

Subject: Staff Comments on Proposed Provincial Planning Statement (2024)

Report To: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2024

Recommendations

1. That this Report **BE RECEIVED** for Information; and
2. That Report PDS 18-2024 **BE CIRCULATED** to Local Area Municipalities and the Niagara Peninsula Conversation Authority (NPCA).

Key Facts

- As first communicated to Council through PDS 17-2024 (April 25, 2024) the Province has released a revised draft of the proposed Provincial Planning Statement (PPS, 2024).
- The purpose of this report is to provide an overview of the proposed changes and to outline staff comments that will be submitted to the Province.
- If approved, the proposed PPS (2024) will replace the current Provincial Policy Statement (PPS, 2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan, 2019) to form a new province-wide planning policy instrument.
- In the Spring of 2023, the Province released a previous draft of the proposed PPS (2023) for comment. Staff comments on that 2023 version were communicated to Council through PDS-C 20-2023 (June 7, 2023) with additional comments on the proposed natural heritage policies being communicated through PDS-C 21-2023 (September 13, 2023).
- Following the commenting period on the 2023 draft, the Province has made some changes to reflect concerns raised by the Region and others – such as no longer allowing lot creation in prime agricultural areas. Other regional concerns, such as changes to the definition of “employment areas”, the process for settlement area boundary expansions, and the loss of the Growth Plan Natural Heritage System remain.

- The Province has requested that feedback on the proposed changes be submitted by May 12, 2024. Staff comments outlined in **Appendix 1** and **Appendix 2** will be submitted to the Province in response to the Environmental Registry of Ontario (ERO) postings.

Financial Considerations

There are no direct financial implications associated with this report.

Analysis

Background

On April 10, 2024, the Province introduced the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185), which proposes to amend fifteen pieces of legislation and related regulations for the purpose of “streamlining planning approvals, enhancing municipalities’ ability to invest in housing-enabling infrastructure, and increasing housing supply”. A detailed overview of Bill 185 including staff comments were provided directly to council through PDS 17-2024 (April 25, 2024).

In addition to Bill 185, the revised draft Provincial Planning Statement (PPS) was also released on April 10, 2024 with updates to reflect the feedback received on the previous version. If approved, the proposed PPS will replace the current Provincial Policy Statement (PPS, 2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan, 2019) to form a new province-wide planning policy instrument. In many matters, these changes represent a fundamental shift in the approach to planning for Ontario. All decisions that relate to a planning matter will be required to be consistent with this statement.

The Environmental Registry of Ontario (ERO) posting includes some information regarding the Province’s proposed approach to implementation. The Province has indicated it intends to release the final policies for a short period of time before they take effect. Any decision on a planning matter made on or after the effective date would be subject to the new PPS. The only exception would be if a transition regulation was developed. The Province has indicated that “further consultation would be conducted to identify any pertinent matters”.

Previous Draft of Proposed Provincial Policy Statement (2023)

In the Spring of 2023, the Province released a previous draft of the proposed PPS (2023) for comment. Staff comments on the 2023 proposed PPS were communicated to

Council through PDS-C 20-2023 (June 7, 2023). The original release did not include natural heritage policies – which followed several months later. Additional comments on the proposed natural heritage policies being communicated through PDS-C 41-2023 (September 13, 2023).

Overview of Current Draft of Proposed Provincial Policy Statement (2024)

Proposed changes in the PPS (2024) relative to the existing Provincial Policy Statement (PPS, 2020) include, but are not limited to:

- **Growth Management:**
 - The concept of a delineated built-up area has not been carried forward as a defined term
 - Planning authorities are to use Ministry of Finance projections for employment and growth forecasts, with a policy to permit existing provincial forecasts (i.e. Growth Plan) to be used
 - Removal of mandatory intensification and density targets
 - Introduction and identification of “large and fast-growing municipalities” (Niagara Falls and St. Catharines in Niagara)
 - New policy to promote the phasing of development as appropriate
- **Settlement Area Boundary Expansions**
 - Removal of the requirement to demonstrate need for a settlement area boundary expansion
 - No longer the requirement of municipal comprehensive reviews to be undertaken
- **Employment:**
 - Change to the definition of employment area
 - Permission for mixed uses, including residential, in employment lands outside of employment areas
 - The conversion of employment lands is permitted provided certain tests are met
- **Housing**
 - Expansion of the definition of housing options
- **Agriculture**
 - Removal of the requirement to use the provincially-mapped agricultural system
 - Permitting up to two additional residential units subordinate to the principal dwelling associated with an agricultural operation
- **Natural Heritage**
 - In comparison to the existing Provincial Policy Statement (2020), no changes to the natural heritage policies

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- Growth Plan Natural Heritage System policies and mapping are proposed to be eliminated
 - Watershed Planning
 - Loss of the full suite of watershed and subwatershed planning policies that were contained in the existing PPS and Growth Plan
 - Requirement for large and fast growing municipalities to undertake watershed planning with an encouragement for other municipalities to do so.

Staff Comments on the proposed PPS (2024)

Although less extensive than the concerns identified related to the 2023 draft, staff concerns with the proposed PPS (2024) include:

- **Challenges for an integrated and coordinated approach to growth management in Niagara**
 - Concern that the proposed changes to the PPS in conjunction with the loss of the Growth Plan policies related to growth management will lead to inconsistent approaches to forecasting population and employment growth in Niagara, and consequently challenges for the process of planning and budgeting of regional infrastructure and public services and facilities.
- **Changes to the definition of “employment areas” and other changes impacting employment lands**
 - Concern that the proposed changes that define employment areas as limited to traditional manufacturing uses will hinder the Region’s ability to meet employment forecasts to 2051. For example, the revised definition of “employment areas” has the potential to remove 2,175 hectares of employment area lands (approximately 46% of total employment area lands in Niagara) based on preliminary analysis.
- **The ad-hoc nature of settlement area expansion and a lack of minimum intensification targets**
 - Concern that the policies that would allow for settlement area expansions without the requirement to demonstrate need and without a municipal comprehensive review will result in the loss of integrated and coordinated growth planning.
 - Not having a minimum intensification target or a “built-up area” at the provincial level, combined with the ability to expand settlement area boundaries at any time, may discourage intensification and encourage sprawl which will have financial impacts if municipalities will be required to extend and maintain servicing to greenfield areas, with existing infrastructure not being optimized.

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- The above concerns as exacerbated by a proposed change to the Planning Act through Bill 185 which would allow for appeals to the OLT related to settlement area boundary expansions.
 - **Loss of the Growth Plan Natural Heritage System**
 - When the updated Growth Plan for the Greater Golden Horseshoe was released in 2017 and subsequently revised in 2019, it included policies, definitions, and mapping for a “Natural Heritage System for the Growth Plan”. Municipalities were required to incorporate and implement the policies and mapping into their official plans. The Natural Heritage System for the Growth Plan was included as part of the integrated NES that was approved by the Province as part of the Niagara Official Plan in November 2022.
 - As the proposed PPS (2024) will integrate the PPS (2020) and Growth Plan (2019), there will no longer be a stand alone Growth Plan document. The Natural Heritage System for the Growth Plan is not proposed to be included as part of the proposed PPS (2024), and would therefore no longer be Provincial policy. Staff are concerned with the loss of environmental protections in the Region, and the implications associated with the Growth Plan Natural Heritage System having been fully integrated into the Regional Natural Environment System, but no longer Provincial Policy.
 - Further, should the Province move forward with the elimination of the Growth Plan NHS, it is recommended that direction be provided on transition/implementation for municipalities which had implemented the system through recent municipal comprehensive reviews or Official Plan updates.
 - **Removal of the requirement to use the Provincially-mapped agricultural system**
 - When 2017 Growth Plan for the Greater Golden Horseshoe was released, it included policies, and mapping delineating an agricultural system for the Greater Golden Horseshoe. This mapping was used to develop the Region’s agricultural land base mapping and is an important tool for the identification and protection of agricultural land.
 - As the agricultural system mapping and policies are not being carried forward to the proposed PPS (2024), staff are unsure how agricultural lands, infrastructure and farm operations outside of the Greenbelt Plan area will be protected.

Alternatives Reviewed

No alternatives have been reviewed as this report summarizes and presents staff comments on the proposed Provincial Planning Statement (PPS, 2024) for information.

Relationship to Council Strategic Priorities

This report provides information on proposed changes to provincial policy related to land use planning. This relates to Council's Strategic Priority of Effective Region, Equitable Region, and Prosperous Region through ensuring high quality, efficient, and coordinated core services.

Other Pertinent Reports

- CWCD 2023-77 - Provincial Consultation on Bill 97 and a new Provincial Policy Instrument (April 21, 2023)
- PDS-C 20-2023 - Staff Comments on the Proposed Provincial Planning Statement (June 7, 2023)
- PDS 22-2023 – Proposed Provincial Planning Statement – Natural Heritage Policies (July 12, 2023)
- PDS-C 41-2023 – Staff Comments on Proposed Provincial Planning Statement – Natural Heritage (September 13, 2023)
- PDS 17-2024 – Bill 185 (Cutting Red Tape to Build Housing Faster Act, 2024) (April 25, 2024)

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Appendices

Appendix 1 Table 1: Staff Response to ERO 019-8462 Discussion Questions

Appendix 2 Table 2: Niagara Region Staff Detailed Analysis and Comment on the Proposed 2024 Provincial Planning Statement (PPS)