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To Whom it May Concern:

Re: Regulatory Proposals (Phase 1) under the *Conservation Authorities Act* (ERO Number 019-2986)

The City of Owen Sound's Council, at its meeting held on April 29, 2024, received a report regarding *Bill 185, the Cutting Red Tape to Build More Homes Act* and the proposing Provincial Planning Statement, 2024. At this meeting, the following Resolution No. R-240429-003 was adopted:

""THAT in consideration of Staff Report CS-24-038 respecting Bill 185, the *Cutting Red Tape to Build More Homes Act* and the proposed Provincial Planning Statement, 2024, City Council directs staff to:

- 1. Submit a copy of this report, together with Council's resolution on the matter, to the Environmental Registry of Ontario (ERO) as the City's comments on Bill 185, the *Cutting Red Tape to Building More Homes Act* respecting amendments to the *Planning Act, Municipal Act, and Development Charges Act*, and the proposed Provincial Planning Statement, 2024; and**
- 2. Provide a copy of this report to the County of Grey and the MPP for Bruce-Grey-Owen Sound."**

Staff Report CS-24-038 has been attached to this letter.

The City of Owen Sound appreciates your attention on this matter.

Sincerely,

Jacklyn Iezzi, Senior Planner
Community Services Department
Planning & Heritage Division

Cc. MPP Bill Walker, Bruce-Grey-Owen Sound (via email to bill.walkerco@pc.ola.org)
Randy Scherzer, Director of Planning & Development, Grey County (via email to randy.scherzer@grey.ca)

Staff Report

Report To: City Council
Report From: Jacklyn Iezzi, Senior Planner
Meeting Date: April 29, 2024
Report Code: CS-24-038
Subject: Bill 185 and Proposed Provincial Policy Statement 2024

Recommendations:

THAT in consideration of Staff Report CS-24-038 respecting Bill 185, the *Cutting Red Tape to Build More Homes Act* and the proposed Provincial Planning Statement, 2024, City Council directs staff to:

1. Submit a copy of this report, together with Council's resolution on the matter, to the Environmental Registry of Ontario (ERO) as the City's comments on Bill 185, the *Cutting Red Tape to Building More Homes Act* respecting amendments to the *Planning Act*, *Municipal Act*, and *Development Charges Act*, and the proposed Provincial Planning Statement, 2024; and
2. Provide a copy of this report to the County of Grey and the MPP for Bruce-Grey-Owen Sound.

Highlights:

- Bill 185, the *Cutting Red Tape to Build More Homes Act*, proposes amendments to several pieces of legislation including the *Planning Act*, *Development Charges Act*, and *Municipal Act*. The province has also released a proposed Provincial Planning Statement (PPS 2024), which has been updated based on consultations that occurred in 2023.
- The deadline to provide comments through the Environmental Registry of Ontario on Bill 185 and the proposed 2024 PPS is May 10, 2024.

- City Staff have concerns with several of the draft legislative amendments proposed to the *Planning Act* including removal of third-party appeal rights for Official Plans, Official Plan Amendments, Zoning By-laws, and Zoning By-law Amendments and the removal of the requirement to pre-consult with the City in advance of submitting a formal *Planning Act* application.
- Other legislative amendments are positive, including repeal of fee refund mechanisms for zoning by-law amendments and site plan approval applications previously introduced under Bill 23.
- The proposed 2024 PPS reverts back to the 2020 PPS in some areas, including removing multi-lot residential development as a permitted use on rural lands and removing permissions for up to three residential lots to be severed from agricultural properties, as was proposed under the 2023 draft statement. This is supported by City Staff.
- City Staff also support updated policies related to housing and strategic growth areas.
- There are concerns with proposed weakening of policy direction as it relates to directing and managing growth within settlement areas and permitting settlement area boundary expansions outside of a municipal comprehensive review process. Other amendments to the Employment policies of the draft 2024 PPS are significant and anticipated impact in the context of the City's Official Plan is not yet fully understood and require additional information.
- Should the 2024 PPS come into force and effect, updating of the City's Official Plan and Zoning By-law will be required.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by considering climate adaptation in the development of the City's strategies, plans and policies.

Previous Report/Authority:

Staff Report [CS-22-084](#) Bill 109 More Homes for Everyone Act 2022 – Overview and Next Steps

Staff Report [CS-22-149](#) Bill 23 Proposed Changes to the Ontario Planning Act and Heritage Act

Staff Report [CS-23-012](#) Provincial Review of a Place to Grow and Provincial Policy Statement – EBR Posting 0196-177

[PDR-PEDAC-19-23](#) – County Comments on Bill 97 and Draft Provincial Policy Statement (2023) – Grey County Planning and Economic Development Advisory Committee

[PDR-AAC-20-23](#) Draft Provincial Policy Statement (2023) – Grey County Agricultural Advisory Committee

Staff Report [CS-23-053](#) Proposed Bill 97 and Provincial Policy Statement 2023 Review

Staff Report [CS-23-080](#) Proposed Provincial Policy Statement 2023 – Natural Heritage Policies

Background:

The Ontario provincial government has committed to getting 1.5 million homes built over the next ten years.

Legislative Changes 2021-2023

In 2021, the Province established the Provincial Housing Affordability Task Force to recommend measures to increase the housing supply in Ontario. The Provincial Affordable Housing Task Force released their report in 2022 and made 55 recommendations to the province.

In response to the report by the Provincial Housing Affordability Task Force, the Province has passed *Bill 109, More Homes for Everyone Act*, and *Bill 23, More Homes Built Faster Act*, in 2022.

These Acts implemented fundamental changes to the Ontario *Planning Act*, *Development Charges Act*, *Conservation Authorities Act*, and *Ontario Heritage Act*, among other pieces of legislation, to facilitate the provincial government's housing supply goal. The City provided written comments with respect to these proposed changes as listed above.

In late 2022, the province announced a review of the Provincial Policy Statement (PPS) 2020 and 'A Place to Grow: Growth Plan for the Greater Golden Horseshoe' (Growth Plan), with the goal of consolidating the two documents. The 2022 consultation provided a series of discussion questions

for stakeholders to consider, with the stated goal of accelerating the development of housing and increasing housing supply. (Note: the Growth Plan does not apply to Owen Sound or Grey County).

On April 6, 2023, the province also introduced Bill 97, the *Helping Homebuyers, Protecting Tenants Act* which proposed changes to several pieces of legislation, including the *Planning Act* and the *Development Charges Act* and released a new draft 2023 Provincial Planning Statement (PPS). The draft 2023 PPS proposed to replace the 2020 PPS and 'A Place to Grow: Growth Plan for the Greater Golden Horseshoe' (Growth Plan) by integrating both into a single, province-wide land use planning document. The City provided comments on the draft 2023 PPS through Staff Report [CS-23-053](#) and [CS-23-080](#).

Legislative Changes 2024

On April 10, 2024, the province introduced *Bill 185, Cutting Red Tape to Build More Homes Act* and an updated, proposed Provincial Planning Statement (PPS).

The updated draft PPS was posted on the Environmental Registry of Ontario ([ERO #019-8462](#)), with new and updated policies for feedback based on the results of the 2023 consultation ([ERO #019-6813](#)). The posting provides for a 30-day commenting period on the draft PPS, with the last day to submit comments being May 10, 2024.

The omnibus Bill 185 proposes amendments to 15 pieces of legislation, including the *Planning Act*, *Municipal Act*, and *Development Charges Act*. Most of the proposed changes will come into force and effect upon Bill 185 receiving Royal Assent (tentatively anticipated prior to the legislature rising for the summer break). The following ERO postings are applicable to Bill 185:

- [ERO #019-8366](#): Removing barriers to additional residential units.
- [ERO #019-8368](#): Proposed amendments to Ontario Regulation 73/23: Municipal Planning Data Reporting regulation.
- [ERO #019-8369](#): Changes to the Planning Act, City of Toronto Act, 2006, and Municipal Act, 2001.
- [ERO #019-8370](#): Regulatory changes under the Planning Act and Development Charges Act, 1997: Newspaper Notice Requirements and Consequential Housekeeping Changes.
- [ERO #019-8371](#): Changes to the Development Charges Act, 1997, to enhance municipalities' ability to invest in housing-enabling infrastructure.

Analysis:

This section provides an summary and analysis of the legislative amendments proposed through Bill 185 and the various policy changes to the PPS that are most likely to impact Owen Sound.

Bill 185, Cutting Red Tape to Build More Homes Act

Limited Third-Party Appeal Rights

Bill 185 proposes to limit third-party appeal rights related to official plans, official plan amendments and zoning by-law amendments to only the applicant, the Minister, the approval authority, a public body, and “specified persons” who have made oral or written submissions prior to adoption of an OPA or ZBA.

“Specified persons” are defined in the *Planning Act* and mainly consist of impacted utility providers, such as Hydro One Inc., or a telecommunication infrastructure provider.

Comment:

The Province first introduced this change as part of Bill 23 but it was removed prior to the bill coming into force and effect.

As outlined in Staff Report [CS-22-149](#), City Staff have significant concerns with this change. The right of appeal has been a basic tenement of the land use planning process in Ontario and the inability of the public to appeal a decision of council on these matters may create a significant amount of pressure on municipal councils and planning staff.

This emphasizes the need for an excellent and up to date land use policy framework (Official Plan and Zoning) and the importance of technical studies and how these are reported in planning reports that accompany applications will be very important.

Planners will need to show in more detail and justify recommendations to either approve or deny any application based on the policy merits. Often planners work with community members and developers to find solutions to issues prior to a recommendation report coming forward. A recent Official Plan Amendment and Zoning By-law Amendment to facilitate the adaptive reuse of the historic Courthouse and Jail at 1235 and 1259 3rd Avenue East is an example of this. The willingness of applicants to participate in this type of dialogue may be negatively impacted by this change. Public trust will be

eroded by this change and people may be discouraged from participating in the planning process.

Removal of Requirement for Pre-Consultation

Currently, the *Planning Act* requires council to allow an applicant who wishes to do so to consult with the municipality or planning board before submitting an application for an official plan amendment (OPA), zoning by-law amendment (ZBA), or site plan approval (SPA). The Act further authorizes council to pass a by-law requiring applicants to consult with the municipality before submitting such a request.

Bill 185 is proposing to remove Council's authority to pass a by-law requiring pre-consultation.

Further, the proposed changes would allow an applicant to challenge complete application requirements to the OLT at any time, rather than only having a time-limited window once a municipality rejects an application as not being "complete".

Comment:

The City currently has a Pre-consultation By-law in place ([By-law No. 2022-073](#)) that requires pre-consultation prior to the submission of an OPA, ZBA or SPA application.

City Staff have established a comprehensive pre-consultation process that allows the applicant to present a development proposal to City Staff and gives City Staff the opportunity to:

- Clarify the application intent of an application and process;
- Provide preliminary comments and identify issues;
- Identify studies that would assist in supporting the application within the required policy context, avoiding issues further into the review process;
- Meet and/or consult with external agencies;
- Determine what drawings, documents, and technical studies are required; and,
- Identify any additional supporting information/materials that must be submitted with the development application in order to be considered a complete application under the *Planning Act*.

Pre-consultation is an essential component of an efficient approvals process. Permitting the submission of an OPA, ZBA or SPA without pre-consultation

will result in uncertainty for the development industry and may result in greater appeals to the Ontario Land Tribunal (OLT) on complete application requirements and/or non-decisions and will inadvertently add time to the approvals process.

Removal of Refund Mechanism for Application Fees

Bill 23 introduced fee refund mechanisms where zoning by-law amendment and site plan applications were not processed within the prescribed time period.

Bill 185 proposes to repeal the refund mechanisms, subject to transition provisions.

Comment:

City Staff support this change.

Additional Residential Units (“ARUs”)

The *Planning Act* currently provides the Minister the authority to make regulations for a second and third ARU in single detached, semi-detached, rowhouses, or ancillary structures. Bill 185 proposes to increase the scope of said regulations to cover more than just second and third units, but any ARUs, as well as the land on which the ARUs are situated. These regulations, if utilized, could also exempt ARUs from other *Planning Act* requirements, such as maximum lot coverage, setbacks, height limitations, limits on bedrooms, etc. These changes would build on previous ‘as-of-right’ permissions through earlier legislation, such as Bill 23, where limitations were placed on parkland, development charges, and parking requirements.

Comment:

Staff are generally in support of ARUs but would encourage the province not to apply a “one size fits all” approach and provide for some local variations given the geographic and historic differences across the province. For example, Owen Sound experiences significant snowfall amounts in comparison to other municipalities in Ontario. Local zone provisions (i.e., lot coverage and setbacks) account for this local realty and alternate zone provisions imposed by the province may cause unintended long-term challenges that may deter homeowners from adding ARUs to their properties.

Furthermore, City Staff note that there are barriers beyond land use planning controls that may limit property owners pursuing ARUs including lack of knowledge or understanding about permissions, costs, and concerns over the

responsibilities of becoming a landlord. Coordination between all levels of government is necessary to address these barriers.

Facilitating Standardized Housing Designs

Bill 185 provides new regulation-making authority for planning approvals for standardized housing. The proposed changes would only apply within serviced settlement areas outside of the greenbelt. Where the criteria are met, some *Planning Act* requirements would no longer apply.

Comment:

Regulation-making authority allows the Minister to provide detailed regulations at a later date. Until the detailed regulations and the associated framework are provided, Staff are unable to provide fulsome comments.

New Appeal Rights Respecting Settlement Boundary Areas

Bill 185 proposes amendments that will allow applicants to appeal a municipality's refusal or failure to make a decision on a privately requested official plan or zoning by-law amendment that would change a settlement area boundary, outside of the Greenbelt Area.

Comment:

The City of Owen Sound's settlement area boundary follows the municipal boundary. As such, any request to extend the settlement area boundary would require municipal restructuring in accordance with the *Municipal Act*, and approval by the Ministry of Municipal Affairs and Housing.

City Staff have concerns with this proposed change, as it may result in added pressure by the development industry at the County level to consider official plan amendment applications to expand rural settlement areas into rural or agricultural lands where it may be inappropriate or premature to do so. This change becomes more concerning when coupled with the proposed changes to the PPS discussed further below, which eliminate the requirement for a comprehensive review to expand a settlement area.

Expanded "Use it or lose it" Powers

Bill 185 proposes to expand upon municipalities' ability to stipulate "use it or lose it" requirements for land use approvals.

Specifying a lapse date will become mandatory for draft plan of subdivision approvals. Approvals for subdivisions given before March 27, 1995, will be

subject to lapsing within three years from the effective date of these changes.

For site plan approvals, a municipality will be able to instill lapsing of any approval at the expiration of the prescribed period of time applicable to the development or three years (if no such time period is prescribed). Notably, a municipality may provide for lapsing of previous approvals, subject to notice to the owner of the land.

Comment:

Staff generally support these changes as it encourages developers to act within a reasonable amount of time. All recently approved draft plans of subdivision have lapsing dates.

Should the proposed legislative amendments come into force and effect, Staff would implement lapsing dates to site plan approval applications. This may have a positive impact on current delays between development approvals and construction and staff support this proposed change.

Municipal By-Laws on Allocation of Water Supply and Servicing Capacity

Bill 185 proposes amendments to the *Municipal Act* that give municipalities the authority to pass by-laws to set criteria for when servicing capacity is both allocated or withdrawn. Once a by-law is passed, decision making authority must be granted to an employee, agent, or officer of the municipality. There are no proposed appeal rights for allocation decisions made under approved by-laws. The by-law itself is also not appealable to the OLT.

Comment:

City Staff have no concerns with these proposed changes.

Regulations to Authorize Bonusing

Bill 185 proposes amendments to the *Municipal Act* that would create regulation making authority to permit municipalities to grant assistance, either directly or indirectly, for specified manufacturing, industrial, or commercial businesses. This would be used where the government considers that it is “necessary or desirable in the provincial interest to attract investment in Ontario”.

Comment:

As details of the proposed regulations are unknown at this time, Staff are unable to provide fulsome comments. Regulations need to be carefully crafted to ensure that the tool is not misused, and that municipal financial responsibility and sustainability is maintained.

Development Charges (“DCs”)

Bill 185 proposes several changes to the *Development Charges Act*, summarized generally as follows:

- Repeal the mandatory five-year phase-in of DC rates;
- Reinstated studies as an eligible capital cost for DCs;
- Allow municipalities to extend their DC by-laws from 5-years to 10-years without the need for a new DC Background Study;
- Reduce the time limit on the DC freeze from two (2) years to 18 months;
- Provide DC exemptions for affordable housing, beginning as of June 1, 2024.

Comment:

Staff are generally supportive of these changes however, further details on transition for developments that are currently within the two-year DC freeze period is necessary.

Council recently executed a 10-year Development Charges By-law (2023-106). Should Council wish to implement any changes to the by-law that impact fees as a result of Bill 185, such as including the DC background study as an eligible capital cost for DCs, the by-law would need to be repealed and replaced.

By June, the province will bring forward a bulletin to provide the necessary implementation information for municipalities and developers to provide DC exemptions for affordable housing. City Staff note that the City already offers an affordable housing DC exemption under the current [DC By-law \(2023-106\)](#).

Draft Provincial Planning Statement (PPS), 2024

The Provincial Policy Statement is issued under the *Planning Act* and is the primary provincial land use planning policy document, applying across Ontario. Under the *Planning Act*, planning decisions shall be consistent with policy statements such as the Provincial Policy Statement.

The PPS is structured into six main chapters with a number of subsections in each chapter. This discussion will follow the lay out of the PPS.

Building Homes, Sustaining Strong and Competitive Communities (Chapter 2)

2.1 Planning for People and Homes

The draft 2024 PPS requires a planning horizon of at least 20 years, but not more than 30 years, informed by provincial guidance. This is a change from the 2023 Draft, which set a time horizon of 25 years and did not set an upper limit. The draft policy would also provide that planning for infrastructure, public service facilities, strategic growth areas, and employment areas may extend beyond this time horizon.

The draft 2024 PPS also provides that planning authorities shall base population and employment growth forecasts on Ministry of Finance 25-year growth projections, which may be modified as appropriate. However, municipalities may continue to forecast growth using population and employment forecasts previously issued by the Province for the purposes of land use planning.

The draft 2024 PPS also proposes to remove the concept of “healthy, liveable and safe communities” contained in the 2020 PPS and provides that “planning authorities should support the development of complete communities”.

Complete communities are proposed to be defined as follows:

Complete Communities means places such as mixed-use neighbourhoods or other areas within cities, towns, and settlement areas that offer and support opportunities for equitable access to many necessities for daily living for people of all ages and abilities, including an appropriate mix of jobs, a full range of housing, transportation options, public service facilities, local stores and services. Complete communities are inclusive and may take different shapes and forms appropriate to their contexts to meet the diverse needs of their populations.

Comment:

City Staff generally have no concern with these proposed changes. The County of Grey, as the upper tier, is responsible for undertaking population and employment forecasts. Generally, updated County-wide forecasts are

implemented through a County Official Plan Amendment, and City Staff review and provide input through this process.

2.2 Housing

The draft 2024 PPS maintains the requirement in the 2020 PPS that planning authorities establish and implement minimum targets for the provision of housing that is affordable to low- and moderate-income households and maintains the definition of low- and moderate-income households, with slight modifications.

The draft 2023 PPS proposed to remove the definition of affordable housing, as it applied to both owned and rental housing. The 2024 PPS has reinstated the definition, which is very similar to the 2020 PPS. The only difference being that the 2023 version references prices in the municipality, versus the 2020 definition references the regional market area.

The draft 2024 PPS continues to require planning authorities to permit and facilitate the development and redevelopment of underutilized commercial and institutional sites for residential development. The draft 2024 PPS has been further revised to specifically identify underutilized shopping malls and plazas as potential commercial sites for redevelopment.

Comment:

City Staff are supportive of these changes.

Updates to the Regional Shopping Centre and East and West City Commercial land use policies of the City's Official Plan may be required to implement some of the new policy direction, should the 2024 PPS come into force and effect as proposed.

2.3 Settlement Areas and Settlement Boundary Expansion

The draft 2024 PPS maintains that settlement areas are to be the focus of growth and development; however, the general policy direction applying to settlement areas has been weakened overall.

For example, draft policy 2.3.2.2 of the 2024 PPS states that land use patterns within settlement areas should be based on densities and a mix of land uses which:

- a) Efficiently use land and resources;
- b) Optimize existing and planned infrastructure and public service facilities;
- c) Support activity transportation;

- d) Are transit-support, as appropriate and,
- e) Are freight supportive.

Similarly, policy 2.3.1.4 encourages (but does not require) planning authorities to establish and implement minimum targets for intensification and redevelopment within built-up areas, based on local conditions.

The draft 2024 PPS proposes to permit a planning authority to identify a new *settlement area* or allow a *settlement area* boundary expansion at any time (i.e. outside of the Municipal Comprehensive Review process). The draft 2024 PPS would also remove the current conditions required to be satisfied before *settlement area* additions or boundary expansions are permitted. Instead, the draft Statement provides that *planning authorities* “shall consider” the following:

- a. the need to designate and plan for additional land to accommodate an appropriate range and mix of land uses;
- b. if there is sufficient capacity in existing or planned *infrastructure* and *public service facilities*;
- c. whether the applicable lands comprise *specialty crop areas*;
- d. the evaluation of alternative locations which avoid *prime agricultural areas* and, where avoidance is not possible, consider reasonable alternatives on lower priority agricultural lands in *prime agricultural areas*;
- e. whether the new or expanded settlement area complies with the minimum distance separation formulae;
- f. whether impacts on the *agricultural system* are avoided, or where avoidance is not possible, minimized and mitigated to the extent feasible as determined through an *agricultural impact assessment* or equivalent analysis, based on provincial guidance; and
- g. the new or expanded *settlement area* provides for the phased progression of urban development.

A new standalone policy (2.3.2.2) is proposed that states that planning authorities may identify a new settlement area only where it has been demonstrated that the infrastructure and public service facilities to support development are planned or available.

Comment:

City Staff do not support weakening of the policy direction as it relates to intensification and directing and managing growth within settlement areas and would request that the Province reconsider some of the proposed wording (i.e., should vs. shall) to mirror that of the 2020 PPS.

The proposed changes that would permit settlement area boundary expansions outside of a municipal comprehensive review process are concerning and may result in the premature or unjustified expansion of rural settlement areas into rural or agricultural lands despite adequate land supply to accommodate growth and development within existing settlement area boundaries.

2.4 Strategic Growth Areas

Draft policy 2.4.1.1 encourages (but do not require) planning authorities to identify and focus growth and development in *strategic growth areas*.

Strategic Growth Areas are proposed to be a newly defined term in the 2024 PPS as follows:

Strategic Growth Areas means 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*, existing and emerging downtowns, lands adjacent to publicly assisted post-secondary institutions and other areas where growth or development will be focused, that may include infill, redevelopment (e.g., underutilized shopping malls and plazas), 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 draft 2024 PPS proposed general policies for strategic growth areas (2.4.1.2 and 2.4.1.3) that focus on achieving complete communities, a range and mix of housing options, intensification, and mixed-use development. Proposed policies provide that within strategic growth areas, planning authorities should prioritize planning and investment for infrastructure and public service facilities, identify the appropriate scale and type of development and transition of built form to adjacent areas, permit development and intensification to achieve complete communities and

compact built form, consider a student housing strategy and support redevelopment of commercially-designated retail lands (e.g., underutilized shopping malls and plazas) to support mixed use residential development.

Comment:

City Staff generally support the policy direction provided by the draft 2024 PPS as it relates to strategic growth areas. City Staff recommend that the Province consider strengthening the policy direction in some areas. For example, planning authorities shall prioritize planning and investment for infrastructure and public service facilities in strategic growth areas (rather than should).

As a fully serviced settlement area with access to full municipal services, transit, and public service facilities that can accommodate intensification and redevelopment within a compact urban form, Owen Sound is poised to be a strategic growth area. Should the 2024 PPS come into force and effect, amendments to the County of Grey Official Plan and the City's Official Plan will be required, and may include identifying the City, or portions thereof, as strategic growth areas and providing associated policy direction.

2.5 & 2.6 Rural Areas and Rural Lands in Municipalities

The draft 2023 PPS proposed to identify multi-lot residential development as a permitted use on rural land. This has been removed from the 2024 PPS.

Comment:

City Staff support this change.

2.8 Employment & 3.5 Land Use Compatibility

Several noteworthy amendments are proposed to the Employment section of the PPS.

Draft policy 2.8.1.1 (d) encourages intensification of employment uses that are compatible with compact, mixed-use development to support the achievement of complete communities. 2.8.1.1 (e) requires planning authorities to promote economic development and competitiveness by addressing land use compatibility adjacent to employment areas by providing an appropriate transition to sensitive land uses (e.g., residential).

Draft policy 2.8.1.2 encourages the development of industrial, manufacturing, and small-scale warehousing using that can be operated adjacent to sensitive land uses (e.g., residential), without causing adverse

effects. This adjacency is encouraged within strategic growth areas, and within other mixed-use areas where frequent transit service is available.

Draft policy 2.8.1.3 proposed that residential, employment, public service facilities and other institutional uses be permitted on “lands for employment outside of employment areas” to support the achievement of complete communities.

Draft policy 2.8.2.4 also requires planning authorities to assess and update employment areas identified in official plans to ensure that this designation is appropriate to the planned function of employment areas. In planning for employment areas, planning authorities shall maintain land use compatibility between sensitive land uses and employment areas in accordance with policy 3.5.1 (Land Use Compatibility) to maintain the long-term operational and economic viability of the planned uses and function of these areas.

Under the 2020 PPS, Land Use Compatibility policies (Sec. 1.2.6) require that major facilities and sensitive land uses be planned and developed to avoid, or if avoidance is not possible, minimize and mitigate any potential adverse effects from odour, noise and other contaminants, minimize risk to public health and safety, and to ensure the long-term operational and economic viability of major facilities in accordance with provincial guidelines, standards, and procedures. Where avoidance is not possible, planning authorities are required to protect the long-term viability of existing or planned industrial, manufacturing, or other uses that are vulnerable to encroachment by ensuring that the planning and development of proposed adjacent sensitive land uses are only permitted if the following are demonstrated in accordance with provincial guidelines, standards and procedures:

- a. there is an identified need for the proposed use;
- b. alternative locations for the proposed use have been evaluated and there are no reasonable alternative locations;
- c. adverse effects to the proposed sensitive land use are minimized and mitigated; and,
- d. potential impacts to industrial, manufacturing, or other uses are minimized and mitigated.

Draft policies set out in Section 3.5 of the 2024 PPS would make it easier to establish sensitive land uses in the vicinity of existing or planned industrial, manufacturing, or “other major facilities” that are vulnerable to encroachment. Draft policy 3.5.2 would eliminate the 2020 PPS requirements

noted above. Instead, where it is not possible for major facilities and sensitive land uses to avoid potential adverse effects from odour, noise and other contaminants, proposed adjacent sensitive land uses would only be required to demonstrate that potential impacts to industrial, manufacturing, or other major facilities are minimized and mitigated in accordance with provincial guidelines, standards and procedures.

Lastly, the draft 2024 PPS proposes to maintain changes in the 2023 Draft, which would modify the existing employment conversion policies by permitting planning authorities to remove lands from employment areas at any time (rather than through a municipal comprehensive review), only where it can be demonstrated that:

- a. there is an identified need for the removal and the land is not required for employment area uses over the long term;
- b. the proposed uses would not negatively impact the overall viability of the *employment area* by:
 1. avoiding, or where avoidance is not possible, minimizing and mitigating potential impacts to existing or planned *employment area* uses in accordance with policy 3.5;
 2. maintaining access to *major goods movement facilities and corridors*;
- c. existing or planned *infrastructure* and *public service facilities* are available to accommodate the proposed uses; and
- d. the municipality has sufficient employment lands to accommodate projected employment growth to the horizon of the approved official plan.

The definition of *employment area* is proposed to be revised and now references the amended definition of “area of employment” in the *Planning Act* that was adopted through Bill 97 but is not yet in force.

The draft Statement would define *employment areas* as, “those areas designated in an official plan **for clusters of business and economic activities** including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities. An *employment area* also includes areas of land described by subsection 1(1.1) of the *Planning Act*. Uses that are excluded from *employment areas* are institutional and commercial, including retail and office not associated with the primary employment use listed above.”

Comment:

The proposed policy changes to the Employment section of the PPS are significant and anticipated impact, in the context of the City's Official Plan, is not yet fully understood. The intent of the policy changes appears to distinguish between two types of employment uses; those major facility manufacturing type uses which should be directed to employment areas, and those major office (e.g., research and development) and institutional type uses that may be appropriate to locate in proximity to sensitive land uses, such as residential or commercial uses.

City Staff would appreciate additional training and/or guidance for the Province with respect to the implementation of the proposed Employment policies, should the 2024 PPS come into force and effect, as proposed.

City Staff do not support weakening of the requirements to maintain separation between major facilities and sensitive land uses. Preventing encroachment of sensitive land uses on employment areas is crucial to maintaining the planning function of the City's industrial park and allowing its future growth and expansion. Employment uses should be protected from the encroachment of new and sensitive land uses that may impact their operation.

Should the 2024 PPS come into force and effect as proposed, updated guidelines, standards, and procedures from the Province will be necessary to more fully understand best practices for minimizing and mitigating potential impacts to industrial, manufacturing or other major facilities.

Sewage, Water and Stormwater

The draft 2024 PPS proposes to include policy 3.6.1 (d) to require the consideration of opportunities to allocate and reallocate, if necessary, the unused system capacity of municipal water services and municipal sewage services to meet current and projected needs for an increased housing supply.

The draft 2023 PPS proposed no limitations on extending partial services into rural areas. Now, the draft 2024 PPS proposes to largely maintain the partial services policies as outlined in the 2020 PPS, with a modification proposed to policy 3.6.5 to provide that partial services may be permitted within rural settlement areas, where new development will be serviced by individual on-site water services in combination with municipal sewage services or private communal sewage services.

The draft 2024 PPS also proposed to modify policy 3.6.5 to provide that partial services may be permitted within rural settlement areas, where new development will be serviced by individual on-site water services in combination with municipal sewage services or private communal sewage services.

Comment:

City Staff note that there are several “settlement areas” within Grey County that are serviced by City water and individual, on-site private septic systems. The changes proposed to policy 3.6.5 would appear to restrict this form of partial servicing. City Staff support clarifying the circumstances in which partial services should be permitted to service rural settlement areas. As was outlined in Staff Report [CS-23-053](#), private and partial servicing undermines the planned function of urban areas with millions invested in full infrastructure services. City Staff maintain that new development should be directed to fully serviced settlement areas, with full municipal sewage and water services to support protection of the environment and minimize potential risks to human health and safety.

Agriculture

Within the draft 2023 PPS, one of the most concerning changes was to allow for three residential lots to be severed from Agricultural properties with no ability for municipalities to be more restrictive than the provincial policies. The draft 2024 PPS has removed those residential lot creation policies and largely reverts to the 2020 PPS.

Comment:

City Staff support this change.

Implementation and Interpretation and Transition

Draft policy 6.1.7 would provide that where a planning authority must decide on a planning matter before its official plan has been updated to be consistent with the draft Statement, or before other applicable planning instruments have been updated accordingly, it must still make a decision that is consistent with the draft Statement.

The Province is proposing to release the final policies to the public “for a short period of time” before they take effect. The Province proposes that official plans would be revised as necessary to implement the Statement at

the time of their ordinary review cycle (i.e. every five years or every ten years after a new official plan).

Comment:

City Staff will continue to monitor the approval status of the draft 2024 PPS through the ERO and inform Committee/Council as updates are received. An update to the City’s Official Plan and Zoning By-law will be required to implement the new PPS, should it come into force and effect.

Financial Implications:

None at this time.

The City will be required to update the City’s Official Plan and Zoning By-law to reflect the final approved PPS. There will be costs associated with the required local policy updates. This is unfortunate, as the City recently completed an Official Plan update in 2021.

Communication Strategy:

Staff are proposing to provide a copy of this report to MPP Rick Byers, the County of Grey, and the Environmental Registry of Ontario as the City’s comment on the matter.

Consultation:

[Ontario Releases a Revised Draft Provincial Policy Statement](#) – Aird Berlis (April 12, 2024)

Attachments:

Schedule ‘A’ Proposed Provincial Planning Statement, 2024

Recommended by:

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Tim Simmonds, City Manager

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