

To: Warden and Members of County Council

From: Director of Community Planning

Review of A Place to Grow and Provincial Policy Statement – Supplementary Report

RECOMMENDATIONS

1. That the Director of Community Planning, in consultation with other County staff and stakeholders as required, prepare and submit the County of Oxford's formal response to the Provincial consultations on the Review of A Place to Grow and Provincial Policy Statement, as generally outlined in Report No. CP 2023-144;
2. And further, that Report No. CP 2023-144 be circulated to the Area Municipalities for information.

REPORT HIGHLIGHTS

- The Province has released a proposed draft of the 'Provincial Planning Statement' (Proposed PPS), which is intended to replace the current Provincial Policy Statement (PPS, 2020) and 'A Place to Grow'– Growth Plan for the Greater Golden horseshoe (APTG).
- This report includes detailed comments and analysis for the draft PPS document, regarding the proposed substantive and wide ranging changes to the current provincial land use planning direction contained in the current PPS, 2020. While there appear to be some positive changes, a number of other proposed policy changes are extremely concerning (i.e. increased opportunities for rural residential lot creation, reduced justification and direction for settlement expansions etc.), contradictory, confusing and/or lacking in clarity. The comments and analysis in this report will form the general basis for the County's response to the Province through the Environmental Registry of Ontario posting [019-6813](#).

Implementation Points

The recommendations contained in this report will have no immediate impacts with respect to implementation. However, the uncertainty the proposed legislative and policy changes introduce will further delay implementation of various initiatives to address housing supply and other important planning objectives.

Further, a number of the proposed legislative, policy, and other changes would have significant implications for various ongoing County projects (i.e. secondary planning, infrastructure master plans, Official Plan updates etc.), as well as the existing Official Plan policies and related implementation tools and measures. As such, if approved, various County and Area Municipal land use related policies, documents, processes and standards will likely need to be comprehensively reviewed and updated to ensure consistency with the new Provincial direction.







Financial Impact

If enacted, a number of the proposed legislative and regulatory changes identified in this report could have significant financial impacts for the County and Area Municipalities, including the potential need for additional background and technical studies, staffing and other resources to address and/or implement the various changes.

Communications

Communication is proposed through the inclusion of this report on the County Council agenda and related communications and circulation to the area municipalities. This report includes input from the County's Manager of Housing Development on various proposed changes related to affordable housing.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS ENGAGES	& PERFORMS DELIVERS	& POSITIVE IMPACT
		3.ii. 3.iii.	4.i. 4.ii.		

DISCUSSION

Background

On April 6, 2023, the Province released additional legislative and policy changes, including a proposed new draft Provincial Planning Statement document, as part of an ongoing series of changes initiated to implement their annual Housing Supply Action Plans. The proposed draft of the 'Provincial Planning Statement' is intended to replace the current Provincial Policy Statement (PPS, 2020) and 'A Place to Grow' – Growth Plan for the Greater Golden horseshoe (APTG). The Province is inviting detailed comments through the environmental registry for a 66 day commenting period that ends on June 5, 2023. Information is available on the environmental registry under posting [019-6813](#).

This report builds from an initial report on these proposed changes that was brought forward to County Council on May 10, 2023 ([Report No. CP 2023-126](#)) and focused primarily on two areas of major concern regarding the draft PPS (i.e. proposed rural residential lot creation policies and updated settlement expansion policies).

Commentary

As part of the detailed review of the draft PPS, staff have been having ongoing dialogue with Provincial staff, municipalities and municipal organizations (e.g. Western Ontario Wardens, AMO, County Planning Directors etc.) and other stakeholder groups (e.g. Ontario Federation of Agriculture) to help inform the County's understanding of and response to the proposed PPS changes as generally outlined below

1. General Comments

There are a range of minor structural and organizational changes to the document that do not particularly enhance the usability or readability and may potentially increase confusion, uncertainty, and potential for challenge as municipalities move forward with implementation. To help address this, it would be beneficial for the Province to provide formal training and implementation materials to help municipalities familiarize themselves with the new policy structure and how the Province expects the policies to be implemented. Ensuring any new and/or updated Provincial guidance material referenced in the policies is released for municipal review and/or consideration as soon as possible would greatly assist in this regard.

It is important to note that the existing Planning Act requirements which state that decisions affecting planning matters "shall be consistent with" policy statements issued under the Act and the existing PPS implementation policies that allow municipalities to enact policies that go beyond the policies in the PPS provided that such policies do not conflict with the PPS policies, remain unchanged. This is reassuring, as these are two of the most fundamental legislative and policy provisions for guiding municipal implementation of the PPS policies and there has been some concern that they may be softened or limited through this review process. That said, the Province is proposing to limit municipal discretion with respect to implementation of two specific policy areas (i.e. allowing for up to 3 residential lots to be severed from a farm and allowing a mix of uses on employment lands that are not identified as an 'employment area'). As municipalities have the best understanding of how to balance priorities to achieve good planning in their local context, removing municipal discretion with respect to the implementation of any policies is of great concern and not supported.

It is important to ensure that the PPS sets clear expectations and makes it easy to determine how all of the policies are intended to apply/work together when the PPS is read in its entirety and which, if any, take priority in the case of a conflict. The draft PPS contains a number of policies that remain unclear with respect to intent and/or seem to contradict one another (i.e. achieving density/intensification, efficient use of land and services and protecting agricultural land, while at the same time reducing the justification for settlement expansions and allowing more rural residential lot creation in agricultural areas). As such, the intent of, priority, and interrelationship between, a number of the proposed policies is in need of further review and clarification.

Further, a number of the updated policies include references to 'provincial guidelines and/or approaches' (i.e., rural residential lot creation, agricultural systems, identification of natural hazards, forecasting growth etc.), which may leave the interpretation of these policies and assessment of their specific impacts unclear until new/updated guidelines have been released. The uncertainty associated with any delay in the release of new and/or updated Provincial guidance materials could also further delay local implementation of any required updates to the Official Plan and zoning by-law that may be necessary to continue to accommodate and facilitate desired development and housing options and achieve other local planning objectives. As such, the Province should be requested to release such guidance to municipalities as soon as possible.

2. Housing Policies

The Province is proposing to change and update the overall framework and context for how to plan for a range and mix of housing options, including changes to key terminology and related requirements. Generally it appears that some of the changes are intended to promote greater collaboration between Housing Service Managers and planners as it pertains to affordable housing. The Province is also directing municipalities to permit and facilitate all housing options to address current and future housing needs, including:

- those that may arise from demographic changes and employment opportunities; and
- all types of residential intensification, including conversion of existing commercial and institutional buildings, development and introduction of new housing options within previously developed areas, and redevelopment which results in a net increase in residential units.

While the County appreciates the renewed emphasis on intensification, including conversion of other uses to residential, and promoting opportunities to increase the range and diversity of housing options in settlement areas, the softening of some of the growth management and settlement area expansion policies (as discussed further below) and allowing for increased rural residential lot creation, would seem to contradict and/or undermine this direction and make it much more difficult for municipalities to achieve. Further, while the Province has also proposed a new definition of 'compact built form' to promote walkable neighbourhoods, this is not specifically reflected in the requirements for housing, yet fundamentally underpins support for the range of 'housing options' the Province appears to be trying to promote. This is also in need of clarification.

In addition, staff continue to have concerns with respect the proposed removal of the definition of 'affordable' as it pertains to housing and aspects of the proposed definitions for the terms 'housing options' and 'additional needs housing'. Further comments in this regard are as follows:

Definition of 'Affordable'

The 2020 PPS includes a definition of 'Affordable' in relation to housing that is based on an income-based approach (i.e. ensuring such housing targets low and moderate income households). This definition is proposed to be removed, which would appear to be consistent with Bill 23 and the Province's approach of relying simply on average market rent or 80% of the average resale value of a home for accessing affordability. Recent consultations with Provincial staff suggest that the removal of the definition is intended to reduce duplication in planning and housing policies and emphasize that the need to provide affordable housing is expected to be covered through planning for a range of 'housing options'. Affordability targets and goals are also expected to be provided in housing and homelessness plans, and established through collaboration between Service Managers and planning departments.

It remains unclear as to whether municipalities may continue to utilize an income-based affordability test when determining eligibility requirements for local affordable housing programs. As such, greater clarification is needed to understand if local municipalities are still able to apply income targets to affordable housing programs, based on a review of local needs. That said, the proposed average market rent approach for affordable rental units is in line with current Provincial funding programs, as well as the County's current definition of affordable housing, with the exception of focus on households under the 6th income decile.

Definition of 'Housing Options'

In accordance with the current PPS, municipalities are required to provide a three-year supply of serviced land for an appropriate range and mix of 'Housing Options'. In the proposed PPS, the definition of 'Housing Options' is proposed to be expanded to include additional needs housing (long-term care homes, accessible housing, housing for older persons), supportive, community and transitional housing, which more fully captures housing options on the left side of the continuum.

Although this change appears to place a greater focus on increasing the supply and mix of all housing options, and addressing the full range of housing affordability needs, the reference to 'affordable housing' has been specifically removed from this definition. As the definition of affordable housing is proposed to be removed from the PPS, there will no longer be a consistent definition for, or reference to, such housing. Eliminating any reference to affordable or affordability in the PPS creates the concern that municipalities may be left without the necessary provincial policy basis for requiring (i.e. through inclusionary zoning, where applicable) and/or encouraging the provision of 'affordable', and/or more affordable housing types through the development review process. As such, further clarity is necessary to understand the implications on local funding programs, and whether affordable housing can be more refined by local Service Managers (i.e. applying income-based eligibility requirements for specific programs).

Given the breadth of the proposed definition of 'housing options', it may reduce the focus on those areas of the housing continuum and those housing types that would have the greatest impact/benefit to helping address affordability related matters, particularly given the lack of recognition of affordability in the draft policies.

Definition of 'Additional Needs Housing'

A new definition for 'Additional Needs Housing' is proposed to replace the current definition of 'Special Needs Housing' in the 2020 PPS. The definition of 'Additional Needs Housing' will continue to include supportive forms of housing, such as long-term care facilities, adaptable and accessible housing, and housing with dedicated support services.

Again, it is unclear if affordable housing would fall under this definition, in a case where support services are not provided and a residential building is primarily affordable rental units. This definition appears to be contradictory to the proposed amendments to the definition of 'Housing Options', which would now include reference to more supportive housing options, such as supportive, community and transitional housing. The differences between supportive, community and transitional housing, and the supportive housing forms that are indicated under the proposed definition of 'Additional Needs Housing' are unclear. A clearer distinction between 'Additional Needs Housing' and 'Housing Options' is necessary to more appropriately define and target supportive and affordable housing options.

As a final comment, the Province should also allow, (i.e. through the Planning Act), for the expanded use of certain planning tools (e.g. inclusionary zoning) that are currently only available for major transit station areas (i.e. typically only applicable in large urban municipalities). All municipalities should have the authority to determine where such tools would be appropriate to support the development of required housing and increase the range and mix of housing options, as the need to create walkable, transit oriented communities is not exclusive to larger urban settlements.

3. Policies for Settlement Areas and Expansions

In addition to the changes to the housing policies noted above, there are a number of other notable changes to the settlement policies in the PPS, which are generally summarized as follows:

- *Planning horizon* - the Province is proposing to change the standard growth planning horizon from a maximum of 25 years to a minimum 25 years. The current requirement for municipalities to maintain a 15 year supply of land designated and available for residential development and a minimum three year supply of residential units with servicing capacity remain unchanged, with the exception of removal of specific references to accommodating units through intensification.

Oxford has long taken a more pragmatic and creative approach to planning for growth than many other municipalities in order to try to provide some additional flexibility to address local planning objectives and realities. This includes striving to ensure a continuous 25 year supply of growth land can be maintained (i.e. essentially treating it as a minimum) by undertaking the required secondary planning for lands somewhat beyond those required to accommodate the forecasted growth for the current 25 year planning horizon. This provides the flexibility for additional growth lands to be quickly designated for growth when needed to maintain the 25 year supply.

That said, not having some reasonable, consistent, province wide maximum time horizon for planning for growth in the PPS is a significant concern, as it would create uncertainty, increased speculation and competition for agricultural land near settlements, inconsistencies between municipalities and challenges for coordinating growth planning for growth with planning for infrastructure and other services. As such, in addition to the proposed 25 year minimum, the Province should include a reasonable and consistent maximum planning time frame in the PPS that would be appropriate for both planning for growth and planning for infrastructure and public services and will not result in the unnecessary or premature removal of land from productive agriculture. It should also provide the additional flexibility necessary for all municipalities to effectively plan for their growth needs.

- *Comprehensive review* – Proposed changes would eliminate the current requirement that a settlement expansion only be considered through a ‘comprehensive review’, which is a defined term that sets out a range of specific planning matters that must be considered (i.e. growth forecasts and land need, alternative directions for growth, adequate of infrastructure and public services etc.). The definition also stipulates that such expansions must be undertaken and/or approved by a municipality (i.e. a privately initiated proposal would need to be supported by the municipality to be considered). Although some matters that currently require consideration through the comprehensive review process would appear to be captured under the general settlement planning policies, they would shift from a ‘shall’ to a ‘should’ consider.

As such, the removal of the current comprehensive review requirements may create uncertainty and ambiguity with respect to process, expectations and requirements for settlement expansions, particularly if privately initiated settlement expansion proposals no longer specifically require municipal approval. As such, the key requirements that were formally part of the ‘comprehensive review’ process should be restored and/or clarified, including that a settlement expansion can only be initiated and/or approved by a municipality (i.e. no ability to appeal municipal refusal of a private application to expand a settlement). It is important that the PPS continue to provide clear justification

requirements for settlement expansions in order to provide certainty and consistency in planning for growth, infrastructure and other public services (i.e. schools and other public facilities) and achieving complete communities.

- *Complete Communities* – Specific policies pertaining to the defined term ‘complete communities’ are proposed, which state that planning authorities should support the achievement of complete communities by, among other matters, accommodating an appropriate range and mix of land uses, housing and transportation options, employment, public services and other uses to meet long-term needs.
Although adding this specific reference to the achievement of ‘complete communities’ and related considerations could be beneficial, the fact that this policy is currently only a ‘should’ consider may limit its application to some extent.
- *Changes to functional policy language* – The wording of a number of key growth management policies is proposed to change from ‘shall’ to ‘should’ (e.g. setting targets for and supporting intensification; supporting the achievement of complete communities through the provision of a range and mix of uses, housing and transportation options and services; consideration of settlement expansion criteria such as the capacity of infrastructure and public services and impacts on agricultural land and operations, MDS and appropriate phasing of growth). Changing the wording to ‘should’ would have the effect of softening the extent to which these policy requirements would need to be considered in making land use planning decisions. This may lead to inconsistent implementation across municipalities, disputes over interpretation, and increased appeals to the Ontario Land Tribunal (OLT) with associated costs and delays.

As such, the use of the word “shall” in these policies should be maintained to provide the necessary certainty as to what growth related policy matters must be considered. Any necessary/desired flexibility can be provided through other measures (e.g. allowing approaches to be based on Provincial guidance or municipal approaches that achieve the same objective, providing specific exceptions for certain Provincial decisions related to growth management matters etc.).

- *Density Targets* – A new policy has been added that encourages all municipalities to establish density targets for new settlement areas or settlement area expansions, as appropriate based on local conditions, and encourages large and fast growing municipalities (LFGM) to plan for a minimum density of 50 people/jobs per ha.

As this is only an encourage policy it will do little to ensure all municipalities establish reasonable minimum density targets and that development meets such targets. As such, the policy should be revised to require all municipalities to direct growth primarily to fully serviced settlement areas and establish minimum density and intensification requirements for those settlement areas. This would help to ensure all municipalities are doing their part to preserve agricultural land, provide a range of housing choices, and make efficient use of land and infrastructure.

- *Policies from A Place to Grow (APTG)* – The province is proposing to incorporate a number of new policy approaches and/or terms from APTG into the PPS, including: Strategic Growth Areas, Major Transit Station Areas, Higher Order Transit Corridors, Major Trip Generators, Frequent Transit Service, etc. It appears that the incorporation of these terms and associated policies is largely intended to capture the provincial direction from APTG that is deemed necessary to maintain once that plan is repealed (as is being proposed).

Most of these terms and policies, either explicitly or by virtue of the definitions, would apply exclusively to the 29 ‘large and fast growing municipalities (LFGM)’ identified by the Province on Schedule 1 of the draft document, most of which are currently subject to the policies of APTG. That said, the replacement of some of the current, more general, settlement policies with these APTG policies would appear to create some potential policy gaps when it comes to planning for smaller urban communities and rural settlement areas. For instance, there are now no other policies beyond those for ‘strategic growth areas’ and ‘major transit station areas’ that would seem to specifically require intensification.

Some of the new terms and policies from APTG that would appear to be applicable, or potentially applicable, to Oxford are as follows:

- ‘Strategic Growth Areas’ – these areas are proposed to be defined as “within settlement areas, nodes, corridors, and other areas that have been identified by municipalities to be the focus for accommodating intensification and higher-density mixed uses in a more compact built form. Strategic growth areas include major transit station areas, urban growth centres and other areas where growth or development will be focused, that may include infill, redevelopment, brownfield sites, the expansion or conversion of existing buildings, or greyfields. Lands along major roads, arterials, or other areas with existing or planned frequent transit service or higher order transit corridors may also be identified as strategic growth areas”.

The proposed policies for ‘strategic growth areas’ would require LFGMs to identify such areas, but leave it optional for other municipalities in Ontario. The stated intent for these areas is to support the achievement of complete communities, a range and mix of housing options, and intensification and mixed use development. Identification of a strategic growth area would allow a municipality to identify minimum density targets and type and scale of development and transition of built form to adjacent areas. Planning for and investments in infrastructure should also be prioritized to support strategic growth areas for growth and development.

It appears that the intent of these ‘strategic growth areas’ is to replace the more general requirements for the establishment of intensification targets and policies for settlement areas, as required by the current PPS. Given the considerable flexibility with respect to which areas of settlements could be identified as a ‘strategic growth area’ (i.e. downtowns, major nodes and corridors etc.), it appears that these new policies could potentially assist in achieving some of Oxford’s intensification objectives. However, to be effective, it will be important to continue to require appropriate justification for settlement expansions and minimum densities for new development.

- *'Major Transit Station Areas (MTSAs)'* - these areas are proposed to be defined as 'the area including and around any existing or planned higher order transit station or stop within a settlement area; or the area including and around a major bus depot in an urban core. Major transit station areas are generally defined as the area within an approximate 500 to 800 metre radius of a transit station, representing about a 10 minute walk'.

The proposed policies would allow non-LFGMs to plan for MTSAs that are not on 'higher order transit' corridors by delineating boundaries and establishing minimum density targets. As there are no transit services in the County that likely qualify as 'higher order transit', (i.e. subways, light rail transit or buses in dedicated rights-of way), the only area where such policies could potentially apply (i.e. based on the definition of an MTSA), is the bus hub in downtown Woodstock. That said, it is not clear to what extent identifying this as an MTSA would provide any advantages over identifying that area as a 'strategic growth area'.

- *Deleted policies* – A number of existing PPS policies that Oxford has relied on to support various local planning objectives in the past are proposed to be deleted. These include, but are not limited to: avoiding land use patterns that would prevent the efficient expansion of settlement areas, in those areas which are adjacent or close to settlement areas; maintaining and where possible enhancing the vitality and viability of downtowns and main streets; encouraging a sense of place by promoting a well designed, built form and cultural planning, and by conserving features that help to define character etc.

In summary, some streamlining of the current process and requirements for settlement expansions could be beneficial in providing greater flexibility for settlement expansion in certain specific circumstances. However, the extent to which the province is proposing to simplify the process and related review requirements could potentially undermine many other important PPS objectives (e.g. achieving the density and mix of housing and other uses necessary to support complete communities, protecting prime agricultural land etc.). It could also serve to reduce or eliminate many of the current requirements and incentives to develop at higher density and intensify within existing settlement boundaries.

As noted under the comprehensive review discussion above, the Province should ensure that settlement expansions can only be initiated by a municipality or, at very minimum, ensure that municipalities continue to retain/have the authority not to approve a private proposal to expand a settlement and that decision not be subject to appeal. If not, the lack of certainty will simply lead to increased land speculation and uncoordinated/inefficient settlement expansions due to continuous pressure from development proponents to expand in multiple directions. This continuous pressure would distract municipalities from efforts to complete growth planning and infrastructure projects that are necessary to sustainably accommodate growth and build great communities, including intensification and redevelopment opportunities.

Further, it would appear that the proposed replacement of some of the current, more general, settlement policies with these APTG policies may create some potential policy gaps when it comes to planning for smaller urban communities and rural settlement areas. For instance, there may now be limited policies beyond those for 'strategic growth areas' and 'major transit station areas' that could be relied upon to specifically require or support increased density and intensification within existing built up areas.

If approved, it is anticipated that these changes will require careful and detailed consideration as part of reviewing and updating growth related official plan policies and zoning provisions in the future. They could result in the need to take a substantially different approach to how growth is planned for and accommodated in Oxford's various settlements and require the preparation of various detailed background and/or technical studies (i.e. growth forecasts, land needs analysis, intensification and infrastructure capacity studies etc.) to properly inform.

4. Rural Areas and Rural Lands

Some minor wording changes to the existing 'rural areas' and 'rural lands' policies in the PPS are being proposed. In Oxford, all lands located outside of the Large Urban Centres are considered to be 'rural areas' from a PPS perspective. However, the County does not contain any 'rural lands', as all lands located outside of a designated settlement area are currently considered to be 'prime agricultural land'.

For the most part, it appears that the proposed changes to the rural areas policies are an attempt to simplify and reduce duplication (e.g. eliminating the reference to rural settlement areas being the focus for growth and development, presumably because that policy direction is already provided under the general settlement policies). However, the proposed changes to the 'rural lands' policies are more substantial. These changes propose to allow for multi-lot residential development in such areas where site conditions are suitable for the provision of appropriate sewage and water services, whereas the current policies only speak to residential lot creation. Further, the policy stating that opportunities should be retained to locate new or expanding land uses that require separation from other uses is proposed to be deleted.

County staff do not have any significant concerns with the proposed changes to the rural areas policies. However, notwithstanding that Oxford does not currently contain any rural lands, staff do still have concern with some of the proposed changes to those policies. Although rural lands are not generally comprised predominantly of prime agricultural land (i.e. class 1-3 soils), they are often still well-suited for and support productive agriculture. Therefore, any increased potential for residential development and lot creation on such lands will only further contribute to the overall loss of productive agricultural land and conflicts with agriculture. As such, this proposed policy change should be removed, or scoped to ensure it only applies to rural lands that are not suitable for productive agriculture and that any development will not negatively impact existing or future agriculture in the area (i.e. flexibility to establish a new livestock facilities etc.).

5. Employment

The province is proposing a number of changes to the employment policies in the PPS, including revising the definition of 'employment area(s)' based on an amended definition of 'area of employment' within the Planning Act that is being proposed through Bill 97. The effect of this proposed change would be to remove certain employment uses, such as offices and retail, from being considered 'employment area' uses. Other proposed new and/or updated policies include:

- Encourage the intensification of employment uses and compact, mixed-use development that incorporates compatible employment uses, such as office, retail, industrial, manufacturing and warehousing to support the achievement of complete communities;
- Encourage industrial, manufacturing and small-scale warehousing uses that could be located without adverse effects in 'strategic growth areas' and other mixed use areas where frequent transit service is available, outside of 'employment areas';

- Permit a diverse mix of land uses, including residential, employment, public service facilities and other institutional uses on lands outside of identified 'employment areas' to support the development of complete communities. Official Plans and Zoning By-laws cannot contain provisions that are more restrictive;
- Planning authorities shall designate, protect and plan for 'employment areas' in settlement areas by:
 - prohibiting residential uses, commercial uses, public service facilities and other institutional uses, as well as retail, office and other sensitive land uses not associated with or ancillary to the primary employment use; and
 - including appropriate transition to adjacent non-employment uses to ensure land use compatibility.
- Planning authorities may only remove lands from 'employment areas' if certain criteria (i.e. need, compatibility etc.) are met, but such removal would no longer require a 'comprehensive review' to be considered.
- Major office and major institutional development should be directed to 'major transit station areas' or other 'strategic growth areas' where 'frequent transit service' exists.

Overall, the amended definition and policies would appear to allow municipalities to identify 'employment areas' that would have greater protection from development of certain employment and other uses that might be incompatible with more intensive industrial type uses. However, the policies would also appear to require municipalities to permit a more diverse mixture of uses, including residential and institutional, on lands for employment outside of identified 'employment areas', such as downtowns and other commercial areas.

Although these proposed changes would generally appear to be positive, they could also have the effect of overly limiting the potential employment uses that could be located in an 'employment area' and overly prescribe the mix of uses that municipalities are required to permit on other employment lands. Therefore, further clarification on the overall intent and application of these policies is required to ensure they will provide the necessary flexibility for municipalities to achieve their local planning and economic development objectives.

These proposed changes would require detailed review and update of the existing official plan policies and zoning provisions for commercial and industrial uses to identify appropriate 'employment areas', mixed use and transitional areas and associated uses, policies and provisions.

6. Energy Conservation Air Quality and Climate Change

The existing climate policies have largely been retained, but centralized into a more focused subsection of the document, rather than threaded throughout the PPS, although some limited individual mentions have been retained in other parts of the document (e.g., within policies for natural hazards). That said, there are three key policies from the PPS, 2020 that are not effectively reflected in the new policies, namely:

- encourage transit-supportive development and intensification to improve the mix of employment and housing uses to shorten commute journeys and decrease transportation congestion;

- design and orientation which maximizes energy efficiency and conservation, and considers the mitigating effects of vegetation and green infrastructure; and
- maximize vegetation within settlement areas, where feasible.

These elements should be retained within the updated PPS document, to support reducing greenhouse gas emissions and preparing for the impacts of a changing climate.

7. Infrastructure and Facilities

A number of changes to the policies for infrastructure and facilities are being proposed that range from relative minor to substantial. Some of the more notable changes are summarized as follows:

- *General* - a new policy is being proposed to require planning for infrastructure and public service facilities to “leverage the capacity of development proponents, where appropriate”. The intent of this policy and, in particular, how and under what circumstances municipalities would be expected to leverage the capacity of development proponents is not clear. Further, given the proposed elimination of the maximum planning horizon(s), it is unclear how municipalities will be expected to plan for infrastructure and public service facilities to ensure they are available to meet and accommodate projected needs, as required by the policies (i.e. projected needs for what period of time?). As such, further clarification is required with respect to the Provincial intent in this regard.

Another new policy being proposed states that Planning authorities, in consultation with school boards, should consider and encourage innovative approaches in the design of schools and associated day care facilities. Although the reference to the need for such coordination is appreciated, without changes to the Provincial funding model for new schools and daycares, the inclusion of these references will likely do little to improve coordination, as funding is often not available to secure preferred sites when the opportunities arise in the planning process.

- *Sewage, Water and Stormwater* – The County strongly supports the continued direction that municipal services are the preferred form of servicing for settlement areas to support protection of the environment and minimize potential risks to human health. However, it is recommended that the province also add ‘and to make efficient use of land and support compact development and complete communities’ to provide a more complete indication of the rationale for this policy.

Similarly, the County supports the maintenance of the policies regarding private communal and individual on-site water and/or waste water services only being permitted where municipal services are not available, planned or feasible. However, it is recommended that the County reiterate previous comments to the province with respect to the need for/benefit of adding policy wording to further clarify that growth is to be primarily directed to settlements with full municipal services and, other than minor infilling and rounding out of existing development, is not permitted in settlements served by individual on-site services and, partial services and further that development on private communal services shall only be permitted where deemed acceptable by the municipality.

The County also appreciates the new recognition for integrating planning for servicing with source protection planning being reflected in this section of the document, in addition to the Water Resource policies.

The proposed refinements to the policies for planning for storm water management are also supported, in particular the addition of the requirement to align with any comprehensive municipal plans for stormwater management that consider cumulative impacts of stormwater from development on a watershed scale.

- *Energy Supply* - the proposed energy policies continue to encourage municipalities to provide opportunities for the development of energy supply including electrical generation facilities and transmission and distribution systems, district energy and renewable energy systems and alternative energy systems to accommodate current and projected needs. However all implementing policies are proposed to be deleted. While the proposed PPS continues to identify a role in energy production for municipalities through land use planning tools, it lacks any clear direction with respect to implementation. Given that the Province through the IESO is currently looking to add additional long term energy generation in the Province, clarification is required in order to better understand how land use planning tools are intended to apply to these undertakings.

8. Water

Generally the policies pertaining to water resources have been refined and streamlined and integration with infrastructure requirements (servicing and storm water) are more clearly articulated. While the requirements for protecting, improving or restoring the quality and quantity of water for the long term have been maintained, the removal of requirements to evaluate and prepare for the impacts of a changing climate on water resource systems at the watershed level is inconsistent with other objectives and policies in the PPS.

More frequent and intense storm and weather events, including heat and drought, will continue to place increasing pressure on water resources, and these types of impacts will not be limited to or confined by municipal boundaries. Watershed management, integrated with source water protection tools to protect drinking water supplies, provide a stronger basis for addressing climate related challenges and should be maintained in the PPS. Furthermore, given the current absence of proposed updates to the PPS natural heritage policies, it is unclear how the water policies and natural heritage policies will integrate with one another and this should be clarified given the integrative nature of these two sections of the PPS.

In addition, further clarification is warranted regarding requirements for the protection of drinking water supplies and designated vulnerable areas. The 2020 PPS specifically requires the “protection of all municipal drinking water supplies”, however the proposed changes remove reference to “all municipal”. This would suggest that municipalities would now be responsible to protect private systems, including those which may not have been adequately maintained by existing or previous owners, from impacts from other land uses. This would represent a significant increase in the scope of responsibility for municipalities, and exceeds current Source Water Protection requirements.

9. Agriculture

The province is proposing a number of changes to the current agricultural policies. Some of these changes are relatively minor, while others could potentially have enormous and irreversible impact on agricultural lands and operations. The following provides a brief summary of the proposed changes and related comments.

- *Additional Residential Units (ARUs)* - The proposed clarification that ARUs are permitted in prime agricultural areas, including on farms, is welcome. However, these policies would benefit from further clarification with respect to certain matters, such as:
 - The requirement that ARUs be 'subordinate to the principle residence'. It is assumed that this is intended to ensure the ARUs remain secondary to the principal dwelling in terms of both function and size. That said, referring to the ARU being secondary in nature and limited in size would provide greater clarity and better align with other ARU language in the Planning Act;
 - How the MDS requirement is intended to be applied (e.g. does an ARU that is fully contained within an existing dwelling/structure, or is located further from the livestock facility than the existing principal dwelling need to meet MDS). Oxford's policies currently require that ARUs meet MDS, or not further reduce an existing insufficient MDS setback.
 - The proposed policy in 4.3.3.1 would allow for the severance of an ARU from a farm. Allowing for such units to be severed from the farm (except where they are contained on the same lot as a principal dwelling that is severed in accordance with the policies for surplus farm dwellings) would contradict the intent that they be subordinate to the principal residence and support the farm family/operation and simply increase the potential for 'house harvesting'. Could more ARUs be added to the farm after the first two being severed? Would the requirement that new residential dwellings be prohibited on the resulting farm parcel from a surplus farm dwelling severance also apply to the creation/addition ARUs? This proposed severance policy should not be supported unless the above matters can be satisfactorily addressed.

Some of the above noted clarification could potentially be provided through the proposed 'provincial guidance' (which has not yet been released), while others (i.e. severance of ARUs) would likely require clarification to the proposed policy wording.

- *Agricultural Systems* - the proposed incorporation of the more comprehensive direction and support with respect to encouraging the use agricultural systems approaches from APTG could potentially be beneficial for helping to support and foster the protection of agricultural land for long term agriculture and foster the long-term economic prosperity and productive capacity of the agri-food network.
- *Land-Extensive Energy Facilities* - The clarification that such facilities, including battery storage facilities and ground mounted solar facilities, are not permitted in prime agricultural areas except as an on farm diversified use (OFDU) may be beneficial for helping to regulate the location and scale of such facilities outside of settlement areas.

- *Rural Residential Lot Creation* - As discussed in detail in the May 10, 2023 report to Council on Bill 97 and the proposed PPS changes ([Report No. CP 2023-126](#)), the proposed policies that would require municipalities to allow for up to 3 rural residential lots to be severed from a farm (subject to meeting certain criteria) would have an enormous and irreversible negative impact on agricultural land and operations in both the County and the Province as a whole. Further, they would contradict and undermine various other important planning objectives and, result in an extremely inefficient use of land, and are simply not required to address housing need. In summary, the proposed residential lot creation policies simply do not constitute good planning and cannot be supported.

As such, based on Council's adoption of the recommendations contained in the May 10, 2023 report, County staff have already begun working with various municipal organizations and agricultural stakeholder groups to try to ensure a clear and unified Province wide position to push for the complete removal of these proposed policies from the PPS. This is expected to include providing the Province with detailed data and information on the direct and indirect impacts of this proposed policy change on agricultural land and operations as well as other key provincial and local interests. Further, the intent is to present the Province with a range of alternative approaches that could be considered to increase rural housing opportunities that would not negatively impact agricultural land and operations (i.e. expansions to fully serviced rural settlement areas and minor infilling and rounding out of other rural settlement areas, splitting of existing rural residential lots, ARUs etc.).

10. Mineral Aggregate Resources

No significant changes to the mineral aggregate policies are being proposed, however, staff do support the proposed addition of the policy that would require aggregate extraction in prime agricultural areas to undertake an Agricultural Impact Study to demonstrate how impacts on agriculture will be addressed.

That said, County staff would also propose that a number of the County's previous comments to the Province with respect to improving planning for aggregates be reiterated. Firstly, there remains a lack of regard for the cumulative impacts associated with multiple aggregate extraction operations in a local area. This gap in policy should be addressed by requiring an analysis of cumulative impacts, and it should be supported by Provincial guidance on how such impacts are to be assessed. Second, the rehabilitation of former aggregate extraction sites represent one of the greatest opportunities to take coordinated action to systematically and predictably improve the natural environment and overall natural cover in Oxford (and in many other major aggregate producing municipalities). As such, the County continues to urge the Province to take a much stronger role in capitalizing on this opportunity by establishing clear and supportive PPS policies and working with municipalities to develop comprehensive rehabilitation strategies for aggregate extraction that identify and maximize opportunities to restore and enhance the natural heritage system and component features and areas, and ensuring rehabilitation plans approved through the ARA process are consistent with such strategies.

11. Cultural Heritage and Archaeology

Although the proposed changes to the cultural heritage and archaeology policies appear minor, they could have impacts with respect to implementation through the development approval process in Oxford. The new PPS policy regarding which resources which are to be conserved has been changed from 'significant' (as determined by the municipality) to 'protected' (subject to formal designation/easement agreement at municipal, Provincial, Federal or international levels), which raises the minimum standards to be met in order for a property to be conserved through the Planning Act/PPS. At the same time the definition of 'protected heritage property' has been broadened to include properties with known archaeological resources. Although, it appears that municipalities can still set a different standard to broaden the scope of conservation, without an alternative standard, the change to 'protected heritage property' could be interpreted as requiring a formal identification process to occur prior to the requirement for conservation. Many municipalities simply do not currently have the resources for comprehensive, proactive identification strategies.

There are also proposed new policies that would broaden the requirement that archaeological resources be conserved prior to permitting development, by replacing the reference to the term 'significant' with 'areas of archaeological potential'. This change is likely the most significant in terms of the day-to-day approval of development as 'areas of archaeological potential' must now be conserved (i.e., assessed, mitigated and/or protected) through the development. As such, the County may need to develop additional application requirements to ensure this new policy is properly addressed.

The direction to municipalities to develop and implement archaeological management plans and cultural plans has been softened from 'should' to 'are encouraged', and the reference to cultural plans has been reworded to 'proactive strategies for identifying properties for evaluation under the Ontario Heritage Act'. The replacement of the term 'cultural plans' is supported as this term was unclear and often confused with arts and culture plans. Further, the new wording better supports the other heritage policies in the PPS and the processes under the Ontario Heritage Act, particularly post-Bill 23. A minor shift is proposed regarding Indigenous engagement where the municipality 'shall engage early' in the process and 'ensure their interests are considered' and is proposed to refer to defined terms for resource types.

12. Protecting Public Health and Safety

Given that the Province's 2020 Flood Strategy recommended that the Province update the various associated natural hazards technical manuals and guidance associated with flooding hazards and these have not yet been released, it makes sense that only minor edits to these policies are being proposed at this time.

It would be beneficial if the Province could provide an update to municipalities and conservation authorities on the expected current timing for updates to the natural hazard manuals, including consultation and engagement with municipalities and conservation authorities.

Similarly, for the pending technical updates regarding flooding standards, the Province should also update the technical standards and guidance regarding other natural hazards including steep slopes, erosion hazards, and unstable bedrock including for karst topography. Additional guidance and direction regarding man made hazards, as they relate to legacy oil, gas and petroleum wells would also be a welcome.

13. Implementation and Interpretation

There are several proposed changes to the implementation and interpretation policies of the PPS. Notably, the policies appear to be giving even greater latitude to Minister of Municipal Affairs and Housing to not follow the PPS when making decisions in order to take into account other government priorities. This, coupled with the ongoing changes to the Planning Act to enable broader regulatory and minister zoning order powers, appears to indicate that the Province does not intend to be bound by, or even need to consider, its own planning direction when making decisions. The additional discretion provided to the Province through the new legislative and policy powers continues to disrupt normal and efficient planning processes, diminish the role of municipal planning decisions, and encourage proponents to seek other avenues (e.g. MZOs) to advance their developments. As such, the Province should be re-focus its efforts on providing greater stability for planning processes and assisting municipalities with advancing their various planning and housing initiatives, including expediting outstanding Provincial approvals of municipal Official Plan updates.

Similarly, it is noted that the Province is removing the policy recognizing that official plans are the most important vehicle for implementing the PPS and instead providing detailed clarification with respect to keeping Official Plans and zoning by-laws up-to-date, including with the PPS. While this is both appreciated and understood, the current and perpetual review of provincial policies and legislation, and delays in Provincial decisions on Official Plan updates and release of provincial guidance documents necessary to support implementation continue to cause the greatest delays in implementing provincial policy direction.

Conclusion

The potential changes to the PPS, 2020 could potentially have a significant impact on land use, infrastructure and environmental planning across the province. The detailed analysis included in this report of the proposed changes is intended to form the general basis for the County's full response to the Province regarding the draft PPS document.

Staff will also ensure that County Council is kept apprised of any comments submitted to the Province and will continue to monitor the progress of the policy and other changes being proposed, and advise County Council of any relevant changes and/or opportunities for comment on matters that may be of particular interest or concern to the County or Area Municipalities, including the policies for natural heritage once they are released.

At such time as the proposed PPS updates are enacted by the Province, the County and Area Municipalities will need to undertake updates to various policies, documents, processes, standards and review related staffing and other resource impacts to ensure the changes can be effectively addressed and implemented in the Oxford context.

SIGNATURES

Report Author:

Original signed by _____
April Nix
Development Planner – Policy Focus

Report Author:

Original signed by _____
Paul Michiels
Manager of Planning Policy

Departmental Approval:

Original signed by _____
Gordon K. Hough
Director of Community Planning

Approved for submission:

Original signed by _____
Benjamin R. Addley
Chief Administrative Officer