



Ontario
Home Builders'
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Ministry of Municipal Affairs & Housing
Provincial Land Use Plans Branch
777 Bay Street, 13th floor
Toronto, ON M7A 2J3

RE: ERO: 019-6813: Feedback on proposed policies adapted from *A Place to Grow* and *Provincial Policy Statement* to form a new provincial planning policy instrument.

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 members including builders, developers, professional renovators, trade contractors and many others within the residential construction sector. The OHBA is coordinating our public policy response with regards to this consultation on a new provincial planning policy instrument with input from members and chapters across Ontario.

As we know, Ontario needs 1.5 million new homes over the next decade to restore housing attainability. We need the right mix of housing types, formats and locations to ensure that Ontarians at all stages of life can find a place they can call home. The current provincial planning ecosystem places some limits on how fast our province can achieve the social and economic imperative of dramatically increasing new housing supply and variety. That is why we are encouraged by the proposals that have been put forth to update how Ontario plans for growth.

We support the policy direction of the new Provincial Planning Statement (PPS) and the rescinding of A Growth Plan for the Greater Golden Horseshoe (Growth Plan). The duplication of policy from the former PPS and Growth Plan led to excessive delay and study requirements of municipalities, builders and developers in the Greater Golden Horseshoe. While some of the policies of the Growth Plan were helpful in promoting transit supportive densities in strategic areas, many of the policies of this plan unnecessarily restricted the supply of housing and land available for development and construction that was required to meet its growth targets.

Generating The Needed Housing Supply and Variety for a Growing Province

It is important to note from the outset that the proposed PPS structure of requiring large/fast-growing municipalities to be subject to growth-management related policies is appropriate and needed. The differentiation of policy is effective in providing one planning statement that can be applied province-wide without placing unnecessary or onerous requirements on smaller or slower growing municipalities. We encourage the province to consider whether the proposed Schedule 1 appropriately includes all large and fast-growing municipalities to ensure the policy goals of the province are being met.



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The new PPS will also be effective in generating new housing supply. In particular, the policies for large and fast-growing municipalities that require minimum densities in major transit station areas and other strategic growth areas will ensure that opportunities for higher-density housing forms can be realized in areas that benefit from existing or planned transit.

In addition, the measured permission of additional housing opportunities in rural areas where site conditions are suitable and appropriately serviced can release a significant supply of housing in areas peripheral to urban areas that complement the more compact and urban forms of housing that will be realized in urban areas.

To ensure that large and fast-growing municipalities appropriately plan for their share of growth, we strongly encourage the province to continue to prepare forecasted minimum population and housing targets for these municipalities and require that these municipalities demonstrate in their official plans and implementing zoning by laws how these targets will be met within the timeframes of the PPS.

We support the approach of the proposed PPS in providing general support for intensification throughout a settlement area boundary and promoting new settlement areas. This is essential to provide policy support for gentle-density forms intensification in existing areas which would otherwise be prevented by anti-growth special interests.

It is important for the province to provide clarity respecting the delivery of affordable and attainable housing. While recent changes to the *Development Charges Act* and *Planning Act* have provided additional guidance as to what constitutes affordable and attainable housing and where and how inclusionary zoning may be implemented, municipalities continue to impose their own form of "affordable housing" requirements which often do not reflect and even conflict with provincial requirements.

The PPS should clarify additional residential units are encouraged in all single, semi-detached and townhomes (like the permissions under the *Planning Act*) and that these units can provide a supply of purpose-built affordable rental housing.

The current PPS allows for infill residential development and other sensitive land uses up to 30 Noise Exposure Forecast (NEF). The PPS outlines that these land uses may occur in areas that are above 30 NEF, similar to Transport Canada guidelines, but must demonstrate that there will be no negative impacts to the long-term function of the airport and requires that future purchasers be informed of the potential noise impacts. While we agree with the policy approach as prescribed in the new PPS, the fact remains that neither Transport Canada, nor many airport operators in Ontario have updated their noise contour mapping since the 1970s, despite noise from airplanes being greatly reduced since that time. Noise mapping of airports should be updated at least every 10 years. Where no update has occurred, the PPS should permit the updating of mapping through appropriate studies by municipalities and/or development applicants to permit development in accordance with such updated mapping.



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The delivery of housing is often held up by the need to prepare secondary plans prior to the receipt of development applications even when lands have been designated for housing, and where servicing is available. The PPS should expressly permit privately initiated secondary plan official plan amendments subject to criteria such as municipalities remaining involved in the public consultation process. This would allow development proponents to proceed with the required work to prepare a secondary plan concurrent with the preparation of development applications, which can lead to both better planning that is more linked to implementation, as well as expediting the delivering of new housing.

In addition, the protection of non-400 series provincial highways in settlement areas under the current Ministry of Transportation corridor protection policies (which require a 14 metre building setback and intersection spacing of more than 400 metres to a nearest intersection) will frustrate the delivery of urban communities and housing. We request that the province clarify that within settlement areas, the requirements for provincial highways must align with the local intent for community building in local official plans, where generally the maximum road requirements and intersection spacing requirements should be no larger than arterial road standards in the local official plan.

Making More Land Available for New Housing and Employment Opportunities

We strongly support the broadening of opportunities to make areas available for new housing and employment opportunities, particularly the new tools and options provided to municipalities to accommodate growth.

We strongly support the change for municipalities to plan to a minimum 25-year horizon; given that most new communities will take 25 years to be substantially built, this time horizon is appropriate as a planning horizon. We note however that along with the planning for this horizon, municipalities must be required to demonstrate how necessary infrastructure is to be provided to accommodate and foster this planned growth, including updated master plans and development charge by-laws.

We strongly support the requirement to maintain a 15-year residential land supply, and the province's recognition that not all lands designated for growth are necessarily "available", and the requirements to maintain land with servicing capacity for a 3-year supply of residential units. We believe these policies would be more effective if it clarified that the supply of land and units is to be maintained for a market-based supply of units and be specific to unit type. It is equally important to forecast for the right composition of housing (by housing type) as well as the overall quantity of housing.

The provision for a simplified settlement area boundary expansion process and the removal of the requirement for municipal comprehensive reviews are positive policy changes that should allow municipalities to both create new settlement areas and expand existing ones as needed. In order to ensure that the policy direction of the PPS can be implemented, the province must also ensure the *Planning Act* is amended to allow first-party appeals of requests to alter a settlement area boundary or establish a new settlement area. Without the ability to appeal



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applications respecting same, it is anticipated that this important policy direction will only be implemented by municipalities with a growth mindset, regardless of the urgent need to do so in all jurisdictions.

We support the definition of employment areas in the PPS (which reflect that contained in Bill 97) and the focus on protecting these areas for a concentration of more intensive industrial and manufacturing type uses, while allowing a broader range of mixed-use development on lands for employment outside of employment areas. The province should also prepare an update to the D-series guidelines to update the separation requirements for sensitive uses in keeping with the updated definition from the PPS.

We support the removal of the Provincially Significant Employment Zones (PSEZ). The PSEZ restricted land uses, and flexibility required to build complete communities without a clear policy outcome that would lead to the creation of economic development. However, despite removing the PSEZ zones, the *Planning Act* continues to prohibit appeals to employment area “removals”. We recommend “removal” applications be subject to first-party appeals provided that certain tests/criteria have been met as prescribed in Section 2.8 of the PPS.

Providing Infrastructure to Support New Housing and Employment Opportunities

The policies of the PPS should provide direction to utility providers (e.g., electricity, natural gas, telecommunications etc.) to integrate their planning with the growth planning of municipalities, and to demonstrate the ability to support these plans with required infrastructure in a timely manner in their future service planning. Moreover, utilities should be strongly encouraged to ensure that sufficient service is available in accordance with planning to support planned growth and the delivery of housing and energy standards. Where required, the province should consider legislative and policy changes to ensure that both utilities and regulators provide sufficient services for both existing and future housing to achieve municipal growth plans.

In addition, municipalities should be required to prepare master planning and be held accountable for infrastructure delivery mechanisms including mandated updates of Master Servicing and Transportation Plans, Capital Budgets, and Development Charge Background Studies and Development Charge By-laws to accommodate planned growth. We strongly support the use of alternative servicing solutions to enable development in areas where typical full municipal servicing solutions are not viable.

Floodplain mapping and associated modelling in urban areas should be prepared to account for proposed growth, including stormwater management facilities and flood mitigation work in these areas. It is not appropriate to assume a no-mitigation approach to flood plain modelling in an urbanizing area. This approach should be incorporated into the policies of the new PPS and in related guidance material from the province.

Policies supporting the location of trails and other passive recreational activities within hydro and gas corridors should be added to the PPS. Moreover, when trails and/or recreational



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opportunities can be provided in these corridors, such areas should be eligible for parkland contribution under the *Planning Act*.

We strongly support the policy direction to require school boards to integrate planning for schools and growth; the policies should specifically speak to the minimization of school sites sizes when collocated with parks and should strongly encourage the provision of schools in mixed use formats, including within multi-storey residential buildings. Municipalities should be required to conduct the proper planning studies and secondary plans once the new population projections are allocated to them to ensure sufficient schools and other community amenities are properly planned for to meet future housing demands.

Balancing Housing With Resources

To minimize potential conflicts with agricultural uses and existing or new residential areas, guidance should be given that generally encourages municipalities to designate lands rural abutting residential areas and settlement area boundaries. This can serve as a transitional area between urban and prime agricultural areas, providing uses that can serve both areas.

The proposed environmental protection policies should be provided in the context of a 'Housing First' policy goal and objective which should be added to the PPS for development within settlement areas. An urban lens should be provided for environmental protection in settlement areas, generally directing that the natural function of environmental features should be preserved through green infrastructure in urban areas. Such policies would support the provision of housing through the efficient use of land and is to ensure housing in settlement areas takes priority over other competing policy objectives.

We believe it is important to implement modifications to the natural heritage policies to enable our industry to create healthier communities more efficiently and effectively. We will continue to work with our municipal partners to create communities that enable citizens to interact with nature in respectful and sustainable ways. To achieve these ambitious and positive outcomes, we require a degree of smart flexibility in the natural heritage policies and their implementation.

Smart flexibility will best be achieved through the two following distinct, but related changes:

- 1) Shift from the no negative impact test to a no **net** negative impact test for natural heritage features and associated functions; and
- 2) Formally adopt an ecological **offsetting** approach to allow for the selective removal of generally smaller and degraded natural heritage areas with limited functions. The removed features would be replaced, achieving a net ecological gain (i.e., nature positive outcomes).

The current test under the PPS related to natural heritage features and functions (excluding fish habitat) is the no negative impact test. That test specifies, that a "... negative impact is



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degradation that threatens the health and integrity of the natural features or ecological functions”. Health and integrity are not defined terms, in the PPS.

Requirements to achieve no negative impact on any aspect of natural heritage features or functions have proven to be challenging and impractical. It is likely that any development or site alteration activity will have some, often minor or immeasurable impact on one or more aspects of natural heritage features or functions.

The definition of “functions” further complicates the use of the no negative impact test. The PPS defines ecological function as follows “... means the natural processes, products or services that living and non-living environments provide or perform within or between species, ecosystems and landscapes. These may include biological, physical, and socio-economic interactions.” The complexity of the term ecological function includes undefined biological, physical, and socio-economic interactions.

The implementation of a slightly modified test, a no **net** negative impact test, will allow for minor adjustments to natural heritage features and associated functions. This approach would encourage, not discourage, more innovative forms of mitigation, with simpler impact assessment considerations and with net positive outcomes for nature.

Where a development or site alteration could impact larger and more overtly important natural heritage features and associated functions, the no net negative impact test would involve a special form of compensatory mitigation, commonly referred to as offsetting. The province’s release of the Discussion Paper, *Conserving Ontario’s Natural Heritage*, presents an important, forward-looking approach that could significantly improve the use of, and outcomes associated with, natural heritage policies in Ontario,

Ecological biodiversity (aka biodiversity offsetting) is an impact assessment tool used globally in over 100 countries. These offset programs allow for the compensation of impacts to the natural environment in ways that restore or improve the quality and/or quantity of the impacted natural heritage features. Unlike a no net negative impact test, which minimizes and neutralizes impacts, offsetting programs require achieving net positive or nature positive outcomes. This approach could be used when predicted impacts surpass what might be the most minor immeasurable predicted impacts addressed above.

The primary reference related to the natural heritage policies is the Natural Heritage Reference Manual (2010), which is now dated, and was specific to the 2005 PPS. Since its publication 13 years ago, much has been learned about natural heritage in southern Ontario, in particular important technical information, references, and scientific literature have been produced since 2010. The manual requires updating that would better explain the determination of significance, current landscape ecology practices, and the most current best practices related to Impact Assessment including the use of offsetting. Substantial updates to the appendices of the manual will also be required.



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The environmental policies could acknowledge that should municipalities choose to the preserve other environmental features that such features should be treated as social elements that offer passive recreational opportunities to residents and that they would need to form part of the parkland dedication requirements under the *Planning Act*.

Implementation and Interpretation

Including general policies for implementation and interpretation of the PPS is critical to ensuring the policy direction of the province is met. As the *Planning Act* currently requires that all decisions be consistent with the PPS, the purpose of policy 6.1.7 and the province's direction to municipalities respecting updates to their official plans is unclear.

Community Benefits Charges

Additionally, municipalities are adopting Community Benefit Charges by laws with minimal justification for the project lists being funded related to individual projects or demands of growth in general. We request that the province provide clarity to municipalities ensuring proper background studies are completed like those required for development charges by-laws with a framework that ensures the list of projects are related to the incremental densities otherwise already contemplated in intensification areas and that they be located in those areas benefitting the growth being accommodated.

Conclusion

We thank the Ministry for the opportunity to comment on these proposals. We look forward to continue engaging with the Ministry in order to ensure these proposals are aligned with the goals of improving housing attainability for current and future Ontarians.