

City Comments on Proposed Bill 185 - Cutting Red Tape to Build More Homes Act, 2024, Provincial Planning Statement 2024, and New Minister Zoning Order Framework

Date: May 8, 2024

To: Planning and Housing Committee

From: Interim Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

The policy-led planning system under which Ontario municipalities have operated has experienced numerous changes over the last several years, requiring the City to continuously review, examine and adapt its planning policies and practices. The frequency of changes has created a level of land use uncertainty for approval authorities, development industry and communities.

On April 10, 2024, the Province introduced the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185), which proposes amendments to 17 Provincial Acts. The Province also released an updated draft of the proposed Provincial Planning Statement 2024 ("PPS 2024") which combines the Provincial Policy Statement, 2020 (PPS 2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2020 (Growth Plan) into a signal document. In addition, the Province introduced a new Minister's Zoning Order Framework.

The Province provided stakeholders 30 days to review and provide comments on these proposals. Comments are due by **May 10, 2024**. As of the date of this report, Bill 185 received second reading and was ordered for Public Hearings on May 7, 14 and 15, 2024 before the Standing Committee on Finance and Economic Affairs. Staff recommend submission of this report to the Standing Committee following Planning and Housing Committee's consideration of this report. Staff will forward to the Province Council's comments raised at the May 22-24 City Council meeting when it will consider this report.

Specifically, Bill 185 proposes numerous amendments to the *Planning Act*, *Development Charges Act*, *City of Toronto Act* and other legislation. With the introduction of the PPS 2024, the Province intends to repeal the Growth Plan for the Greater Golden Horseshoe ("Growth Plan") and has incorporated some of its policies into the PPS 2024. The elimination of several Growth Plan policies reduces the role of

intensification and increases the role of greenfield development across the region to accommodate residential growth.

Proposed changes to the *Development Charges Act* reverse some, but not all, of the previously introduced changes through Bill 23, *More Homes Built Faster Act, 2022*, that substantially impact the City's ability to collect development charges to fund growth-related services. The outstanding Bill 23 impacts, coupled with previous iterative changes to the growth funding tools, continues to negatively affect the City's ability to provide services and infrastructure to growth in a fiscally sustainable way, although the proposed amendments are a step in the right direction. The Province has also proclaimed the Affordable and Attainable Unit exemptions for development charges, community benefits charge and parks levy into force, effective June 1, 2024.

The comments and suggested revisions contained in this report and its attachments have been developed in consultation with City Divisions. This report provides a high-level summary of key Bill 185 proposals, Minister's Zoning Order Framework and PPS 2024 changes. Attachments to the report outline detailed staff comments and suggested revisions, which will be submitted to the Province's commenting portal.

Staff support several of the proposed changes, as these changes wind back changes that the Province previously put in place which were not previously supported by Council. Several of the changes would require the City to revisit recently implemented policies, practices and operations. Given the overlapping themes between Bill 185 and the PPS 2024, this report organizes staff analysis and comments into five headings, under which the specific impacts of the proposed changes on the City are described.

1. Housing and Development Approvals

- Re-introducing housing affordability definitions
- Expanding housing options definition
- Incenting redevelopment of commercial and institutional sites to residential
- 453.1 of the City of Toronto Act - Social Housing Programs
- Limiting third party appeals to the Ontario Land Tribunal (OLT)
- Replacing the Community Infrastructure and Housing Accelerator with a new MZO framework
- Winding back development application fee refunds
- Introducing lapsing Site Plan and Plans of Subdivision approvals
- Streamlining student housing approvals
- Removing mandatory pre-application consultation
- Allowing OLT Motions to dispute application completeness

2. Economic Development and Employment Lands

- Re-defining Employment Areas
- Allowing conversion/removal of Employment Areas anytime
- Creating potential land use conflicts with residential encroachment closer to Employment Areas
- Weakening land use compatibility of Employment Areas

- Deleting Provincially Significant Employment Zones
- Assisting manufacturing, industrial, and commercial businesses

3. Infrastructure and Development Charges

- Introducing ability to allocate Water/Sewer system capacity
- Directing municipalities to collaborate with school boards
- Considering streamlining approvals for community service facilities
- Removing certain transportation policies
- Limiting protections for listed Heritage properties
- Reinstating studies as an eligible DC cost
- Repealing the mandatory five-year DC phase-in
- Reducing the time limit on the DC freeze, from two years to 18 months
- Introducing a time-limited streamlined process for scoped amendments to DC bylaws
- Proclaiming the exemption for Affordable and Attainable Units from DCs, community benefits charge and parks levy into effect

4. Regional Planning and the Environment

- Removing intensification requirements in the Greater Golden Horseshoe Area
- Focusing intensification and student housing within Strategic Growth Areas
- Removing required parking within Protected Major Transit Station Areas
- Removing population and employment growth targets
- Allowing appeals to new Settlement Areas and boundary expansions
- Removing certain Natural Heritage policies
- Weakening climate change policies
- Removing the Agricultural System and protecting the Greenbelt
- Removing waste management policies
- Removing sub-watershed planning for large developments in greenfield areas

5. Implementation

- Eliminating requirements for Municipal Comprehensive Reviews
- Eliminating the need for standardized Land Needs Assessments
- Changing long range planning time horizon
- Applying the Provincial Planning Statement upon its approval
- Requesting transitional matters
- Removing policies for municipalities to undertake integrated planning
- Reporting on municipal planning data
- Engaging with Indigenous communities
- Changing public notice requirements

The PPS 2024 reshapes land use planning in Ontario with significant implications for the City. Bill 185 introduces significant modifications to the policy framework for planning and development in Ontario, with impacts on Toronto. Although staff generally support the intent and purpose of streamlining the development review process, this

report highlights implications and potential unintended consequences that could hinder desired outcomes and suggest considering alternative approaches.

RECOMMENDATIONS

The Interim Chief Planner and Executive Director, City Planning recommends that:

1. City Council endorse the Key Recommendations contained and appended in Attachment 1 with respect to Bill 185 - Cutting Red Tape to Build More Homes Act, and the PPS 2024, and with respect to the *Development Charges Act* and authorize staff to provide comments through the Environmental Registry of Ontario.
2. City Council endorse the recommendations contained and appended in Attachment 3 with respect to Bill 185 - Cutting Red Tape to Build More Homes Act, and the Provincial Planning Statement 2024 in Attachment 2, and in Attachment 4 with respect to the *Development Charges Act* and authorize staff to provide comments through the Environmental Registry of Ontario.
3. City Council authorize the Interim Chief Planner and Executive Director, City Planning to submit any future comments on any associated regulations as may be released by the Province and report to City Council on the implications to the City of the regulations.
4. City Council direct the City Clerk to forward the report City Comments on Proposed Bill 185 - Cutting Red Tape to Build More Homes Act, 2024, Provincial Planning Statement 2024, and New Minister Zoning Order framework, dated May 8, 2024, to the Standing Committee on Finance and Economic Affairs and the Ministry of Municipal Affairs and Housing.

FINANCIAL IMPACT

Bill 185 impacts 17 Provincial Acts. Financial impacts, arising from the changes, including implementation of the policies in the proposed Provincial Planning Statement, if adopted, will be subject to future reporting.

Changes to the *Development Charges Act*, including repealing of the five-year phase-in and reinstating growth studies, could reduce some of the negative impacts of *More Homes Built Faster Act, 2022* (Bill 23) on the City's ability to fund growth in a sustainable way. However, many Bill 23 changes were not repealed, such as the removal of housing as an eligible Development Charge service (estimated \$1.3 billion impact over 10-years) and the provincial phase-in discount for projects with frozen rates (potentially up to \$570 million impact). Some changes proposed, such as changes to the time limit on frozen DC rates, while having a positive impact on development, are estimated to have minimal financial impact. Staff's preliminary estimate is that these changes will reduce Bill 23 impacts (estimated previously at \$2.3 billion over 10 years) by approximately \$144 million over a 10-year period.

Staff will continue to monitor and assess the changes based on the final legislation proclaimed, and in consideration of other intergovernmental funding announcements.

DECISION HISTORY

Over the last several years, Ontario's policy led planning system has experienced numerous changes.

In November 2023, City Council considered Item PH7.7 City Comments on Provincial Bill 134 Proposed Definition of Affordable Residential Unit, which proposed amendments to the definition of Affordable Residential Units introduced in Bill 23.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH7.7>

In October 2023, City Council received for information Item EX8.4a Supplementary report from the Interim Chief Financial Officer and Treasurer on Impacts of Bill 23, which provided an assessment of the estimated revenue loss associated with Bill 23 and the potential impacts to costs and revenues associated with meeting the provincial housing target. <https://www.toronto.ca/legdocs/mmis/2023/cc/bgrd/backgroundfile-239822.pdf>

In June 2023, City Council considered Item PH4.8 which highlighted the substantive changes proposed by the Province by merging and amending the Provincial Policy Statement (2020) and the Growth Plan for the Greater Golden Horseshoe into one policy document renamed the Provincial Planning Statement (PPS 2023). The report recommended a number of policy changes.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.PH4.8>

In November 2022, City Council considered Item CC1.2 Update on Bill 23, *More Homes Built Faster Act, 2022*, and Supplementary Report – City Staff Comments on Bill 23, which highlighted major changes proposed, potential effects on the City, and made recommendations for Council adoption and submission to the Province.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.CC1.2>

In July 2022, City Council considered EX34.1, EX34.2 and EX34.3 Growth Funding Tools - Development Charges, Community Benefits Charge and Alternative Parkland Dedication Rate and adopted updated and new bylaws.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.1>,

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.2>,

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.3>

In March 2022, Executive Committee considered Item EX31.11 on the City's review of the Provincial Housing Affordability Task Force Recommendations. On March 30, 2022, the Province introduced changes to various pieces of legislation to implement recommendations in the Task Force's report. As a result, Executive Committee referred the item to the City Manager and requested a report to Planning and Housing Committee. <https://secure.toronto.ca/council/agenda-item.do?item=2022.EX31.11>

In May 2022, City Council considered Item PH33.11 on Bill 109 *More Homes for Everyone Act*, which received Royal Assent before the stated commenting period

expired. Council also adopted additional concerns related to Bill 109.
<https://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.PH33.11>

In June 2021, City Council adopted EX24.4 "Bill 197 and Growth-Related Funding Tools Update", which provided an update on the changes that affected the City's growth funding tools and the approach to updating the funding tools under the revised legislative framework.
<https://secure.toronto.ca/council/agenda-item.do?item=2021.EX24.4>

In January 2020, City Council adopted MM14.18 "Re-opening of MM13.27 Response to Proclamation of Development Charges Act changes effective January 1, 2020", which clarified how DC interest rates are calculated.
<https://secure.toronto.ca/council/agenda-item.do?item=2020.MM14.18>

In December 2019, City Council adopted MM13.27 "Response to Proclamation of Development Charges Act changes effective January 1, 2020", which adopted new administrative processes in response to legislative changes.
<https://secure.toronto.ca/council/agenda-item.do?item=2019.MM13.27>

In November 2019, City Council considered Item MM12.29 Bill 138 - Preliminary City Comments, which summarized amendments to Bill 108 proposed through the *Plan to Build Ontario Together Act* (Bill 138).
<https://secure.toronto.ca/council/agenda-item.do?item=2019.MM12.29>

In October 2019, City Council considered Item PH9.1 on proposed revisions to the Provincial Policy Statement (PPS 2019) and their potential effects on municipal land-use planning and the development-approval process.
<https://secure.toronto.ca/council/agenda-item.do?item=2019.PH9.1>

In July 2019, City Council considered Item CC9.7, *More Homes, More Choice Act*, which identified budgetary considerations related to the implementation of Bill 108 and the measures Staff were pursuing to work with the Province to ensure appropriate regulations were adopted.
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC9.7>

In May 2019, City Council considered Item CC7.3, Bill 108 *More Homes, More Choice Act, 2019*, and Housing Supply Action Plan, which highlighted proposed changes to various legislation. The report provided preliminary comments outlining potential effects on municipal land-use planning, the development-approval process, heritage conservation, and funding for community facilities and infrastructure.
<https://secure.toronto.ca/council/agenda-item.do?item=2019.CC7.3>

Background

Bill 185, and the new Provincial Policy Statement 2024, aim to streamline the planning process with the overall goal of increasing housing supply. Not all elements of the Bill directly impact the City of Toronto. Key elements of the Bill that impact the City include the changes to the *Planning Act*, *Municipal Act*, *Development Charges Act* and the *City of Toronto Act*.

The updated release of a revised draft of the PPS 2024 combines the in-effect PPS, 2020 and Growth Plan into a single document. The City previously provided comments on the original draft of the Provincial Planning Statement in 2023 and comments with respect to this proposal can be accessed by the link in the Decision History from June 2023.

This report highlights the major changes proposed in Bill 185 and PPS 2024, and potential impacts to the City of Toronto. The report identifies areas of support for the proposed changes, areas identified by staff of concern for the City, suggested revisions, and areas where staff recommend council express its concern to the legislation as drafted.

COMMENTS

The balance of this report provides a high-level summary of key Bill 185 and PPS 2024 changes and the new Minister's Zoning Order framework, while the report attachments outline detailed City comments and suggested revisions.

- Attachment 1 lists key recommendations and suggested revisions
- Attachment 2 outlines comments on each of the policy matters covered in the PPS 2024
- Attachment 3 outlines comments on legislative changes in Bill 185
- Attachment 4 outlines comments on changes to the *Development Charges Act*

Given the overlapping themes between Bill 185 and PPS 2024, this report organizes staff analysis and comments under the following headings:

1. Housing and Development Approvals
2. Economic Development and Employment Lands
3. Infrastructure and Development Charges
4. Regional Planning and the Environment
5. Implementation

1. Housing and Development Approvals

Bill 185 proposes several changes to the development review and approvals process, including appeals of Council decisions. PPS 2024's stated and intended outcomes are: to generate housing supply; make land available for development; provide infrastructure to support development; and balance housing with resources. While increasing housing supply is a critical component in addressing the current housing crisis, ensuring services and infrastructure necessary to support housing can be provided in a fiscally sustainable way is also of critical importance. Increased housing supply on its own will not address the affordability challenge. As the City grows, it is critical to ensure the creation of complete communities.

Re-Introducing Housing Affordability Definitions

The PPS 2024 has re-introduced both the definitions of "Affordable" housing and "Low and moderate-income households" and reinstated the policy requiring municipalities to identify affordable housing targets for low and moderate-income households. An income-based approach to defining affordable housing is consistent with a human-rights approach as it better reflects what households can afford, particularly as household incomes are not increasing at the same rate and pace as housing prices and rents.

- **Staff support the reference to low and moderate-income households in the definition of affordable housing as it provides municipalities with a basis and rationale to develop land use planning policies that better respond to housing affordability needs, given the relationship to household incomes.**

In Toronto, 30% of renter households are in "core housing need" compared to 10.8% of owner households. This illustrates the importance of setting affordable housing targets for both ownership and rental housing. The City's HousingTO Action Plan 2020-2030 includes a target of 41,000 affordable rental, 6,500 Rent-Geared-to-Income and 17,500 rent-controlled market home approvals by 2030.

Expanding Housing Options Definition

The PPS 2024 expands the definition of Housing Options to include references to missing-middle housing and forms of gentle density such as laneway housing, garden suites, rooming houses and low-rise apartments. The definition does not make references to different unit types and tenures. The provision of a mix of unit types will support complete communities with options for small and larger households such as families with children and inter-generational families.

The PPS 2024 proposed definition of "housing options" removes the existing reference to affordable housing, despite including other income-based forms of housing such as supportive, community and transitional housing. The lack of reference to affordable housing does not offer clear Provincial direction and rationale for municipalities to highlight the importance of this housing option.

- **Staff request that the Province revise the PPS 2024 definition of "housing options" to include consideration for affordable housing, tenure and unit types to accommodate a range of household sizes.**

Bill 185 provides the Minister with Regulation-making authority to establish requirements and standards for small multi-unit residential dwelling buildings and to ancillary buildings. No regulation is proposed at this time. Staff will report to Council on the implications to the City of any future regulations.

Incenting Redevelopment of Commercial and Institutional Sites to Residential

The PPS 2024 includes a new policy that would require municipalities to permit and facilitate the redevelopment of underutilized commercial and institutional sites for residential uses. Currently, of the 400+ plaza sites across the city, over 30 of them have active development applications with more than 11,000 residential units proposed. In

addition, 19 shopping mall sites have active development applications with over 68,000 residential units proposed. While these plaza and mall sites present significant residential development opportunities, the current legislative framework does not allow the City to adequately secure the replacement of displaced local retail amenities.

- **Staff request that the Province enact a Regulation to permit the use of zoning with conditions, pursuant to Section 113 of the City of Toronto Act 2006, that would enable a municipality to secure replacement employment space as part of redevelopments proposing to convert existing commercial and institutional space.**

453.1 of the City of Toronto Act - Social Housing Programs

Existing Section 453.1 of the *City of Toronto Act* states that where the City provides directly, or works with a landowner to provide, social housing and details are set out in a zoning by-law, that the zoning by-law is not appealable to the Ontario Land Tribunal. However, the section as written, could benefit from an amendment to ensure that Zoning By-laws enacted by City Council to provide social housing programs are shielded from appeal.

- **Request the subsection 453.1 (15) be changed from “Despite subsection 34(11) of the Planning Act” to “Despite subsection 34(19) of the Planning Act”.**

Streamlining Student Housing Approvals

To reflect Bill 185 legislative changes, new policies are added to the PPS 2024 that direct municipalities to collaborate with publicly-assisted post-secondary institutions to facilitate early and integrated planning for student housing.

Bill 185 would exempt undertakings of post-secondary institutions and affiliated institutions from requirements of the *Planning Act* and from certain sections of the *City of Toronto Act 2006*. While staff support the goal of expediting the approval and construction of student housing, the proposed change is too broad in its exemptions in both location and use. For example, it does not provide a definition of "undertaking" or limit the exemption to a certain area of campus or to a certain use of the campus (e.g., student housing).

- **Staff do not support the proposal and request that the Province not exempt post-secondary institutions from requirements of the Planning Act and sections 113 and 114 of the City of Toronto Act 2006, as they relate to development considerations and impacts on health, safety, accessibility, the natural environment, heritage resources, sustainable development (e.g., Toronto Green Standard) and infrastructure requirements, in particular sewer and water.**

Limiting Third Party Appeals to the Ontario Land Tribunal (OLT)

Bill 185 would remove third-party appeals of municipal decisions on Official Plans, Official Plan Amendments, Zoning By-laws and Zoning By-law Amendments. Bill 185

would limit appeals to applicants, public bodies, the Minister of Municipal Affairs and Housing, the approval authority and 'specified persons' defined under the *Planning Act* (e.g., government bodies, utility companies or agencies) that have made an oral or written submission to Council prior to the decision.

Although this change would streamline the appeal process, it would restrict the ability to appeal municipal decisions to a narrower group of stakeholders. It could decrease feedback and input from the broader community and interested parties who may be affected by a development. In addition, removal of third-party appeals may inadvertently encourage applicant-initiated appeals to by-pass local approval processes.

For communities and residents concerned about the impact of proposed developments on the environment, social equity or quality of life, this could be seen as impacting their ability to take part in the appeals process. For operators of 'major facilities' as defined in the PPS 2024 (e.g., industrial uses that may have impacts on nearby sensitive land uses), this could limit their ability to raise concerns about the impact of nearby proposed residential development or other sensitive land uses (e.g., daycares or schools requiring outdoor space) on the viability of their operations.

Third party appeals for municipally initiated zoning by-law amendments that implement approved Official Plan Amendments for Protected Major Transit Station Areas (PMTSAs) and Major Transition Station Areas presents an opportunity to delay implementation of PMTSA and Inclusionary Zoning. It is staff's opinion that municipally initiated zoning by-law amendments to implement PMTSAs should be sheltered from third party appeals.

Should the Province proceed with this change, staff request that the Province:

- **limit the restriction on third-party appeals to development proposals that include a significant and prescribed amount of affordable housing and any requirements or standards to implement Protected Major Transit Station Areas;**
- **include operators of 'major facilities', as defined in the PPS 2024, to the list of parties eligible to appeal; and**
- **extend the timelines for planning approvals to allow municipalities enough time to resolve third-party issues, enable robust community consultation and avoid refusals.**

Replacing the Community Infrastructure and Housing Accelerator with a New MZO Framework

Bill 185 removes the recently introduced Community Infrastructure and Housing Accelerator (CIHA) tool and replaces it with a Minister's Zoning Order (MZO) Framework. The CIHA tool is similar to MZOs, given that proposed developments do not have to be consistent with provincial plans or municipal Official Plans and there are no appeal rights. The MZO Framework provides more clarity regarding submission requirements, including rationale for why an MZO is being requested and a description of any engagements undertaken.

The PPS 2024 includes a new policy that states that when a MZO has been made, the resulting development potential will be in addition to projected needs over the planning horizon and that municipalities are required to incorporate the additional growth when updating their official plan and infrastructure plans.

- **Staff request the Province to delete the PPS 2024 policy stating that developments approved under an MZO are in addition to projected needs.**
- **Staff support the elimination of the CIHA.**

Winding Back Development Application Fee Refunds

Bill 185 eliminates the fee refunds introduced by Bill 109 in 2023, which required municipalities to refund development application fees related to combined Official Plan and Zoning By-law amendments, Zoning By-law amendments and Site Plan Control applications if a municipal decision was not made within a specified period of time.

As a result of ongoing continuous improvement of its development review operating model, the City reduced its average timeline to decision or approval for applications. Between July 1, 2023 and March 31, 2024, the City incurred approximately \$5 million in application fee refund liability, with an additional \$15 million in application fees potentially at risk.

- **Staff support the removal of development application fee refunds.**
- **Staff request that the fee refund transition provisions be strengthened to waive any and all municipal liability for application fee refunds incurred between July 1, 2023 and the date the amending legislation comes into force and effect.**

Introducing Lapsing Site Plan and Plans of Subdivision Approvals

Bill 185 allows an approval authority to set an 'expiry date' for approved Site Plans and Plans of Subdivision, provided this date is not less than three years (unless otherwise set out in regulation). These lapsing approvals may apply to future and existing approvals, provided the municipality notifies the affected landowner.

Under the current practices for Site Plan approvals, the City issues Notice of Approval Conditions (NOAC) with a standard condition stating that critical conditions be satisfied within two years of the date the NOAC is issued. Between 2005-2024, approximately 73% of applications with NOAC have applied for a Building Permit within two years.

- **Staff support lapsing authority for Site Plan Control approvals and Plans of Subdivision, given the incentive it may have for applicants to proceed with approved developments.**

Removing Mandatory Pre-Application Consultation

Bill 185 would make pre-application consultations (PAC) voluntary at an applicant's discretion. The value of mandatory PAC is in the City's ability to adequately structure, resource and manage the process to reduce varied practices, outcomes and levels of

customer service city-wide. In February 2022, Council adopted Official Plan Amendment 550 (OPA 550) and a related Municipal Code amendment to implement mandatory pre-application consultation. The annual volume of requests for PAC meetings under the voluntary framework (540 meeting requests in 2021) and the mandatory framework (556 meeting requests in 2023) is very similar, indicating applicant interest in discussion with the City prior to application submission.

- **Staff do not support the removal of mandatory PAC from the Planning Act, given that the removal undermines complete application provisions which are critical to legislated timeline management. It also impacts consistent disclosure of public information early in the planning process (e.g., posting the Planning Application Checklist Package to the City's Application Information Centre website).**

Allowing OLT Motions to Dispute Application Completeness

Bill 185 provides applicants the ability to request that the OLT determine whether a requirement for complete application is reasonable, and if that requirement has been met. Currently, applicants must first submit an application and can appeal to the OLT within 30 days after receiving an incomplete application notice.

- **Staff do not support proposed changes to motions to dispute completeness of an application.**

The primary purpose of mandatory pre-application consultation is for applicants and the City to discuss and confirm application requirements. The proposal to eliminate mandatory PAC removes an early opportunity for applicants and the City to discuss the reasonableness of application requirements and how those application requirements can be met.

The timing of a potential motion to the OLT anywhere between pre-application consultation and payment of planning application fees presents significant challenges. If a motion is made prior to the submission of a planning application to the City, it is unclear on what basis the Tribunal will make its determination, particularly if mandatory PAC is removed and the City has not issued a Planning Application Checklist to the applicant. If a motion is made prior to the submission being circulated for determination of completeness, it is unclear how the City would provide a response to the motion, as staff will not have completed their review of whether the information and materials were received. Removing the 30-day time limit for an applicant to bring a motion to the Tribunal removes clarity on when the motion to dispute period ends and will likely lead to an increase of unnecessary legal disputes at the OLT.

2. Economic Development and Employment Lands

Lands designated in the Official Plan as *Core Employment Areas* and *General Employment Areas* account for approximately 12% of the City's land base but accommodate almost 25% of all the jobs across the city. The current Growth Plan and Provincial Policy Statement provide land use policy protections for these lands, most of which are not proposed to carry over into PPS 2024.

Re-Defining Employment Areas

PPS 2024 includes a new definition of *Employment Areas* to match the *Planning Act* definition of "area of employment" amended by the *Helping Homebuyers, Protecting Tenants Act* (Bill 97). The new definition for *Employment Areas* scopes the protected land uses by excluding all types of institutional uses and commercial uses (except for retail and office uses associated with the primary employment uses).

The new definition may result in the loss of stand-alone convenience retail and services (e.g., banks, printing services, restaurants, etc.) that businesses within *Employment Areas* use for their operations and that are also intended to serve workers. By excluding institutional and commercial uses as part of the definition of *Employment Areas*, approximately 54% of establishments and 49% of jobs are put at risk within the City's *General Employment Areas* and *Core Employment Areas*. These figures include the existing institutional uses and commercial uses, including standalone retail and office uses.

Film Production

The City is home to a vibrant and growing film production industry that makes a direct production spend of \$2.5 billion annually in the City and employs 35,000 Torontonians in largely unionized, remunerative work. The industry depends on large, strategically located, affordable and stable *Employment Areas* that are buffered from incompatible uses (e.g., residential uses) to remain viable. Film production has played an important economic role in the South of Eastern area, which has had in place industrial zoning that permits all types of uses for film production. While the province has not provided guidance on how to interpret the new definition of *Employment Area* in the PPS 2024, it is staff's opinion that uses related to the film production industry fall under the category of manufacturing and are permitted.

- **Staff request that the Province revise the *Employment Area* definition to explicitly include all types of office, retail and service uses.**

Allowing Conversion/Removal of Employment Areas Anytime

The PPS 2024 proposes significant changes to the policy direction that municipalities must follow when determining whether a conversion or removal of lands within an *Employment Area* will be allowed.

Since 2006, the City has benefited from a more stable land use system as it relates to managing employment areas. Through two coordinated conversion cycles, the City has limited the impacts on employment areas by creating a balance between the need to facilitate housing supply, while ensuring that businesses have a level of land use certainty to make long-term financial investments.

The PPS 2024 policy direction would allow for conversions or removals of *Employment Areas* to be considered at any point in time, instead of only during a Municipal Comprehensive Review (MCR). Limiting conversions/removals to only during a MCR is critical to providing land use certainty, ensuring careful and comprehensive consideration of these requests and ensuring long-term stability and availability of employment area lands. As a result of this proposed change, municipalities are likely to

face ongoing site-by-site requests, which does not allow for comprehensive analysis and long-range planning considerations.

The PPS 2024 would allow municipalities to make sufficient land available to accommodate projected *Employment Area* needs beyond a 30-year time horizon. This policy change may allow the City to take a longer-term view of Toronto's *Employment Areas* to ensure that these lands are planned, protected and preserved for current and future uses. However, this longer-term view is weakened if the conversion/removal of *Employment Areas* can happen at any time.

The PPS 2024 has also removed the requirement for municipalities to set density targets for *Employment Areas*. The City set a minimum density target of 50 jobs per gross hectare for all *Employment Areas*, which was set in recognition that considerable investment in physical space may not always result in substantially more jobs, but such investment is needed to expand Toronto's economic base. The removal of the density target has implications for the conversion/removal of *Employment Areas* in so far as achieving the density target is no longer a required consideration for deciding to convert or remove land from *Employment Areas*.

- **Staff request that the Province maintain that a conversion or removal of employment area lands can only be considered when a municipality is undertaking their 5-year Official Plan review.**

Creating Potential Land Use Conflicts with Residential Encroachment Closer to Employment Areas

The PPS 2024 includes new policies intended to facilitate the expansion of compatible employment uses in areas outside of *Employment Areas*. One new policy encourages industrial, manufacturing and small-scale warehousing uses in Strategic Growth Areas and other *Mixed Use Areas* where frequent transit is available, provided that these uses would not cause adverse effects on sensitive land uses.

The PPS 2024 includes a new policy that requires municipalities to permit a diverse mix of land uses, including residential, employment, public service facilities and other institutional uses on: (1) "lands for employment outside of *Employment Areas*", and (2) "lands that provide for an appropriate transition to prevent adverse effects". Should this policy come into effect, the City will need to explicitly permit these types of uses on all lands that fall within these two categories (e.g., *Mixed Use Areas*, *Regeneration Areas*, and *Institutional Areas*).

Combined, these policy changes are likely to result in the encroachment of sensitive land uses (e.g., residential use and institutional uses) next to *Employment Areas* that could have adverse effects on both sensitive land uses and existing employment uses. Specifically, this policy could substantially reduce the City's ability to provide a buffer around *Core Employment Areas* to allow for a transition of uses. Despite the policy's reference to the Land Use Compatibility policies found in section 3.5 of the PPS 2024, it is likely that these policies would result in more land use incompatibility because the proposed changes to the Land Use Compatibility policies reduce the importance of avoidance and instead places a greater emphasis on mitigation/minimization of adverse

effects. The Land Use Compatibility policies also reduce the importance of minimizing and mitigating adverse effects on proposed sensitive land uses.

Of particular concern is a notable policy conflict introduced by requiring municipalities to permit residential and institutional uses on "lands that provide for an appropriate transition to prevent adverse effects." From a logical policy perspective, these lands cannot both "provide for an appropriate transition to prevent adverse effects" and be required to permit sensitive land uses like residential and institutional uses. This policy conflict should be addressed to ensure that lands that provide for an appropriate transition to prevent adverse effects are able to be planned for their intended purpose.

- **Staff request that the Province revert to the previous wording of policy 2.8.1.3 in the PPS 2023 and include a second part to the policy that reads "On lands for employment outside of Employment Areas, uses that would have adverse effects if located in proximity to Employment Areas or major facilities shall be prohibited."**

Weakening Land Use Compatibility of Employment Areas

The PPS 2024 proposes policy changes regarding land use compatibility. The policy changes introduce an apparent policy conflict between the proposed land use compatibility policies and the employment area policies. The PPS 2024 Employment Area policies would allow sensitive land uses (e.g., residential) on all "lands for employment outside of *Employment Areas*". This would result in municipalities having to provide land use permissions for these sensitive land uses **before** a determination of compatibility can be made.

The land use compatibility policies have also removed some of the detailed considerations that municipalities should make when reviewing development applications with adverse impacts on *Employment Areas*, such as identifying alternative locations for the proposed sensitive land use.

- **Staff request that the Province require municipalities to determine that sensitive land uses proposed near manufacturing, warehousing and other major facilities are compatible or can be made compatible prior to permitting the sensitive land use.**
- **Staff request that the Province retain the existing Growth Plan policy (2.2.5.8) into the PPS 2024, which requires that the development of sensitive land uses, major retail, and major office will avoid, or where avoidance is not possible, minimize and mitigate adverse impacts on industrial, manufacturing or other major facilities.**

Deleting Provincially Significant Employment Zones

The PPS 2024 removes all policies related to Provincially Significant Employment Zones (PSEZ) as an area for consideration and priority protections. In 2019, the Province established 31 PSEZs across the Greater Golden Horseshoe for the purpose of long-term planning for economic development (11 PSEZs are fully or partially in Toronto).

The Province had cited two Toronto major facilities operating in PSEZs that could have been eligible for enhanced conversion protections because of their economic importance: the Ontario Food Terminal and Sanofi Canada's biopharmaceutical facility. These two examples cited by the Ministry are sites where Council did not support requests to convert nearby employment area lands to permit residential uses. Without enhanced protections for lands in and around existing PSEZs there is a risk of encroachment of sensitive land uses (e.g., residential uses). The PPS 2024 policies related to employment areas and land use compatibility would require municipalities to permit residential uses on lands that no longer meet the *Planning Act* definition of "area of employment".

- **Request that the Province strengthen land use policy protections for all Employment Areas across the Province to ensure that these lands support the economy and are viable over the long-term.**

Assisting Manufacturing, Industrial, and Commercial Businesses

Bill 185 provides the Province regulation-making authority to permit municipalities to grant assistance, directly or indirectly, to a specified manufacturing, industrial or commercial business to attract investment in Ontario.

- **Staff support the provision of assistance for the City's manufacturing, industrial and commercial base which provide well-paying jobs, and support an innovative and diverse economy.**
- **Staff request that the Province consult with the City on any future Regulations to help determine parameters of necessary investments, which will assist in transparent decision making and understanding of any additional funding costs incurred or required associated with the implementation of the regulation.**

3. Infrastructure and Development Charges

Infrastructure

As the City continues to grow and increase housing supply, it is essential to ensure that services and infrastructure can be provided in a fiscally sustainable way that accompanies population and job growth to serve the needs of residents and workers. Both soft and hard infrastructure form a critical part of complete communities and are important to achieving a high quality of life. The City's 2024 10-year Capital Budget and Plan includes \$9.5 billion to support growth-related infrastructure including roads, transit, water and wastewater systems, as well as community services such as parks and recreation, childcare, libraries, and protective services such as fire, ambulance and police.

An additional \$29.8 billion of expenditures beyond those included in the capital plan have been identified for priority projects below the line that are needed to help build complete communities across Toronto.

Long-term capital infrastructure plans play a strong role in identifying areas that are serviced, and those next in line for development. The 2022 Development Charges

Background Study identified net City growth-related costs to 2041 of \$22.7 billion, with total costs, including expenditures by other levels of government, of \$67 billion, to support the forecast growth of 138,4000 dwelling units over 10 years (versus the Provincial target of 285,000 over 10 years for Toronto) and 235,000 units to 2041.

Phasing and sequencing of infrastructure allows for the orderly implementation of servicing to be planned and identified in strategic areas. It is not financially feasible, sustainable or efficient to build disconnected (or interim) infrastructure to all corners of a municipality. Long-term plans identify the amount of infrastructure required to address growth to 2041, and capital plans identify needs for the next 10 years. Together these plans identify where, how and when servicing capacity should be delivered to enable housing to come online more quickly and cost effectively to support Provincial goals.

Introducing Ability to Allocate Water/Sewer System Capacity (Use-it-or-Lose-it)

The PPS 2024 includes new policies that direct municipalities to consider opportunities to allocate and re-allocate unused system capacity to meet current and projected needs for increased housing supply. This change reflects a legislative proposal through Bill 185 that permits municipalities to enact a by-law that would allow for the re-allocation of system capacity for approved developments under certain conditions.

Toronto Water undertakes comprehensive modelling of the water supply and sewer systems to ascertain capacity conditions. There are numerous capital projects in the 10-year capital plan that have a servicing growth component. It is the intention to provide capacity required to identified major growth areas in advance of the capacity demand materializing.

Bill 185 provides municipalities the ability to adopt a policy providing for the allocation of water and sewage capacity. Such a policy may include a system for tracking the water supply and sewage capacity available to support approved developments, as well as criteria respecting the allocation of water supply and sewage capacity to development applications.

A municipality may formalize how water and sewage servicing of an approved development is managed to enable servicing capacity to be allocated and reallocated to other projects if the approved development has not proceeded after a specified timeline (and the servicing is needed elsewhere). Such use-it-or-lose-it policies would not be appealable to the OLT.

- **Staff support the changes related to water/sewer allocations in principle and anticipate these changes may provide an opportunity to optimize the use of available infrastructure capacity, but caution that tools for technical analysis and tracking would need to be implemented to allow for such decision making. Substantial investigation of potential mechanisms for implementation is necessary and would require stakeholder consultation.**

Directing Municipalities to Collaborate with School Boards

The PPS 2024 establishes schools as an element of a “complete community” and has directed municipalities to collaborate with school boards to facilitate early and integrated planning for schools and associated childcare facilities to meet current and future needs. The PPS 2024 also acknowledges and encourages the use of non-traditional school locations where appropriate for the community. For example, schools integrated within high-rise developments are specifically mentioned as a form of innovative design.

- **Staff support the new PPS 2024 policies related to schools and will continue to work collaboratively with school boards to ensure schools are planned for as part of large development sites and complete communities.**

Considering Streamlining Approvals for Community Service Facilities

Bill 185 provides the Province with regulation making authority that would have the effect of removing undertakings of certain ‘community service facilities’ (e.g., hospitals, school board facilities, and long-term care facilities) from some requirements of the *Planning Act* and *City of Toronto Act*.

- **Staff support the goal of expediting the approval and construction of hospitals, schools, and long-term care facilities.**
- **Staff request that the Province consult with the City on any future Regulations to help determine parameters to scope any future community service facility 'undertakings'.**

Removing Certain Transportation Policies

The PPS 2024 removes or changes several policies that support an efficient and sustainable public transit system, including: removing a policy that encourages municipalities to ensure development patterns help to minimize the length and number of vehicle trips; changing a policy so that compact and transit-supportive design should only be considered “where locally appropriate”; and changing a policy to weaken direction on reducing dependence on the automobile for mobility purposes.

The PPS 2024 directs municipalities to protect airports from incompatible land uses and development. Specifically, municipalities are now directed to prohibit (rather than discourage) land uses which may cause a potential aviation safety hazard.

- **Staff request that the Province maintain all transportation related policies in the PPS 2023 and Growth Plan that support reducing vehicle trips.**
- **Staff request that the Province include language regarding planning for a transportation system in a way that accounts for factors such as equity, cost, air quality, winter maintenance and resiliency.**

Limiting Protections for Listed Heritage Properties

The PPS 2024 does not make significant changes to archaeology policies. However, the policies related to conserving protected heritage properties excludes properties listed on the municipal heritage register. Given that Bill 23 sets a two-year time limit for

listed properties, it is anticipated that the PPS 2024 will greatly reduce the number of listed properties. The PPS 2024 policies related to conserving protected heritage properties do not apply to properties adjacent to those listed on the municipal heritage register. Consequently, these policies do not allow for the conservation of a broader spectrum of heritage resources.

- **Staff support the addition of "early" to the proposed PPS 2024 policy 4.6.5, providing direction for planning authorities to engage early with Indigenous communities on matters related to archaeological resources, built heritage resources and cultural heritage landscapes.**
- **Staff request that the Province revise the new definition of “protected heritage property” to “heritage property” to include a non-designated listed property of cultural heritage value or interest on a local Heritage Register.**

Development Charges

Bill 185 proposes amendments to the *Development Charges Act*, largely premised on reversing some changes introduced through Bill 23. The province also introduced regulatory proposals to modernize notice requirements and proclaimed the Affordable and Attainable Unit exemptions into force, effective June 1, 2024. While staff support the changes reversing some of the Bill 23 impacts, some significant financial impacts still remain.

The Province has previously indicated it would reimburse the City for the impacts of legislative changes, which has yet to be confirmed or received. The principle behind municipal growth funding tools is that growth pays for growth so that the new services for growth can be planned and provided in a fiscally sustainable way. The City requests the Province to provide direct incentives, rather than reductions in municipal funding tools, to support the supply of housing, such as a grant or rebate program targeted to developments that meet established provincial criteria (e.g., rental, affordable, etc.) and to make the City whole with respect to legislative changes that reduce recovery of costs through DCs and other growth funding tools.

Reinstating Studies as an Eligible DC Cost

Bill 23 removed studies as an eligible DC cost. This change applied to municipalities when they update their next DC bylaw (i.e., it did not impact the City's 2022 DC bylaw). This change would have impacted growth-related studies DC service, including planning studies and the DC Background Study, and potentially Environmental Assessments and Infrastructure Master Plans in future bylaws. Bill 185 proposes that growth-related studies once again be eligible for DC recovery, upon Bill 185 receiving Royal Assent.

- **Staff support restating studies as an eligible capital cost to help ensure growth-related infrastructure can be planned and funded in a fiscally sustainable way.**
- **Despite positive changes that help the City plan for growth, staff request that the Province add back Housing as an eligible DC service to support the creation of vital affordable housing services.**

Repealing the Mandatory Five-Year DC Phase-In

Bill 23 amended the *Development Charges Act*, requiring municipalities to phase-in DC rates over five years. The change applied retroactively to DC bylaws passed on or after January 1, 2022. With the phase-in, DC rates were reduced to 80% of Council approved rates in the first year, increasing by 5% each year after, until reaching 100% in the fifth year.

Although the City's 2022 DC bylaw already had a two-year phase-in (no change in rates upon adoption on August 15, 2022, 50% of the increase May 1, 2023 and the full increase May 1, 2024), the enactment of Bill 23 forced additional rate reductions. The phase-in had a disproportionate impact across Ontario, as it retroactively applied to bylaws passed on or after January 1, 2022 (i.e., municipalities with bylaws passed earlier were not impacted). Bill 185 aims to repeal this provision, yet it is not repealed for developments with frozen rates. The City faces significant revenue risks, especially with an estimated 67,000 proposed units with Site Plan received since November 28, 2022 that is potentially subject to DC freeze and phase-in reduction, amounting to a potential \$570 million impact. While interest (capped at Prime + 1% through Bill 23) and below-grade conditional permit policies provide partial relief, these significant revenues risks need addressing.

The Province could retroactively remove the phase-in as of a certain date (i.e., for permits issued after Bill 185 comes into effect), mirroring past actions in Bill 23, which removed housing DC services retroactively to January 1, 2020 for permits issued on or after Bill 23 came into effect. However, this change could pose administrative challenges for developments expecting lower DCs. A transition plan could mitigate such issues, ensuring a smooth adjustment process for affected parties while maintaining fiscal sustainability.

- **Staff support repeal of the phase-in and request the Province to repeal the phase-in for any permits issued after Bill 185 comes into effect, including those with frozen rates to ensure growth is funded in a fiscally sustainable way; as a transition, that the Province provide a time-limited provincially funded grant or DC rebate to developers to mitigate the impact of the repeal to developments that are well along in the development approval process (e.g. developments with permits issued within 6 months of Bill 185 coming into effect).**

Reducing the Time Limit on the DC freeze, from Two Years to 18 Months

In 2020, Bill 108 introduced changes to the *Development Charges Act*, instituting a freeze on DCs based on the bylaws in effect on the date of site plan (or rezoning if no site plan) application receipt, diverging from the traditional practice of calculating charges based on the rates and bylaw in effect at permit issuance. This freeze lapses after two years from the site plan's approval date (i.e., Notice of Approval Conditions). Concurrently, the Province implemented DC deferrals and installment payments for rental, institutional, and non-profit housing, deferring DCs to occupancy and spreading payments over five and 20 years, with interest. In 2022, Bill 23 further modified the *Development Charges Act*, introducing a cap on DC interest rates (Prime + 1%),

exemptions for non-profit housing, and reductions in DCs for purpose-built rental developments, among other changes.

Bill 185 shortens the DC freeze duration to 18 months to expedite housing construction. In Toronto, where most permits are issued before Site Plan Approval, this change is expected to have a limited impact to achieve the above objective. Most permits are issued before the date of Site Plan approval, and well in advance of the 18-month proposed change to the DC freeze time limit. However, this freeze, along with mandatory installments, has complicated DC calculation and collection processes and creates uncertainty about revenue levels. Of concern is that the freeze is based on bylaw in effect at Site Plan, which could contain out of date definitions, exemptions and other policies.

- **Staff support the reduction of the freeze period; however, request the Province reinstate the practice of calculating and collecting DCs at permit issuance to streamline processes and ensure fiscal sustainability of growth. Instead of the freeze and instalments, that provincial incentives like time-limited grants or rebates be provided by the Province to bolster development and housing supply.**

Introducing a Time-Limited Streamlined Process for Scoped Amendments to DC Bylaws

Currently, a DC bylaw update requires a lengthy process, including preparation of a DC Background Study, a statutory public meeting, and other procedural steps. Bill 185 proposes a streamlined approach to amending bylaws provided to municipalities that passed DC bylaws on or after November 28, 2022 and included a rate phase-in or studies costs, or municipalities extending DC bylaws to 10 years without changing rates. The update must be completed within six months after Royal Assent of Bill 185. The City's 2022 DC bylaw included a two-year phase-in and a discount for rental uses (frozen at 2022 levels). The City's rates were reduced retroactively through Bill 23 five-year phase-in and further rental discount.

- **Staff support the streamlined process and request the Province to provide the streamlined process to DC bylaws passed on or after January 1, 2022 that were impacted by the mandatory five-year phase-in or additional 15% to 25% rental discount, for Council's that had adopted a phase-in or rental discount.**

Proclaiming the Exemption for Affordable and Attainable Units from DCs, Community Benefits Charge and Parks Levy into Effect

The Province proclaimed the Affordable and Attainable Unit exemptions into effect on June 1, 2024 which introduces new exemptions against DCs, the Community Benefits Charge, and Parks Levy. The Province also published the Provincial Affordable Residential Units Bulletin. Additional comments are included in the attachments that discuss these changes, requests to ensure housing receiving financial incentives maintain their level of affordability or tenure, and other requested changes to legislation to ensure that growth-related infrastructure can be planned and funded in a fiscally sustainable way.

- **Staff support in principle financial incentives for affordable units, provided the units remain affordable for 50 years and that incentives are repaid with interest should the units not remain affordable for the affordability period.**
- **Staff request the Province to provide direct incentives, rather than reductions in municipal funding tools, to support the supply of housing, such as a grant or rebate program targeted to developments that meet established provincial criteria (e.g., rental, affordable, etc.) and to make the City whole with respect to legislative changes that reduce recovery of costs through DCs and other growth funding tools.**

4. Regional Planning and the Environment

The PPS 2024 departs from the Growth Plan by removing mandatory intensification targets and deleting language in several policies that direct municipalities to prioritize intensification and redevelopment over growing outwards. Since 2006, the Greater Golden Horseshoe (GGH) municipalities shared a common land use goal to minimize sprawl through intensification of areas that have the necessary infrastructure to support growth. Given that each municipality will be responsible for the implementation of these proposed policies, another unintended consequence may be uneven growth and development patterns across the region that may result in increased car dependency.

Removing Intensification Requirements in the Greater Golden Horseshoe Area

The PPS 2024 removes the requirement for certain municipalities in the GGH (e.g., York Region, Peel Region, City of Hamilton, etc.) to accommodate a minimum of 50% of residential development within their existing urban areas. By removing these targets municipalities will no longer be required to ensure that a minimum percentage of residential development occurs within their existing urban areas. This will potentially result in less efficient land use patterns leading to a loss in permeable lands, natural spaces, and agricultural lands, which will likely impact Toronto as a community downstream (e.g., greater risk of flooding).

- **Staff request that the Province include a policy in the PPS 2024 that requires large and fast-growing municipalities to accommodate a minimum of 50% of all residential development within their existing built-up area.**

Focusing Intensification and Student Housing within Strategic Growth Areas

The PPS 2024 carries over most of the Growth Plan’s policies on Major Transit Station Areas (MTSA) but does not include a map identifying specific higher order transit corridors on which MTSA are required to be delineated. Instead, PPS 2024 provides a definition of “higher order transit” which municipalities are to use to determine where MTSA need to be identified and delineated. Based on a preliminary analysis, there may be an additional 70 MTSA that the City will be required to identify.

- **Staff support the ability to identify MTSA around “higher order transit”, which could potentially expand the number of locations where inclusionary zoning could apply.**

The PPS 2024 proposes to remove the concept and related policies for Urban Growth Centres. As a result, the density targets and strong policy directions for Urban Growth Centres would be removed. Further, the [approximate size and location of Urban Growth Centres](#) would no longer apply. Instead, the PPS 2024 proposes to amend the definition of Strategic Growth Areas to include "existing and emerging downtowns" which would ostensibly maintain the identification of Downtown, North York Centre, Yonge-Eglinton, Scarborough Centre, and Etobicoke Centre as Strategic Growth Areas.

The PPS 2024 maintains the Growth Plan's policy concept of Strategic Growth Areas. Which are identified areas to be the focus for population and job growth, infrastructure investments and mixed-use developments in a compact built form.

The definition and policy direction of Strategic Growth Areas has been further changed to emphasize their role in increasing housing options for students attending publicly assisted post-secondary institutions and supporting the redevelopment of "commercially-designated retail lands (e.g., underutilized shopping malls and plazas) to support mixed-use residential". This policy change will need to be considered as part of ongoing initiatives, including implementation of the Housing Action Plan (i.e., new post-secondary housing strategy) and the ongoing [study of commercial strip plazas](#).

Removing Required Parking within Protected Major Transit Station Areas (PMTSA)

Bill 185 provides for Official Plan Amendments in PMTSAs related to the authorized uses of land, buildings and structures (i.e., permitted uses), where they previously required Ministerial approval. Allowing Official Plan Amendments to permit changes on land uses has the potential to forgo seeking Ministerial approval on these specific applications.

Bill 185 prohibits municipalities from enacting Official Plans and Zoning By-laws that contain set out minimum parking requirements (bicycle parking is not affected). The establishment of no minimum parking aligns with the changes to city-wide zoning by-laws adopted in 2022. Staff do not support removing the ability to require accessible parking spaces, as it will impact those with accessibility needs. In addition, staff do not support the removal of minimum visitor parking spaces.

- **Staff request that the Province require accessible and visitor parking spaces for lands within Protected Major Transit Station Areas.**

Removing Population and Employment Growth Targets

The PPS 2024 removes the population and employment growth forecasts that are included in the Growth Plan. These forecasts allocate population and employment growth that municipalities are required to plan to accommodate by 2051. These allocations are used as the foundation for the land needs assessment that municipalities undertake to determine how to accommodate the allocated population and employment growth.

Instead, the PPS 2024 directs municipalities to undertake their own population and employment growth forecasts based on the Ministry of Finance 25-year projections and "provincial guidance". The PPS 2024 further directs that municipalities may modify the Ministry of Finance 25-year projections as appropriate.

While the Ministry of Finance 25-year projections provide a standardized population growth forecast for municipalities, this policy change still poses significant risks. Ministry of Finance projections are not suitable for long-term planning. Whereas the Growth Plan forecasts are based on expert judgments about long-term trends and changes in fundamental characteristics of population, households and employment, the Ministry of Finance projections simply extend existing trends. These projections do not provide employment projections, so it is unclear how municipalities are expected to use these projections for forecasting employment changes.

- **Staff request that the Province commit to leading a provincial-municipal process with large and fast-growing municipalities for the periodic preparation of regional population and employment forecasts that take into account urban structure and land use policy.**
- **Staff request that the Province enable and empower municipalities to adopt the resulting forecasts for land use planning and growth management, instead of the Ministry of Finance projections.**

Allowing Appeals to New Settlement Areas and Boundary Expansions

The PPS 2024 proposes to significantly alter the policies related to new settlement areas and settlement area boundary expansions. These policy changes increase congestion and economic costs associated with lost productivity at the city and regional scales. From a development site perspective, these policy changes reduce the role of intensification and increase the role of greenfield development to accommodate residential growth. This would be accomplished through several policy changes, including: removing the requirement to accommodate significant residential growth through intensification and replacing this with more general direction to encourage intensification; removing the requirement that settlement boundary expansions only be considered during a Municipal Comprehensive Review; and by removing requirements for new greenfield development to achieve a density target of 50 people/jobs per hectare.

Upper and lower-tier municipalities surrounding Toronto are likely to be impacted by these policy changes. Over time it can be anticipated that these policies will result in more settlement area boundary expansions. As a result, there is a risk that Toronto could be exposed to greater environmental risks (e.g., flooding) due to the downstream effects of the loss of permeable surfaces, natural spaces and agricultural lands. Further, Toronto may suffer impacts related to the loss of headwater features, infiltration, natural connectivity, and a decrease in ecological functioning across the bioregion.

Bill 185 reintroduces the ability to appeal municipal decisions on Official Plan Amendments related to settlement area boundaries, provided the proposed expansion does not result in land within the Greenbelt. This change is likely to increase speculation and encroachment on the region's agricultural land base, Agricultural System, and

Natural Heritage System. Outward urban expansion should be discouraged and any decision to change a settlement area boundary should remain part of a municipally-led comprehensive review of the official plan to ensure the most efficient use of existing infrastructure, and to discourage low-density greenfield development.

- **Staff request that the Province include in the PPS 2024 a policy that only allows municipalities to identify a new settlement area or allow the expansion of a settlement area boundary at the time of a 5-year official plan update and only where it has been demonstrated that certain conditions have been met, such as those set out in the policy 1.1.3.8 of the Provincial Policy Statement, 2020.**
- **Staff request that the Province remove the appeal rights for municipal decisions on settlement area boundary expansions as proposed in Bill 185.**

Removing Certain Natural Heritage Policies

The PPS 2024 carries over the Natural Heritage policies in the current Provincial Policy Statement, 2020 however many of the Natural Heritage policies from the Growth Plan would be removed. Significantly, the Growth Plan's Natural Heritage System (NHS) and related policies are proposed to be removed. These policies directed GGH municipalities to consider ecological connectivity and enhanced protection for the NHS and key natural heritage and hydrological features outside of settlement area boundaries.

The proposed deletion of the Growth Plan's NHS policies will impact land use patterns upstream from Toronto, which may influence the City's overall ecological health and resilience. Within this rapidly urbanizing region, it is vital to maintain policies that promote the connectivity of natural systems and limit the conversion of land from pervious to urban and impervious.

- **Staff request that the Province maintain the Natural Heritage System policies of the Growth Plan (4.2.2, 4.2.3, 4.2.4) for the mapped Natural Heritage System.**

Weakening Climate Change Policies

The PPS 2024 weakens the climate change adaptation and green house gas emissions reduction-related policies in contrast to what is included in the current Provincial Policy Statement and Growth Plan. The climate change related policies have partially removed the role of changing land use and development patterns to support energy conservation, improve air quality, reduce greenhouse gas emissions and prepare for the impacts of a changing climate.

- **Staff request that the Province maintain the current Provincial Policy Statement, 2020 and Growth Plan policies that explicitly support energy efficiency, increased vegetation and improved air quality, including:**
 - **Current Provincial Policy Statement policy 1.8.1(f), supporting building design which maximizes energy efficiency;**

- **Current Provincial Policy Statement policy 1.8.1(g), supporting maximizing vegetation within settlement areas; and**
- **Current Provincial Policy Statement policy 1.8.1(d) and Growth Plan policy 4.2.10.1(b), supporting shortened commutes, decreased traffic congestion, and reduced dependence on the automobile.**

Removing the Agricultural System and Protecting the Greenbelt

The Province has signalled its intent to ensure that policies in the Greenbelt Plan remain unchanged. To address instances where Greenbelt Plan policies refer to PPS 2024 or Growth Plan policies, the Province is contemplating administrative amendments to the Greenbelt Plan that would clarify that the existing policy connections to the Growth Plan and PPS 2024 remain in effect.

The PPS 2024 removes the Agricultural System for the Greater Golden Horseshoe. The Agricultural System provided for the identification and protection of agricultural lands in the Greater Golden Horseshoe area, including the Greenbelt. The Agricultural System includes a continuous land base comprised of prime agricultural areas, including speciality crop areas, and rural lands, as well as a the agri-good network. The Agricultural System created consistent policy application across the Region.

- **Staff request that the Province maintain the Growth Plan's provincially identified Agricultural System.**

Removing Waste Management Policies

The PPS 2024 omits a more thorough explanation of what is meant by integrated waste management. This risks a narrow interpretation of the term that is more focused on downstream waste management strategies. This is contrary to and not supportive of Toronto's aspiration to move towards a more circular economy.

The proposed removal of Growth Plan policies to consider waste management initiatives within the context of long-term regional planning, and in collaboration with neighbouring municipalities, risks a loss of efficiency and effectiveness in Ontario's planning context for sustainable waste management.

The PPS 2024 also includes changes that appear to be inconsistent with the Provincial interests expressed in the Resource Recovery and Circular Economy Act (RRCEA), including fostering the continued growth and development of the circular economy, and increasing the reuse and recycling of waste across all sectors of the economy. In particular, the lack of definition for integrated waste management system means that PPS 2024 is devoid of reference to resource recovery, which could be interpreted as disposal (e.g., landfilling) on par with any efforts toward resource recovery. This is inconsistent with objectives of most municipalities and a departure from the RRCEA.

- **Staff request that the Province change the definition of "waste management system" to consider the waste hierarchy and ensure it is inclusive of and prioritizes resource recovery and environmental outcomes consistent with the Province's circular economy ambitions.**

Removing Sub-Watershed Planning for Large Developments in Greenfield Areas

The PPS 2024 maintains the requirement for "large and fast-growing municipalities" to undertake watershed planning, however municipalities would no longer need to undertake sub-watershed planning to inform the planning of large-scale development in greenfield areas. This is an important consideration in land use decisions to understand local and downstream impacts of greenfield and other large-scale development.

The PPS 2024 removes policy direction that planning authorities should evaluate and prepare for the impacts of a changing climate on water resource systems at the watershed level, including direction to increase the extent of vegetative and pervious surfaces as a stormwater management practice.

- **Staff request that the Province maintain and expand the geographic scope of Growth Plan policy 4.2.1.4 that requires a sub-watershed plan for large-scale development in greenfield areas.**
- **Staff request that the Province recognize and promote green infrastructure's role in water and stormwater systems.**

5. Implementation

As with previous the PPS 2023, the City would be required to ensure its land use policies and land use decisions are consistent with the policies in PPS 2024. Once the Province brings into effect PPS 2024, staff will be required to initiate the policy review process to determine what policies need to be amended to bring the Official Plan and other planning instruments into consistency with the PPS 2024. The PPS 2024 makes several minor and substantive changes that affect how policies are implemented. Further, Bill 185 introduces several legislative changes that affect planning tools that are used to manage growth and the development review process.

Eliminating Requirements for Municipal Comprehensive Reviews

The PPS 2024 removes the concept of and requirement to undertake a Municipal Comprehensive Review (MCR), which is part of the current PPS 2020 and Growth Plan. An MCR requires that municipalities comprehensively apply the policies of the Provincial Policy Statement or Growth Plan when updating an Official Plan or developing a new one. While municipalities will still be required to update their Official Plan every five years (or every ten years after a new official plan) to ensure conformity with provincial land use plans and consistency with PPS 2024.

The consideration of Employment Area conversions/removals and Settlement Area Boundary Expansions are currently only permitted when municipalities are undertaking an MCR. Since municipalities are required to undertake other long-term planning exercises during an MCR, such as a land needs assessment, municipalities have timely and comprehensive data to determine whether (or to what extent) a settlement area boundary expansion or Employment Area conversion is needed to accommodate future population and employment growth.

- **Staff request that the Province maintain the requirement for Municipal Comprehensive Reviews.**

Eliminating the Need for Standardized Land Needs Assessments

The PPS 2024 would significantly change the processes that municipalities in the GGH follow to plan for population and employment growth by removing the need to undertake a land needs assessment in accordance with the Provincially established methodology. Instead, municipalities would be largely responsible for developing their own method to plan for population and employment growth. Absent a standardized and regional methodology for the GGH, it is likely that municipalities will adopt different methods which will complicate efforts to align and coordinate service and infrastructure delivery across the region.

- **Staff request that the Province maintain the existing Land Needs Assessment methodology as Provincial guidance to the large and fast-growing municipalities for assessing land needs as a complement to the Provincial Projections Methodology Guideline available to other municipalities.**

Changing Long Range Planning Time Horizon

The PPS 2024 makes changes to the time horizon that municipalities must use when planning for sufficient land availability to accommodate an appropriate range and mix of land uses to meet projected population and employment growth. It is proposed that the time horizon be changed from the 2051 time horizon in the Growth Plan to “at least 20 years, but not more than 30 years”. The policy further clarifies that municipalities may apply a time horizon beyond 30 years when planning for infrastructure, public service facilities, strategic growth areas and *Employment Areas*.

Applying the Provincial Planning Statement upon its Approval

Should the PPS 2024 come into effect, updates to the Official Plan will be required to bring it into consistency. It should be noted that this upcoming policy review would be occurring close to when the previous MCR was completed (2023). The five-year period of land use policy certainty will not exist. The Province is yet to approve all the City's Official Plan Amendments as a result of the last MCR and for Major Transit Station Areas.

- **Staff do not support the immediate application of the PPS 2024, without the City's ability to review, analyze and engage on affected Official Plan policies.**

The PPS 2024 maintains the policy from the current PPS 2020 and Growth Plan that states that all decisions on planning matters must be consistent with a Policy Statement once it comes into effect, even if a municipality's Official Plan and Zoning By-Laws have not yet been updated. There is a risk that planning decisions may be made that do not conform to the City's in-effect Official Plan policies.

Requesting Transitional Matters

The Province has requested that municipalities identify planning matters that should be transitioned under the current planning framework. The City has many planning initiatives underway, waiting for approval from the Minister, or waiting for an OLT hearing or decision that would be impacted by the change in PPS 2024 policies.

Should some or all these planning matters not be transitioned it is likely that substantive changes will be required to be consistent with the new policies, which will further delay the implementation of these initiatives, many of which aim to increase housing supply in Toronto. For example, Toronto's previous MCR completed in 2013 resulted in Official Plan Amendment 231 (OPA 231), which received 178 appeals to the Ontario Land Tribunal (OLT) in 2015. To date, approximately 60+ site-specific appeals remain. OPA 231 was approved under the previous Growth Plan, 2006. Including OPA 231 in the proposed transition regulation would have the effect of streamlining the current proceedings before the OLT.

- **Staff request that the Province include as part of the transition regulation that all planning matters (Official Plan Amendments or Zoning By-law Amendments) that predate the in-effect date of the new Provincial Planning Statement be transitioned under the existing planning framework. These include planning matters that are: (1) deemed complete and in process/ under review; (2) city-initiated process underway or nearing completion, or (3) Council-adopted but is under appeal or appeal period nearing.**
- **Staff request that the Province continue to transition Official Plan Amendment 231 under the Planning Act as a matter in process that was approved under the Growth Plan, 2006, but is currently under appeal at the Ontario Land Tribunal.**

Removing Policies for Municipalities to Undertake Integrated Planning

The PPS 2024 weakens policy direction that currently requires municipalities to undertake integrated planning. This change could create ambiguity and inconsistencies among municipalities with respect to the degree to which they undertake integrated and coordinated planning. As a first principle, integrated and coordinated planning forms the foundation of good planning by accounting for the complex and multifaceted nature of building complete communities.

- **Staff request that the Province acknowledge the importance of and requirement for undertaking integrated planning across the Province.**

Reporting on Municipal Planning Data

Bill 185 proposes amendments to municipal planning data reporting, to be implemented through Provincial regulation, aimed at enhancing the scope and quality of data collected from municipalities. Staff are concerned that Bill 185 risks standardizing data reporting across all municipalities, without full consideration for differences between greenfield development versus intensification. For example, the inclusion of withdrawn applications in reporting would not be useful in determining the net number of applications proceeding in a given time period. The data requirements within the proposed summary table of applications could lead to confusion and potential misinformation regarding the actual number of residential units approved or built.

- **Staff request that the Province adopt metrics that distinguish between municipalities with greenfield lands and those, like Toronto, where all development is in the form of intensification.**

- **Staff request that the Province provide municipalities the option to report only on applications which have been submitted and have not been withdrawn within a quarter, ensuring more accurate data.**
- **Staff request that the Province make the mandated reporting of registration of plans of subdivision and plans of condominium only applicable to greenfield development, and not to redevelopment or intensification projects.**
- **Staff request that the Province require municipalities to report annually only on two data sets – the number of net new residential units in building permits issued; and, the number of net new residential units in building permits with work complete and/or for which Partial Occupancy Permits were issued – and request the Minister to engage with municipalities annually to further discuss and develop metrics.**
- **Staff request that the Province only require municipalities to provide geospatial data identifying serviced land supply to greenfield development, and not to areas of redevelopment or intensification.**

Engaging with Indigenous Communities

The PPS 2024 strengthens policy direction regarding engaging with and coordinating land use planning matters with Indigenous communities. Proposed policies include direction that municipalities engage and coordinate early with Indigenous communities 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. As part of many City-initiated projects, City staff currently engage with Indigenous communities, including Treaty Rights Holders and Urban Indigenous organizations operating in Toronto.

- **Staff request that the Province provide guidance on expectations with respect to municipal engagement with Indigenous communities on land use planning matters that identify best practices.**

Changing Public Notice Requirements

Bill 185 allows a municipality to provide statutory notice via a municipal website, but only if there is no local newspaper. This would have no impact on the City. However, the City currently publishes notice of complete application, public meeting, passing, adoption refusal in accordance with legislated timelines at <https://secure.toronto.ca/nm/notices/current.do>. The City also publishes notice of public meeting alongside agenda items at www.toronto.ca/council at the time the agenda is published. If public notice could be made via a municipal website in Toronto, it would reduce the cost burden of a newspaper notice on applicants and make the process in more efficient.

The DCA sets out requirements for notices of statutory public meetings and DC bylaw passage; however, the current requirement to publish notice in either a newspaper of sufficient circulation or provide notice by personal service, fax or mail to every landowner has been problematic because local newspapers are no longer available in many parts of the Province. Personal service and mail are extremely costly options for municipalities and most homeowners no longer own a fax machine. Bill 185 would

modernize notice requirements to allow municipalities without local newspapers to use digital options to provide notice.

- **Staff request that the Province provide all municipalities with ability to give notice on a municipal website.**

Next Steps

Upon Planning and Housing Committee's consideration of this report, requested modifications and Attachments, staff will submit this report to the Ministry of Municipal Affairs and Housing. Additional comments received at City Council's meeting on May 22-24, 2024 will be forwarded to the Ministry.

The Province's Standing Committee on Finance and Economic Affairs is scheduled to hold public hearings in Toronto on Tuesday, May 7, 2024, Tuesday, May 14, 2024 and Wednesday, May 15, 2024.

Conclusion

The PPS 2024 reshapes land use planning in Ontario with significant implications for the City. Bill 185 introduces significant modifications to the policy framework for planning and development in Ontario, with impacts on Toronto. Although staff generally support the intent and purpose of streamlining the development review process, this report highlights implications and potential unintended consequences that could hinder desired outcomes and suggest considering alternative approaches.

Bill 185 introduces changes largely premised upon reversing some of the previously introduced changes through Bill 23 to the development charge regime. The legislation improves the City's ability to plan and fund growth in a more fiscally sustainable way. However, there remains a number of requests to the Province that would improve the ability for municipalities to provide service and infrastructure needed for growth and also ensuring affordable and rental tenure is maintained.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: City of Toronto Key Recommendations and Suggested Revisions
Attachment 2: City of Toronto Comments PPS 2024 Policies
Attachment 3: City of Toronto Comments on Bill 185 Legislative Changes
Attachment 4: City of Toronto Comments on Development Charges Act Changes

Attachment 1: City of Toronto Key Recommendations and Suggested Revisions

(provided separately)

Attachment 2: City of Toronto Comments PPS 2024 Policies

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