



The Corporation of the Town of Midland

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May 10, 2024

Attn:

Provincial Planning Policy Branch
777 Bay Street
13th floor
Toronto, ON
M7A 2J3

****VIA EMAIL****

RE: Environmental Registry of Ontario Proposal No. 019-8462: Review of proposed policies for a new provincial policy instrument – Provincial Planning Statement, 2024 (PPS 2024)

To Whom It May Concern,

Please accept this comment letter from the Town of Midland “Town” in response to the above noted Environmental Registry of Ontario (ERO) proposal. The comments provided in this letter were presented to and endorsed by Town of Midland Council on May 1, 2024. The comments in this letter are organized according to changes proposed to the *Planning Act, 1990* via Schedule 12 to *Bill 185 - Cutting Red Tape to Build More Homes Act, 2024* (‘Bill 185’).

1. What are your overall thoughts on the updated proposed Provincial Planning Statement?
 - a. *Scale of paradigm shift problematic*

The magnitude of the change resulting from the introduction of the proposed PPS 2024 and repeal of A Place to Grow: A Growth Plan for the Greater Golden Horseshoe (‘Growth Plan’) is difficult to overstate. The Growth Plan has been in effect in Ontario, in various iterations, since 2006. The Growth Plan, despite its complexities, has standardized how municipalities are to plan for and accommodate growth. Further, the Growth Plan was aimed at controlling urban sprawl by regulating growth. This was done, in part, by establishing growth forecasts and requiring municipalities to plan – according to prescribed methods – to accommodate their forecast growth. This means that every municipality subject to the Growth Plan operates according to the same rules and growth forecasts, with limited debate between municipalities about who gets what.

The proposed PPS 2024 is a paradigm shift in land use planning in Ontario, particularly in regard to growth management, with the concept of controlling urban sprawl by regulating growth being largely abandoned. Rather, the policies of PPS 2024 can be more accurately described as guidelines rather than policies that provide direction. This shift in approach is evidenced by elimination of municipality-specific growth forecasts, lifting of prohibition on establishing new settlement area boundaries, permitting settlement boundary expansions to occur at any time, allow employment area land conversions, and narrowing of the definition of employment areas.

The Town remain agnostic towards the need for such a dramatic change to Ontario’s land use planning framework. It is anticipated that this shift towards a permissive and development approval focused policy environment will result in a greater number of Ontario Land Tribunal (OLT) appeals and, perhaps more importantly, no change in the number of new homes actually built. As Ministry staff are aware, implementation of and adjustment to a new policy framework can take a decade or longer as municipalities and the development industry navigate and adapt to a new policy environment. Further, as evidenced by municipalities’ reaction to fee refunds introduced by Bill 23 – being that municipalities implemented longer and complex pre-consultation processes to ensure that applications submitted are of sufficient quality so that they can be processed within compressed timeframes – it is likely that municipalities will have similar response to PPS 2024 and the loss of the Growth Plan. Further, this response will be far from



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consistent. Rather, it will be as varied as the makeup of municipal councils, planning departments, and the development industry in any given municipality. It is unclear how the implementation delay caused by the paradigm shift, as well as the likely varied response to same, will result more homes for Ontarians.

While the Town has some significant concerns about the proposed PPS, its evolution, being from the previously released PPS to PPS 2024, has shown improvement, largely due to the Ministry taking municipal comments seriously. The Town commend the Ministry in this regard. Positive changes include providing some direction regarding use of government forecasts, continues support of intensification, continuing to direct growth to settlement areas, and elevating profile the of Strategic Growth Areas – these are discussed further in response to the questions below.

b. *'Consistent With'* vs. *'Conform To'*

The Town is of the opinion that maintaining the 'consistent with' test is appropriate as it provides the latitude required to address local contexts. Proposed PPS 2024 uses stronger language than the previously released PPS, with language such as 'shall' being used in regard to what municipalities need to do / what outcomes are to be achieved (e.g. PPS 2024 policy 2.2.3 states "...municipalities shall support general intensification and redevelopment..." (emphasis added). Policies regarding *how* municipalities are to achieve these outcomes generally have a softer tone (e.g. PPS 2024 policy 2.2.4 states "Planning authorities are encouraged to established and implement minimum targets for intensification and redevelopment..." (emphasis added).

The use of softer language is appropriate as the PPS 2024 applies province-wide, and it may be appropriate to establish such targets in one context, but not another. This approach, where only some policies have prescriptive language, combined with the 'consistency test', means that the bar for implementing the proposed PPS 2024 is relatively the same as with the in-effect PPS 2020. Conversely, and related to comments under 1. a), this softer approach, in combination with the loss of prescriptive direction regarding growth management, will fuel localized approaches to implementation, creating inconsistency in implementation. This may pose to be a challenge for the development industry, who prefers a consistent and predictable implementation of Provincial policy.

The loss of the Growth Plan's conformity test is addressed, at least in part, by the introduction of terms and policies that provide direction to large and fast-growing municipalities (LFGMs). The introduction of the concept of a LFGMs allows the PPS 2024 to provide policy direction to LFGMs with additional requirements or strong language such as a 'shall' without burdening smaller municipalities with same. This approach of providing specific direction to LFGMs while providing flexibility for the rest of the municipalities in Ontario is appropriate.

2. What are your thoughts on the ability of updated proposed policies to generate appropriate housing supply, such as: intensification policies, including the redevelopment of underutilized, low density shopping malls and plazas; major transit station area policies; housing options, rural housing and affordable housing policies; and student housing policies?

The proposed PPS 2024 policies that target the diversification of housing stock in existing neighbourhoods and existing plazas, while potentially disruptive to neighbourhoods over the short term, is a positive step. The suburban and automobile-oriented model of development that has dominated much of the 20th century has led to declining affordability, costly infrastructure, inefficient use of land, socio-economic segregation, and rise in preventable illnesses like diabetes and heart disease. Compact, diverse, and complete neighbourhoods, such as Midland's, often feature a greater mix of housing options, allowing residents to live in their neighbourhoods and communities longer. Continued support for reestablishing and growing these types of communities is supported.

The Town also agrees with directing municipalities to diversify non-residential areas, such as shopping districts. Midland's Official Plan already features such policies, reflecting a trend and



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increased interest in the diversification of commercial operations. The Town recommends that the proposed PPS move further and encourage the blending or mixing of residential uses with institutional uses such as schools, faith- and advocacy-based organizations.

3. What are your thoughts on the ability of the updated proposed policies to make land available for development, such as: forecasting, land supply, and planning horizon policies; settlement area boundary expansions policies; and employment area planning policies?

The Town is concerned with the small number of Growth Plan policies to be carried forward into PPS 2024. As stated above, the loss of these policies signals a paradigm shift that will lead to delayed implementation, resulting in unintended consequences such as more OLT appeals and fewer homes being built. The Town's most significant areas of concern are:

- a) *No more Schedule 3 & Land Need Assessment Methodology*

Schedule 3 to the Growth Plan provides growth forecasts to all Cities and Regions in the Greater Golden Horseshoe to the year 2051. PPS 2024 does not carry forward the Schedule 3 forecasts. Rather, municipalities are to use Ministry of Finance growth forecasts, although the forecasts may be modified. The Town questions the ability to modify the forecasts; that is, if the forecasts can be modified, what purposed do they serve? Further, it is unclear under which conditions the forecasts can be modified or by whom. The Town recommend that the Ministry release the purported guiding documents for review and comment prior to or immediately after implementing PPS 2024. While PPS 2024 allows municipalities to continue to use forecasts previously issued by the Province, there are no criteria to determine as to when it is appropriate to do so. To that end, the proposed PPS should direct municipalities to use previously released forecasts until guiding documents on how to use the Ministry of Finance forecasts are released.

The Town would like to note that the previously-released version of the PPS did not include any growth targets or forecasts. The inclusion of growth forecasts in PPS 2024 is a positive step in that it maintains some continuity in the approach to growth management as in the Growth Plan. That is, municipalities are to aim and plan for a target rather than develop their own, the latter of which has led to lengthy appeals in the past. What is unclear, however, is how the Ministry of Finance forecasts are to be used and disseminated. For example, it is unclear how Midland is to determine its own growth forecast using the Ministry of Finance data - will a forecast have to be quantified from a larger, County-wide figure, similar to the process in effect today? If so, who is to do this work given that the County of Simcoe is to become an upper tier with no planning responsibilities. Further, it is unclear how the forecasts will be converted into housing need, which is represented by housing units by type. The in-effect Growth Plan provides specific direction on this matter. PPS 2024 does not provide any such direction. This is an important and problematic consideration as without Provincial direction there will be no standard approach on how to determine the amount of land that must be ready and available for growth and the housing mix needed to accommodate same. Without a standardized approach, a municipality's growth management decisions can be challenged by developers or interest groups using alternate approaches, possibly leading to OLT appeals.

- b) *New Settlement Areas, Expansions, and Employment Area Conversion*

PPS 2024 permits the establishment of new Settlement Areas, the expansion of same, and no longer requires employment area land conversions to occur through a Municipal Comprehensive Review ('MCR'). Further, the concept of a MCR is proposed to be eliminated from planning vernacular. In contrast, the in-effect Growth Plan currently prohibits establishing new Settlement Areas. The Growth Plan also strictly regulates the expansion of existing Settlement Areas as well



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as the conversion of employment area lands for non-employment (e.g. residential development) uses.

The loosening of permissions regarding Settlement Areas and employment conversions could have a significant impact on Midland's growth. That is, there are several municipalities in Simcoe County that could expand their Settlement Areas or convert their employment area lands to accommodate growth in accordance with PPS 2024. The increase of developable land south of Midland could mean that the demand for developable land in Midland could drop. This is because, despite rising immigration levels, the demand for housing is finite, even in a housing crisis. Therefore, should there be a surplus of land available for growth in municipalities south of Midland, growth in Midland may slow; this perspective is only numerical, and does not account for things like housing costs, market preferences, or shifts in commuting/work from home trends.

The above illustrates why Provincially prescribed municipal targets and methods for calculating land need are important; municipalities should plan for what they are allocated, not more, not less. If the guidelines about converting Ministry of Finance growth forecasts into land and housing need be subject to broad interpretation, and the rules for Settlement Area boundary expansions and employment area land conversions continue to be lax as proposed, municipalities south of Midland could absorb a larger share of growth in the region.

The impact of this goes beyond merely slowing growth. Rather, the proposed change may have real financial impacts on municipalities. This is because municipalities like Midland, which are on the outer rim of the Greater Golden Horseshoe, have been making growth management and capital infrastructure decisions based on predictable and controlled growth in southern municipalities. By lifting restrictions on Settlement Area boundary expansions, repealing the land needs assessment methodology, and deferring to the Ministry of Finance growth forecasts, PPS 2024 threatens the underlying growth management assumptions made by smaller municipalities; in other words, the future for which municipalities like Midland have been planning for may simply cease to exist. Given this uncertain and dynamic future, one which appears to reward municipalities that can accommodate growth first, thereby absorbing market demand, may lead to smaller municipalities like Midland to take a more conservative approach to accommodating growth by focusing capital investments in infrastructure which is funded by the existing tax base. In doing so, a municipality would have certainty that it will not overextend itself given that there is no certainty that a municipality's investment in capital infrastructure will ever be returned in the form of development.

Given the above, the Town recommends that the Ministry continue to require municipalities to follow a prescribed methodology for expanding Settlement Areas and converting employment area land. Further, the Town recommend that the establishment of new Settlement Area be prohibited. It is also recommended that PPS 2024 require Settlement Area boundary expansions and employment area land conversions to be supported by housing and land needs assessments that are based Ministry of Finance growth forecasts. To ensure these assessments maintain some level of scientific rigour, the Town recommend that the Ministry of Municipal Affairs continue to provide strong direction on how municipalities are to disaggregate Ministry of Finance growth forecasts to the municipal level, and how the population forecasts translate into housing need. These basic building blocks of growth management will maintain some level of continuity and provide municipalities and the development industry with certainty on eventually return on investment.



c) *Densities and Targets*

It is unclear how the removal of minimum intensification and density would speed up development approvals and construction or create more homes for Ontarians. If anything, the removal of minimum target could lead to approvals of more low density, single unit subdivisions that are not well aligned to a community's housing need. This form of low-density development would, over time, negatively impact a municipality's financial well-being and, in turn, its ability to accommodate more growth. The Town would prefer minimum intensification and density targets, or at least the policy basis to establish same, to be maintained as these targets have proven to support the development of compact and efficient communities. While it can be argued that the PPS 2024 is a minimum standard, one that municipalities can go beyond, going beyond the minimum standard is often met with opposition. Without prescriptive or enabling policies, it is likely that municipalities will defer to the minimum standard.

d) *Employment Area Definition*

The narrowing of the definition of an employment area is a positive step as the interpretation of the term has expanded over time, allowing more and more non-industrial type uses to locate within employment areas. This has resulted in the displacement of and encroaching on industrial type uses which are location sensitive. By narrowing the definition, PPS 2024 effectively prohibits certain uses from locating within employment areas, protecting employment area land over the long term for industrial type uses. The narrowing of the definition will mean that municipalities will need to evaluate their employment areas to determine which lands should continue to stay designated as such and which lands can be freed up to permit a broader mix of uses. This will be beneficial to municipalities which have an oversupply of employment area land and insufficient land for development or where development pressure and trends no longer match up with a municipality's employment area land supply.

The Town recommends that the Ministry provide guidance on how to conduct employment conversions, similar to the in-effect Growth Plan, to ensure that an appropriate amount of land is converted for allow for non-employment uses. Further, recommend the definition of employment area include or permit office uses that are not ancillary to an industrial type uses. Municipalities should also be permitted to define what constitutes an office use in their own context. This will avoid making existing office uses in employment areas legal non-conforming and will maintain continuity with the in-effect Growth Plan, which has permitted office uses in employment areas since 2006.

e) *Strategic Growth Areas*

The expansion of the role of Strategic Growth Areas (SGAs) is not anticipated to have negative impacts. On the contrary, the proposed change will consolidate the policy framework, eliminating overlap between growth areas (e.g. MTSAs and UGCs) and allow municipalities to use SGAs to identify where growth, development, and intensification are anticipated and encouraged. The Town recommend that PPS 2024 allow municipalities, other than LFGMs, to establish targets for their SGAs, whether they be targets for affordable housing, jobs, intensification, or density. This type of enabling policy would effectively combat NIMBY and allow a portion of a municipality's growth to be accommodated within developed areas. This will, in turn, supports creation of complete communities, create more housing options for residents, and allow developers to capitalize on existing infrastructure.



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4. What are your thoughts on updated proposed policies to provide infrastructure to support development?

The inclusion of policies that require land use and infrastructure planning be coordinated is critically important and commended. Municipalities that coordinate their land use and infrastructure are not only ensuring their own long term financial well being but also position themselves to support development, providing certainty to the development industry. However, the Town struggles to understand how municipalities will be able to achieve the above in a permissive and dynamic policy environment, one in which a municipality's ability to control its growth is limited and subject to appeal. To provide the certainty and direction required to allow for timely approval of development, municipalities must be in control of growth management. As such, and as indicated above, it is recommended that restrictions on expansions of Settlement Area boundaries and appeals to refusal of same continue to be limited and firmly in a municipality's control.

5. What are your thoughts on updated proposed policies regarding the conservation and management of resources, such as requirements to use an agricultural systems approach?

While the proposed changes are not anticipated to impact Midland, largely due to strong natural heritage policies in the Town's Official Plan, the proposed change is significant. Municipalities which do not have strong natural heritage policies, and have relied on the Growth Plan to protect their natural heritage resources, will now only have the general PPS 2024 policies until they develop and implement their own natural heritage system mapping and policies. The Town is of the opinion that some transition is appropriate (i.e. the in-effect Growth Plan natural heritage system mapping and policies be maintained until municipalities develop their own) given the level of potential impact on the region's natural heritage resources.

6. What are your thoughts on any implementation challenges with the updated proposed Provincial Planning Statement?

The Province's intent with the proposed PPS is, of course, to build more homes faster. While this may be the case for some of the changes proposed, the very same changes may lead to debates at the OLT, and perhaps at the Ontario Divisional Court, due to lack of clarity or direction regarding implementation. Further, the underlying tone of the PPS 2024 is concerning. That is, PPS 2024, unlike the Growth Plan, appears to defer to protecting development interests at the costs of a municipality's ability to control and direct growth. This is evidenced in the permissions to allow Settlement Area boundary expansions and employment area conversions to occur at any time, and the loss of clear direction on how to use growth forecasts or how growth forecasts relate to housing and land need. The impact of the shift in policy direction is compounded by legislative changes proposed by Bill 185, namely the removal of third-party appeal rights and introduction of appeal rights relating to Settlement Area boundary expansions. The Town strongly advise the Ministry to thoroughly and seriously consider the impacts of these changes on Ontario's municipalities and their communities.

As municipalities are the stewards of Ontario's bounty, their ability to regulate and direct growth to protect agricultural land, natural heritage resources, and observe their fiduciary duty to ratepayers, is fundamental to Ontario's long-term well-being and its ability to stay resilient in the face of epidemics, economic volatility, and accelerating climate change.

7. What are your thoughts on the proposed revocations in O.Reg. 311/06 (Transitional Matters - Growth Plans) and O.Reg. 416/05 (Growth Plan Areas)?

The Town, at this point and time, have no comments on the above proposed change.



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The Town wish to thank the Ministry for the opportunity to provide feedback on this fundamental policy instrument as it is indeed municipalities that implement the Province's policies. As such municipalities are in the best and most informed position to comment on how Provincial policies affect community development, housing affordability, and economic growth.

Respectfully,

The Corporation of the Town of Midland

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