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Ministry of Municipal Affairs and Housing
13th Floor, 77 Bay Street
Toronto, ON M7A 2J3

**Re: City of London Planning and Development Staff comments on Draft
2023 Provincial Planning Statement
ERO number: 019-6813**

The City of London Planning and Development staff appreciates the opportunity to comment on proposed Provincial Planning Statement (2023 PPS). This letter has been submitted by staff and identifies technical issues and concerns with the proposed 2023 PPS. Recommendations have been included where necessary to provide an alternative approach that would correct the issues raised. Staff supports the Province's commitment and efforts to develop and implement a streamlined province-wide land use planning policy framework for managing growth and support housing supply; however, we have identified significant concerns with some of the proposed policies. This letter is organized to address the major themes we have identified in the draft 2023 PPS as compared to the existing Provincial Policy Statement (2020 PPS).

Extended Planning Horizon

Extending the planning horizon for municipal official plans to a minimum of 25 years, and removing the maximum planning horizon altogether will have negative impacts on growth management in the City and our broader region, and will not contribute to building homes faster.

The proposed planning horizon will lead to decreased certainty regarding residential and employment demand, as population projections and associated residential land needs may change over time and tend to become less precise. Infrastructure planning relies on the growth projections and the area of land designated for future development, and causing official plans to extend their horizons may bring land into a settlement area boundary that is very far off in terms of development readiness, and may not end up being the best direction for growth as information becomes available. The impact is that servicing and mobility choices may become inefficient, and other more easily serviced lands may not be available for development.

Limiting planning horizons to a maximum of 25 years ensures that municipalities do not compete with each other by over-designating land, which would undermine key policy directions to plan compact urban communities that prioritize intensification and protect agricultural land.

Recommendation:

- Maintain the current planning horizon “up to” 25 years.

Settlement Area Expansion

In the 2020 PPS, a comprehensive review is the primary tool to consider an expansion to a settlement area or the conversion of employment lands. Through a comprehensive review, municipalities plan for where and how to accommodate their expected population and employment growth. Comprehensive reviews provide a framework for municipalities to consider alternative directions for growth and determine how best to accommodate future development while protecting provincial interests.

While some flexibility may be appropriate for how municipalities review their land needs and settlement area boundaries, it is important that this process is led by municipalities, to ensure settlement boundary expansions are considered comprehensively against city-wide growth trends and land needs and not in a reactive, ad-hoc approach that is driven by site-specific applications under the *Planning Act*.

Staff have concerns with the proposed tests for expansion that remove “only where it has been demonstrated” that applicable criteria are met and replacing it with “should consider” the criteria. The proposed criteria including sufficient infrastructure capacity, compliance with minimum distance separation, and avoidance of impacts on agricultural lands and operations are all essential to responsible growth management and should never be ignored.

Staff supports increased flexibility for reviewing land needs and settlement area boundaries; however, reducing the criteria to items that should be considered is contrary to the Province’s goal of achieving complete communities, which are supported by intensification, a range and mix of housing options and more mixed-use development.

Recommendation:

- Permit the establishment of new settlement areas and settlement area boundary expansions only through a City-initiated land needs study and not through privately initiated planning applications.
- Maintain the current policy language to ensure that any settlement area expansions are permitted only where applicable criteria are met.

Intensification Targets

Staff are concerned that the proposed 2023 PPS removes the requirement to establish and implement minimum targets for intensification and redevelopment within built-up areas. Intensification targets are a good way to test and monitor official plan policies and to meet broader planning objectives. Intensification targets are also important for infrastructure planning to align those investments with planning principles.

With the removal of mandatory intensification targets some municipalities may continue to apply the current approach, while others may opt to remove their targets. Providing this option undermines the intent of inward and upward growth established by the current 2020 PPS and fosters unplanned sprawl into vacant greenfield areas, which may then lead to settlement area expansions where units could have been accommodated through intensification. The removal of intensification targets conflicts with the objectives for complete communities as envisioned in the proposed 2023 PPS that support transit and active transportation and access to a range of amenities and services.

While staff support that the proposed PPS encourages municipalities to facilitate intensification, intensification targets should be retained in the PPS. Intensification targets play an important role in ensuring all municipalities consider what level of intensification is appropriate in their specific context and set plans accordingly. It is good to allow for different rates to be established based on local context, but the requirement that all municipalities establish a target is important for a consistent planning approach Province-wide.

Recommendation:

- Maintain the intensification target provision.

Affordable Housing

The proposed definition of “housing options” may encourage municipalities to provide appropriate mix of housing and support the achievement of complete communities. While staff support initiatives to provide more housing overall, this does not have to come at the expense of affordable housing units for Londoners who need it most. Although the proposed “housing options” include income-based forms of housing, such as supportive, community and transitional housing, maintaining the current definition of “affordable” tied to income threshold is necessary to achieve housing affordability for low- and moderate-income households.

The draft 2023 PPS removes all references to affordable housing, including the definition of “affordable” and “low- and moderate-income households”, as well as the requirement to include targets for housing that is affordable to low- and moderate-income households. This is consistent with other recent legislation changes made by the province that have removed municipal tools and opportunities to develop affordable housing units. Starting with the *More Homes, More Choice Act, 2019* (Bill 108), which removed Bonus Zoning from the

Planning Act and rendered Inclusionary Zoning unviable in any mid-sized city such as London, the changes to Ontario planning legislation have continued to limit municipal opportunities to provide affordable housing. Bonus Zoning under section 37 of the *Planning Act* was an effective tool that resulted in hundreds of new affordable housing units in London. Removing that tool and failing to provide a suitable alternatives have cost many Londoners the opportunity to find a home they can afford.

Affordable housing targets are a means of monitoring and evaluating municipalities' progress in achieving affordable housing. As such, the definition of "affordable" and affordable housing targets provide direction and rationale for municipalities to help address the housing affordability needs of residents. The 2023 PPS should maintain a commitment to affordable and market rate housing units.

Recommendation:

- Maintain policies that require affordable housing units and the definition of "affordable".
- Consider legislation that would enable municipalities to obtain affordable housing units within proposed developments.

Employment Land

The proposed 2023 PPS revises the definition of "employment area" to only include uses that cannot locate in mixed-use areas and require protection against conversion (e.g., heavy industrial and manufacturing uses), which is consistent with the recent changes to the Planning Act made through the *Helping Homebuyers, Protecting Tenants Act* (Bill 97).

The revised definition removes institutional, commercial and office uses except where they are related to a manufacturing, research and development, or warehousing use. The proposed definition will result in a very narrow range of permitted uses and does not factor in the changing nature of employment. This also may reduce mix of employment opportunities which potentially affect economic diversity and growth across Ontario. In order to support local and regional economic viability and prosperity, there must be flexibility to consider employment uses beyond manufacturing, research and development, and warehousing uses.

In addition, proposed policies allow residential uses to be permitted on "lands for employment" that are outside of employment areas, and furthermore it restricts municipalities from limiting these uses. As the PPS does not define "lands for employment", the intent of the policy is unclear, but City staff are concerned that proposed policies that require residential uses to be permitted in unsuitable locations. While our Official Plan permits residential uses in most places throughout the city, it includes a Commercial-Industrial place type that permits industrial uses along side commercial uses that are not compatible with residential neighbourhoods. The proposed 2023 PPS leaves no appropriate

locations for these types of uses which will affect delivery of services and liveability for Londoners.

Similar to settlement area expansions, the proposed 2023 PPS removes the requirement for a comprehensive review for the conversion of employment areas. Staff has concerns with the potential removal of lands from employment areas at any time without a city led, city-wide review. The current comprehensive review policies ensure that employment conversion only occurs when needed based a city-wide review of available land supply to accommodate expected employment growth. Employment areas are essential to long-term economic growth and prosperity, but often face short-term pressure for redevelopment to residential use. It is essential that provincial and municipal policies identify and protect employment areas for the long term, and allowing employment land conversions at any time threatens our ability to ensure suitable employment lands are available.

Recommendation:

- Expand the definition of “area of employment” to permit a broader range of employment uses, including some commercial and institutional uses.
- Maintain that employment area conversions may only be permitted through a comprehensive land needs analysis and not through site-specific planning applications.
- Remove the policy prohibiting municipalities from providing more restrictive policies in official plans or zoning by-laws than policy 2.8.1.3.

Prime Agricultural Land

Proposed changes to the agricultural policies in the draft 2023 PPS allow for the creation of up to three residential lots in prime agricultural areas. Staff have major concerns with the proposed lot creation policies in agricultural areas, which undermine decades of work to preserve and protect agricultural lands across the province. The proposed policies do not support the agriculture industry and will not meaningfully address housing affordability. This change will enable the fragmentation of agricultural land, lead to the loss of prime agricultural land, and introduce land uses that are incompatible with or may potentially constrain future farm operations. Non-farm residential development in prime agricultural areas will introduce land use conflicts and add constraints to farm operations. This is an unnecessary and damaging change to provincial policy.

City staff do not support the proposed changes to the agricultural policies in the 2023 PPS as the changes reveal a shift in focus from the protection of agricultural lands to introducing new opportunities for sprawl in agricultural lands. Agricultural lands are not an appropriate location for residential lot creation or an opportunity for residential development. Rather, agricultural lands must be valued and protected as a finite resource. Given less stringent tests for settlement area expansions, there will likely be additional loss of prime agricultural areas across the Province. Any such losses would erode the potential for improved local food production and consumption that would increase the resilience of Ontario’s food

system and safeguard the health and prosperity of Ontarians for generations to come. The PPS must maintain the current strong policy direction for the long-term protection of prime agricultural areas.

Recommendation:

- Maintain the current limitations on residential lot creation.
- Restrict severance of additional residential units in agricultural areas.

Infrastructure

The proposed 2023 PPS removes the language “servicing hierarchy” and replaces it with “servicing options”. The proposed language remains prioritizing municipal services as the preferred form of servicing for settlement areas, but provides greater flexibility for partial or private services as an option in order to encourage new residential development in rural areas. The proposed PPS also allows for individual on-site water and sewage services anywhere in settlement areas by removing the current restriction on these services which were only permitted for infilling or minor rounding out of existing development.

Despite increasing servicing flexibility, the proposed 2023 PPS could make it more difficult for municipalities to deliver growth-related infrastructure in a fiscally responsible manner. The proposed servicing flexibility may increase opportunity for development in rural, areas without access to servicing and increase the financial responsibility and liability of municipalities around maintaining infrastructure for private servicing.

Staff support the direction on investments in infrastructure such as transit within strategic growth areas; however, have concern on financial challenge connected to the loss of development charges which was introduced through the *More Homes Built Faster Act, 2022* (Bill 23). It may exacerbate the financial risk on fast-growing cities in Ontario, including London, to meet increasing demand for housing enabling infrastructure and services. Staff appreciates the Province’s commitment to ensure that municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure due to Bill 23. Staff requests the Province to work with municipalities regarding funding and resources to deliver and improve such infrastructure to meet housing demand.

Recommendation:

- Request the Province to work with municipalities on funding for housing enabling infrastructure and investment.

Cultural Heritage and Archaeology

The proposed cultural heritage policies will weaken the policy direction and rationale for municipalities to conserve and protect cultural heritage resources and properties, including non-designated properties and natural elements, due to changes to related definitions, including “significant” and “protected heritage properties”. The scope of properties that shall be conserved are limited to protected heritage properties. Such properties do not include listed/non-

designated properties and natural elements, such as vegetation or visual setting (e.g., view or vista) that municipalities believe to be of cultural heritage value or interest. These properties are worthy of conservation and cannot be excluded from the proposed scope of properties that shall be conserved. Staff requests the Province to recognize the importance of cultural heritage resources in local communities and provide guidance on conservation of these resources.

Staff supports the proposed policy direction with respect to early engagement with Indigenous communities to ensure their interests related to planning matters, including built heritage resources and cultural heritage landscapes, are considered. This could allow Indigenous communities collaboratively negotiate with municipalities early to identify and consider their interests and concerns and best work towards achieving these matters.

Recommendation:

- Maintain/strengthen policy direction for conservation of cultural heritage and archaeological resources.
- Maintain the current scope of properties/resources shall be conserved.

Climate Change

The proposed 2023 PPS requires municipalities to prepare for the impacts of a changing climate and develop approaches to reduce greenhouse gas emissions. The proposed PPS carries forward some of the climate change related policies from the 2020 PPS, but changes the policy so as to make the direction less clear.

City staff agree with the approach taken in the proposed 2023 PPS to maintain the policies of the 2020 PPS that direct municipalities to include climate change as a key principle in planning for growth and development. However, these directions will be more difficult to achieve given other proposed changes on settlement area expansion and the removal of intensification targets.

Other changes within the policies on energy conservation, air quality and climate change remove clarity and create confusion. For example, support for compact, transit-supportive, and complete communities is important, but by removing specific policies on a nodes and corridors approach weakens the policy. Also, policies that support vegetation within settlement areas should be maintained given the impact on air quality and heat effects. Including vegetated areas in the definition of green infrastructure is a positive step but it is intuitive, and weakens the implementation of the policy.

Recommendation:

- Maintain policies that support a nodes and corridors planning approach.
- Maintain policies that support vegetation in settlement areas.

Natural Heritage

City Staff support the proposed policy direction on natural heritage that maintains current policies and agrees with the proposed PPS approach to protect natural features and areas for the long term.

The long-term protection of natural heritage features and areas is necessary to sound land use planning decisions and is consistent with the matters of provincial interest identified in the *Planning Act*. Natural heritage areas and their ecological services (e.g., flood mitigation, air purification, reduction of ground-level air temperature, etc.) have increasingly been recognized as critical elements of a complete community. Natural heritage areas are an efficient means to deliver services otherwise requiring costly engineered solutions (e.g., stormwater management), and significant contributors to municipal climate action through greenhouse gas sequestration and improved resilience to the increasing impacts of climate change.

Recent legislative changes through the *More Homes Built Faster Act, 2022* (Bill 23) have limited our ability to protect natural heritage features. The diminished role of local Conservation Authorities in natural heritage review and updates to the Ontario Wetland Evaluation System have meant that provincially significant wetlands and wetland complexes may be at risk of losing their status and designations, and in some instances may be removed for development. While staff support the proposed PPS policies we will remain diligently involved in monitoring and providing feedback on any proposed changes to provincial requirements that affect the natural environment.

Recommendation:

- Provide sufficient notice and consult with municipalities prior to any future changes to other provincial requirements including evaluation criteria and procedures for determining significance of natural heritage features.

Implementation and Municipal Official Plans

The “How to Read this Policy Statement” section of the draft 2023 PPS states that policies of the PPS represent minimum standards and municipalities “may go beyond these minimum standards to address matters of importance to a specific community”. However, certain proposed policies prohibit municipalities from enacting official plan or zoning by-law policies that are more restrictive than the 2023 PPS (e.g., lands for employment, residential lot creation in prime agricultural areas).

In addition, the 2023 PPS moves the importance of official plans to the non-policy “Preamble” section. Municipal official plans perform as “the most important vehicle” for implementation of the PPS and include local context for the social, economic and natural environmental concerns that pertain to a municipality’s specific needs or situations. The proposed restrictions contradict the “minimum” standards of the PPS which allow for municipalities to go beyond these minimum


standards to address matters of local importance. The restrictions cannot address local context and need and should be removed from the draft 2023 PPS. City staff urge the Province to recognize the importance of official plans and keep it in the implementation policies.

Recommendation:

- Maintain that the 2023 PPS establishes minimum standards and permit municipal official plans to exceed its requirements.

Conclusion

We appreciate that opportunity to provide feedback on the proposed 2023 PPS and wish to work together with the Province to support growth and accelerate housing development in Ontario. Staff request that the comments and recommendations provided in this letter, as well as the similar comments submitted by other municipalities, be fully considered and addressed through further changes to the 2023 PPS.



Sincerely,

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cc. Scott Mathers, Deputy City Manager, Planning & Economic Development
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