

Report to Planning and Environment Committee

To: Chair and Members
Planning and Environment Committee
From: Scott Mathers, MPA P.Eng.,
Deputy City Manager, Planning and Economic Development
Subject: Update on Comprehensive Review of The London Plan
Date: July 17, 2023

Recommendation

That, on the recommendation of the Director, Planning and Development, the following actions **BE TAKEN** with respect to the Comprehensive Review of The London Plan:

- a) That Civic Administration **BE DIRECTED** to close the Section 26 Comprehensive Review file;
- b) That Civic Administration **BE DIRECTED** to continue work related to the Land Needs Assessment background analysis to inform future recommendations related to housing and non-residential demand and the supply of developable lands;
- c) That Civic Administration **BE DIRECTED** to circulate this report to interested parties for consideration of potential conversion of employment lands from an Industrial Place Type to another Urban Place Type in The London Plan.
- d) That this report **BE RECEIVED** for information.

IT BEING NOTED that a revised Terms of Reference for the amendment application to review The London Plan will be presented to a future meeting of Council, following Provincial approval of a new Provincial Planning Statement policy framework.

Executive Summary

The purpose of this report is to seek Council direction on the Comprehensive Review, and to initiate the opportunity for landowner requests regarding evaluation of Industrial sites for potential redesignation.

The report identifies that the release of a draft new Provincial Planning Statement (2023 PPS) represents fundamental changes to the approach to planning and growth management in Ontario, and may require an alternative approach to the work plan of the Comprehensive Review terms of reference that were approved by Council on April 25, 2023. However, one of the proposed changes to the 2023 PPS is to permit the review of a settlement area boundary outside of the broader Comprehensive Review.

The report recommends closing the Section 26 Comprehensive Review file until the approval of a new Provincial Planning Statement, so that a separate amendment can be initiated that focuses on land needs over the planning horizon. A new scope of work will be presented to Council after a new planning framework is approved by the Province. This approach allows for the Land Needs Assessment component of the review to continue. As a result, there is no change to the review that is currently underway. The results of the Land Needs Assessment may require a subsequent review of the Urban Growth Boundary (UGB).

The Industrial Land Needs component of the Land Needs Assessment includes an opportunity to evaluate the long-term use of lands designated as Industrial Place Type, and to potentially re-designate Industrial lands to other Place Types. Through this report, Civic Administration are initiating the Industrial land review process. Landowners may request their property be evaluated and considered for potential redesignation. Draft evaluation criteria are appended to this report. A subsequent

public meeting will be held to seek further requests for sites to be evaluated based on the criteria.

Linkage to the Corporate Strategic Plan

The review of The London Plan directly aligns with the ‘Housing and Homelessness’ and the ‘Climate Action and Sustainable Growth’ Strategic Areas of Focus of London’s 2023-2027 Strategic Plan. This alignment includes ensuring London’s growth and development is well-planned and considers use, intensity, and form, as well as ensuring infrastructure is built, maintained, and secured to support future growth and protect the environment.

Climate Emergency

On April 23, 2019, Council declared a Climate Emergency. A Climate Emergency Action Plan has been developed that provides a city-wide approach to addressing three main goals of mitigation, adaptation, and equity. The Climate Emergency Action Plan identifies the Comprehensive Review of The London Plan as an opportunity to consider how well policies are aligned with the climate emergency response. Specifically, the Climate Emergency Action Plan identifies that during the Comprehensive Review the city should “Incorporate the detailed review of intensification targets, permitted heights, and other measures of intensity in relation to growth trends” (Area of focus 3, workplan item #2). This and other implications on the climate response will be addressed in the review of The London Plan.

Discussion

This report serves two purposes. The first purpose of this report is to seek Council direction on the Comprehensive Review, given recent changes to Provincial legislation and the new draft “Provincial Planning Statement. The second purpose is initiate the Industrial Lands review process, with the opportunity for landowners to request Industrial sites be evaluated by Civic Administration for potential redesignation to other non-Industrial Place Types.

1.0 New Draft “Provincial Planning Statement”

On April 6, 2023 the Province released a new draft “Provincial Planning Statement” (PPS) on the Environmental Registry of Ontario, with a 60 days commenting period. The commenting period has been extended until August 4, 2023. The new Provincial Planning Statement [emphasis added] is intended to replace the Provincial Policy Statement, 2020 [emphasis added] and the Growth Plan for the Greater Golden Horseshoe. London is located outside of the Greater Golden Horseshoe and is not subject to that Growth Plan.

While still a draft open for public comment, the draft 2023 PPS includes significant changes to the Provincial approach to growth management that require changes to the Comprehensive Review process. While Civic Administration have prepared a separate report including recommended changes to the 2023 PPS and there are still opportunities for the draft policies to change, it is expected that the new requirement for Urban Growth Boundary reviews outside of a Comprehensive Review will be approved.

Below is a summary of implications related to the Comprehensive Review:

- Comprehensive Review is no longer a defined term or process guiding municipal land need assessments for municipal management of growth and infrastructure.
- The planning horizon for settlement boundaries and designated lands in municipal official plans has been increased from a 25 year maximum to “at least 25 years” (draft 2023 PPS policy 2.1.1).

- Settlement area expansions are permitted subject to criteria that municipalities “should consider” (draft 2023 policy 2.3.4).
- Employment land conversions to non-Industrial land use designations are not required to occur during a Comprehensive Review of employment land and the long-term need for employment lands to meet projected growth (draft 2023 PPS policy 2.8.2.4).
- Built Area Boundaries are not defined, and intensification targets are not required for redevelopment across the entire existing built area. Under the new draft PPS, intensification targets are only required for the Projected Major Transit Station Area portion of the existing built area (i.e. the Downtown, Rapid Transit Corridor, and Transit Village Place Types in The London Plan). Minimum densities are recommended for new lands added to the Urban Growth Boundary (minimum 50 residents and jobs per gross hectare).

Additionally, the new draft PPS has changed the definition of “Employment Area” to mean:

“those areas designated in an official plan for clusters of business and economic activities including manufacturing, research and development in connection with manufacturing, warehousing, goods movement, associated retail and office, and ancillary facilities.”

This change restricts the definition of Employment so that stand-alone institutional, commercial, retail, and office uses are not considered part of the “Employment Area”. The Industrial Place Types of The London Plan currently permit many of the uses that would be excluded from the definition of “Employment Areas”.

2.0 Comprehensive Review (Section 26 of the *Planning Act*)

At the April 11, 2023 Planning and Environment Committee meeting, Civic Administration identified that a Comprehensive Review should be initiated primarily to facilitate a review of the City’s land supply and ability to accommodate forecasted housing and non-residential construction demand. Under the 2020 PPS the only process for such a review was a Comprehensive Review of the official plan, which typically includes an official plan update required under Section 26 of the *Planning Act*.

An official plan update under section 26 requires that all policies of the plan be reviewed to ensure they are consistent with all legislation and policy statements issued by the Province. Given that portions of The London Plan first came into effect in 2017, and that the *Planning Act* requires a review under Section 26 within 10 years of that date, the Section 26 update is not required until 2027. Due to the current uncertainty around the new 2023 PPS and the extent of its implications on The London Plan, continuing with an update to the Plan would require delays to the current Comprehensive Review process and is not recommended.

However, it is important that the current process related to the land needs assessment continue in accordance with the approved terms of reference. It is important to evaluate the land supply and forecasted housing and non-residential demand to ensure land is available to meet our projected growth. Through this process, the City will be able to demonstrate the capacity to accommodate growth and achieve the City of London’s Housing Target of 47,000 new units.

3.0 Policy Review Exercises

The Terms of Reference presented to Planning and Environment Committee on April 11, 2023, identified that several policy reviews would be undertaken. Those reviews are an evaluation of the “planning horizon” and an evaluation of the intensification target. Both reviews are continuing as they will inform the land needs assessment work.

3.1 Policy Review Exercise: Planning Horizon

The evaluation of “Planning Horizon” was intended to determine whether a 20-year or 25-year supply of land should be the basis of The London Plan. This means that either 20 or 25 years of projected growth in employment, population, and housing units must be accommodated within lands designated as urban Place Types of The London Plan (i.e. located within the Urban Growth Boundary).

The London Plan horizon was first prepared under the 2014 PPS that required a maximum planning horizon of 20 years, but was ultimately approved based on the 2020 PPS that requires a planning horizon of up to 25 years. The London Plan is consistent with the 2020 PPS because under that policy statement the planning horizon permitted is “up to 25 years”. However, based on the new draft PPS, the planning horizon for a municipal official plan is likely to be at least 25 years.

The 25-years horizon will be applied for the purposes of the land needs assessment, and future London Plan Amendments will be prepared and brought forward to a future meeting of the Planning and Environment Committee to update policy references to the planning horizon throughout The London Plan.

The London Plan, 2020 PPS, and the new draft 2023 PPS all require that prime agricultural areas shall be designated and protected for long-term use as agriculture. Similarly, the Growth Management and Urban Growth Boundary policies of The London Plan state that scattered or “leap-frog” development patterns are to be avoided, that the expansion of urban areas are to be logical build-out of existing planned communities, and that expansions are to be in a phased manner that optimizes the utilization of any new infrastructure. The new draft PPS maintains the direction that expansions of urban areas into prime agricultural areas must be as phased progressions of urban development.

The results of the 25-years planning horizon along with results of the Land Needs Assessment will be presented for Council’s consideration at a future public meeting before the Planning and Environment Committee.

3.2 Policy Review Exercise: Intensification Target

The London Plan includes a target that “a minimum of 45% of all new residential development will be achieved within the Built-Area Boundary of the city” (policy 81). The Built Area Boundary is identified as Figure 2 in The London Plan, and refers to the lands that were substantively built-out as of the year of Provincial approval of The London Plan (i.e. 2016). The London Plan also includes growth management policies stating that infrastructure will be planned in support of the 45% intensification target (policy 1570_2), which includes servicing and the Mobility Master Plan.

The new draft 2023 PPS has deleted references to the term Built Area Boundary, and the need for municipalities to identify intensification targets for their built-up areas. Intensification targets remain for the Protected Major Transit Station Areas (PMTSA) and density targets are encouraged in new greenfield areas.

While it may no longer be required by Provincial policy under the new draft PPS, the City’s intensification review is an important means by which to evaluate the existing urban land’s capacity to accommodate infill, intensification, and redevelopment. The purpose of the intensification review is to identify site evaluation criteria for potential

redevelopment of lands over the short-term and long-term during the planning horizon. Criteria would relate to physical characteristics of the site, as well as the level of existing development versus the permissions and planned uses.

Transportation infrastructure initiatives of the forthcoming Mobility Master Plan will include public transit initiatives. Public and rapid transit initiatives require significant population densities in the Protected Major Transit Station Areas and other existing built-up urban areas that are in proximity to transit routes. Intensification targets in the built area are supportive of creating ridership and ensuring financial feasibility of planned transportation infrastructure initiatives. Opportunities to increase the intensification target in locations aligning with identified transportation infrastructure projects will be investigated through the intensification review.

The intensification review will also provide land supply data to be factored into the land needs assessment, and will help inform the City's housing supply actions, including support for the Provincial housing target. Additionally, through the development of the Housing Supply Action Plan, the City is undertaking a review of available servicing capacity and the ability to support intensification and the current intensification target.

4.0 Industrial Lands Assessment

For many years the City of London has facilitated growth in the Industrial employment sector through a long-term strategy for the planning, acquisition, servicing, and marketing of industrial land. This has been done through the City's Industrial Land Development Strategy (ILDS).

On May 9, 2023, an updated ILDS was presented to the Strategic Priorities and Policy Committee, to provide recommendations to facilitate future years of industrial land growth in the city.

A related outcome of the ILDS is that an updated assessment of Industrial land supply is being undertaken by the City. The Industrial Land Needs Assessment is an input into the overall land needs assessment. The Industrial Land Needs Assessment will take into consideration factors such as:

- Vacant Land Inventory for Industrial land uses.
- Industrial land absorption rate (hectares per year).
- Natural Heritage and ecological protection.
 - Trends in Industrial development:
 - Lot coverage, land banking, and on-site expansion of operations.
 - Locational criteria for new and expanded operations.
 - Servicing needs.
 - Parcel sizes.
 - Variations by Industrial sector.

Any employment areas deemed not required or suitable for long-term use as Industrial land can be included in the inventory of existing urban lands available for potential redevelopment as another urban Place Type.

As noted above, the new draft PPS proposes a new definition of "Employment Area" through which stand-alone Institutional, Office, or Commercial areas are no longer considered as part of an Employment Area.

The London Plan has three Industrial Place Types: Heavy Industrial, Light Industrial, and Commercial Industrial.

Land inventories and land uses within each Place Type are being evaluated, so that the work of the Land Needs Assessment and housing supply initiatives may continue. This

ongoing work is also intended to expedite any required Amendments necessary for The London Plan to conform with new PPS policies or definitions.

For Council's consideration, preliminary evaluation criteria for conversion of Industrial land to non-Industrial Place Types are identified in Appendix 'A' to this report. Evaluation criteria are intended to recognize both the need for the land based on its planned industrial use, as well as its ability to be adaptively reused as a non-Industrial land use.

Then, upon Provincial approval of the new policy framework for land use in Ontario, a public participation meeting before Council will be scheduled to invite the public and landowners to make further requests for candidate lands to be considered against the evaluation criteria.

Based on both landowner submissions and interest, as well as lands to be identified by Civic Administration as potential conversion areas, Civic Administration will use the criteria attached to this report to evaluate candidate sites.

5.0 Benefits of Closing the Comprehensive Review

There are several benefits to closing the Section 26 Comprehensive Review under the Planning Act, and then re-initiating the process with an updated scope of work and terms of reference once the draft Provincial Planning Statement has been approved by the Province. These benefits include that it:

- Focuses staffing resources on completion of the Land Needs Assessment. The Land Needs Assessment review was the primary driver of the Comprehensive Review, and its completion supports the Provincial Housing Target of creating 47,000 new units within the next ten (10) years;
- Reduces the overall timeline for completion of the Land Needs Assessment, because additional policy conformity exercises can be undertaken separately as part of a new scope of work that is consistent with the new provincial policy framework once it is approved; and
- Reduces the amount of work being completed which may become invalidated through changes to policies, definitions, or guidelines under the new legislation and new PPS.

Conclusion

On April 11, 2023, Terms of Reference for the Comprehensive Review of The London Plan were presented to Planning and Environment Committee. In the preceding week (April 6, 2023), the Province of Ontario released a new draft Provincial Planning Statement, which is to update the Provincial Policy Statement, 2020.

There is uncertainty regarding the extent of policy updates and amendments that may be required to The London Plan for consistency with the new draft 2023 PPS. As an official plan review under Section 26 of the Planning Act, the Comprehensive Review must include a conformity exercise to ensure consistency with provincial policy statements. It is therefore recommended that the Section 26 Comprehensive Review be closed at this time. Then, upon Provincial approval of a new Provincial Planning Statement, the City will reopen the amendment process consistent with requirements of the new policy framework for land use planning in Ontario. A revised Terms of Reference and scope will be brought forward for Council's consideration at that time, but work will continue uninterrupted on the land needs assessment.

Despite closing the Comprehensive Review, and in recognition of the importance in assessing the available land supply and its ability to accommodate growth in employment, population, and housing, the Land Needs Assessment will continue. This includes the Industrial Land Needs Assessment and the community growth (non-

Industrial) assessment. Continuing the Land Needs Assessment is consistent with the goals and policies of The London Plan as well as to ensure there is sufficient land capacity to accommodate the Provincial housing target of 47,000 new units.

Industrial conversions to non-Industrial Place Types are a consideration in the Land Needs Assessment. Preliminary criteria to evaluate Industrial Land conversions are included in this report. Continuing the Land Needs Assessment for Industrial lands will expedite Amendment process to redesignate Industrial Lands to non-Industrial Place Types. Landowner requests to evaluate sites can be submitted to Civic Administration, and further requests will be considered through a future public meeting.

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Appendix A: Industrial Land Conversion Evaluation Criteria

Preliminary Candidate Area Evaluation Criteria may include:

- Property not required for long-term use as Industrial Lands.
- Change to a non-Industrial use would provide adequate buffering to existing Industrial, and not render existing Industrial Uses inoperable or create adverse effects on existing Industrial.
 - Would not preclude continued operation of Existing Industrial Uses.
 - Minimum Separation Distances are to be evaluated on a case-by-case basis and informed by guidelines.
- Property not within Prime Industrial Land locations, as referenced in the ILDS, or other municipal/economic development initiatives.
- Suitability/affordability of municipal servicing without significant constraints.
- Parcel size and/or potential suitability for land assembly.
- Property is of a size and configuration with potential for non-Industrial uses, including but not limited to:
 - Street frontage.
 - No major easements/corridors impeding development.
 - Property has sufficient depth/area to meet guidelines for development of sensitive uses in adjacency to railway operations (i.e. 2013 Federation of Canadian Municipalities/Railway Association of Canada guidelines).
 - Sufficient setback from pipelines to ensure safety.
 - Sufficient setback from airport operations to address airport noise exposure forecast (NEF).
- Property does not demonstrate significant environmental constraint for reuse as another land use/Place Type (i.e. natural heritage system features, natural hazards, or significant brownfield contamination).
- Presence of other non-Industrial uses adjacent to the property or within the same area of the Industrial Place Type
- Property demonstrates potential for long-term use as a non-Industrial Place Type.
- Landowner interest in conversion to an alternative Place Type.