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Provincial Planning Statement, 2024 Information Report

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In accordance with the Procedure By-law, any member of Council may make a request to the Town Clerk that this Report be placed on an upcoming Committee of the Whole agenda for discussion.

Purpose

The purpose of this information report is to provide Council with an overview of the key changes to the Provincial Planning Statement 2024, which comes into effect on October 20, 2024.

Background

The 2024 Provincial Planning Statement (2024 PPS), which consolidates the 2020 Provincial Policy Statement (2020 PPS) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, 2019 (the Growth Plan), was first released for public comment in April 2023, followed by a revised draft in April 2024. On June 5, 2023, Council received Staff report 2023-23, which included Planning Staff's comments on the key changes resulting from the Province combining the 2020 PPS and the Growth Plan into a single Provincial Planning Statement. This staff report was subsequently submitted to the Ministry of Municipal Affairs and Housing (MMAH) for their consideration.

Later in 2023, Council received an Information Report containing comments on the Province's natural heritage policies. The report noted that no changes were proposed to the natural heritage policies from the 2020 PPS. In April 2024, staff forwarded comments on Bill 185 and the changes proposed in the April 2024 version of the PPS to the MMAH to meet the expedited timelines to submit comments to the Province.

On August 20, 2024 the Province released the final version of the <u>2024 PPS</u>. Effective October 20, 2024, the 2024 PPS will replace the <u>2020 PPS</u> and the Growth Plan. A regulation filed on August 20, 2024, revokes the designation of the Greater Golden

Horseshoe as a growth plan area effective October 20, 2024. With the consolidation of the Growth Plan and the 2020 PPS, many policies have been retained, others modified and/or deleted.

Planning Act Changes

Changes to the definition of "area of employment" in the *Planning Act* will take effect on October 20, 2024. The new definition designates areas of land for clusters of business and economic uses, or as prescribed by regulation. More information on the implications of this change for the Official Plan Review is provided in the Discussion section of this report.

Greenbelt Plan Amendment

An <u>administrative amendment to the Greenbelt Plan</u> was made on August 15, 2024, so that the policies of the 2020 PPS and the Growth Plan will continue to apply where the Greenbelt Plan refers to them to maintain existing protections for the Greenbelt following the revocation of the 2020 PPS and the Growth Plan.

Provincial Consultation

The Province has initiated a <u>30-day consultation period</u>, which commenced on August 20, 2024, inviting feedback on issues related to the transition to the 2024 PPS. Subsection 3(6.1) of the *Planning Act* allows the Minister to make regulations providing for transitional matters which, in the opinion of the Minister, are necessary or desirable to facilitate the implementation of a policy statement issued under subsection 3(1). The Province is seeking feedback as to whether there are any specific planning matters in process that should be addressed through the transition regulation. The deadline to provide comments to the MMAH was October 4, 2024.

Discussion

The 2020 PPS sets out the land use planning policy framework that applies across Ontario and covers policies regarding managing growth, using and managing natural resources, protecting the environment, and public health and safety, among other matters. In accordance with subsection 3(5) of the *Planning Act*, planning decisions of the Minister, Council, or the Ontario Land Tribunal must be consistent with policy statements issued under the *Planning Act*. Working alongside the Greenbelt Plan, Oak Ridges Moraine Conservation Plan and the Lake Simcoe Protection Plan, the Growth Plan identifies where and how growth is to occur in the Greater Golden Horseshoe (GGH). The Growth Plan outlined strategic locations for growth, land density targets and Provincial growth forecasts to 2051.

As noted in the previous section of this report, the 2024 PPS combines the 2020 PPS and Growth Plan. Staff have outlined below the key changes as an outcome of the consolidation.

Official Plan Time Horizon of at Least 20 Years, but No More than 30

Currently, municipalities must have sufficient land designated in their official plans for up to 25 years at the time of each official plan review to meet projected land needs. In the April 2023 version of the Provincial Planning Statement, this planning horizon was proposed to be "at least 25 years". Policy 2.1.3 now directs that at the time of creating a new official plan, and each official plan update, sufficient land shall be made available to meet projected needs for a time horizon of at least 20 years, but not more than 30 years, informed by provincial guidance (emphasis added). Planning for infrastructure, public service facilities, strategic growth areas and employment areas may extend beyond this time horizon.

The 2024 PPS also directs that where a Minister's Zoning Order (MZO) has been made, the resulting development is considered to be in addition to the projected needs established in the official plan and will be incorporated into the official plan at the time of the municipality's next official plan review.

Shift in Focus to Strategic Growth Areas

Under the 2024 PPS, planning authorities are encouraged to identify Strategic Growth Areas (SGAs) in their Official Plan as focal points for growth to support the achievement of complete communities and to establish minimum density targets for these areas; however, only "large and fast-growing municipalities" are required to identify and set minimum density targets for these areas. Newmarket is identified as a "large and fast-growing municipality" and will therefore need to identify these areas and establish minimum density targets as part of the Official Plan Review.

Urban Growth Centres (UGCs) are no longer a defined term in the 2024 PPS, signalling a shift in focus to SGAs. This shift is intended to provide a more flexible and locally responsive approach to growth management. While municipalities now have more autonomy to determine where growth should occur, allowing for more context-specific planning decisions, this change also requires municipalities to have strong planning frameworks to manage and direct growth effectively.

The current Official Plan identifies a Town structure which directs the tallest and most dense built form to the Regional Urban Growth Centre (UGC) at Yonge Street and Davis Drive. The UGC is also supported by the Yonge Street and Davis Drive Regional Corridors. Through the Official Plan Review, updates to the Town Structure and related policies will be proposed, including delineating Protected and Future Major Transit Station Areas (MTSAs), re-affirming the Town's regional centres and corridors, its historic downtown, and identifying other local nodes and corridors, and destinations supported by transit as important areas for context-sensitive growth.

Municipalities to Use Ministry of Finance Growth Projections to Inform Land Use Planning

Currently the Growth Plan sets population and employment targets for upper-tier and single-tier municipalities in the Greater Golden Horseshoe. These targets are then

distributed and assigned to lower-tier municipalities to be implemented. The Province has introduced policies that require municipalities to base growth forecasts on the Ministry of Finance population projections to inform land use planning. Municipalities in the GGH can continue to use forecasts issued by the Province through Schedule 3 of the Growth Plan until more current forecasts are available to 2051, to be provided by the Ministry of Finance. Policy 2.1.1 has also been amended to refer to planning authorities basing population and employment growth forecasts on "Ontario Population Projections published by the Ministry of Finance" and removing the reference to the 25-year time horizon. Until such time as the Ministry of Finance issues its population projects, the 2022 York Region Official Plan will continue to inform the growth targets in Newmarket's Official Plan.

Policy Language Directing Municipalities to Establish and Implement Minimum Intensification Targets Has Been Strengthened

Policy 2.3.4 of the 2020 PPS has been amended to strengthen the policy language. The original wording, "Planning authorities are <u>encouraged</u> to establish and implement minimum targets for intensification and redevelopment within built-up areas") has been amended to "Planning authorities <u>shall</u> establish and implement minimum targets" (emphasis added). This change signals a shift in the 2024 PPS's focus towards intensification and redevelopment in built-up areas underscoring a more proactive approach by planning authorities to promote sustainable urban growth and contribute to more efficient and resilient communities.

Intensification of Retail and Commercial Areas

New policies (2.2.1.b.2 and 2.4.1.3e) in the 2024 PPS direct municipalities to support residential intensification in the form of development or redevelopment of underutilized retail and commercial areas, such as shopping malls and plazas.

Intensification of underutilized commercial and institutional sites, such as shopping malls, offer opportunities to revitalize and integrate these areas into the broader community fabric that are no longer in productive use due to shifts in the local or global economies. In many cases, these areas offer opportunities for more intensive uses and are comprised of large landholdings along strategic corridors and supported by transit and existing infrastructure.

Not all these sites/areas, however, will be the same or appropriate for wholesale redevelopment. Each will differ in terms of its existing built context, the services it offers to communities, the character of adjacent areas and market opportunities for reintegration, intensification, and revitalization. In some cases, there will be a need for extensive infrastructure improvements to support intensification, a connected system of streets and blocks may or may not be in place, or community services and facilities to support new and complete communities that may or may not be in place to support new growth.

In our comments to the Province, staff recommended that new policies for these sites/areas include the requirement for the preparation of strategies and frameworks for their comprehensive redevelopment, including the preparation of Secondary or Tertiary Plans. In Newmarket's context, in 2021, Council approved an Official Plan Amendment to create a comprehensive Master Plan for the long-term redevelopment of Upper Canada Mall. The Master Plan is a requirement of the Urban Centres Secondary Plan (UCSP).

There are other retail and commercial areas in the Town that may be subject of future applications for redevelopment. Through the Official Plan Review, Staff will continue to explore policies that would allow for the comprehensive redevelopment of these sites, including the need for master plans or block plans for larger sites. The updated policy framework will need to balance the need to provide more housing while encouraging the retention of the commercial function of retail and commercial plazas, provide the necessary hard and soft services to support new growth, and promote more compact built form near transit.

Integrated Planning with School Boards

Policy 3.1.5 of the 2024 PPS requires planning authorities, in collaboration with school boards, to consider and encourage innovative approaches to the design of schools and child-care facilities, such as integrating schools in high-rise development, in SGAs and other areas, in a compact built form. Policy 3.1.5 has been amended from the April 2024 version of the PPS. The word "consulting" with school boards in the design of schools and promoting innovative designs has shifted to "collaborating" with school boards in this regard. The change from "consulting" to "collaborating" marks a positive shift, from simply seeking input or advice from school boards, to developing a more integrated partnership.

Notwithstanding this amended language, Staff regularly consider the need for schools through the planning process and collaborate with school boards on the review of development applications and planning studies. Through the Official Plan Review, Staff will continue to explore policy directions for the delivery of urban format and vertical schools in a compact built form, including a process to advance the construction of schools to align with the phasing of growth and community needs.

Revised Focus on Protected Heritage Properties and Clarification of Terminology

The 2024 PPS introduces significant changes regarding the conservation of heritage properties in Ontario. This update narrows the focus to conserving existing 'protected heritage propert[ies],' which includes properties already designated under the *Ontario Heritage Act*. This marks a shift from the 2020 PPS, which emphasized the conservation of listed but not yet protected heritage resources. As Council is aware, the Town is in the process of responding to this change and the requirements of Bill 23 and has retained a consultant to assess the Town's list of non-designated heritage properties and are preparing recommendations for Council's consideration to designate.

The 2024 PPS also encourages planning authorities to develop and implement proactive strategies (Policy 4.6.4.b) for conserving significant built heritage resources and cultural heritage landscapes. This replaces the previous emphasis on identifying properties for evaluation under the *Ontario Heritage Act*. However, the term 'proactive strategy' for conserving heritage resources has not been clearly defined, leaving its interpretation to the discretion of each municipality.

Other changes include the change in the definition of "adjacent" in reference to a protected heritage property. This has been changed to apply to land that is contiguous with the subject site. This change aims to provide clearer guidelines when considering the impact of development on heritage properties. Finally, the term "significant: has been added to the term 'archaeological resources' in Policy 4.6.2, emphasizing the importance of conserving archaeological sites that have been determined to have cultural heritage value or interest. These policy changes will need to be reflected in the Town's updated Official Plan.

The 2024 PPS Includes a Definition for Affordable Housing for Low to Moderate Income Individuals

In the 2020 PPS, the definition of affordable housing was based on a percentage of household income, typically 30% of gross annual household income for low- and moderate-income households. In the 2024 PPS, the definition has been updated and now includes specific income thresholds and considers local market conditions.

The 2024 PPS defines affordable as:

- a) in the case of ownership housing, the least expensive of:
 - 1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low and moderate income households; or
 - 2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the municipality;
- b) in the case of rental housing, the least expensive of:
 - 1. a unit for which the rent does not exceed 30 percent of gross annual household income for low and moderate income households; or
 - 2. a unit for which the rent is at or below the average market rent of a unit in the municipality

We note that a similar definition is used in the *Development Charges Act, 1997* (DC Act, 1997), however, the definition in the DC Act, 1997 refers to the <u>Affordable Residential Units Bulletin</u>. The Affordable Residential Units Bulletin is a document published by the MMAH that sets out the average purchase prices and market rents, as well as income thresholds, that are used to determine eligibility for exemptions from development charges. This bulletin is effective as of June 1, 2024, and applies across Ontario.

Finally, the 2024 version of the PPS also reintroduces affordable housing policies, emphasizing the need for municipalities to actively plan for and facilitate the development of affordable housing, including through incentives and partnerships with private and non-profit sectors.

The New Definition of "Area of Employment" Narrows the Scope of Uses permitted in Employment Areas

The new definition of "area of employment", first introduced through Bill 97, narrows the scope of uses from what is currently permitted in 'areas of employment', explicitly excluding institutional and commercial uses, including retail and office uses not associated with the prescribed uses in subsection 1. Permitted uses now include manufacturing; uses related to research and development in connection with manufacturing; warehousing uses, including uses related to the movement of goods; retail and office uses related to manufacturing, research and development, and warehousing; and facilities that are ancillary to uses permitted in areas of employment. Office uses that are not ancillary to the permitted employment uses are no longer permitted in areas.

Currently, the Town's official plan permits business and professional offices in the General Employment and Mixed Employment designations. For the Town's Employment Areas to continue to benefit from the current employment protection policies, land use permissions for these areas must align with the amended definition of "area of employment". Doing so will mean that the Town, through the Official Plan Review, will need to limit some of the broader Official Plan employment permissions in its General Employment and Mixed Employment land use designations. Existing uses that do not meet the new employment area definition may continue, if such uses legally existed before the proposed changes come into effect on October 20, 2024. Major office and major institutional development are to be directed to major transit station areas or other strategic growth areas (e.g., the Urban Centres) where frequent transit service is available.

A new policy (2.8.1.3) now requires that all development within 300 metres of employment areas avoid, or where avoidance is not possible, minimize and mitigate potential impacts on the long-term economic viability of employment uses in accordance with provincial guidelines. Of note, the reference to 'provincial guidelines', which include the Province's D-6 Series Land Use Compatibility guidelines, was omitted in the previous 2023 and April 2024 iterations of the PPS.

Policy 3.5.2, Land Use Compatibility, has been amended by adding "the planning and development of proposed adjacent sensitive land uses is only permitted if potential adverse affects to the proposed sensitive land use are minimized and mitigated...". This policy language strengthens the policy, which is intended to protect the long-term viability of employment areas.

Other Key Changes from the April to August version of the 2024 PPS

The PPS now also includes language which allows the Ministry to consider other factors to "balance government priorities" when implementing the PPS. There have also been updates to definitions, including "adjacent lands", "development", "ecological function" "employment area," "housing options," "planned corridor", "protected heritage property" "significant" and "strategic growth areas." The Town will need to update the relevant policies and definitions in the Official Plan to be consistent with the PPS.

Conclusion

The 2024 Provincial Planning Statement introduces significant changes aimed at streamlining land use planning in Ontario, with a strong emphasis on increasing housing supply and promoting strategic growth areas. Staff are currently in Phase 3 - Policy Directions of the Official Plan Review process. As the Town and study consultant prepare a final policy directions report for Council's consideration, Staff will ensure that the updated Official Plan policies are consistent with the new Provincial Planning Statement.

Business Plan and Strategic Plan Linkages

- Extraordinary places and spaces
- Environmental sustainability
- Community and economic vibrancy

Consultation

None.

Human Resource Considerations

None.

Budget Impact

None.

Attachments

None.

Approval

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