



May 9, 2024

The Honorable Paul Calandra
Minister of Municipal Affairs and Housing
17th Floor - 777 Bay St.
Toronto, ON
M7A 2J3

Dear Minister Calandra,

RE: City of Waterloo Comments on the Updated Provincial Planning Statement, 2024

On behalf of the Corporation of the City of Waterloo, please accept the following comments on the proposed changes to the draft Provincial Planning Statement (PPS).

The City of Waterloo previously provided comments on the 2023 draft of the modified Provincial Planning Statement (“PPS”). The modifications to the 2024 draft version provide new updates. Please find below additional and updated comments on key aspects of the updated PPS. Waterloo is listed as one of the 29 large and fast growing municipalities:

Chapter 1: Introduction

- Through existing Policy 1.1.1, the 2020 PPS recognizes that healthy, livable and safe communities are sustained by a number of factors. These factors are sound, well-rounded and reflective of the environmental, social and economic pillars of sustainability. These factors should be carried forward into the new PPS.

Planning for People and Homes

- The draft PPS requires the use of the Ministry of Finance (MoF) population projections (Policy 2.1.1), but the MoF population is allocated at the Census Division level, which is a regional level geography. Per Bill 185 and Bill 23, the Region will no longer have planning authority going forward, therefore it is unclear who will allocate population between the area municipalities within the Waterloo Census Division and how this will occur at the local level. The draft PPS policy does not provide direction for coordination amongst area municipalities. It is recognized, in the short-term, that the City will continue to use the existing Growth Plan/Regional population forecast (Policy 2.1.1).
- Draft policy 2.2.6 removes the terms “healthy, livable and safe communities” from the 2020 PPS, and instead focuses on “*Complete Communities*”. Staff opinion is that, in addition to *complete communities*, the original focus on “healthy, livable and safe communities” should be maintained. Staff are concerned with the new PPS not



containing such considerations from the 2020 PPS including “*avoiding development and land use patterns which may cause environmental or public health and safety concerns*”. While staff agree with efforts to increase housing supply, this goal should be equally paired with consideration and regard for healthy and safe communities, if optimal planning outcomes are to be achieved. Staff recommend these terms / policies be reinstated in the final version of the updated PPS.

- Policy 2.1.3 amends the previous policy regarding the planning horizon. The updated policy changes the planning horizon to direct that municipalities plan for and make land available for at least 20 years, but not more than 30 years. Given that infrastructure can be planned beyond the 30-year time horizon, the updated policy is a good balance and the City supports this change.

Housing

- Staff previously commented that “Affordable” should be defined in the PPS. Staff note the updated PPS now includes Affordable as a defined term. Staff support the updated term
- The definitions of affordable in the proposed PPS is now the same as what is in the *Development Charges Act*. One consequence of this is that affordable will be tested within each individual City within a Region. For communities like Waterloo, Kitchener and Cambridge, this will establish different thresholds for affordability among relatively well-connected cities. The outcome of this approach is likely that places like Waterloo, which today have higher (more expensive) housing values and rental rates, will always have higher values and rental rates as new affordable housing gets built. Further, on shared programs between the cities, such as inclusionary zoning, the development industry will be required to build IZ units at different price points, depending on the city. Staff believe this matter requires attention, and suggest that affordable housing should be measured at the Regional Market level for the purposes of affordability within regions.
- Municipalities are being directed to establish local targets for affordable housing based on reinstated definitions for affordable housing, which includes housing for low and moderate income households. However, staff are unaware of planning tools or increased funding that is available to help create such housing. While staff are able to create targets, significant support from senior levels of government will be required in order to realize the targets.
- The availability of attainable housing for households at the 80th income and below is becoming increasingly non-existent. While this matter will not be solved by the creation of targets, if significant steps are not taken to address this issue, it will have serious impacts on many facets of the Province.

Settlement Area and Settlement Area Boundaries

- Staff support the update to the 2024 version of the PPS that refers to *intensification* and redevelopment in “built up areas” rather than settlement areas generally. The majority of growth in Waterloo will continue to be intensification-based development, directed to designated MTSA and Nodes and Corridors, consistent with the proposed policies directing growth to strategic *growth areas*.



- The proposed updated PPS would allow a planning authority to identify a new settlement area or allow a settlement area boundary expansion at any time, whereas previously, such an expansion would only be considered through a Municipal Comprehensive Review (“MCR”) process. It is Waterloo staff’s opinion that the consideration of urban boundary expansions should be limited to a Municipal Comprehensive Review process, to focus on infill development in the time between MCRs and Official Plan Reviews. Limiting potential expansions to set timing would be a fairer and more efficient process to all parties and would be more transparent.
 - The criteria to be considered for an urban boundary expansion is outlined in Policy 2.3.2.1. It is noted that the language has been updated from the 2023 version of “*should consider*” to “*shall consider*” which is a positive update. However, it is recommended that the criteria should be strengthened, using the previous language of “*required to be satisfied*”.
 - For the criteria for expansion, it is recommend to add additional strong policy language as it relates to expansions near sensitive environmental areas, such the Environmentally Sensitive Landscape (ESL) in Waterloo. While there may be merit in considering settlement area expansions in certain locations, restrictions should be established to protect highly sensitive environmental landscapes and/or important ground water recharge areas. Further, where an expansion of a settlement area boundary is contingent on the serving capacity of an adjacent municipality, policies should require that both municipalities agree on the expansion.
- Staff support the inclusion of the new policy 2.3.2.2, which requires the demonstration of infrastructure and public service facilities to be in place when considering the expansion of new settlement areas.

Strategic Growth Areas

- The 2024 version of the PPS allows for the modification of Urban Growth Centres, whereas the 2023 version limited the reduction in the size or change in the location of an urban growth centre. While Waterloo does not have plans to modify the Uptown Waterloo Urban Growth Centre, the flexibility to modify according to City planning needs is supported by staff.
- City staff support the increased focus on creating complete communities and mixed-use development noted in the Strategic Growth Areas section of the PPS. While the City agrees with the direction of transitioning underutilized shopping centres into mixed-use development in Policy 2.4.1 3, staff recommend adding the term “complete communities” to this policy to ensure that there is emphasis on all uses necessary for good planning, and to not create residential only areas that lack basic amenities and community facilities.
- It is Waterloo staff’s opinion that the proposed Strategic Growth Area requirements are appropriate for the city, and believe it provides the legislative authority to plan for intensification in the Urban Growth Centre, Major Transit Station Areas as well as



designated Nodes and Corridors in a similar manner as found within the City's current Official Plan. The updated 2024 version of the PPS now includes density targets which may assist in defending policies at the Ontario Land Tribunal.

Employment Areas

- The City was not supportive of the 2017 changes to the Growth Plan, which restricted MCRs to upper-tier (or single tier) municipalities. This restriction resulted in employment areas in our Major Transit Station Areas being “stalled” from redesignation to mixed-use for six years, an undesirable outcome from the perspective of leveraging the ION / LRT investment. Staff are supportive of the Province’s new proposal to enable local municipalities to manage employment land conversions, however such conversions should be limited to municipally initiated amendments only to protect sufficient employment lands in the community to meet economic development needs and to ensure land use compatibility is appropriately planned for as a basic planning principle.
- Staff recommend that for designated employment lands outside of the PPS or Planning Act definition, conversions should be limited to municipally initiated amendments only, and that municipalities be enabled through clear policy language to require some employment function be retained on conversion sites if a wider range of mixed uses is determined to be appropriate. Further, in absence Provincial or Regional employment targets, it is recommended that the new PPS require local forecast to be developed over time, beyond the 2051 horizon.
- City staff recommend a more consistent definition between the PPS and Planning Act for the term “*employment area*” and “*area of employment*”. While the 2024 PPS definition of *employment area* includes the definition from the Planning Act for *area of employment*, a single term would be less complex to administer. Staff recommend that the same terminology be used or clarify the intent, rather than using two different terms. Most employment lands in Waterloo would be now considered an “area of employment outside of employment areas”.
- The 2023 version of the PPS included a policy (2.8.1.4) that would limit Official Plans from being more restrictive than PPS policy that encourages residential uses in areas of employment outside of *employment areas*. Staff support the current 2024 version of the PPS, which does not include the previous policy. However, staff continue to have concerns with allowing residential uses in employment areas outside of *employment areas* (policy 2.8.1.2). Staff suggest that residential uses be a discretionary use in identified employment areas and that there be Provincial direction that the employment function or a minimum amount of employment be maintained. Alternatively, residential uses could only be considered through an amendment to the Official Plan, with policy direction in the Plan specifying the criteria to be satisfied to add “residential” based on the local context. Staff do support the encouragement of a wide range of compatible employment uses for lands outside of *employment areas* (policy 2.8.1.2).



Major Transit Station Areas

- City staff support the proposed density targets for higher order transit areas. These density targets are the same as the current Growth Plan and allow for the gradual increase in transit supportive density over time.
- Regarding Policy 2.1.2.1 and delineating MTSA boundaries, the focus should be on the most immediate areas around transit stops. While there is some influence for areas 400-800m from the higher order transit stop, Transit Oriented Development (TOD) best practices suggest that most development related impacts and influence from transit occurs within <400m of a stop, which is generally a 5-minute walk. Beyond that distance and for those with mobility issues, a greater distance to the transit stop becomes less accessible or convenient. Therefore, policies that restrict elements such as parking should be limited to the immediate station area and not the entire MTSA. While distances of “up to 800 metres” should be considered for an MTSA and be the focus of some level of intensification, this area is not equal to the immediate station area (<400m), and therefore should not be treated the same in policy.
- Staff support the provision (2.4.2.7) that requires planning for intensification for corridors with “Frequent Transit”.

Protecting Public Health and Safety

- Policy 5.2.4. requires planning authorities to prepare for the impacts of a changing climate that may increase the risk associated with natural hazards. Through "Protecting People and Property: Ontario's Flooding Strategy" (2020), the Province committed to evaluating riverine flood standards relative to their sensitivity to be affected by climate change. It would be helpful if the Province could provide an update on the status of this review.
- City staff have had significant challenges interpreting and applying the existing PPS Policy 3.1.4a) in recent years [re: proposed Policy 5.2.5]. The wording of this policy should be clarified to clearly identify what is captured by “official plan policies ... applying to Special Policy Area (SPA) lands”. In staff’s opinion, for lands within a SPA, site-specific amendments to official plans where safe access and appropriate floodproofing is provided as determined by a Conservation Authority should not require joint ministerial approval. Other exemptions to joint ministerial approval should be considered, such as amendments to lands in low risk areas (i.e. equivalent to a flood fringe) that are minor in nature or do not alter the development footprint within the SPA. In addition, the Province's 2009 implementation guidelines should be updated to ensure clarity and consistency of application, and to address the fundamental challenges that exist where Special Policy Areas overlap with Strategic Growth Areas.
- The proposed definition of “watershed planning” should be modified to be consistent with the definition currently provided in the Growth Plan.



Topic - Climate Change

- The 2020 PPS emphasizes consideration and preparation for the impacts of a changing climate. The proposed PPS contains a less prescriptive policy framework. The scaled-back policy framework means that municipalities will need to continue to take a leadership role when it comes to mitigating and adapting to climate change. It is recommended that the Province reconsider the proposed policy framework, to strengthen policies pertaining to changing climate.

Thank You for the opportunity to comment on these important provincial policy changes.

Sincerely,

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Integrated Planning and Public Works