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### **ERO 019-6813 Review of proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument**

Thank you for the opportunity to provide input on the proposed Provincial Planning Statement. Please note that the following comments and recommendations are provided by Peel Region in response to the above posting and are endorsed by Region of Peel Council. If additional comments are provided through a Council resolution, they will be forwarded to the Ministry of Municipal Affairs and Housing for consideration.

Please note that Peel staff have already provided separate comment responses on the Environmental Registry of Ontario (ERO) and Ontario Regulatory Registry postings relating to changes to the *Planning Act*, site plans for residential developments of 10 or fewer units, tenant protection, residential rental demolition and conversion control provisions in *Bill 97, Helping Homebuyers and Protecting Tenants Act* and the Helping Homebuyers, Protecting Tenants Plan.

Peel staff comments are provided in Appendix I, which identifies suggestions for the proposed Provincial Planning Statement (PPS), which are made based on Peel's experience in these areas. Key recommendations address the need to:

- provide appropriate transition to address uncertainty and potential conflicts with implementation of the proposed PPS;
- provide more effective policy direction for large and fast-growing municipalities to strengthen and better integrate growth management, infrastructure, and environmental planning;
- clarify and retain direction to protect employment areas including office and other uses in designated areas of employment;
- include definitions for affordable ownership and rental housing and policies to enable municipalities to establish and implement targets to support efforts to secure affordable housing; and,
- provide stronger policy direction for climate change and watershed planning and protection standards for agriculture and natural systems to ensure

policies for housing development are balanced with the need to protect the environment.

Peel looks forward to continuing to work with the Province, local municipalities, and other stakeholders to meet Ontario's housing needs. I would be pleased to provide any clarifications or additional comments on these matters.

Yours Respectfully,

A handwritten signature in black ink that reads "Tara Buonpensiero". The signature is written in a cursive, flowing style.

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# Appendix I

## Proposed Provincial Planning Statement

Region of Peel staff comments on ERO 019-6813 Review of proposed polices adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument

## General Comments

Peel staff appreciate the Province's efforts to increase housing supply and improve affordability and provide comprehensive policy direction on land use planning matters.

The proposed Provincial Planning Statement (PPS), while combining elements of the Provincial Policy Statement, 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (A Place to Grow), 2019, represents a significant streamlining of policy direction and fundamental change to the policy-led planning framework in Ontario that is concerning. While Peel supports streamlining to increase housing supply, it is important that provincial directions carefully balance policy direction for multiple planning objectives including protecting Provincial resources, agriculture, water, and natural systems.

Municipalities play a critical role in planning and coordinating infrastructure and services across municipal boundaries to support growth. Supporting this role will result in continued strategic planning of services to ensure efficient growth management and that infrastructure capacity is in place to facilitate development. Peel is committed to moving forward with the Province on common objectives and implementing policy direction.

Uncertainty from recent provincial planning direction places additional demands on servicing, such as new and existing water, wastewater, and transportation infrastructure. Peel is currently challenged with a capital infrastructure deficit of \$5.8 billion over the next 20 years. Changes that potentially further strain the ability to efficiently plan infrastructure will hamper municipal efforts to be fiscally sustainable.

To ensure municipalities are successful in implementing proposed policy directions, clear and staged transition is needed that minimizes unintended consequences, such as uncertainty and potential conflicts.

## Specific Comments

- 1. What are your thoughts on the policies that have been included from the PPS and A Place to Grow in the proposed policy document, including the proposed approach to implementation?**

Peel staff appreciate the recognition of the unique planning needs of, and challenges faced by, large and fast-growing municipalities. Staff support streamlining policy direction to increase housing supply but request that additional safeguards and provisions be put in place to create complete low carbon communities, promote active living, support transit, mitigate and adapt to climate change, protect agricultural lands and the natural environment and resources, and

facilitate efficient growth management and a range and mix of housing options including affordable housing.

From Peel staff's perspective, the proposed PPS creates several levels of uncertainty and potential conflicts. The following issues have been flagged and may be unintended consequences:

- The introduction of the proposed PPS prior to the removal of planning responsibilities from certain upper-tier municipalities, including Peel, creates unintended consequences such as uncertainty and potential conflicts of conformity between proposed provincial policy and existing provincially approved official plans.
- The timing of provincial changes complicates Peel's review of local municipal official plan updates (which are forthcoming in fall 2023) and the approval of certain types of development applications, such as those proposing residential uses in established employment areas, due to conflicts between the proposed PPS and Peel's Official Plan.
- Financial uncertainty in planning for servicing without specific growth targets and density and Minister's Zoning Orders (MZO) that could allocate growth and require servicing (primarily water and wastewater and transportation infrastructure) outside of areas planned in infrastructure master plans. While MZO is an important tool to be used in certain instances, an increase in the use of this tool could create an ad-hoc and disjointed approach to servicing development. Without the ability to coordinate growth with transportation, water, and wastewater infrastructure, including overall system capacities, there is the potential to have delays in servicing development. A coordinated, well-planned, and executed approach is the best way to deliver services quickly and efficiently.
- A disconnect between the provincial vision of housing pledges and how they connect with 2051 population and employment forecasts that will continue to be implemented. It is unclear how municipalities are to continue to use 2051 forecasts alongside housing pledge targets.
- The PPS acknowledges that municipal official plans are the most important vehicle for implementation of the proposed planning statement and for achieving comprehensive, integrated, and long-term planning. With the removal of upper-tier planning responsibilities, it will be more challenging to coordinate cross-boundary matters, such as infrastructure delivery, to complement the actions of other planning authorities and promote mutually beneficial solutions.

**Recommendation:**

Peel staff recommend that local municipal official plan review timelines for Peel be extended until after the full implementation of Bill 23, the proposed PPS, and the Province's direction further to the recommendations of the Transition Board appointed under Bill 112, to reduce the potential for inconsistencies between the application of new provincial policy and existing provincially approved official plans.

## 2. What are your thoughts on the proposed policy direction for large and fast-growing municipalities and other municipalities?

It is appreciated that the proposed PPS recognizes the unique characteristics of and challenges facing large and fast-growing municipalities. Nevertheless, additional policy direction could be provided that is specific to large and fast-growing municipalities. This includes specific growth forecasts, a standardized land needs assessment methodology, more stringent settlement expansion criteria, and infrastructure planning policy direction that promotes intensification, supports transit, maximizes infrastructure to service growth, and considers climate change.

### **Growth Forecasts and Targets**

The proposed PPS does not contain specific growth forecasts and minimum intensification and density targets that are part of the Growth Plan. This could result in a lack of a coordinated and consistent growth vision for the Greater Golden Horseshoe (GGH) and result in development that is not efficient from the perspective of maximizing the use of existing urban land and infrastructure, supporting transit, and minimizing the need to convert additional agricultural land for residential purposes.

Currently, Peel constructs water and wastewater infrastructure in advance of development and relies on development advancing and development charges being paid to pay back debt from the construction. Without growth forecasts and targets, future coordination and financing of infrastructure will be challenging and may have the opposite effect of the objective of building more homes faster.

### **Recommendation:**

Include policy direction regarding specific growth forecasts and requirements that large and fast-growing municipalities set minimum intensification and density targets that are locally appropriate (e.g., for inner and outer ring municipalities) and meet or exceed provincial guidelines. To ensure clarity and a consistent approach, provincial directions should continue to set and provide minimum standards for target setting.

### **Land Needs Assessment**

The proposed removal of the land needs assessment methodology could result in municipalities using a wide range of forecasting and land needs assessment methodologies.

Proposed policies state that sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 25 years, informed by provincial guidance. This policy requirement may provide some flexibility when planning for major infrastructure but poses a risk for municipalities to over designate urban land as there appears to be no upper limit.

## Recommendation:

Include a standardized land needs assessment methodology and strengthen policies for infrastructure planning by reconsidering the removal of key policies addressing study requirements and how infrastructure should be planned.

## **Settlement Area Boundary Expansion**

The criteria for assessing the need for settlement area boundary expansion is significantly shortened and is no longer required as part of a municipal comprehensive review. Peel staff understand that there are no longer requirements to conduct a land needs assessment based on growth forecasts and targets to determine the need for expansion or consider alternative locations for settlement expansions.

In principle, Peel staff agree that criteria for evaluating settlement expansions should be relevant and not onerous; however, given their potential significant impact to existing communities, planning criteria for settlement expansions should require a sufficiently rigorous assessment of need and impacts related to the environment, agricultural lands, resources, and the technical and financial feasibility of providing public infrastructure and services. An overly streamlined and permissive policy with minimal evaluation tests will lead to the inefficient use of land, resources, and infrastructure. Peel staff believe there can be a balance achieved between making more land available for housing while also protecting existing assets. Furthermore, most upper- and single-tier municipalities in the GGH recently completed their land needs assessment work to accommodate forecast growth to 2051, with many of these municipal comprehensive reviews approved by the Province. Consequently, there are limited opportunities to consider additional urban expansions at this time.

## Recommendations:

Settlement boundary expansion policies in the Growth Plan should be brought forward in the proposed PPS for large and fast-growing municipalities, including requirements for considering alternative locations, phasing, and promoting intensification and compact urban form. In addition, expansions should be based on a land needs assessment with consideration for viable infrastructure servicing to accommodate growth. The assessment of impacts to the environment including to natural and water resources systems and prime agricultural areas should be included with flexibility to scope the level of detail of the assessment based on study needs.

The proposed revoking of the Growth Plan that removes policies limiting settlement expansion in the Greenbelt is concerning. If policies from the Growth Plan are revoked, a corresponding amendment to the Greenbelt Plan should be made to ensure that current policies that limit settlement expansion in the Greenbelt be included in the Greenbelt Plan. A similar review of the Oak Ridges Moraine Conservation Plan and Niagara Escarpment Plan should also be undertaken to ensure there are no gaps in policy direction.

## **Infrastructure Planning**

Infrastructure planning for large and fast-growing municipalities should be guided by tailored policies to ensure that outcomes are integrated and align with growth management objectives. Proposed changes, however, remove requirements for phasing, promoting intensification and compact urban form, viable infrastructure servicing to accommodate growth, and settlement boundary expansion that is based on land needs. The removal of these policies poses challenges for infrastructure planning by weakening a framework for a systematic approach to phasing development and planning for growth and may have the opposite effect of the objective of building more homes faster.

Further, while general policies requiring municipalities to plan for climate change are proposed to be carried forward, policies requiring infrastructure to prepare for the impacts of a changing climate are proposed to be deleted. The removal of stronger policies will not support current and ongoing municipal efforts to respond to a changing climate.

The proposed PPS removes an existing requirement to consider the protection of significant Provincial resources as part of planning for infrastructure corridors. Peel staff are concerned that the revoking of this policy removes the protection of important Provincial resources within Rural Areas, leading to negative impacts to the Province's Agricultural, Natural Heritage, and Water Resource Systems.

The removal of policies that ensure planning for new or expanded infrastructure occurs in an integrated, coordinated, efficient and fiscally responsible manner that is supported by relevant studies, including assessment of climate change impacts and full life cycle costs, poses the risk that this may not be standard practice.

### *Recommendations:*

Require an integrated and coordinated approach to planning including requiring considerations for climate change and air quality.

Strengthen policy direction to prioritize intensification and establish it as a key foundational principle for planning.

Retain requirements that land use and infrastructure planning consider climate change, assess infrastructure risks and vulnerabilities, and provide infrastructure in a manner that prepares for the impacts of climate change.

Ensure that planning for new or expanded infrastructure occurs in an integrated, coordinated, efficient and fiscally responsible manner that is supported by relevant studies, including assessment of climate change impacts and full life cycle costs.

Maintain policy direction that protects Provincial resources.



## **Designated Greenfield Areas**

The proposed PPS removes the concept of a Designated Greenfield Area and only provides policy direction on the density of new settlement areas which are encouraged to be planned at minimum density of 50 residents and jobs per gross hectare for large and fast-growing municipalities. The use of a gross density measure for greenfield areas is not an appropriate calculation given the potential wide variation in environmental non-developable lands which could result in significantly different density outcomes.

### *Recommendation:*

Require planning authorities to establish density targets for new settlement areas or settlement area expansion lands to provide for a consistent planning approach across municipalities.

## **Rural Areas**

Providing appropriate direction for housing development in rural areas based on key principles for managing growth should be an important consideration in the new policy framework. Although the Province has an interest in providing more housing options in rural areas, the proposed removal of direction that growth be focused in rural settlement areas is concerning and not supported if the intent is to promote housing development outside settlements. On rural lands, proposed new policies remove some discretion that municipalities currently have and would expressly permit multi-lot residential development where site conditions are suitable for the provision of water and sewer servicing. While multi-lot development on rural lands outside settlement areas may be locally appropriate to consider on a site-specific basis in some municipalities, this promotes a very low density and inefficient form of development. As all of Peel's rural lands are subject to the more restrictive policies of the Greenbelt Plans, it is important that Greenbelt Plan policies that prohibit multi-lot development outside settlement areas remain.

### *Recommendation:*

Reconsider policies to expressly permit multi-lot residential development on rural lands and the removal of policy requiring growth in rural areas to be focused in rural settlement areas. Retain current policy direction that allows municipal discretion to permit lot creation that is locally appropriate.

## **Transportation**

The proposed PPS removes requirements for long-range scenario-based land use planning to plan for new or expanded infrastructure in an integrated and coordinated manner. References to providing sufficient capacity and consideration of climate change impacts are proposed to be removed. This change poses risks and challenges to ensuring infrastructure planning is conducted in an efficient, logical, and integrated fashion.

The proposed PPS removes policies that prescribe that land use pattern, density, and mix of uses that minimize the length and number of vehicle trips and support current and future use of transit and active transportation be promoted. This change encourages sprawling development and auto-centric trip patterns, which will lead to increased auto-demand on congested municipal right-of-ways and is contrary to Peel's goal of achieving a 50% sustainable mode share target by 2041 to accommodate future growth.

The proposed PPS does not reflect any of the transportation policies in the current Growth Plan. This includes policies regarding safety, prioritizing transit, multimodal access, sustainable modes of transportation, and reducing trip distance and reliance on the automobile. These policies provide the framework for building complete communities, improving quality of life, achieving sustainable mode share targets, and developing a safe and efficient road network, and should be reflected in new policy direction. Of particular concern is the lack of emphasis on sustainable modes and reducing automobile dependence and a shift away from climate change mitigation and adaptation even though transportation is one of the highest causes of emissions.

The proposed PPS does not reflect the Schedules of the current Growth Plan which provide clear guidance on the Province's vision for the growth concept, transit and transportation network, and goods movement network. This results in a lack of clear understanding of the Province's transportation infrastructure priorities.

### Recommendations:

Include policy direction that promotes a land use pattern, density, and mix of uses that minimizes the length and number of vehicle trips and supports current and future use of transit and active transportation.

Include policy direction that prioritizes climate change mitigation and adaptation, promotes transit and active transportation, and provides a framework for a goods movement network.

If current Growth Plan Schedules will be revoked, the proposed PPS should reference the Metrolinx Regional Transportation Plan (RTP) and GGH Transportation Plan to provide further guidance on the Province's long term transportation vision.

### **3. What are your thoughts regarding the proposed policies to generate housing supply, including an appropriate range and mix of housing options?**

It is appreciated that the proposed PPS references increasing the supply and mix of housing options to address the full range of housing affordability needs. The addition of laneway housing, garden suites, multi-generational housing, student housing, culturally appropriate housing, and supportive, community and transitional housing are helpful to encourage a greater range of housing that better meets local need. It is also appreciated that policy directions support planning

authorities improving social equity and the overall quality of life for people of all ages, abilities and incomes, and equity-deserving groups.

Peel staff are concerned, however, with the proposal to reduce or remove policy direction and language that strengthens efforts to secure affordable housing. This includes the removal or absence of:

- references to affordability supporting the achievement of complete communities;
- requirements for affordable housing targets that align with Housing and Homelessness Plans;
- a specific definition on affordable housing that supports a consistent understanding and approach; and,
- reference to affordability in the definition of housing options.

The removal of affordable housing targets eliminates a provincial policy basis for which planning authorities can use to establish affordable housing targets. This could create the unintended consequences of additional appeals to the Ontario Land Tribunal to determine the appropriate amount of affordable housing and uncertainty for service managers as to how to plan and fund affordable housing. The removal of an affordable housing definition and other references to affordability takes away a valuable planning tool in the development review process to encourage and secure private market housing that is affordable to low- and moderate-income households.

Although the proposed PPS references coordination of land use planning and planning for housing with Service Managers, there should be stronger references to leveraging land use approvals to securing affordable housing supply. This acknowledges that service managers are not wholly responsible for providing affordable housing options and that most of their efforts focus on providing non-market housing and supports to lower income households.

Efforts must be made to ensure that new supply is truly affordable to low- and moderate-income households and includes purpose-built rental and supportive housing. All orders of government must work together to increase the supply and longevity of affordable housing and strengthen the capacity of municipalities, the non-profit and private development industry, and other community partners to respond to rapidly growing need.

### Recommendations:

Strengthen policy direction to leverage private market land use approvals to secure affordable housing supply.

Policy direction regarding housing mix should incorporate income-based affordability to adequately address the needs of low- and moderate-income households, such as by retaining the income-based definition that currently exists in the Provincial Policy Statement. Service Managers for affordable housing systems can work with the Province to establish a standardized

methodology for calculating income-based affordability and consider incorporating the Canada Mortgage and Housing Corporation's housing hardship measure.

Provide policy direction as to the role of planning authorities as it relates to planning for the regional market area.

#### **4. What are your thoughts on the proposed policies regarding the conservation of agriculture, aggregates, natural and cultural heritage resources?**

A generic framework intended to provide policy guidance province-wide does not address the needs for large and fast-growing municipalities in areas that have highly fragmented and vulnerable natural systems. The policy framework for large and fast-growing municipalities should continue to require implementation of a science-based approach for both natural heritage and water resource systems with clear protection standards and discretion that municipalities may go beyond minimum standards. Policies requiring the identification and protection of natural systems and stronger policy direction for watershed planning and climate change should be considered. Key policy elements that are carried forward from the PPS and Growth Plan are welcomed, however, additional elements tailored to needs of large and fast-growing municipalities are missing in the new framework and should be considered.

#### **Climate Change**

Peel staff appreciate the Province's effort to consolidate climate change policies into a dedicated section, however, in doing so, key policies have been weakened or removed and opportunities to strengthen policy have not been addressed. Climate change is a serious issue that affects people, communities, and ecosystems at the global, national, and local levels. In order to ensure the safety and security of Ontarians, key climate change policies should continue to be integrated throughout the proposed PPS and provide direction to inform where and how growth and development is to occur, require alternative and renewable energy systems, where feasible, improve air quality, reduce emissions, and require that climate change risks and vulnerabilities are assessed and addressed in municipal planning policies and decisions, including but not limited to the built environment, natural systems, municipal services, and infrastructure.

#### **Recommendations:**

Climate change policies should be more fully integrated into the policy framework to support achievement of complete, compact, and sustainable communities. This can be done by promoting efficient development and land use patterns, avoiding development and land use patterns that may cause environmental and public health and safety concerns, and promoting the integration of growth management, land use, infrastructure, and environmental planning. Policies for mitigating greenhouse gas emissions should be strengthened.

Approaches in the climate change section that municipalities are to implement should be strengthened to require that climate related risks and vulnerabilities be addressed and requiring that municipalities facilitate the introduction of renewable and alternative energy systems including district energy to support greenhouse gas emission reduction in planning decisions.

Reference and provide additional guidance to municipalities for conducting energy and emissions reduction planning and adaptation planning specific to land use planning.

### **Natural Heritage Policies**

It is understood that the Province's intention to consult on natural heritage policies will be part of a separate ERO posting and that policies will be incorporated in the proposed PPS prior to the policy framework being finalized. The Province has indicated in a previous ERO posting that it is considering an ecological offsetting policy for natural heritage. Natural heritage policies have been a key component of the PPS and, more recently the Growth Plan, ensuring that planning for growth and development is balanced with natural environment protection objectives so that communities are complete, healthy and sustainable.

#### Recommendation:

A natural heritage system planning approach and clear protection standards should continue to apply to all municipalities with flexibility for large and fast-growing municipalities to tailor policies to meet their needs. Comprehensive and directive policies are necessary to ensure that municipalities can continue to rely on a strong framework of provincial policy and guidance. Further comments on proposed policies will be provided by Peel in subsequent consultations.

### **Aggregates**

Although mineral aggregate policies are largely unchanged in the proposed PPS, the removal of policies requiring justification for extraction in prime agricultural areas is a concern as there will no longer be any consideration afforded to the protection of prime agricultural lands regardless of the quantity or quality of aggregate that will be extracted. Proposed revisions fail to address key policy gaps in the framework including the lack of detailed guidance for evaluating social impacts and cumulative impacts or direction for adaptive management planning.

#### Recommendation:

Reconsider the removal of the need to provide justification for extracting mineral aggregates in prime agricultural areas and consider adding policy direction and/or planning guidance that clarifies how adaptive management planning, and social and cumulative impact assessments should be addressed.

### **Water Resources**

Staff are supportive that elements of existing water resource policies from the Provincial Policy Statement and Growth Plan have been incorporated in the proposed PPS, with directive language

that water quality and quantity be protected, improved, or restored and that water resource systems be identified. There is a need, however, to incorporate existing policy directives for watershed planning that address the unique needs in large and fast-growing municipalities. The potential impact of planning for large and fast-growing municipalities on the environment requires that watershed planning be undertaken to inform decisions on planning for growth, development and infrastructure and to support a comprehensive, integrated and long-term approach to the protection, enhancement and restoration of water resource systems, features and areas.

### Recommendations:

Additional policies for large and fast-growing municipalities should be included to require watershed planning be undertaken to support a comprehensive, integrated and long-term approach to the protection, enhancement and restoration of water resource systems, features and areas.

Require that plans for large-scale development in new settlement areas and settlement area expansion lands be informed by subwatershed studies, or an equivalent study.

Require that watershed planning studies address the impacts of a changing climate and include green infrastructure and low impact development approaches. Comprehensive guidance for watershed and subwatershed planning should be referenced in policies and have flexibility to scope watershed planning studies according to needs.

### **Agriculture**

Ontario's agricultural system annually provides billions of dollars in gross farm receipts leading to direct, induced, and indirect annual impacts to the Provincial "Grow Ontario" agri-food economy. The removal of mandatory intensification and greenfield density targets combined with less stringent justification for settlement expansions and proposed changes to the agricultural severance policies will have significant implications for the protection of the Province's agricultural land base. Proposed changes remove prime agricultural land from production, potentially displace Ontario's livestock sector, and impact the overall agri-food network's potential long-term contribution to the economy of the Province and should be reconsidered.

It is appreciated that there is a need for farm labour housing that is in direct proximity to some agricultural uses. This opportunity promotes farm succession planning and helps support a strong agricultural economy. Policies that permit subordinate additional residential units on an agricultural parcel to support farm labour housing options in prime agricultural areas should be limited to a single accessory farm dwelling or bunkhouse within the existing farm cluster and restricted from future severance, including through farm consolidation.

Proposed policy direction that allows for the creation of up to three new residential lots in prime agricultural areas or the severance of additional dwelling units is not supported. The introduction of severances for non-farm rural residential units will lead to scattered lot creation, erosion of the agricultural land base, and more land use conflicts in agricultural areas that will impede the normal farm practices of farm operations. Non-farm residential development should be directed to settlement areas with stricter criteria and justification tests for settlement expansions.

Recommendation:

Remove proposed policies that permit two separate subordinate residential dwellings and up to three new residential severances per agricultural parcel in prime agricultural areas.

### 5. What are your thoughts on the proposed policies regarding planning for employment?

#### **Redefinition of 'Area of Employment'**

Proposed changes to the *Planning Act* under Schedule 6 of Bill 97 include removal of institutional uses and commercial uses (such as office and retail) from the definition of 'Area of Employment' with the exception of commercial uses associated with primary manufacturing, research and development, and warehouse uses.

Peel has long been invested in planning for employment areas to support Provincial directions and the economic development objectives of its local municipalities. As such, employment areas in Peel have been established to attract and maintain a variety of employment uses to ensure Peel-specific and Provincial employment forecasts can be met. Additionally, strong policies have been in place to preserve the long-term viability of employment areas by avoiding, minimizing, or mitigating the adverse impacts of residential development and other sensitive land uses on Employment Areas. Many successful employment areas in Peel contain a mix of manufacturing, warehousing and office uses. Peel staff are concerned that the proposed redefinition of 'Area of Employment' could potentially put office and other uses within established employment areas at risk of being replaced by residential development. This poses several concerns, as:

- The loss of these uses that are of economic importance could result in significant job losses and hamper efforts to meet employment targets, and could result in loss of non-residential assessment base and create complete communities.
- The proposed PPS states that employment areas shall prohibit residential uses, commercial and retail uses, office uses, public service facilities and other institutional uses. While it is understood that employment areas should exclude residential uses, the prohibition of the other uses seems overly restrictive and appears to be contradicted by other proposed PPS policies that infer that retail and office uses are permitted, provided that they are associated with the primary employment use. The new PPS does not provide definitions to most of the excluded uses for the purpose of employment area policies.

Given that these uses are excluded from employment area, this could lead to potentially limiting the flexibility in the interpretation of these uses.

- The coordination and construction of infrastructure is critical to the development of housing in strategic growth areas. The potential introduction of significant new residential development in established employment areas could create significant servicing challenges as typically, employment densities are significantly lower than what is being seen in residential areas. This could trigger competing interests for areas that are planned and prioritized for residential growth (such as strategic growth areas) and pose further risks to the ability of municipalities to achieve the accelerated housing targets under the *More Homes Built Faster Act*.
- Commercial uses, including retail and office employment uses, are often planned in employment areas to act as buffers between residential/sensitive uses and manufacturing/industrial uses in order to avoid land use compatibility issues. The proposed exclusion of these uses from the employment areas and the potential introduction of sensitive residential uses within currently established employment areas could trigger land use compatibility issues, including conflicts with intensive industrial uses or major transportation facilities such as business parks and areas within the Toronto Pearson International Airport Operating Area Boundary. Further, if there is potential to include residential uses in employment areas, it will be difficult for office to locate in these areas due to increased competition.

Schedule 6 of Bill 97, as proposed, provides direction to municipalities to support transition including how to update official plans to align with the proposed redefinition of 'Area of Employment'. Excluded institutional and commercial uses can be permitted on parcels of land in employment areas provided that official plan policies authorize their continuation and that the uses are lawfully established prior to the Bill coming into force. It is not clear, however, if amending Regional Official Plan policies to allow for excluded employment uses would be subject to appeal.

The timing of provincial changes complicates Peel's review of local municipal official plan updates (which are forthcoming in Fall 2023) and the approval of certain types of development applications, such as those proposing residential uses in established employment areas, due to conflicts between the proposed PPS and Peel's Official Plan.

### Recommendations:

Maintain the inclusion of office uses within the definition of 'Area of Employment' as currently established in subsection 1 (5) (c) of the *Planning Act*. The existing institutional use definition should be applied to the exclusion of such uses within employment areas. If the existing institutional use definition is not applied to employment areas, Peel staff recommend that municipalities should be required to define institutional uses in their official plans for the purposes of interpreting and implementing policies for employment areas.



Provide clarification on how provincial policy safeguards against potential land use conflicts triggered by residential redevelopment of excluded areas within currently established employment areas.

Include provisions in the forthcoming transition regulations to Bill 97 that make official plan amendments that allow for excluded uses in designated employment areas not subject to appeal.

Should the definition be approved as proposed, Peel staff recommend retaining Policy 2.2.5.14 of the Growth Plan that requires development criteria for any redevelopment outside of employment areas to ensure space is retained for a similar number of jobs to remain accommodated on site.

### **Employment Conversion Process**

The proposed PPS removes the requirement for employment conversions to be undertaken through a municipal comprehensive review and allows for an employment conversion request to occur at any time. This is a concern as it poses risks to losing the comprehensive approach to planning for employment areas and could potentially inundate municipalities with requests that a new process be established. The proposed policy includes weaker language than the Growth Plan, which currently requires proposed uses to not have an “adverse effect” on the overall viability of the employment area.

### **Recommendations:**

If employment conversions are to be considered at anytime, a new provincial mechanism should be established to ensure employment conversion requests can be addressed in a coordinated, comprehensive and consistent manner which considers the Regional Employment Area as whole.

Retain language from the Growth Plan to include the defined term of “adverse effect” to ensure the protection of existing and planned employment areas from encroachment.

### **6. Are there any other barriers to, or opportunities for, accelerating development and construction (e.g., federal regulations, infrastructure planning and approvals, private/public partnerships for servicing, provincial permitting, urban design guidelines, technical standards, zoning, etc.)?**

As noted in earlier sections, Peel staff stress the importance and need for infrastructure planning in the delivery of both housing and employment. In certain instances in the proposed PPS, it appears that the requirement for planning authorities to ensure that necessary infrastructure is provided to support current and projected needs is removed. For example, in Policy 2.8.1.1 (1.3.1 PPS 2020) this requirement is removed in relation to employment needs. While the proposed policy speaks to connecting high employment density areas to transit, removing previous

language results in a gap in ensuring that all employment areas are well serviced by transportation and servicing infrastructure. This is important to ensure the viability of employment areas and service connections to and from residential areas.

*Recommendations:*

Require planning authorities to ensure that necessary infrastructure is provided to support current and projected employment and housing needs.

All orders of government must work together to increase the supply and longevity of affordable housing and strengthen the capacity of municipalities, industry, and community partners to respond to rapidly growing need. Collaboration with all stakeholders on the importance of building a mix of unit types to achieve better housing affordability for Ontarians is critical. Addressing supply alone will not fix the problem.

Peel is committed to supporting the Province's goal of building 1.5 million new homes by 2031.