

To:	Warden Milne and Members of Grey County Council
Committee Date:	September 12, 2024
Subject / Report No:	PPS 2024 / PDR-CW-49-24
Title:	Provincial Planning Statement 2024 Final Version and Transition Considerations
Prepared by:	County Planning Staff
Reviewed by:	Randy Scherzer
Lower Tier(s) Affected:	All member municipalities within Grey County

Recommendation

1. That report PDR-CW-49-24 be received, regarding the update to the Provincial Planning Statement 2024; and
2. That report PDR-CW-49-24 be forwarded on to the province as the County of Grey's comments on Environmental Registry posting 019-9065; and
3. That this report be shared with; the County's Planning and Economic Development Advisory Committee, Agricultural Advisory Committee, and member municipalities in Grey County; and
4. That staff be authorized to proceed prior to County Council approval as per Section 26.6(b) of Procedural By-law 5134-22.

Executive Summary

On August 20, 2024, the province released the final draft of the 2024 Provincial Planning Statement (PPS). The updated PPS comes into effect on October 20, 2024. As of this October date, all planning decisions are required to be consistent with the new PPS, regardless of whether the application or policy update was initiated prior to the PPS 2024 coming into force and effect.

Throughout 2023 and 2024 the province has been consulting on a new PPS which has the effect of updating the 2020 PPS, as well as merging *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* and the PPS into one document. The County submitted comments to the province on two earlier drafts of the PPS. There have been additional changes made to the PPS, from the earlier version circulated in April 2024. As part of the announcement for the final 2024 PPS, the province is also seeking feedback on any transition considerations for the new PPS, to facilitate implementation as it relates to existing planning matters already in process.

This report will provide Council with an update on the 2024 PPS and provide recommendations on any transition considerations for the new PPS. Staff support many of the changes made within the 2024 PPS, but there are some changes where there are still outstanding questions or concerns.

Background and Discussion

After almost two years of consultation, on August 20, 2024 the province announced the final draft of the updated Provincial Planning Statement (PPS) 2024. The PPS 2024 will come into effect on October 20, 2024, and have the effect of updating the 2020 Provincial Policy Statement and merging the PPS with *A Place to Grow: Growth Plan for the Greater Golden Horseshoe* (hereafter referred to as the Growth Plan). All planning decisions made on or after October 20, 2024 are required to be consistent with the PPS 2024, regardless of when the development application or planning policy update was initiated.

Grey County provided comments on earlier versions of the draft PPS, including the 2023 draft, as well as the April 2024 version. Copies of those comments through various staff reports can be found in the Attachments section of the report. Additional changes have been made to the final 2024 PPS, versus the April 2024 draft.

As part of the August 20, 2024 announcement of the PPS, the province is also seeking feedback on transitional matters to be considered in implementing the new PPS. The province is asking for this transitional feedback by October 4, 2024, through Environmental Registry of Ontario (ERO) posting 019-9065. A link to the ERO posting can be found in the Attachments section of this report. The correspondence from Minister Calandra on this matter notes the following:

“In addition, a 30-day consultation (ERO# 019-9065) beginning on August 20, 2024, will seek feedback on any specific planning matters in process that might need to be addressed through a potential transition regulation under the Planning Act. Your municipality is invited to share any feedback through the consultation.

To provide municipalities with implementation support, the Ministry of Municipal Affairs and Housing will provide training for municipal staff in September and October 2024. Our government will also consider developing Provincial guidance to support implementation.”

Staff support several of the policy changes in the 2024 PPS, but there are a few which remain concerning to the County and its member municipalities. This report will highlight some of the significant policy updates, as well as providing recommendations on potential transition matters to be considered through the ERO posting.

Summary of Provincial Planning Statement 2024 Changes

Building off the County's May 9, 2024 staff report, staff have compiled the below summary of key PPS 2024 subject areas. The summaries and subheadings have been organized based on the order they appear in the 2024 PPS, rather than any implied order of importance.

Planning for People and Homes (Section 2.1)

New to the 2024 PPS, is the requirement that planning authorities shall base population and employment growth forecasts on Ontario Population Projections published by the Ministry of Finance (MOF), and may modify projections as appropriate. Staff have concerns with this change. While there is merit to all municipalities using a standard projection method, there should be some municipal input or autonomy to ensure that local conditions are reflected. The impact of inflated projections could negatively effect municipal infrastructure planning and development charges. Whereas the County projected population growth of 23,810 people between 2021 and 2046, the MOF projects 42,869 people for this same period. As a result, the MOF projections for Grey County include an additional 19,059 people beyond the County's projections. County staff are not aware of any equivalent employment projections from the MOF to compare against the County's employment projections for Grey's growth horizon. Staff are requesting additional information from the Ministry of Municipal Affairs and Housing (MMAH) on how this will be implemented and the degree to which the words "and may modify, as appropriate" can be used to consider local nuances to the MOF projections. A source for the employment projections is also requested.

The 2024 PPS now requires land be made available to accommodate a range of land uses to meet the projected needs planning for at least 20 years, but not exceeding 30 years. Longer-term planning can still be done for infrastructure, public service facilities, strategic growth areas, and employment areas. County staff support these changes as it pertains to the planning horizon.

There is a further caveat to the above, to note that where the MMAH approves a minister's zoning order (MZO), that it is in addition to projected needs established in the official plan. At the time of the next official plan review, this additional growth would then get incorporated into the official plan and related infrastructure plans. Staff have some reservations regarding MZOs being used above and beyond any projected growth needs, and recommend that this is a tool that is only used sparingly in Grey County for extraordinary purposes.

Housing (Section 2.2)

The 2024 PPS housing policies are very similar to the April 2024 draft PPS, which were supported by County staff. As it pertains to affordability, the 2024 PPS references prices in the municipality, versus the 2020 definition references the regional market area. There are also some definition changes, including removing the definition for 'special needs' and replacing it with a definition for 'additional needs housing'. Coordination with housing service managers is also a requirement of the PPS. Staff support the 2024 PPS housing policies.

Comprehensive Reviews and Settlement Area Boundaries (Section 2.3.2)

The 2024 PPS removes the requirement for a comprehensive review for new or expanded settlement areas. This section of the PPS requires municipalities to consider seven criteria when assessing a new or expanded settlement area, but a comprehensive review is not required. As it pertains only to new settlement areas, it must also be demonstrated that the infrastructure and public service facilities to support development are planned or available.

The definition for ‘public service facilities’ has also been amended from the 2020 PPS. The revised definition is as follows:

“means land, buildings and structures, including but not limited to schools, hospitals and community recreation facilities, for the provision of programs and services provided or subsidized by a government or other body, such as social assistance, recreation, police and fire protection, health, child care and educational programs, including elementary, secondary, post-secondary, long-term care services, and cultural services.

Public service facilities do not include infrastructure.”

Staff would flag that although not new to the 2024 PPS, the ability to determine the capacity of public service facilities, as it pertains to those facilities outside municipal control remains problematic. For example, when a developer proposes an expansion to a settlement area it can be difficult to ascertain the capacity and long-term planning for provincially funded public service facilities such as hospitals, schools, mental health / addictions facilities, etc. Furthermore, where such facilities are insufficient to meet long-term growth needs, municipalities and developers have little tools available, beyond advocacy to rectify the shortage.

In general, staff have concerns that reduced requirements for settlement area expansions or new settlement areas could make it more difficult to promote infill and intensification within settlement areas. Removing the comprehensive review requirements also makes it much more difficult for a municipality to refuse a new or expanded settlement area. In some cases, such growth could functionally compete with existing serviced settlement areas or provide for an inefficient form of growth (urban sprawl) into lands designated Rural or Agricultural.

Staff believe that the new policies could create more opportunities for sprawl in the County’s Agricultural and Rural designations. These policies also need to be read in concert with the recent *Planning Act* changes, regarding reinstated appeal rights for developers where a settlement area expansion is refused.

Strategic Growth Areas (Section 2.4)

The 2024 PPS includes a new section 2.4 titled ‘strategic growth areas’. The term ‘strategic growth areas’ is also a newly defined term in the PPS. The concept of strategic growth areas comes from the Growth Plan. Grey County was not a part of the Growth Plan, and as such was not subject to these policies. Staff do not have any concerns with these policies pertaining to strategic growth areas, but would note that such policies are likely more pertinent to ‘larger and faster growing municipalities’, which is also new terminology in the 2024 PPS.

Rural Areas and Rural Lands (Sections 2.5 and 2.6)

The 2024 PPS policies for rural lands and areas are very similar to the 2020 PPS policies. One of the only notable differences is a new qualifier on recreational dwellings associated with resource-based recreational uses, which notes “recreational dwellings not intended as permanent residences” are permitted. The 2020 PPS permitted recreational dwellings, but it did not contain the notation about “not intended as permanent residences”. Staff are supportive of these sections of the PPS.

Employment Lands (Section 2.8)

The 2024 PPS has removed the need for a comprehensive review when considering a conversion of a designated employment area to a non-employment use. Similar to the comments above on comprehensive reviews for settlement area expansions, staff have concerns with this proposed change.

The definition for 'employment area' was also changed to align with the definition adopted through Bill 197, which will now also come into force and effect on October 20, 2024.

Section 1.3.2.3 of the 2020 PPS contained the following provisions:

“Within employment areas planned for industrial or manufacturing uses, planning authorities shall prohibit residential uses and prohibit or limit other sensitive land uses that are not ancillary to the primary employment uses in order to maintain land use compatibility.

Employment areas planned for industrial or manufacturing uses should include an appropriate transition to adjacent non-employment areas.”

The 2024 PPS has removed this policy, and added in two additional policies as follows:

“In addition to policy 3.5, on lands within 300 metres of employment areas, development shall avoid, or where avoidance is not possible, minimize and mitigate potential impacts on the long-term economic viability of employment uses within existing or planned employment areas, in accordance with provincial guidelines.” [section 2.8.1.3]

“Planning authorities shall 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 to maintain the long-term operational and economic viability of the planned uses and function of these areas.” [section 2.8.2.4]

While the two new policies address land use compatibility between neighbouring sensitive land uses and employment areas, they do not carry the same weight as prohibiting sensitive land uses in employment areas. Staff have concerns that the erosion of employment area policies and protections could have a negative impact on employment lands in the County and member municipalities.

Climate Change (Section 2.9)

The climate change policies in the 2024 PPS are 'trimmed back' from the 2020 PPS. Staff would have preferred the province take an increased leadership role both in this section of the PPS, and woven throughout the PPS, to require more action on greenhouse gas emissions, climate change mitigation, adaptation and resiliency. Servicing, stormwater, and waste management are all great opportunities to further include climate change direction. Policies on green development standards, or other supportive tools, would assist municipalities in achieving their own greenhouse gas reduction goals.

Sewage, Water, and Stormwater (Section 3.6)

Two notable changes in the 2024 PPS include the following:

- 1) a new policy regarding the allocation and reallocation of unused servicing capacity to meet housing needs (section 3.6.1(e)), and
- 2) a new clause under the partial servicing policies which considers partial services in rural settlement areas where new development is serviced via individual wells, with municipal or communal sewers (section 3.6.5(c)).

With respect to allocation and reallocation policies, staff have no concerns with this addition. Municipalities should develop policies or criteria for both allocation, as well as where reallocation may be necessary.

Regarding the new partial services provisions, staff note that it may limit some of Grey County's rural settlement areas. The policies appear to give explicit permission for development in rural settlement areas on individual wells, with municipal sewage treatment or private communal sewage services. Conversely, these policies could be read to exclude such development on individual septic systems with municipal water. If this is the case, it would potentially limit new development in several of Grey County's settlement areas including Balmy Beach, Chatsworth, East Linton, Leith, Oxenden, Shallow Lake, and Walter's Falls. The only settlement area in Grey which has individual wells, with municipal sewage treatment, is Flesherton. County staff will request further clarification with respect to this policy, and whether staff have interpreted it correctly.

Natural Heritage and Water (Sections 4.1 and 4.2)

The 2024 PPS policies are very similar to the existing 2020 natural heritage policies. Some of the definitions have been updated, but staff do not have any concerns with the changes.

The 2024 PPS introduces a new requirement for large and fast-growing municipalities, as well as upper-tier municipalities which contain a large and fast-growing municipality, to undertake watershed planning. Other municipalities are simply encouraged to undertake watershed planning. Grey and its member municipalities are not defined as a large and fast-growing municipality. Staff are supportive of this policy in principle. However, staff request that the province considering making funding available to municipalities and conservation authorities for watershed planning, as it will be an added cost and requirement for many municipalities.

Agriculture and Mineral Aggregate Resources (Sections 4.3 and 4.5)

The 2024 PPS now requires municipalities to use an "agricultural system approach". Previously the 2020 PPS encouraged this approach, but did not require it.

Other agriculture changes in the 2024 PPS include;

- clarification on principle dwellings,
- the permission for additional residential units (ARUs), in addition to farm worker housing,

- an updated definition for on-farm diversified uses (OFDUs) to include energy storage systems and electricity generation and transmission,
- new requirements for an agricultural impact assessment to be completed, and
- clarification on surplus farm dwelling severance policies to note that only one surplus dwelling may be severed per farm consolidation, and that both new dwellings and ARUs are prohibited on the retained agricultural lot.

Staff are generally supportive of the above-noted changes to section 4.3.

The mineral aggregate resource policies are very similar between PPS 2024 and PPS 2020. One area of departure is the policies on rehabilitation in prime agricultural areas. The revised policies appear to be less stringent, and no longer contain added protection for specialty crop areas. Staff prefer the 2020 protections to the 2024 PPS policies.

Other Items and Implementation

There are several other changes throughout the 2024 PPS, including changes to the introduction, preamble, cultural heritage and archaeology, human hazards, natural hazards, implementation and interpretation, as well as the coordination sections. Many of the changes in these sections are minor in nature and generally supported by staff. There are some weakened protections under cultural heritage section which provide less protection for properties on a municipal heritage register, which staff have concerns with.

Within the Implementation and Interpretation section there are a few policies to highlight for Council's awareness as follows:

- Municipalities must keep their official plans, zoning by-laws, and development permit by-laws up-to-date with the PPS, including *“establishing permitted uses, minimum densities, heights and other development standards to accommodate growth and development”*,
- Where a planning decision is required ahead of the official plan being updated to be consistent with the 2024 PPS, that decision is still required to be consistent with the PPS,
- Strategic growth areas are not land use designations, and their delineation does not alter existing land use designations, and
- Density targets represent minimum standards, and planning authorities are encouraged to go beyond these minimum standards.

Within the Coordination section there are a few policies quoted below for Council's awareness. A number of the policies require greater coordination between public bodies, which staff are supportive of.

2. *“Planning authorities shall undertake early engagement with Indigenous communities and coordinate on land use planning matters to facilitate knowledge-sharing, support consideration of Indigenous interests in land use decision-making and support the identification of potential impacts of decisions on the exercise of Aboriginal or treaty rights.*
4. *Planning authorities and school boards shall collaborate to facilitate early and integrated planning for schools and associated child care facilities to meet current and future needs.*

5. *Planning authorities shall collaborate with publicly-assisted post-secondary institutions, where they exist, to facilitate early and integrated planning for student housing that considers the full range of housing options near existing and planned post-secondary institutions to meet current and future needs.*
6. *Further to policy 6.2.5, planning authorities should collaborate with publicly-assisted postsecondary institutions on the development of a student housing strategy that includes consideration of off-campus housing targeted to students.*
9. *Where planning is conducted by an upper-tier municipality, the upper-tier municipality in consultation with lower-tier municipalities shall:

 - a) *identify and allocate population, housing and employment projections for lower-tier municipalities;*
 - b) *identify areas where growth and development will be focused, including strategic growth areas, and establish any applicable minimum density targets;*
 - c) *identify minimum density targets for growth and development taking place in new or expanded settlement areas, where applicable; and*
 - d) *provide policy direction for the lower-tier municipalities that cross municipal boundaries.”**

Transitional and Implementation Matters to be Considered for the Provincial Planning Statement 2024

Within the ERO posting the province is seeking feedback on specific matters which may require transitional regulations for PPS 2024. The province lists development applications or planning matters under appeal, as examples where transition may be considered. Details are requested on the nature of the request and why transition regulations may be needed. County staff are not aware of any specific development applications or appeals, which should receive such transitional considerations in Grey County.

Staff would however flag the following on-going municipal official plan updates, as areas where transition regulations may be appropriate:

1. Municipality of West Grey Official Plan,
2. Township of Georgian Bluffs Official Plan, and
3. Town of The Blue Mountains Official Plan.

In all three of the above instances, the municipalities have been working on their official plan updates for more than two years (i.e., since before the initial draft 2023 PPS was released). All three of these official plan updates are nearing the stage of adoption. The specific area where transition may be helpful is with respect to population and employment projections, and the requirement to use the MOF projections. These official plans have proceeded on the basis of using the County's current official plan forecasts, which are quite different than the MOF projections. Furthermore, the County has not yet updated the County official plan to incorporate the MOF projections and allocate that growth accordingly. As such, each of the above three municipalities could be facing an uncertain future as it pertains to (a) the allocation of growth based on the MOF projections, and (b) the need to 're-do' existing land supply/demand analyses based on these new growth projections very late in the official plan review process. County staff recommend the province consider transitional regulations for the above-noted municipalities, so as not to delay their official plan updates.

Although not matters which require transitional regulations, staff would also request further guidance on the following matters:

1. The application of population and employment growth forecasts based on Ontario Population Projections by the MOF as it pertains to section 2.1.1 of the PPS,
2. Renewable energy and energy storage systems policies as it pertains to sections 3.8, 2.5, 2.6, and 4.3 of the PPS,
3. Tools which support the creation of additional affordable housing as it pertains to section 2.2 of the PPS,
4. Ecological off-setting guidance as it pertains to section 4.1 of the PPS,
5. Watershed planning as it pertains to sections 4.2.3 and 4.2.5 of the PPS,
6. Partial servicing policies as it pertains to sections 3.6.5 and 3.6.6 of the PPS,
7. Finalizing the agricultural impact assessment terms of reference which the province had previously been consulting on, and
8. Lot adjustments in prime agricultural areas as it pertains to section 4.3.3.2 of the PPS.

Legislated Requirements

As per the *Planning Act* and the 2024 Provincial Planning Statement, new planning decisions on or after October 20, 2024 are required to be consistent with the new PPS.

Financial and Resource Implications

The County and member municipalities will be required to update official plans and zoning by-laws to ensure consistency with the 2024 PPS. Staff do not believe that such updates need to be completed immediately, but even before updates are completed, decisions will need to be consistent with the PPS 2024.

Stemming from the new PPS, staff will be recommending as part of the 2025 budget, that the County update its Growth Management Strategy (GMS) to consider the MOF projections. The financial implications of the GMS update will be considered as part of the budget. Staff note that in the 2024 – 2033 10 Year Capital Forecast, an update to the GMS was already scheduled for 2025, primarily funded through development charges revenue, at a projected cost of \$50,000. This newly proposed GMS update may be slightly different in scope and cost given the new PPS and MOF projections, but it should be a similar project to what was envisioned in the 10 Year Capital Forecast.

Although not specific to the County, the new PPS may have an impact on the timing of on-going official plan updates in West Grey, Georgian Bluffs, and The Blue Mountains, as highlighted in the transition section of the report.

Relevant Consultation

- Internal: CAO/Deputy and Planning
- External: Member municipalities in Grey

Appendices and Attachments

Environmental Registry of Ontario Posting

[ERO #019-9065](#): Consideration of transition of land use planning matters to facilitate the introduction of a new policy statement issued under the Planning Act.

Past County Staff Reports

[PDR-CW-21-24 Bill 185 and Proposed Provincial Planning Statement](#)

[PDR-CW-23-24 Battery Energy Storage Systems](#)

[PDR-PEDAC-19-23 County Comments on Bill 97 and Draft PPS 2023](#)

[PDR-AAC-20-23 Draft Provincial Policy Statement, 2023](#)

[PDR-CW-21-23 County Comments on 2023 Draft Provincial Policy Statement](#)

[PDR-CW-01-23 Comments on Review of Growth Plan and PPS](#)