

5

RELEASE OF THE PROVINCIAL POLICY STATEMENT (2005)

The Planning and Economic Development Committee recommends the adoption of the recommendations contained in the following report, March 4, 2005, from the Commissioner of Planning and Development Services:

1. RECOMMENDATIONS

It is recommended that:

1. That this report be received for information purposes.
2. That this report be forwarded to the Ministries of Municipal Affairs and Housing and Public Infrastructure Renewal with a request that a response be provided on how the Province is planning to address the Region's issues, not considered through the Provincial Policy Statement, in the Places to Grow document.
3. That this report be forwarded to the local municipalities for their information and use

2. PURPOSE

On March 1, 2005 the new PPS came into force and the Region must implement it. The purpose of this staff report is to review and comment on the contents of the release of the 2005 Provincial Policy Statement (PPS) and its possible implications on the Region.

3. BACKGROUND

Since assuming office in the Fall of 2003, the McGuinty Government has launched initiatives in a number of areas to protect rural areas, open space, clean water and deal with the impacts of rapid urban growth in southern Ontario.

On June 1, 2004 the Minister of Municipal Affairs and Housing (MMAH), released discussion papers on:

- Bill 26 the Strong Communities Act (changes to the Planning Act).
- Provincial Policy Statement Review and Draft PPS.
- Ontario Municipal Board Reform.

These Provincial growth management-related efforts are meant to complement the Greenbelt Plan and Bill 27, the Ministry of Public Infrastructure Renewal's Places to Grow Plan, and Source Water Protection initiatives. Overall, these Provincial growth-related plans are meant to minimize the effects of urban development on the natural,

social and economic environments of southern Ontario and better co-ordinate growth management efforts between Provincial ministries, and upper- and lower-tier governments.

3.1 Regional Planning in the Context of Provincial Planning Reform

On June 16, 2004 Planning Staff presented a report to Planning and Economic Development Committee on the Provincial discussion papers (see *Attachment 1*). In that report Staff identified the following issues with the PPS discussion paper:

- More Provincial involvement and assistance is needed in the implementation of programs.
- Urban areas must have stronger policy to promote their viability and sustainability.
- Stronger policies and a more streamlined process should be introduced for priority growth areas.
- The Provincial ministries should be better integrated with respect to a land use planning policy and the implementation thereof. Ministry decisions should be benchmarked against the 'Smart Growth' principles.
- Provincial policies and programs should be introduced that assist in the coordination of local and upper-tier plans. These actions will serve to better direct growth and identify key development areas.
- New tools and policy need to be introduced rather than simply capitalizing on existing.
- Environmental/greenlands are well defined – Provincial ministries should reinforce Regional policy and do more to implement.
- Province should assist in the implementation of the GTA Agricultural Action Plan.
- Critical infrastructure projects must be supported to support healthy and safe communities. There appears to be a disconnect between Provincial agencies with respect to the support and implementation of critical infrastructure projects to accommodate and support growth.

While a limited number of issues identified in our June 2004 staff report were addressed with this final version of the PPS, most of the issues remain outstanding (see *Attachment 1*).

4. ANALYSIS AND OPTIONS

The PPS sets out a policy direction on land use planning matters to which the Provincial Government has an interest. The PPS gives guidance with respect to protecting areas of provincial interest including:

- Public health and safety.
- Economic diversity and quality.
- Preservation of the natural environment.

The initial PPS came into effect on May 22, 1996. Since 2001, MMAH has been undertaking a five-year review of the PPS to ensure that it is achieving its objectives “to promote and manage growth in ways that sustain a strong economy, build strong communities, and promote a healthy environment.” On June 1, 2004 the MMAH announced the proposed policy directions for revisions to the PPS and provided draft policies that outlined Provincial interests in relation to building strong communities, protecting the environment and supporting a strong economy. On March 1, 2005 the comprehensive revision resulting from the review came into effect.

In conjunction with the March 1st enactment of the revised PPS, a key change to the *Planning Act* through Bill 26 also comes into effect. The wording change that requires that decisions “be consistent with” the PPS replaces the previous and less prescriptive “have regard to” statement. This wording change is the final change to the *Planning Act* introduced by the Province in June 2004. The other changes were implemented in December 2004 and involved: increasing the time for municipalities to make decisions on planning applications before they can be appealed to the Ontario Municipal Board (OMB); prohibiting appeals to the OMB of private applications for urban boundary expansions; and permitting Cabinet to make the final decision on applications for “matters of provincial interest”.

There are no significant changes to the PPS from the draft discussion paper released in 2004. Generally, Planning staff support the direction of this final version of the PPS. However, as mentioned in our June 2004 staff report and outlined on *Attachment 1*, there are still a number of areas where further assistance and direction from the Province, new policy and implementation tools, financial mechanisms, and consultation with upper and lower tier municipalities should be explored to implement the Vision for growth in the Province and, more particularly, in south-central Ontario set out in the Places to Grow and Greenbelt Plans.

Each of the PPS’s subject areas are summarized in the following paragraphs, by key policy area. Planning Staff comments made on the changes in relation to the issues raised in our June 2004 report are summarized in the table attached to this report as *Attachment 1*.

4.1 Key Policy Areas of the PPS

4.1.1 Intensification

The PPS defines “*Designated Growth Areas*” as the focus of intensification and growth for the future. This approach is consistent with Places to Grow Draft Plan that identifies the locations of these Areas, and the Region’s ROPA 43 (Centres and Corridors amendment). While the PPS does not refer to the 40% intensification target of Places to Grow, it does introduce a definition as involving the development of a “*property, site or area at a higher density than currently exists*”. In summary, the policies of the PPS:

- Promote intensification, infill and brownfield development over greenfield.

- Promote efficient development patterns and mixes of land use to facilitate pedestrian mobility and modes of travel other than the private automobile.
- Direct upper tier municipalities to promote intensification and redevelopment and establish minimum density and intensification targets for key urban areas and corridors.
- Direct upper-tier municipalities to identify and allocate population and employment projections and direct growth through a nodes and corridors scheme.
- Direct upper tier municipalities to establish and implement phasing plans to direct development in designated growth areas.
- Support full range and mix of housing including affordable and special needs.
- Limit the expansion to boundaries to comprehensive Official Plan reviews, subject to specified criteria.

4.1.2 Employment Lands

The PPS requires that municipalities plan for and protect employment lands for industrial uses. A definition of “Employment Lands” has been introduced to the PPS for the first time; it is defined to focus on industrial-type uses (manufacturing, warehousing, offices and ancillary retail) and excludes commercial uses. The PPS also sets out policies with respect to improving the mix of employment and housing opportunities, under the pretext of shortening commutes, decreasing traffic congestion, and achieving a jobs/housing balance. These approaches are consistent with the Places to Grow Draft Plan with respect to the preservation of employment lands for industrial purposes. Regional staff strongly support this direction considering that the Greenbelt Draft Plan does not reflect the Region’s request to provide for the introduction of new employment areas.

4.1.3 Housing

The revised PPS carries forward the requirement that municipalities must maintain a minimum 10-year supply of growth (including that through intensification and redevelopment) and that a minimum 3-year supply of residential units through draft approved and registered plans, and zoned lands be maintained; the policy wording regarding zoned lands is a new introduction. The PPS does not take into consideration servicing constraints or the timing of critical infrastructure to grant draft approvals 3 years in advance. The Region, as with other GTA municipalities, may not be able to adhere to this policy due to factors out of our control with respect to infrastructure approvals.

As a new direction, the PPS requires that municipalities implement targets for the provision of affordable housing. “Affordable” is defined by the PPS as: that which does not exceed 30% of household income of low and moderate income families. New development shall minimize the cost of housing and be of a compact form and shall be directed to locations where appropriate levels of infrastructure exist or will be available. Regional staff support this approach as the ROP already requires that a minimum of 25% of all new residential units be affordable and encourages innovative way to provide for this category of housing.

4.1.4 Agriculture

The PPS now specifies that local “Prime Agricultural Areas”, defined as wherever ongoing agricultural practices are taking place, are to be designated and protected through upper- and lower-tier Official Plans. “Prime Agricultural Lands”, defined as Classes 1 to 3 soils and Specialty Crop Areas, are similarly to be protected for agriculture and related uses only.

Non-agricultural lot creation is prohibited, with a few exceptions, and expansions of settlement area boundaries into Prime Agricultural Areas will only be permitted if there are no other options. The Agricultural Rural policies of the Greenbelt Draft Plan are consistent with this approach.

The long-term economic prosperity section of the PPS, (Section 1.7) states that the preservation of a sustainable agri-food sector is key and should be protected. The PPS’s requirement to designate “Prime Agricultural Areas” and “Lands” in Official Plans speaks to the Province’s emphasis on the long-term preservation of agriculture as an industry. Protecting farm lands with the Greenbelt is only a small part of making agriculture a viable industry. The PPS does not address how the agri-food sector will be preserved and made sustainable.

4.1.5 Infrastructure

The PPS specifies that planning for infrastructure shall be coordinated with planning for growth and that development should be coordinated with the planning for infrastructure and public service facilities to meet current and future needs. Development will not be permitted that negatively affects the use of key intensification corridors. This policy direction of the PPS gives the Region a means for dealing with proposals to introduce land uses in the Regional Corridors that are not in keeping with the intensification and transit-supportive approach established by ROPA 43.

In our June 2004 staff report, it was recommended that a comprehensive definition of ‘public services’ be introduced that includes human services and programs that support a safe, caring and healthy community and promote a high quality of life. The 2005 PPS introduces a new definition for “Public Service Facilities” and it includes a reference to *“social assistance, recreation... health and educational programs, and cultural services.”*

The PPS does not address the means of infrastructure delivery to accommodate growth nor does it commit to Provincial infrastructure projects.

4.1.6 Natural Heritage

The PPS specifies that municipalities shall protect significant natural resource features for the long term and use the watershed as the ecological scale for planning. While the PPS does not specifically address the Regional issues raised in our June 2004 report, many of the issues are addressed through the Greenbelt Draft Plan (see *Attachment 1*).

4.1.7 Mineral Aggregate Resources

The PPS remains supportive of mineral aggregate operations. A new policy requires neither a demonstration of need nor a supply/demand analysis are required to designate or licence extraction of aggregates. Staff do not support this change because without a supply/demand analysis, applications for aggregate extraction of low quality aggregate cannot reasonably be assessed against other competing uses in near urban situations.

4.1.8 Implementation

As with the previous version of the PPS, policy speaks to the Province identifying performance indicators for measuring the effectiveness of the policies and monitor their implementation. Municipalities are also encouraged to establish performance indicators to monitor implementation of PPS policies in their respective Official Plans. Regional Planning staff recommended that the Province measure its own actions and implementation against the Places to Grow Plan in our September 2004 staff report.

4.2 Relationship to Vision 2026

Many of the goal areas in Vision 2026 compliment and support the PPS including advancing quality communities for a diverse population while protecting resources of Provincial interest, public health and safety; enhancing the quality of the natural environment, built heritage and culture; supporting a vibrant economy; providing adequate and suitable housing choices for our residents; improved land use planning to manage balanced growth; providing infrastructure for a growing region; and, engaging our communities in future decision making.

4.3 Summary

The key Regional issues that were not addressed with the final version of the PPS are:

- There needs to be an identification of how Provincial policies and programs will assist in the coordination of lower- and upper-tier Official Plans to identify and direct growth to key development areas.
- A streamlined process is needed for development approvals in designated growth areas.
- Provincial support for upper-tier municipalities is needed in the preparation and implementation of the area-specific job/housing mix targets.
- Provincial support is needed for the implementation of the GTA Agricultural Action Plan.
- The Province must provide more specific direction with respect to their targets and provide municipalities the practical tools to implement.
- The Province must support the planning and implementation of critical infrastructure projects to accommodate and support growth.
- More direction and implementation tools and funding are needed in terms natural heritage feature protection.

The Province will need to address these issues of the Region is expected to meet the Provincial growth vision and expectations being advanced through the Places to Grow initiative.

5. FINANCIAL IMPLICATIONS

As outlined in our June 2004 report, many of the key community building policy areas implemented by the PPS are presently being advanced by the Regional Official Plan. Over the past 5 years, York Region has undertaken a number of initiatives to advance public policy in the Region, including:

- The completion and endorsement of Vision 2026 and the Vision Report Card.
- Release of the Transportation Master Plan.
- Regional assumption of amalgamated transit operations on January 1, 2001, YRTP and the Quick Start initiative.
- Implementation of the Oak Ridges Moraine Conservation Plan through ROPA 41.
- The York Region Greening Strategy and the Greenlands Property Securement Strategy.
- The Human Services Strategy.
- Adoption of the report of the Homelessness Task Force and the release of the Regional Housing Supply Strategy.
- The regional Centres and Corridors Strategy through ROPA 43.

The policies of the PPS will not require changes to the Regional Official Plan. More will be known about the extent of the policy changes required once the Province's Places to Grow Plan has been finalized.

Provincial decisions regarding the financing of urban services will have a direct impact on the Region's urban growth. As mentioned in our June 2004 report, municipal financial tools and tax policy still have to be explored to encourage the private sector to build the compact urban form that is now being promoted by the Province. Currently, the Region has a limited ability to affect fiscal policy as many of the tools presently available, such as property taxes and development charges, are governed and defined by Provincial legislation.

6. LOCAL MUNICIPAL IMPACT

Changes to the PPS have been under discussion for some time. The policies of the PPS will require changes to the local Official Plans to bring them into compliance. Further policy changes will likely be required once the Province's Places to Grow Plan has been finalized. Regional Planning Staff will work with our municipal partners to strengthen the local communities by reflecting this emerging Provincial policy, where required.

7. CONCLUSION

The Province's revisions to the PPS are generally positive and brings Provincial policy closer to the approach of the Regional Official Plan. The changes to the PPS are intended to provide for a more efficient and cost-effective use of resources and provide greater ability for municipalities to plan for appropriate long-term growth, provide affordable housing and sustain our economy. The policies of the PPS reinforce the directions of the Places to Grow Draft Plan and Regional policies of the ROP already in place, such as the Centres and Corridors strategy, the YRTP VIVA plan, and the Greening and Human Services Strategies.

Many of the issues raised in our June 2004 report were not addressed. These issues are important to the Region. The Province needs to go further towards working with municipalities to provide a framework for streamlining the approval of critical infrastructure to accommodate the 2031 growth projected for the Region and to develop and provide tools for and implementation at this level.

Additionally, the implementation of the Province's emerging direction towards growth management will require the involvement of all levels of government. Like other municipalities in Ontario, the Region will need to secure additional long-term sources of revenue to provide the critical infrastructure needed to support development, redevelopment and the intensification being required by the Province. More involvement is also required from senior levels of government to ensure that the Region is provided the financial tools and funding mechanisms essential for the development of a compact and sustainable urban structure that is in keeping with PPS.

The important Regional issues that remain outstanding are:

- An identification of how Provincial policies and programs will assist in the coordination of lower- and upper-tier Official Plans to identify and direct growth to key development areas.
- A streamlined process for development approvals in designated growth areas.
- Provincial support for upper-tier municipalities in the preparation and implementation of the area-specific job/housing mix targets.
- Provincial support for the implementation of the GTA Agricultural Action Plan.
- Provincial direction with respect to their targets and provide municipalities the practical tools to implement.
- Provincial support for the planning and implementation of critical infrastructure projects to accommodate and support growth.
- Direction, and implementation tools and funding for natural heritage feature protection.

The Province should respond to the issues identified in this report and explain how they will work with the Region to resolve them through the Places to Grow initiative.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is included with this report.)