



## MEMO / NOTE DE SERVICE

To / Destinataire	Mayor and Members of Council	File/N° de fichier: N/A
From / Expéditeur	Don Herweyer, Interim General Manager, Planning, Real Estate and Economic Development	
Subject / Objet	City Comments on Proposed Provincial Planning Statement 2023	Date: July 25, 2023

### Background

The proposed Provincial Planning Statement 2023 (PPS 2023) was released by the Ministry of Municipal Affairs and Housing on April 6, 2023, for review and commenting. The PPS 2023 consolidates the existing Provincial Policy Statement 2020 (PPS 2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe into a single policy document that directs land use planning across Ontario. Under the *Planning Act*, all planning decisions shall be consistent with the PPS.

The introduction of the proposed PPS 2023 is meant to support the implementation of the Housing Supply Action Plan and the Province's target to construct 1.5 million new homes by 2031.

Comments to the Province were due on June 5, 2023, but the commenting deadline was extended to August 4, 2023.

### Provincial Planning Statement Highlights

Some of the major impacts of the proposed PPS 2023 include changes to the Planning Horizon, Affordable Housing, Settlement Areas and Boundary Expansions, Employment Areas, Energy Conservation, Air Quality and Climate Change, Rural Areas, Agriculture Lot Creation, and Natural Heritage.

#### **1. Planning Horizon**

- Maximum planning horizons of 25-years under the PPS 2020 would become the minimum horizon in the PPS 2023. Municipalities must plan for at least a 25-year horizon, including ensuring sufficient land be made available to accommodate an appropriate range and mix of land uses to meet projected needs over this time period. There is no maximum timeframe prescribed. Staff are supportive of this change to better align with infrastructure planning that occurs over a longer timeframe. However, the ability to accurately forecast diminishes with longer time horizons and will require an analysis of an appropriate planning range.

- Development potential resulting from a Minister Zoning Order (MZO) will be in addition to the projected needs over the planning horizon established in the Official Plan. The next OP update after any MZO would incorporate the additional growth into the OP and related infrastructure plans. Staff recommend MZOs should be required to be cognizant of existing infrastructure limitations and should have no effect if sufficient capacity does not exist.

## **2. Affordable Housing**

- The PPS 2023 proposes to remove references to affordable housing, including the definition, and the requirement for municipalities to establish minimum targets for affordable to low- and moderate-income households.
- References to housing affordability would no longer be framed as “affordable housing” but rather “a full range of housing options”.
- Municipalities would no longer be required to provide minimum targets for affordable housing.
- Staff are requesting clarity from the Province on the rationale for removing reference to affordable housing and low- to moderate-income households, and direction on which provincial legislation would consider affordable housing, if not the PPS 2023.

## **3. Settlement Areas and Settlement Area Boundary Expansions**

- Ottawa is proposed to be identified as a large and fast-growing municipality under the PPS 2023. Under this new classification, Ottawa will be required to meet certain density targets, particularly in its major transit station areas.
- The PPS 2023 would encourage growth to be focused in strategic growth areas within settlement areas, whereas the PPS 2020 directs growth within settlement areas in their entirety. In Ottawa, strategic growth areas are already identified in the Official Plan in Tables 3a and 3b and are the focus for accommodating intensification.
- Currently, expansions of the settlement area (urban boundary) are initiated by a municipality following a municipal comprehensive review (MCR). Private amendments with no net increase of urban lands may also be considered, which is consistent with the PPS 2020. The PPS 2023 proposes that a settlement area boundary can be expanded, or a new settlement area can be created, through an Official Plan Amendment by a private landowner or the municipality, and that a MCR would no longer be required.
- Private applications to expand the urban boundary will create a piecemeal approach to planning for future growth.
- Supporting infrastructure and infrastructure master plans would need to be redesigned to meet the proposed provincial changes, which will take time and financial resources to achieve. This would impact orderly growth patterns and compromise established multi-year capital programs.
- Staff strongly recommend that the current approach to require a MCR when evaluating a settlement area expansion be maintained in order to take a coordinated and comparative approach to determine lands with the best-fit for future growth.

## **4. Employment Areas (industrial lands)**

- The PPS 2023 proposes to require municipalities to permit residential uses in Mixed Industrial areas. Ottawa does not currently permit residential uses to limit land value increases so that businesses requiring lower rents are able to remain financially viable and contribute to a complete community.

- Some Mixed Industrial areas contain light industrial uses and including a sensitive use such as residential has the potential to disrupt existing uses and create conflict.
- The PPS 2023 also proposes to prohibit office uses on employment areas (i.e. Industrial and Logistics lands), even in proximity to major transit stations areas. The City of Ottawa currently permits office uses with more than 10,000 square metres or more than 500 jobs in Industrial and Logistics designations when in proximity to a rapid transit station to facilitate transit ridership.
- The PPS 2023 would permit the removal of employment areas (i.e. lands designated “Industrial and Logistics” and “Rural Industrial and Logistics”) via an Official Plan Amendment, which under the PPS 2020 could only be done through a municipal comprehensive review. The conversion of Industrial and Logistics for housing development would put undue pressure on these already limited land inventories and risks creating incompatible land use conflicts.

## **5. Energy Conservation, Air Quality and Climate Change**

- Policies pertaining to air quality have been reduced and weakened, which puts healthy and liveable communities at risk. Staff recommend that policies pertaining to air quality be strengthened in order to protect neighbouring sensitive uses from negative impacts.
- Many references to “preparing for the impacts of a changing climate” throughout the PPS are proposed to be removed and weakened. Staff are recommending that these references be maintained and further strengthened.

## **6. Rural Areas and Agricultural Lot Creation**

- Policies in the PPS 2020 to limit residential lot creation in the rural area (except for rural villages) and on agricultural lands, are to be removed from the PPS 2023.
- The PPS 2023 proposes that up to three residential dwellings may be permitted on a parcel in the agricultural area, which may then be severed to create up to three lots, provided certain conditions are met.
- Staff have taken the position that growth needs to occur within the urban boundary and the rural villages, and recommend the Province maintain the existing approach to limit multi-lot residential development outside of settlement areas.
- The fragmentation of agricultural and rural lands, for what will be costly housing (both to own and for municipalities to service), would diminish these invaluable resources.

## **7. Natural Heritage**

- All policies relating to natural heritage, including associated definitions, were published for consultation on June 16, 2023.
- The PPS 2023 proposes minor wording changes to the Natural Heritage policies and definitions that do not appear to impact protections or require revisions to Official Plan policies. However, recent changes to the Ontario Wetland Evaluation System have reduced the likelihood of wetlands qualifying as 'significant' under the PPS 2023, which will lead to increased wetland loss.
- The Province is still considering introducing an 'offsetting' framework for the assessment and mitigation of impacts on Natural Heritage features, which could result in future changes to the PPS or Provincial guidelines for implementation.

### Next Steps

The PPS 2023 was released on April 6, 2023, with comments originally due by June 5, 2023, and subsequently extended to August 4, 2023. Natural Heritage policies were published on June 16, 2023. Staff have prepared a written response based on the contents of this memorandum and the accompanying appendix and submitted it to the Province on the City's behalf. Given the current staff workload and short provincial timelines for review, there are no opportunities to bring this matter through Committee to Council.

Staff will report back to Council on the final PPS 2023 and any other amendments that are tabled or further consultation opportunities from the Province.

### Attachments

Appendix A – Analysis of the Proposed PPS

Please contact David Wise or the undersigned if you have any questions.

Sincerely,

### **Don Herweyer, MCIP, RPP**

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