
DATE: April 13, 2005

SUBJECT: **PLANNING POLICY AND RESEARCH**
RELEASE OF THE 2005 PROVINCIAL POLICY STATEMENT

FROM: Nick Tunnacliffe, Commissioner of Planning

OBJECTIVE

The purpose of this report is to provide a summary of the new Provincial Policy Statement (PPS) that was released by the Ministry of Municipal Affairs and Housing on February 21, 2005. The new Provincial Policy Statement came into effect on March 1, 2005 and replaces the former Provincial Policy Statement that was issued on May 22, 1996.

REPORT HIGHLIGHTS

- The Province released a new Provincial Policy Statement (PPS) that came into effect on March 1, 2005. The PPS is a key part of Ontario's planning system and provides guidance to municipal councils related to land use planning.
- The new PPS applies to all planning decisions, applications, matters or proceedings that are commenced on or after March 1, 2005, including decisions by municipal councils and the Ontario Municipal Board.
- Recent amendments to the *Planning Act* introduced in 2004 will require all decisions by municipal councils to be consistent with the new Provincial Policy Statement. The new "shall be consistent with" standard implies a more mandatory standard than the previous "shall have regard to" standard that was replaced.
- The new PPS introduces policy changes in key areas including more emphasis on growth management, intensification and redevelopment, protection of employment areas, protection of natural heritage systems and water resources.
- The PPS identifies specific roles for upper tier municipalities including: allocation of population, housing and employment forecasts, and identification of growth areas, intensification targets and density targets for transit corridors.
- All of these changes will have policy and program implications to the region that will require further review and consultation with the Province and area municipalities.
- The proposed Northwest Brampton urban boundary expansion shall be consistent with the new PPS as explained in a separate report on Northwest Brampton.

DISCUSSION

1. Background

The Provincial Policy Statement (PPS) is a key component of Ontario's planning system as it sets out the Province's policy direction on matters of "provincial interest" related to land use planning. The PPS is issued under the authority of Section 3 of the *Planning Act* and, as such, has legal status. It applies to all planning decisions, applications, matters or

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proceedings under the *Planning Act* that are commenced on or after March 1, 2005, including decisions by municipal councils, ministers of the Crown and the Ontario Municipal Board. The PPS includes policies on growth management, protecting the environment and protecting public health and safety.

A previous report on a draft version of the Provincial Policy Statement was brought to General Committee in July 2004.

2. Relationship to Other Provincial Initiatives

The PPS is the Province's broader policy document and establishes the framework for other provincial planning initiatives such as the Greenbelt Plan and the proposed Places to Grow growth plan for the Greater Golden Horseshoe (GGH). These other provincial plans are guided by the PPS but will take precedence where they are more specific or where there is a conflict. The PPS's growth management policies establish the Region's role in planning for growth, intensification and redevelopment and will provide the context for the Region's future participation in the Province's growth strategy for the Greater Toronto Area Hamilton (GTAH) geographic region – a key component of the Places to Grow growth plan for the Greater Golden Horseshoe.

These policy and planning initiatives will have implications for the Region's planning function and ultimately will have implications for the delivery of regional services.

The draft Places to Grow growth plan was released by the Province on February 16, 2005 for a 60-day review period. Further information on the growth plan is provided in a separate report to Council.

3. Provincial Policy Statement Highlights

a) Stronger Implementation Standard (*Planning Act* Section 3)

Recent amendments to Section 3 of the *Planning Act* introduced in Bill 26 will require all planning decisions by municipal councils, ministers of the Crown and the Ontario Municipal Board to "be consistent with" the new PPS. The previous standard required that decisions "have regard to" policy statements. The higher standard of shall "be consistent with" implies a more demanding test that is mandatory in nature.

b) More Emphasis on Intensification and Redevelopment (PPS Section 1.0)

The new PPS emphasizes intensification and redevelopment and will require targets for intensification and redevelopment within existing built up areas to be established and met prior to, or concurrently with, new development being extended into designated growth areas. Intensification targets for the Region of Peel and the area municipalities will be established through requirements in the Places to Grow plan for the GTAH.

c) Settlement Area Expansions (PPS Section 1.1.3.9)

New settlement area policies will only permit expansions at the completion of a comprehensive review where it is demonstrated that opportunities for growth are not available through intensification, redevelopment or in designated growth areas. Policies on natural heritage and resources (Section 2 of the PPS) are to be applied to determine the direction of new growth.

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d) Increased Responsibilities for Municipalities (PPS Section 1.2)

The new PPS identifies new roles for municipalities that will require municipalities to coordinate and provide policy direction on planning matters that cross municipal boundaries such as for planning related to natural heritage systems and resource management. Municipalities will be required to identify, coordinate and allocate population, housing and employment projections based on provincial plans and forecasts; identify growth areas; and identify targets for intensification and redevelopment.

e) Protection of Employment Areas Emphasized (PPS Section 1.3)

New policies are added for the protection of employment lands. Conversions of employment lands to residential, for example, will only be permitted through comprehensive review and only where it has been demonstrated that the land is not required for employment purposes over the long term and there is a need for the conversion.

f) Housing Supply and Affordability (PPS Section 1.4)

The housing supply policies are carried forward from the former PPS and will continue the requirement that municipalities maintain a ten year supply of land that is designated for residential growth and a three year supply of land with servicing capacity. New policies will require the land supply to be provided through intensification and redevelopment and, if necessary, lands designated for residential uses in official plans.

The three year supply of serviced land will need to include lands zoned to facilitate intensification and redevelopment.

The new housing policies will also require affordability targets to be set by municipalities and, under the PPS, upper tier municipalities will have the option of setting a higher target for lower tiers which would then become the minimum target to be met.

g) Infrastructure and Public Service Facilities (PPS Section 1.6)

The PPS policies provide policy direction that planning for infrastructure (transportation, sewer and water services) and public service facilities (social services, police, fire, health and recreation) should be integrated with planning for growth. It is expected that the planning for infrastructure and public service facilities will need to support the PPS's new emphasis on intensification, redevelopment, efficiency and integration.

h) Natural Heritage and Water Resources Policies (PPS Section 2.1)

Natural heritage and in particular water resources policies are significantly strengthened in the new PPS. Planning for natural heritage systems, including the recognition of planning for landscape restoration, is now formally recognized in the PPS.

With an emphasis on natural heritage systems, the new policies of the PPS will require more formal consideration of the relationships and linkages between natural heritage features and areas, surface water features and ground water features.

There is also a clear requirement for planning authorities to protect, improve or restore water quantity or quality by restricting development in or near sensitive surface and ground water features.

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Planning authorities will also need to implement restrictions on development to protect municipal drinking water supplies and designated vulnerable areas. A third component of the Regional Official Plan Strategic Update (ROPSU), to update the ROP's water resources policies, was deferred until the Province completed its five year review of the PPS and introduced new source water protection legislation (expected in 2005). The new PPS will provide the broad policy framework to allow the water resources policy update to proceed once source water protection legislation is finalized.

i) **Agriculture (PPS Section 2.3)**

The policies that protect prime agricultural lands are maintained in the new PPS which now gives specialty crop areas the highest priority followed by Class 1, 2 and 3 lands for agricultural capability in that order of preference. The removal of prime agricultural lands for urban boundary expansions are only permitted if justified and subject to comprehensive review. This will require consideration of intensification and redevelopment targets as required by the policy statement's growth management policies (PPS Section 1.0).

Lot creation for a farm retirement lot and for residential infilling are no longer permitted in prime agricultural areas.

j) **Aggregate Resources Policy (PPS Section 2.5)**

Aggregate resources policies have been revised such that the demonstration of need for the resource, including supply/demand analysis, is no longer a factor when determining long term protection of the resource. The PPS requires that as much of the mineral aggregate resources as possible shall be protected and made available. Rehabilitation policies fall short of those in the Greenbelt Plan.

4. **Five Year Review of Regional Official Plan**

The *Planning Act* establishes a requirement for Regional Council to review the Regional Official (ROP) Plan at least once every five years. The next five year review is to begin with a public meeting in March 2007, at which time the review is expected to identify a need for the ROP to be consistent with the PPS. Staff expects that there would be substantive revisions needed to bring the ROP in line with the new PPS. It may be beneficial to advance some of this work once the full scope of the Provincial Places to Grow and source water protection legislation is known.

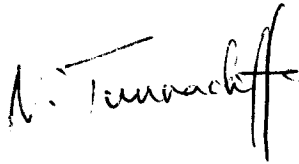
Transition provisions, introduced by regulation under the *Planning Act*, identify which "in process" applications must "be consistent with" the new PPS. These transition provisions will be reviewed in consultation with the Province and the area municipalities to determine how current development proposals and applications are affected. Applications commenced before March 1, 2005 will not be subject to the new standard of "shall be consistent with" and will be reviewed in accordance with the previous PPS and "shall have regard to" standard.

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CONCLUSION

The *Planning Act* requires that all decisions made by municipal councils after March 1, 2005 "be consistent with" the policies of the new PPS. The new PPS replaces the former policy statement that was issued on May 22, 1996 and introduces several key policy changes that will now need to be considered. These changes include more policy emphasis on growth management, intensification and redevelopment, protection of employment areas, transit supportive land uses, protection of natural heritage systems and water resources. The PPS establishes a new role for municipalities to coordinate planning matters that cross municipal boundaries. These new requirements will be reviewed in consultation with the Province and the area municipalities and incorporated into the Planning Department's work program as required. This review may identify circumstances where no changes are required to the Regional Official Plan and where policy updates are needed.

The Province's consultation on the draft Places to Grow growth plan for the Greater Golden Horseshoe is proceeding as a separate and complementary initiative to the new PPS. It is expected that this process will require more detailed planning to be undertaken for the Greater Toronto Area Hamilton region and will be discussed in a separate report to Council.



Nick Tunnacliffe
Commissioner of Planning

Approved for Submission:



R. Maloney, Chief Administrative Officer

Authored By: Mark Head

- c. Legislative Services
 - Mitch Zamojc, Commissioner of Public Works
 - Keith Ward, Commissioner of Housing and Property