on the property ([staff report](#)) seeing the site come full circle on land uses over 9 years responding to changing market conditions and retail landscape. Strong provincial policy was crucial to their protection and quality employment jobs will now be returning to the site.



Kitchener Frame property in 2002 (photo source: [Record staff/Robert Wilson](#))

Maintain PPS and A Place to Grow protections for employment areas

Employment lands are valuable; once lost they are unlikely to ever return. Maintaining strong Provincial policies in an integrated PPS/A Place to Grow protecting these lands is critical. Eroding these policies can result in a longer-term reduction in jobs on employment lands, such as those that will be returning to the Kitchener Frame property after the factory closed in 2008. Protecting quality jobs for Ontarians is a big part of a healthy economy and the creation of complete communities.

INTENSIFICATION

The City appreciates the Province’s language in the ERO posting to “seize opportunities” to facilitate new residential and mixed-use development. To achieve this, the City suggests a renewed focus on intensification. Strengthened intensification policies represent the best opportunity for the Province to meet the goal of delivering 1.5 million homes over the next 10 years.

Intensification is cost and resource efficient; most of Kitchener’s intensification projects for new housing are on serviced lands and in most cases do not require hard infrastructure upgrades. Adding new housing within an existing urban area rather than expanding the settlement area boundary makes for a more resilient Ontario by helping protect our food supply (agricultural land), and natural heritage system.

The following are specific tool and policy suggestions to increase the supply of housing through intensification and outlines how an integrated PPS/A Place to Grow could be strengthened to enable:

- Existing PPS Policy 1.4.1 requires municipalities to maintain 3-year supply of zoned lands and a 15-year supply of land for residential growth through intensification and greenfield development to ensure land supply does not hinder achievement of housing targets. Kitchener has been meeting these requirements and annually monitors its housing supply. Alignment of these land supply requirements with population and employment allocations should be further explored to assist with implementation of the PPS and the development of 1.5 million homes across the province.
- The fulsome implementation of recommendations contained in the [Report of the Ontario Housing Affordability Task Force](#), particularly recommendations 3 through 11 together with and/or through an integrated PPS/A Place to Grow to enable high densities “as of right” near individual major transit station or along streets with public transit. The PPS should continue to prioritize intensification over settlement boundary expansions and require municipalities to use all tools available to enable missing middle housing. A case study below demonstrates how Provincial intensification policies unlock new housing units.
- The exploration and facilitation of the implementation of a broad range of tools to enable affordable and attainable housing including broader scope for inclusionary zoning, demanding higher density permissions in strategic growth areas, and a simplified income-based definition of affordable housing. Affordable and attainable housing policies should be part of an integrated PPS/A Place to Grow.

Case Study: How provincial intensification policies unlock housing supply

A recent example in Kitchener demonstrates how strong Provincial intensification policies quickly increases “as-of-right” permissions for more housing. In 2019, the Province passed Bill 108 (More Homes, More Choice Act) which required municipalities to allow additional dwelling units such as duplexes, semi-detached duplexes, and backyard homes (tiny houses) on properties containing single detached, semi-detached, and street townhouse dwellings. Bill 108 exempted the implementation of these requirements in zoning from appeal.

In April 2021, Kitchener City Council unanimously approved zoning changes [which allowed additional residential units in Kitchener](#) such as tiny houses and semi-detached duplexes. Having clear direction and requirements from the Province on an intensification strategy facilitated the Council approval process and allowed homeowners to quickly get shovels in the ground.

Since the updated zoning was exempt from appeals, it was fully implemented in June 2021, and the first building permit was issued by August. In only 1 year, Kitchener has seen [significant uptake on this form of gentle intensification](#) with 37 applications for tiny homes received and some already occupied. Units were “unlocked” in existing neighbourhoods simply by changing Provincial requirements for intensification. In March 2022, Kitchener further updated its zoning by-law to permit three units within single detached dwellings throughout all areas of the city, prior to Bill 23 requiring the same.



2021 tiny house under construction in Kitchener (photo source: [David Bebee / Waterloo Region Record](#))

Intensification drives affordability

The City supports intensification and density targets as a key provincial policy direction. These could be further strengthened in an integrated PPS/A Place to Grow. Intensification and minimum density policies are essential to making efficient use of municipal and provincial infrastructure. Intensification that can be supported by existing infrastructure should continue to be encouraged and should remain a focus of the PPS. Intensification provides opportunities to reduce infrastructure costs which in turn has the potential for lower development charges, tax and user fees required to build and maintain infrastructure. Keeping these fees low will help drive housing supply and affordability. Growing more through intensification makes efficient use of existing infrastructure and, as outlined in Minister Clark’s November 30th letter to the Association of Municipalities of Ontario, driving more growth to intensification areas will be critical to ensure Bill 23 changes do not result in negative financial implications for municipalities.

NATURAL HERITAGE

In Ontario, natural heritage conservation is primarily implemented through the land use planning framework, including the Planning Act and Sections 2.1 and 2.2 of the PPS.

The provincial government states in its [ERO 019-6177 posting](#) that the PPS provides comprehensive, integrated, whole-of-government policy direction on land use planning matters including the protection and management of natural heritage (Section 2.1 of PPS) and water resources (Section 2.2 of PPS) among other matters. One of the stated goals in a review of the PPS is to simplify the policy framework so that these instruments are easier to navigate and implement, and to be supportive of the construction of more housing. The government states that the PPS is to continue to protect the environment but also that policies that result in a burden to the development of housing should be streamlined or removed.

Specific to *natural heritage*, the government proposes a new policy instrument (presumably through the PPS or its successor) that could streamline Province-wide policy direction but empower local decision-making and provide more options to reduce development impacts, including offsetting/compensation (**ERO Posting 019-6161**).

- No policy changes should be considered that move us away from creating healthy communities that are safe and climate resilient. That means the PPS, or its successor, must continue to protect Ontario's important natural heritage and ground and surface water systems.
- The continuation of the *Planning Act* and PPS in the protection of the biophysical environment as an essential tool to conserve Natural Heritage and Water Systems across Ontario, and Sections 2.1 and 2.2 of the PPS is supported and should be maintained without significant changes.
- Increasing the housing supply and removing policies that are protective of natural heritage and water systems, will not result in the types of communities that are desired or desirable (e.g. complete communities).
- Having the same natural heritage policy framework throughout the Province will not have the effect of conserving what is rare and therefore valuable in unique parts of the province. For example, current PPS policies that specify the Ecoregion in which they apply recognize that wetlands may need different protections depending on whether they are located in the boreal or in southwestern Ontario.
- Provincial efforts going back to 1992 and the first Provincial Policy Statement on Wetlands (PPSW) have been critical to protection of wetlands and their functions in Ontario and should be maintained. Wetland protection is not only important to values such as natural heritage and native biodiversity, but also to their significant contribution to climate resilience.
- Provincial policies in respect of the proposed core element of "Environment and Natural Resources" should continue to function as a "floor" which permits municipalities to go beyond minimum Provincial standards of natural heritage conservation. This will continue to empower municipalities to tailor policies to their unique geographic and biophysical realities and the values of their communities.

Conserving Ontario's Natural Heritage (ERO Posting 019-6161)

- No provincially, regionally or locally significant natural heritage features should be available for degradation or removal through an off-setting policy. These ecosystems are rare enough already in southern Ontario, and therefore valuable to our citizens.
- Offsetting or compensation is only appropriate if all efforts have been exhausted to avoid, minimize, or mitigate the impact first.
- Offsetting or compensation is only appropriate when easily replaceable ecological features or functions are proposed to be removed. No ecologically mature terrestrial or wetland systems should be eligible for removal and offsetting. Research into the efficacy of offsetting policy being implemented under, for example, the U.S. *Clean Water Act* for wetlands has shown that the quality and value of the replaced feature is difficult to achieve (US National Research Council 2001, Theiss et al 2019, Tillman et al 2022), and impossible in the short-term. This would be particularly true when the replaced wetland is an ecologically mature wetland such as a bog, a fen or a swamp. Complex, biodiverse ecosystems take hundreds and even thousands of years to develop. Research is indicating that successful, net-gain offsetting is notoriously difficult to achieve.
- Compensation / offsetting in the form of habitat creation is already done in the land use planning and approval process when implementing, for example, conditions of an Overall Benefit Permit under the Ontario *Endangered Species Act*. However, habitat is only created where no significant habitat existed in the first place.