

## Staff Report

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**Report To:** City Council  
**Report From:** Jacklyn Iezzi, Junior Planner  
**Meeting Date:** January 24, 2022  
**Report Code:** CS-22-008  
**Subject:** Comments on County Official Plan Amendment (County OPA) No. 11

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### Recommendations:

THAT in consideration of Staff Report CS-22-008 respecting County of Grey Official Plan Amendment No. 11, City Council:

1. Endorses the comments within the report;
2. Requests that County Planning Staff amend County Official Plan Amendment No. 11 to consider the comments within this report; and
3. Directs staff to send a copy of this report, together with Council's resolution, to the County Clerk and County of Grey Planning staff as the City's comment on the matter.

### Highlights:

- The County of Grey has initiated an amendment to the County Official Plan (County OP) to implement the results of the updated Growth Management Strategy (GMS) which were presented to City Council in August of 2021 through [Staff Report CS-21-109](#).
- Several housekeeping amendments to the County OP are also proposed.
- A public meeting to consider the amendments is scheduled for February 3, 2022.
- This report provides an initial analysis of the proposed amendments as they relate to the interests of the City.

## **Strategic Plan Alignment:**

This report supports the “City That Grows” objective for achieving the population target for Owen Sound as set out in the Grey County Growth Management Plan.

## **Background:**

In August of 2021, City Council received [Staff Report CS-21-109](#) pertaining to the County of Grey’s Growth Management Strategy (GMS) update. The report provided an overview of the results of the GSM and identified next steps in the process to be undertaken by the County in consultation with lower-tier municipalities. The purpose of the GSM is to, among other matters, identify how and where the County will grow.

The updated GSM was presented to the Committee of the Whole on July 22, 2021, through an Addendum to Staff Report PDR-CW-28-20 (available on the [County’s website](#)) and was adopted by County Council on August 12, 2021.

County Planning Staff have initiated an amendment to the County Official Plan (County OPA 11) to implement the results of the updated GSM. Several housekeeping amendments are also proposed. A public meeting to consider County OPA 11 is scheduled for February 3, 2022; Notice of Public Meeting is attached as Schedule ‘A’.

The purpose of this report is to inform City Council of County OPA 11 and identify areas where the proposal may impact the interests of the City. Where a person or public body does not make oral or written submissions before an approval authority makes a decision, they are not entitled to appeal a decision to the Ontario Land Tribunal (OLT). Providing comment during the early stage of the planning process is the best way to ensure all levels of approval consider the position of the City. It also provides an opportunity for fellow planners to respond to the City’s comments before consideration by County Council.

## **Analysis:**

This section provides an analysis of County OPA 11 as it relates to the interests of the City. A summary of the proposed amendments is available on the [County’s website](#).

## **Growth Management Strategy (GMS)**

The Provincial Policy Statement (PPS) requires that the County, as the upper-tier municipality, identify and allocation population, housing, and employment projections, identify areas where growth or development will be directed, identify targets for intensification and redevelopment, and provide policy direction on matters that cross municipal boundaries, in consultation with lower-tier municipalities (policy 1.2.4). These requirements are typically embodied by a GMS.

Section 2 (Managing our Growth) and 2.1 (Growth Projections) of the County Official Plan (County OP) have been amended to include the updated projections of the GMS and a 25-year growth horizon, as permitted by the 2020 PPS.

The projections included within the OPA are consistent with that of the GMS, as presented to Council through [Staff Report CS-21-109](#). Overall, growth is focused to fully serviced settlement areas including the Town of the Blue Mountains, the Town of Hanover, the Township of Southgate, and the City of Owen Sound. The City is allocated 10.1% of population growth (2,400 people – ranking 4<sup>th</sup> in the County, behind Town of the Blue Mountains, Southgate and Hanover), 9.4% of household growth (1,130 households), and 17.7% of employment growth (1,540 new jobs) across the County to 2046.

As outlined in [Staff Report CS-21-109](#), the updated GMS anticipated an increase of 90 single/semi-detached units, 230 row houses, and 810 apartments in Owen Sound by 2046. The total projected units over 25 years equalled 1,130, or 45 units per year which, in City Staff's opinion, was a conservative estimate of growth in consideration of the City's building permit data for 2019, 2020, and 2021. Allocation of households by unit type has not been included as a growth metric within the County OP.

Section 2.1 of the draft amended County OP states there are enough Settlement Area Land use types identified to accommodate the growth anticipated by the updated GMS. There are, however, specific settlement areas that are either currently or may experience land shortage in the future (e.g., Hanover). Any boundary adjustments to settlement areas to accommodate new growth are subject to a comprehensive review, as required by the PPS and the County OP.

City Planning Staff suggest that the County OP can be further amended to clarify that new growth/development which exceeds the allocated

projections, however, is taking place within the existing settlement area boundary, would be permitted to continue without amendment to the County OP.

### **Additional Residential Units (ARUs)**

Sections 4.2.5, 4.2.6 and 5.2.1 of the draft amended County OP replace any reference to “Second Units”, “Secondary Suites”, and “Accessory Units”, with “Additional Residential Units” (ARUs), consistent with provincial terminology and the provisions of the *Planning Act*. This is also the approach the City took with the New Official Plan.

Notably, Section 4.2.5 permits a maximum of two (2) ARUs, either within the existing dwelling or in a detached, accessory structure, in the ‘Agricultural’ and ‘Rural’ designations. A maximum of one (1) ARU is also permitted within the ‘Inland Lakes and Shorelines’ designation.

The Agricultural and Rural areas are located **outside of designated settlement areas** and are often serviced by private, on-site servicing (well and septic systems). While the ‘Inland Lakes and Shorelines’ designation is considered a settlement area in the context of the County OP, these areas are often serviced by private or partial servicing and are often constrained by their proximity to natural hazards (e.g., flooding) and natural heritage features (e.g., significant woodland, significant wildlife/fish habitat).

The policies of the PPS (2020) state that **settlement areas shall be the focus of growth and development** (policy 1.1.3.1). Land use patterns within settlement areas shall efficiently use land and resources, be appropriate for and efficiently use the infrastructure and public service facilities which are planned or available, minimize negative impacts to air quality and climate change and support active transportation (policy 1.1.3.2). Within rural areas, **rural settlement areas shall be the focus of growth and development** (policy 1.1.4.2). In directing development to rural settlement areas, planning authorities shall consider rural characteristics, the scale of development, **and the provision of appropriate service levels** (policy 1.1.4.3).

Section 1.4.3 of the PPS requires planning authorities to provide for an appropriate range and mix of housing options (including ARUs), and densities to meet projected needs of current and future residents. This shall be achieved by **directing the development of new housing to locations where appropriate levels of infrastructure and public service**

**facilities are** or will be available and **establishing development standards which minimize the cost of housing and facilitate compact form.**

Section 1.6.6 of the PPS requires that planning for sewage and water services shall accommodate forecasted growth in a manner that **promotes the efficient use and optimization of existing services** and integrates servicing and land use considerations at all stages of the planning process. For settlement areas, municipal sewage and water services are the preferred form of servicing to support protection of the environment and minimize potential risks to human health and safety (policy 1.6.6.2).

Section 2.1 and Section 3.1 of the PPS provide direction on managing natural heritage features and natural hazards. Natural features and areas are required to be protected for the long-term (policy 2.1.1), and development and site alteration shall generally not be permitted in areas containing natural heritage features (e.g., significant wetlands, significant wildlife/fish habitat). Policy 3.1.1 requires that development be directed to areas outside of river, stream, and inland lake systems impacted by flooding and/or erosion hazards.

Section 1.4.1 (8) of the County OP recognizes the importance of providing complete communities that offer a mix of employment opportunities, local services, a full range of housing, access to public transportation and active transportation opportunities, and community infrastructure such as affordable housing, schools, and recreation. The vision and principles for the development of Grey focuses on settlement areas where the majority of population growth, essential services, and businesses will be located (Section 1.5 (2)). Priority of settlements areas is further outlined under the draft amended Section 2 and Section 3.3 (Settlement Area Land Use Types) of the County OP, which states that development forms and patterns which minimize land consumption and servicing costs shall be promoted to ensure compact form and efficiency of land use and services.

Section 8.9 of the County OP contains policies for servicing which are generally consistent with that of the PPS. Full municipal water and sewer services are the preferred form of servicing for settlement areas. Provision of partial or private services must consider the scale of development, physical or environmental constraints, and the cumulative impacts to ground and surface water resources (Section 8.9.1 (5)).

Lastly, the intent of ARUs, as set out in the draft amended Section 4.2.5 of the County OP, is to provide alternative housing options for the elderly, young adults, and populations looking for smaller living quarters, increase the efficiency of the rental housing stock, and offer more affordable housing options.

City Planning Staff question how permitting ARUs outside of designated settlement areas (i.e., within the Agricultural and Rural designations) and within the Inland Lakes and Shorelines designation will achieve consistency with the policies of the PPS and the County OP, as noted above. Increased densities within the Agricultural, Rural, and Inland Lakes and Shorelines designations is particularly concerning given the PPS and County OP policies respecting the provision of private and partial services with no negative impacts (PPS policy 1.6.6.4, 1.6.6.5, County OP policy 3.6.3 (3), 8.9.1 (10)).

City Planning Staff maintain that ARUs are a form of development best directed to fully serviced settlement areas to optimize the use of existing infrastructure and public service facilities, support transit and active transportation, and facilitate a compact urban form, consistent with the policy direction provided by the PPS. The availability of services, such as transit, and proximity to a mix of land uses within primary settlement areas is critical to achieving rental housing affordability and efficiency, in accordance with the objectives of the County OP.

The policies of Section 5.2.1 of the County OP, as amended, will also permit up to three (3) residential dwelling units to be located on an agricultural property, excluding any housing associated with temporary farm labour. City Planning Staff question whether these permissions are appropriate for maintaining the character, function, and viability of the prime agricultural area.

### **General Policies Affecting Settlement Areas**

A new subsection (22) is proposed to be added under Section 3.4 (General Policies Affecting Settlement Areas) of the County OP as follows:

“(22) Where new residential development is occurring on larger landholdings, it must be demonstrated that short-term development projects do not unduly prejudice the efficient use of the lands for future development purposes. Lot creation occurring on larger land holdings may require the completion of concept plans to demonstrate the efficient development of the remainder of lands”.

County Planning Staff's rationale for the policy addition is that a comprehensive perspective should be applied to all planning decisions that considers servicing needs, roads, sidewalks, and other infrastructure, and achieving intensification and density targets. Considering short-term development patterns in relation to the future development viability of a remnant parcel of land is critical to achieving good planning.

While City Planning Staff generally agree with the above noted rationale, staff question whether the policy addition is appropriate for the scope of an upper-tier Official Plan. Specifically, within the City of Owen Sound context, City Council is the approval authority for all plans of subdivision and condominium applications within the municipal boundary and is primarily responsible for the funding and availability of current and future infrastructure (e.g., water, sewer, sidewalks, and roads) to service new development. City Planning Staff suggest that such a policy would be better suited to a local official plan for consideration in the processing of development applications.

Lastly, City Planning Staff question why the policy has only been applied to settlement area land use types, as identified by the County OP. New development (e.g., lot creation) within the Rural or Agricultural designations should also be required to demonstrate that the proposal does not unduly prejudice the efficient use of the lands.

### **Minimum Overall Densities for Primary Settlement Areas**

Section 3.5 of the County OP sets out minimum residential development densities. This section continues to require a minimum residential development density of 25 units per net hectare in the City of Owen Sound and the Town of Hanover and 20 units per net hectare within all other Primary Settlement Areas.

Two modifications are proposed through County OPA 11 that would allow lesser minimum densities in the following circumstances:

- a. Where a municipality has adopted detailed municipal official plan policies and land use designations, densities less than 25 units per net hectare for the City of Owen Sound and the Town of Hanover, or less than 20 units per net hectare for all other Primary Settlement Areas in low-density residential areas may be considered, provided other medium or high-density areas provide for densities that exceed the minimum. Municipalities shall achieve **overall minimum residential**

**densities** for new development of 25 units per net hectare for the City of Owen Sound and the Town of Hanover, **or less than** 20 units per net hectare for all other Primary Settlement Areas.

- b. The County may consider new residential development, redevelopment, or infill development that does not meet the minimum residential development densities where two (2) of the three (3) criteria can be met:
  - i. The development includes a range of residential unit types including single-detached, semi-detached, townhouses and/or rental apartments.
  - ii. It has been demonstrated that meeting the minimum lot density is not feasible based on natural features, existing abnormal lot configuration, or lack of suitable infrastructure.
  - iii. It has been demonstrated that the infrastructure is financially sustainable throughout its life cycle, including replacement costs. This demonstration should include an analysis of the current costs of the infrastructure, as well as projected maintenance and replacement costs versus the tax dollars the development will generate.

City Planning Staff question the applicability of the criteria as it relates to Primary Settlement Areas. Specifically, if infrastructure within a Primary Settlement Area cannot accommodate new residential development with a minimum density of 20 units per net hectare, there may be a need to invest in infrastructure upgrades or alternatively, reconsider whether the lands should be designated as a Primary Settlement Area.

Further, City Planning Staff question why the lower-tier municipalities subject to the highest growth are not required to meet the 25-unit density target. In terms of household growth projections, the updated GMS states that the highest growth will occur in Town of the Blue Mountains, Southgate, Hanover, Owen Sound, and Meaford, which is virtually at parity with Owen Sound; yet, only Owen Sound and Hanover are required to meet the 25-unit density target. This criterion should be applied equally to fully serviced urban areas.

## **Climate Change Policies**

Section 7.13 (Climate Change) of the County OP has been amended in consideration of work recently completed on the County's Climate Change Action Plan. Several principles and policies have been added to assist with



mitigating and adapting to the impacts of climate changing including continuing to promote compact, mixed-use development and integrate smart growth principles into land use planning processes to allow for more efficient use of existing and planned infrastructure and developing a 'climate lens' whereby all County policy decisions are assessed in terms of the potential risks and opportunities from a climate change perspective.

City Planning Staff support the policy additions to Section 7.13. Staff suggest that this section can be strengthened to include policy wording that specifically prioritizes directing growth and development to fully serviced settlement areas where existing infrastructure and public service facilities are available and can be optimized.

Secondly, Section 7 (Natural Grey) of the County OP has been modified to permit the County, local municipalities and/or conservation authorities to develop and use offsetting policies or procedures (also called biodiversity offsetting). Offsetting policies or procedures may contemplate impacts to a natural feature (i.e., destruction) where avoidance is not feasible, with the requirement to re-establish or rehabilitate a similar natural feature elsewhere on or off-site. Offsetting policies or procedures may also include the collection of monies to be used by the County, local municipality, or conservation authority.

City Planning Staff question whether the proposed modifications pertaining to biodiversity offsetting are contrary to or conflict with the PPS and the updated Climate Change policies under Section 7.13, which prioritize the preservation and expansion of the County's natural areas as a means of mitigating and adapting to the impacts of a changing climate.

## **Financial Implications:**

A City that Grows is a pillar of the City's new Strategic Plan. Growth leads to new assessment and use/connection to existing services and infrastructure that helps reduce the burden of taxes on the existing taxpayer. An appropriate allocation of growth by the County to the City of Owen Sound as a fully serviced settlement area is important to the long-term sustainability of the City.

## **Communication Strategy:**

A copy of this report, together with Council's resolution, will be sent to the County Clerk and County of Grey Planning Staff as the City's comment on the matter.

## **Consultation:**

City Planning Staff were engaged with County Planning Staff and Hemson Consulting throughout the GMS update.

A presentation on County OPA 11 was provided by County Planning Staff to local municipal planners on December 10, 2021.

## **Attachments:**

Schedule 'A': 'Notice of Public Meeting – County OPA 11

### **Recommended by:**

Jacklyn Iezzi, BES, Junior Planner

### **Reviewed by:**

Amy Cann, M. PL. MCIP, RPP, Manager of Planning & Heritage

### **Reviewed by:**

Pam Coulter, BA, RPP, Director of Community Services

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Jacklyn Iezzi, Junior Planner at [planning@owensound.ca](mailto:planning@owensound.ca) or 519-376-4440 ext. 1250.