

# **STAFF REPORT: Proposed Changes to the Provincial Policy Statement**

## **DATE: September 16, 2019**

### **Purpose**

This report reviews and analyses the Provincial Government's proposed changes to the Provincial Policy Statement (PPS), which were released for public comment on July 22, 2019. The deadline for submission of comments is October 21, 2019.

### **Background**

Land use planning in Ontario takes place within a “policy-led” system where the Province establishes its interests in land use planning through a provincial policy statement and requires that the decisions made by planning approval authorities and boards, such as the Land Use Planning Tribunal (LPAT), align with these interests.

The PPS is issued under section 3 of the *Planning Act* (the Act), and sets out policies regarding matters of provincial interest, such as managing natural resources, providing efficient infrastructure, and safeguarding public health and safety (see Reference 1). Section 3 of the Act currently requires that decisions on land use planning matters “be consistent” with the PPS.

As previously reported to City Council, the Provincial Government (the Province) is pursuing several changes to Ontario's planning system, with the overall goal of improving housing affordability. This includes changes to the Act and PPS, amongst other tools.

On July 22, 2019 the Province released its proposed changes to the PPS for review and comment by October 21<sup>st</sup>, 2019. The Province indicates that the proposed changes are designed to:

- encourage the development of an increased mix and supply of housing;
- protect the environment and public safety;
- reduce barriers and cost for development and provide greater predictability and supporting the economy and job creation;
- support rural, northern and indigenous communities; and,
- support the economy and job creation.

No changes to the natural hazard or human made hazard policies are proposed at this time. Future changes to these policies may be proposed, pending the outcome of the

review of the Province's Special Advisor on flooding. The Province's summary of the proposed changes is included in Reference 2.

Planning staff have reviewed and analyzed the proposed policies to determine their implications for planning in Greater Sudbury. As part of this process, planning staff consulted with colleagues within and outside of the organization (including the planning staff in North Bay, Timmins, Sault Ste. Marie and Thunder Bay). Planning staff also participated in a workshop on the proposed changes facilitated by the Ministry of Municipal Affairs and Housing in early September.

Overall, and like all other changes to the provincial planning system, some of the proposed changes to the PPS will affect planning in Greater Sudbury, while others aren't expected to. This report focuses on the more relevant changes identified by staff and their implications for planning in Greater Sudbury.

## **Discussion**

### ***Climate Change***

The current PPS includes policies that speak to climate change and require that municipalities consider climate change mitigation and adaption. For example, the current PPS requires that land use patterns within settlement areas be based on densities and a mix of land uses which minimize climate change (Policy 1.1.3.2 a) 3.) The existing PPS also requires that municipalities "consider" impacts from climate change when planning for infrastructure and public service facilities and those that may increase the risk associated with natural hazards (Policies 1.6.1, 3.1.3). The City's Official Plan was amended to be consistent with these existing policies as part of the Phase 1 Official Plan Review.

The proposed PPS would strengthen these policies. The proposed PPS still requires that municipalities plan for land use patterns within settlement areas that minimize climate change. The proposed policies would require that municipalities "prepare for the impacts of a changing climate" when planning land use patterns within settlement areas, infrastructure and public service facilities, water resources and natural hazards. The term "impacts of a changing climate" is new and would be defined as "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".

These changes acknowledge the challenge that communities, the province and federal government face in meeting national and international climate change commitments.

Their implementation will build upon existing work on climate change mitigation and adaptation that has been underway in Greater Sudbury since 1995, most recently City Council's Climate Change Emergency Declaration. The also align with the Community and Energy Plan that is underway and the proposed Climate Change Adaptation Strategy that will be considered by City Council through the 2020 Budget. This latter strategy will inform future policy, regulatory and business practice changes necessary to implement the "prepare for" direction through the land use and infrastructure planning processes.

The proposed changes related to climate change are supported by staff. The Province should be encouraged to incorporate these changes into the PPS.

## ***Growth and Settlement***

The current PPS contains a suite of policies that are designed to manage and direct land use to achieve efficient and resilient development and land use patterns. These policies speak to land supply maximums, desired density and land use mix, intensification and redevelopment, phasing, settlement areas and settlement area boundary expansions.

The proposed PPS would increase land supply maximums from 20 to 25 years, strengthen the connection between transit supportive development/housing supply/intensification, introduce a new "satisfy market demand" requirement when considering the expansion of settlement area boundary expansions at the time of a comprehensive review, and provide municipalities with additional flexibility to permit adjustments to settlement area boundaries outside of a comprehensive review (provided certain tests are met).

Most of these changes are consistent with existing and emerging practices within Greater Sudbury. As outlined in the Growth and Settlement Discussion Paper, prepared as part of the Phase 1 of the Official Plan Review, based on the high growth scenario of the population projections, there was estimated to be an approximate 43 year supply of residential lands in all of the required categories within the City to meet projected demand. Based on the estimated land supply and recent population projections which provide estimates to the year 2046, it is anticipated that the City will maintain an adequate supply under the new horizons. Through the Transit Action Plan and Nodes and Corridors Strategy, the City is integrating land use and public transit considerations. The "satisfy market-demand" requirement introduced into the existing comprehensive review policies is not defined. It is unclear how this test would be implemented during such an exercise. The policies to allow for adjustments to settlement area boundaries outside of a comprehensive review reflect existing practice.

The proposed changes related to growth and settlement is supported by staff. The “satisfy market demand” comprehensive review requirement should be clarified either in the policy or through the proposed projection methodology guideline. The Province should be encouraged to incorporate these changes into the PPS and clarify the “satisfy market demand” requirement.

## **Employment Lands**

The current PPS contains policies that speak to the promotion of economic development and competitiveness and the planning, protection and preservation of employment areas. These policies were considered as part of the Phase 1 Official Plan Review. The Employment Area policies in the Official Plan are designed to provide the City and community the flexibility to respond to economic opportunities as they emerge. For example, the Official Plan permits all uses (with the exception of Heavy Industrial) on lands designated Mixed Use Commercial. This flexibility is appropriate in a rural and northern context.

The proposed PPS contains policies that are aimed at encouraging municipalities to facilitate conditions for economic investment, and at the time of official plan review or update, assess locally-identified employment areas to ensure designations are appropriate; provide municipalities with greater control over employment area conversions to support the forms of development and job creation that suit the local context (current and future); and provide stronger protections for manufacturing and industrial uses where non-employment uses.

The proposed PPS would require that municipalities promote economic development and competitiveness by facilitating the conditions for economic investment by identifying strategic sites for investment, monitoring the availability and suitability of employment sites, including market-ready sites, and seeking to address potential barriers to investment. The proposed change is consistent with Council's Strategic Plan which identifies the need for an Employment Land Strategy.

The proposed PPS would permit employment lands to be converted to non-employment uses outside of a comprehensive review process, subject to a number of criteria being satisfied, so long as they are not identified as a Provincially Significant Employment Zone.

These proposed changes regarding employment lands are supported by staff. The Province should be encouraged to incorporate these changes into the PPS.

The proposed PPS would strengthen the protection of existing employment areas by, in part, prohibiting residential and institutional uses within employment areas planned for industrial and manufacturing uses, unless they are ancillary to the primary employment uses. This approach would remove the flexibility, currently afforded in the OP.

Staff is concerned that the proposed restriction on institutional uses would reduce this flexibility and effect existing or future proposals to site new institutional uses on industrially designated lands. This restriction is inconsistent with Council's strategic direction and could preclude future partnerships between the City's post-secondary education institutions and the mining industry. The Province should be encouraged to consider allowing institutional uses in employment areas in rural and northern areas of the province.

## ***Housing***

The current PPS contains a suite of policies that are designed to encourage an appropriate amount, type and mix of housing options. The proposed PPS would expand the range of housing options, emphasize where they should be built and ensure an adequate land supply.

The need for a range and mix of residential types is emphasized as a factor that sustains healthy, liveable and safe communities. A definition of "Housing Options" is proposed which means "a range of housing types such as, but not limited to single-detached, semi-detached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, multi-residential buildings and uses such as, but not limited to life lease housing, co-ownership housing, co-operative housing, community land trusts, affordable housing, housing for people with special needs, and housing related to employment, institutional or educational uses"

New language is proposed in Section 1.1.1 b) and e) which emphasizes the need for a range of housing options and to integrate land use planning with transit-supportive development and to optimize transit investments. This direction is echoed in Section 1.1.3.3, where appropriate locations for intensification and redevelopment are enumerated. This proposed change aligns with the transportation related locational criteria established in the Affordable Housing Community Improvement Plan and recent changes to the Zoning By-law that provide a 25% reduction of parking requirements for units subject to an affordable housing agreement with the City.

In the same vein as integration, the coordination policies of Section 1.2 are proposed to be updated to specify that planning matters pertaining to housing needs should be coordinated and integrated with Service Manager Housing and Homelessness Plans.

These proposed policy changes are consistent with the City's current practice of aligning the Official Plan policies with the City's Housing and Homelessness Plan. Further, in 2016 the City formed a Health and Housing Working Group comprised of staff from the Planning Services Division, Housing Services Division and Social Services Division. This group prepared the updated Affordable Housing Strategy, which included the introduction of the Affordable Housing Community Improvement Plan, as well as this group collaborates on annual updates to the Housing and Homelessness Plan.

With respect to land supply, the current PPS requires municipalities to ensure an adequate supply of land for a 20-year horizon. The planning horizon is proposed to be increased to 25-years and is it be informed by provincial guidelines to support land budgeting (which have yet to be released). Section 1.4.1 further requires municipalities to maintain at least a 12-year supply (currently 10-year supply) of residential lands and a 5-year supply of residential servicing capacity.

These proposed changes regarding housing are supported by staff. The Province should be encouraged to incorporate these changes into the PPS.

### ***Reducing Barriers to Development***

The proposed PPS would include new policies that are designed to reduce existing barriers to urban and resource-related development. The proposed PPS would require that planning authorities "take action" to support housing supply and facilitate a timely and streamlined process for local development by identifying and fast-tracking priority applications and increasing approval timeframe service standards to the extent practical. These proposed changes align with Council's strategic priorities and continuous process improvements to development approvals, most recently through the Strengthening Development Approvals Initiative. These changes are supported by staff. The Province should be encouraged to incorporate these changes into the PPS.

### ***Other Changes***

The Province is also proposing a number of administrative changes to the PPS for clarity purposes. Included in these changes are references to a number of implementation guidelines, including land supply, expansion of settlement areas and minimizing potential land use conflicts. It is important to note that the "shall be consistent with" standard remains in place, meaning that all decisions made by an approval authority must be consistent with the policies set out in the PPS. Some of the "shalls" require the City to undertake additional work or monitoring. For example, maintaining the required supply of residential and employment land, or implementing targets for affordable housing.

Other changes are proposed with the goal of supporting rural, northern and indigenous communities. The policies would allow flexibility for communities by clarifying perceived barriers to sewage and water servicing policies for lot creation and development in rural settlement areas; enhance municipal engagement with indigenous communities on land use planning to help inform decision-making, build relationships and address issues up front in the approvals process; as well as enhance agricultural protections to support critical food production and the agricultural sector as a significant economic driver.

## **Conclusion**

The Province's proposed changes to the PPS generally align with Council's strategic goals and existing plans and processes of the municipality. This report includes staff's perspective on several of the proposed changes. Should City Council agree with staff's perspective, it should approve the recommendation outlined in the Resolution section of this report.

## **References**

1. Provincial Policy Statement, <http://www.mah.gov.on.ca/Page215.aspx>
2. Proposed Changes to the Provincial Policy Statement, <http://ero.ontario.ca/notice/019-0279>
3. Official Plan for the City of Greater Sudbury, <https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/official-plan/>
4. Growth and Settlement Policy Discussion Paper, <https://www.greatersudbury.ca/linkservid/70EEB281-E406-496A-CEB798AA1A980D5C/showMeta/0/>