



MUNICIPALITY OF THAMES CENTRE

REPORT NO. PDS-033-23

TO: Mayor and Members of Council
FROM: Director of Planning & Development Services
MEETING DATE: May 29, 2023
SUBJECT: PROPOSED NEW PROVINCIAL PLANNING STATEMENT, 2023

RECOMMENDATION:

THAT Report No. PDS-033-23 entitled “Proposed New Provincial Planning Statement, 2023” be received;

AND THAT the Director of Planning and Development Services be given direction to forward the said Report to the Province of Ontario as the Municipality of Thames Centre’s comments on the “Review of proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument” as per the Environmental Registry of Ontario posting number 019-6813.

PURPOSE:

The purpose of this Report is to provide a summary of the proposed new Provincial Planning Statement, 2023 and to outline its implications for the Municipality.

BACKGROUND:

On April 6, 2023, the Province of Ontario released the proposed new Provincial Planning Statement (PPS) 2023 for review and comment as posted on the Environmental Registry of Ontario (ERO). This new document is an integration of the PPS with the “A Place to Grow: Growth Plan for the Greater Golden Horseshoe” into a province-wide policy instrument. Through the ERO posting, the Province is seeking comments on the new draft PPS with a deadline on June 5, 2023. This announcement comes as a new component of the Province’s Housing Supply Action Plan, which seeks to encourage the construction of 1.5 million homes by 2031. Overall, these changes represent a fundamental shift to a more permissive planning framework except where the Province has identified a special interest where municipalities are prohibited from being more restrictive.

Through the proposed new PPS, the Province is proposing policies grouped under five (5) pillars:

- Generating an appropriate housing supply
- Make land available for development
- Provide infrastructure to support development
- Balance housing with resources
- Implementation

1. Generate an appropriate housing supply

The proposed policies would require municipalities to:

- Provide a range and mix of housing options;
- Implement intensification policies but no longer identifying targets;
- Permit more housing on farms including residential lot creation subject to criteria, Additional Residential Units (ARUs) and housing for farm workers;

2. Make land available for development

The proposed policies would require municipalities to:

- Plan for a minimum 25-year horizon with no maximum timeframe, compared to the current framework of a maximum 25-year horizon;
- Provide a more simplified and flexible approach to undertake settlement area boundary expansions. Municipalities would be allowed to create new Settlement Areas and would not be required to demonstrate the need for expansion. This represents a significant shift from the current requirement of having to undertake a municipal comprehensive review which is a more rigorous test as well as the demonstration of need. This change would also allow landowners to make requests for settlement area boundary expansions.
- Change employment area policies to differentiate between heavy and light industry and both requiring protection but allowing for opportunities for conversions that support the form of development and job creation that would suit the local context.

3. Provide infrastructure to support development

The proposed policies would:

- Include refinements to the servicing hierarchy, which places full municipal services as the preferred form of servicing for settlement areas. The terms “centralized servicing systems” and “decentralized servicing systems” are introduced albeit not defined.
- Require municipalities and school boards to collaborate to facilitate early and integrated planning for schools and associated childcare facilities to meet current and future needs.

4. Balance housing with resources

The proposed policies would require municipalities to protect water resources and encourage watershed planning, which would suggest an enhanced role in this area.

Under the new draft PPS, natural heritage policies and related definitions remain under consideration by the Province. Once proposed policies and definitions are ready for review and input, they will be made available through a separate posting on the ERO.

5. Implementation

The proposed policies would:

- Clarify that the policies represent minimum standards however there are several areas where municipalities cannot be more restrictive including but not limited to residential lot creation in agricultural areas.
- Require municipalities to keep their zoning by-laws aligned with their official plans and the proposed new PPS.
- Clarify that where a municipality must make a decision on a planning matter before their official plan has been updated to be consistent with the PPS, it must make a decision that is consistent with the PPS.
- Require municipalities to undertake early engagement with Indigenous communities and coordinate on land use planning matters.

COMMENTS:

Settlement Area Expansions

The current version of the PPS allows for settlement area expansions when supported by a municipal comprehensive review (MCR). An MCR is a study which requires consideration of several criteria (including but not limited to demonstration of need, servicing, impact on agriculture) prior to a settlement area expansion. Under the proposed new PPS, the requirement for an MCR has been removed as well as the demonstration of need. As well, a planning horizon of at least 25 years is proposed in the absence of a maximum time frame.

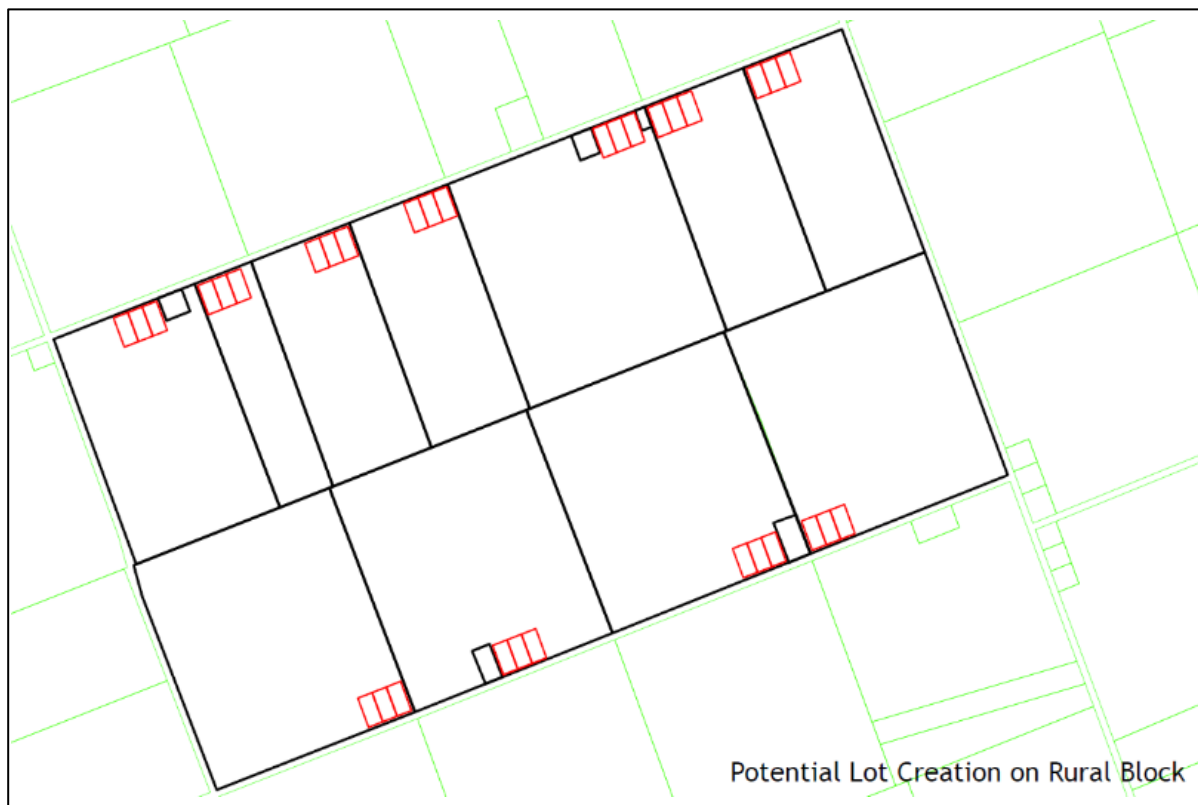
Staff has concerns about lessening the requirements for settlement area expansions which could create challenges to promote more cost-effective development patterns including infill and intensification. This could also encourage land speculation at the periphery of settlement areas and promote opportunities for urban sprawl since it would allow landowners to seek requests on a case-by-case basis. The impacts could include potential strain on municipal infrastructure and finances from ad hoc boundary expansions and disjointed development. Adding flexibility for municipalities could be helpful, however it is recommended that the requirement for a MCR remain in the PPS. Ultimately, municipalities should however be the final determinant of any settlement area expansion.

Intensification targets are to be removed. There should be requirements to encourage building from within settlement areas thereby making use of existing infrastructure and preserving agricultural land compared to the outward expansion of development. Intensification targets should therefore remain to ensure cost-effective and sustainable development opportunities.

Agricultural Areas

To encourage housing options, up to two (2) ARUs would be allowed within, attached to, or in close proximity to the principle dwelling and subject to Minimum Distance Separation (MDS), compatibility and servicing requirements. This would permit up to three (3) stand-alone residential units in the rural area. Where a planning approval is required to permit an ARU, council decisions are final in that they not appealable. This change in provincial direction is welcomed considering the impacts on agriculture would be nominal with the requirement for residential units to be clustered to the principle dwelling. This change does not impact Bill 23 “as of right” permissions for an ARU on full municipal services.

The proposed new PPS includes a significant shift in encouraging decentralized and scattered residential development opportunities in the rural area. The proposed policy would allow the creation of up to three (3) residential building lots on a farm subject to criteria. The proposed new PPS is clear that municipalities may not be more restrictive than this policy except to address public health or safety. The following map shows the implications for lot creation in this regard within an 800-acre township block:



Based on approximately 1,100 existing farms discounted to exclude physical constraints (i.e. MDS, regulated areas), the rural area has the potential to yield approximately 3,300 building lots. Assuming 0.6 hectares (1.5 ac) is required to accommodate a building lot, this would require approximately 2,000 hectares (4,950 ac) of land. With approximately 2,000 hectares (4,950 ac) of land required to accommodate 3,300 rural lots (1.5 acre/lot), that same amount of land could yield approximately 21,000 housing units in an urban setting on full municipal services (15 u/ha less 70% net to gross). By contrast, this would exceed the combined area of all settlement areas in Thames Centre (i.e. Dorchester, Thorndale and hamlet areas) which totals approximately 1,630 hectares (4,026 ac). Conversely, the same number of rural lots (3,300) could be accommodated in an urban setting on full municipal services which would require 154 hectares (380 ac) of land (15 u/ha less 70% net to gross).

This scattered and decentralized approach to rural lot creation has the potential to negatively impact agriculture in terms of complaints about normal farm practices (noise, dust, odour), MDS in terms of the raising of livestock, aggregate extraction, the natural environment, the overall transportation network and the provision of municipal services. Another significant consequence would include rural growth opportunities at the expense of planned urban growth which may lead to inefficient service delivery and underutilized infrastructure within settlement areas. For the foregoing reasons, staff does not support these proposed opportunities to facilitate rural residential lot creation.

Other

- The deletion of the definition of “affordable” is concerning and may be counter-intuitive to the creation of more affordable housing.
- New terms are introduced being “centralized servicing system” and “decentralized servicing system” however there are no definitions included which is concerning.
- The lack of natural heritage policies is challenging to understand the full scope of the proposed new PPS.
- There are several areas where the proposed new PPS states that a policy is to be implemented “subject to provincial guidance”; the timely provision of said guidance would significantly assist municipalities.
- Municipalities are required to undertake early engagement with Indigenous community and coordinate on land use planning matters. It would be helpful if the Province could provide direction on the extent of engagement required.

FINANCIAL IMPLICATIONS:

At this stage, the financial implications for the Municipality on the proposed new PPS are unknown. Staff will continue to monitor the PPS review and will keep Council informed on the status. The proposed new PPS could trigger revisions to the Thames Centre Official Plan and could result in inefficient use of land and infrastructure which may have impact the general tax levy.

STRATEGIC PLAN LINK

Responsive Leadership

Thames Centre encourages an environment of innovation, resilience and community through responsive leadership.

CONSULTATION:

Chief Administrative Officer
Director of Financial Services/Treasurer

REFERENCES:

Proposed New Provincial Planning Statement, 2023
<https://ero.ontario.ca/notice/019-6813>

ATTACHMENTS:

Tracked Changes of the Proposed 2023 Provincial Planning Statement – comparison and concordance to the 2020 PPS – provided by Osler, Hoskin & Harcourt LLP.

Prepared by: Marc Bancroft, Director of Planning and Development Services

Reviewed by: M. Cassavecchia-Somers, Interim Chief Administrative Officer