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## **Proposed Provincial Planning Statement Staff Report to Council**

Report Number: 2023-33

Department(s): Planning and Building Services

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Meeting Date: May 29, 2023

### **Recommendations**

1. That the report entitled Proposed Provincial Planning Statement dated May 29, 2023 be received; and,
2. That Council authorize staff to submit this report to the Ministry of Municipal Affairs and Housing as the Town of Newmarket's comments on the proposed Provincial Planning Statement; and,
3. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Executive Summary**

On April 6, 2023, the Province of Ontario (the Province) released the [proposed Provincial Planning Statement](#) (proposed PPS) for public comment until June 5, 2023. If passed, the proposed PPS would replace the current [Provincial Policy Statement 2020](#) (PPS 2020) and the [A Place to Grow: Growth Plan for the Greater Golden Horseshoe](#) (the Growth Plan). All planning decisions made on or after the effective date of the Provincial Planning Statement will have to be consistent with the document. The only exception would be if transition regulations were made under the new authority proposed under the [Helping Homebuyers, Protecting Tenants Act, 2023](#) (Bill 97).

Generally, the concept of focusing growth and development in settlement areas continues to be the direction in the proposed PPS; however, current policies regarding how development and land use shall be planned are proposed to become considerations instead of requirements. In addition, only the identified 29 large and fast-growing municipalities such as Newmarket (see Attachment 1) are required to identify

boundaries for strategic growth areas and major transit stations areas (MTSAs) and set minimum density targets for these areas. Other municipalities could choose to do the same, but this is not mandatory.

In combining elements of PPS 2020 and the Growth Plan into a single Provincial Planning Statement, the Province is proposing the following key changes:

- Change the planning horizon for having sufficient land designated in official plans from **up to 25 years** to **at least 25 years**;
- Population and employment targets as currently set out in the Growth Plan will not be carried forward and municipalities in the Greater Golden Horseshoe will have to conduct their own population and employment forecasts beyond the 2051 horizon;
- Settlement area expansions and employment land conversion may be considered at any time;
- Change the definition of “employment area” to exclude institutional use, commercial use, which includes retail and office uses, as stand-alone uses in employment area;
- Encourage industrial, manufacturing and small-scale warehousing uses that do not create adverse effects to adjacent lands to be located within strategic growth areas or mixed-use areas;
- Reconsider the approach on Provincially Significant Employment Zones, and
- Allow up to two additional residential units in prime agricultural areas and these additional units may be severed, subject to policies of the proposed PPS.

One policy area that has not yet been discussed in the proposed PPS is natural heritage. MMAH has indicated that policies and definitions around natural heritage matters are under review and will be released in the future.

## Purpose

The purpose of this report is to inform Council of some of the key changes in the [proposed Provincial Planning Statement](#) (proposed PPS) and provide Council with staffs’ preliminary comments.

## Background

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 the policy statement issued under the Planning Act. Currently, the [Provincial Policy Statement, 2020](#) (PPS 2020) is the policy statement issued under the Planning Act. In addition, the Planning Act also requires that planning decisions shall conform or not conflict with provincial plans such as the Greenbelt Plan, Oak Ridges Moraine Conservation Plan, and the [A Place to Grow: Growth Plan for the Greater Golden Horseshoe](#) (the Growth Plan).

On April 6, 2023, the Province released the [proposed Provincial Planning Statement](#) (proposed PPS) for public review until June 5, 2023. The proposed PPS, if passed, would replace the PPS 2020 as well as the Growth Plan. As such, all planning decisions made on or after the effective date of the Provincial Planning Statement will have to be consistent with the document. The only exception would be if transition regulations were made under the new Minister's authority proposed under the Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97).

The Province has indicated in the [Proposed Approach to Implementation of the Proposed Provincial Planning Statement](#) document that the Province is targeting to have the final PPS come into effect in the fall of 2023.

## **Discussion**

The following subsections summarized concepts that are generally being carried forward from the PPS 2020 and the Growth Plan, policies that are being changed, and policies that are pending further release of information from the Province.

### **Concepts that Generally Stay the Same**

#### **Settlement Areas Continued to be the Focus of Growth and Development**

Growth and development continued to be focused in settlement areas. However, policy directions such as “using land and resources efficiently”; “supporting active transportation”; “being transit-supportive”, are proposed to be changed from “shall” to “should”.

Currently, the PPS 2020 and the Growth Plan together set a clear structure of where growth and development are prioritized and provide single-tier and upper-tier municipalities with clear targets to be met – growth to occur within settlement area/built-up area/strategic growth areas through intensification. The change in language from “shall” to “should” would weaken the intensification structure and potentially allowing for more land extensive growth.

Staff recommend the Province keep the existing direction that requires land and resources to be used efficiently, be transit-supportive where applicable, and align growth with infrastructure planning.

#### **Strategic Growth Areas and Major Transit Station Areas**

The concepts of identifying strategic growth areas and major transit station areas (MTSAs) and setting minimum targets for these areas are being brought into the proposed PPS from the Growth Plan, with modifications; however, only large and fast-growing municipalities are required to identify these areas and set minimum density targets for these areas. Other municipalities may choose to do so, but it is not required. Newmarket is identified as a “large and fast-growing municipality”. More details regarding large and fast-growing municipalities are included later in this report.

## **Natural Hazards Policies Remain the Same**

Planning authorities continued to be required to identify hazardous lands and hazardous sites and manage development in these areas in accordance with provincial guidelines. All existing policies in PPS 2020 relating to development and site alteration around hazardous lands and hazardous sites remain unchanged.

## **Policies Proposed to be Changed**

### **Time Horizon for Designation of Sufficient Land**

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. This planning horizon is proposed to be changed to **at least 25 years** in the proposed PPS.

The proposed PPS also notes 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.

### **Removal of Certain Policies Regarding Development and Land Use Patterns**

In the current PPS, the Province directs development and land use patterns to:

- Be efficient, which sustains the financial well-being of Ontario and municipalities over the long term;
- Avoid causing environmental or public health and safety concerns;
- Avoid preventing efficient expansion of settlement areas;
- Promote integration of land use planning, growth management, transit supportive development, intensification, and infrastructure planning to achieve cost effective development pattern, optimize use of transit, and minimize land consumption and servicing costs;
- Ensure necessary infrastructure and public service facilities are available or will be available in the future;
- Conserve biodiversity, and
- Prepare for regional and local impacts of changing climate.

All of the above noted directions are proposed to be removed in the proposed PPS.

Staff recommend the Province keep the above noted policies. These policy directions are important to help avoid land extensive growth, deter the inefficient use of land and infrastructure, and protect natural heritage features.

### **Removal of the Requirement to Establish Growth, Intensification, and Affordable Housing Targets**

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 proposed

PPS no longer provides these growth targets for upper-tier and single-tier municipalities. Municipalities that have or in the process of implementing these targets would continue to use the targets set out in the Growth Plan and lower-tier municipalities are expected to meet or exceed the assigned targets. However, all municipalities would be expected to conduct their own population and employment forecasts beyond the 2051 horizon.

Similarly, if the proposed PPS is passed in its current form, municipalities would no longer be required to establish minimum targets of housing that are affordable to low and moderate income households. Instead, municipalities will be required to coordinate with service managers (i.e. York Region) to plan for a full range of housing options and address housing affordability needs.

While the proposed PPS continues to support intensification in settlement areas generally, it does not require municipalities to establish minimum intensification targets. The assigned intensification targets outlined in the York Region Official Plan for all nine local municipalities would continue to apply until 2051.

While the proposed PPS still contains policies that support a coordinated approach in planning matters and where planning is conducted by upper-tier municipalities, the upper-tier municipality must consult with lower-tier municipalities, staff recommend the Province to keep the current “top-down” approach by setting clear targets at the Provincial level, in consultation with respective municipalities, to facilitate orderly growth and aligning growth with infrastructure planning for Ontario.

### **Newmarket is One of the 29 Large and Fast-Growing Municipalities, which is Subject to Specific Requirements in the Proposed PPS**

The identification of large and fast-growing municipalities is new in the proposed PPS. Newmarket has been identified as one of the 29 large and fast-growing municipalities (see Attachment 1 for complete list). The following policies in the proposed PPS apply to large and fast-growing municipalities:

- Required to identify and focus growth in strategic growth areas;
- Required to establish minimum density targets, type and scale of development in each strategic growth areas;
- Encouraged to plan for minimum density target of 50 residents and jobs per gross hectare in new settlement areas or settlement area expansion lands;
- Required to delineate boundaries of MTSAs, which are within a 500 to 800 metre radius of a transit station;
- Required to set minimum density targets for MTSAs in accordance with the following, which are largely carried forward from the Growth Plan:
  - 200 residents and jobs combined per hectare in areas served by subways;
  - 160 residents and jobs combined per hectare in areas served by light rail or bus rapid transit
  - 150 residents and jobs combined per hectare in areas served by commuter or regional inter-city rail;

- May request the Minister to lower the above noted minimum densities in MTSAs where development is prohibited or restricted by provincial policy on significant portion of the lands or there are a limited number of residents and jobs associated with the built form, and
- Required to report development application data on a quarterly basis and provide geospatial data on an annual basis. This requirement is already in effect through [O. Reg. 73/23](#), which was passed on April 6, 2023.

The above policies for large and fast-growing municipalities are generally carried forward from the Growth Plan with some modifications. Staff support the direction to continue focusing growth in strategic growth areas.

The requirements of delineating boundaries and establishing minimum density targets in MTSAs have been established in the York Region Official Plan, which will be brought forward to the Town's updated Official Plan through the Official Plan Review.

Staff is concerned with the municipal data reporting requirement in its current form, which requires staff resources in addition to the pressure in dealing with the shorten development application processing timelines. Staff request the Province provides the 29 municipalities a user-friendly platform that allows for efficient reporting and consistency of data to be shared amongst the municipalities.

### **Settlement Area Expansions and Employment Land Conversion Can Be Considered at Anytime**

Currently, settlement area expansion and employment land conversions are generally only considered at the time of a municipal comprehensive review, unless specific criteria as outlined in the Growth Plan are met. The Province is proposing that the identification of new settlement areas and settlement area expansions may occur at any time. Employment land conversion may also be considered at any time subject to criteria similar to those in the Growth Plan.

Staff have concerns with this change as it would lead to more land extensive growth, the inefficient use of land and infrastructure, and negative impacts to natural heritage features. When planning for complete communities, it is important to do so comprehensively while considering matters such as, but not limited to, land needs, land uses, infrastructure, and supporting services for the long term. By allowing settlement area expansions and identification of new settlement areas to be considered at any time is counteractive to comprehensive planning and the efficient use of land and resources. In some cases, it may jeopardize a municipality's ability to intensify in strategic growth areas. For example, adjacent municipalities may "compete" for resources to expand settlement areas where growth could have been accommodated in strategic growth areas that maximizes the use of land and existing infrastructures.

In addition, while the proposed PPS outlines matters to be considered by planning authorities regarding settlement area expansions and identifying new settlement areas, these policies are only written as discretionary considerations instead of

requirements/criteria to be met before allowing expansions or identifying new settlement areas to occur.

Staff recommend the Province keep the direction that settlement area expansions and identification of new settlement areas occur at the time of municipal comprehensive review, or at a minimum, set clear criteria that must be met before allowing expansions or new settlement areas.

### **Employment Area Definition and Policies**

To align with the proposed change to the definition of “area of employment” in the Planning Act, which was introduced through Bill 97 but not yet in effect, the definition of “employment area” in the proposed PPS is also being proposed to exclude institutional uses, commercial uses, and offices as stand-alone uses in employment area. This essentially reserves employment areas for those uses that are not compatible with other land uses and are therefore required to be located among similar uses.

The proposed PPS also encourages industrial, manufacturing and small-scale warehousing uses that could be located adjacent to sensitive land uses without adverse effects to be located in strategic growth areas and other mixed-use areas where frequent transit service is available, and to be located outside of employment areas. Staff generally support this policy change as it acknowledges that the majority of modern employment uses are generally compatible with other uses and should form part of a complete community; therefore, they can and should locate in strategic growth areas / mixed-use areas. This policy change also acknowledges that there are some employment uses that have intrinsic compatibility concerns (i.e. some industrial uses), and these are better suited to areas of a municipality that more removed.

Currently, the Town’s official plan permits business and professional offices in the General Employment and Mixed Employment designations. It appears that uses that do not meet the new employment area definition may continue, if such uses legally existed before the proposed changes come into effect. However, the Province suggests municipalities to formally recognize these uses through site-specific official plan amendments, should the municipality wish to allow these uses to continue in the employment area. Employment Area policies will be reviewed through the Town’s Official Plan Review and updated accordingly to meet the new definitions and policies.

### **Reconsidering the Approach on Provincially Significant Employment Zones**

Provincially significant employment zones (PSEZs) were introduced in the Growth Plan in 2019. The intent was to protect certain employment lands that have been identified as having Provincial significance. The definition and related policies are not being carried forward into the proposed PPS. The Province is seeking feedback on the need to identify select PSEZs or portions of PSEZs for the sole purpose of protecting lands exclusively through an alternative approach.

The removal of Provincially significant employment zones has no implication on Newmarket as none of Newmarket's employment lands are identified as PSEZs.

## **Agricultural Lands and Lot Severance**

While these changes do not impact Newmarket as Newmarket does not have a significant amount of agricultural lands, it is worth noting that the Province is proposing to allow the principal dwelling associated with an agricultural operation to be located in prime agricultural areas as an agricultural use, and to allow up to two additional residential units in prime agricultural areas, provided certain conditions are met (i.e. compliance with the minimum distance separation formulae, appropriate provision of sewage and water services and more). These additional units may be severed subject to policies in the proposed PPS.

Staff do not support these changes as it could lead to fragmentation of agricultural lands. While these policies may not impact lands within Newmarket directly, they can impact surrounding municipalities and lead to inefficient land development just outside Newmarket's borders.

## **What's Unknown**

### **Natural Heritage**

Natural heritage policies are under review and have not been included in the proposed PPS. The Province has indicated that proposed natural heritage policies and definitions will be available through a separate posting on the Environmental Registry of Ontario.

Staff will continue to monitor the release of natural heritage policies and provide follow-up to Council, if necessary.

## **Conclusion**

Staff appreciate the Province's desire to simplify the policy context under which all development applications are processed in Ontario. Combining the PPS 2020 and Growth Plan is a logical step that could result in more efficient preparation of planning analyses. However, care must be taken to ensure that policies around focusing growth to areas that allow for the efficient use of land and infrastructure, as well as the protection of natural heritage features are not left out or diluted.

The overall concept of focusing growth and development in settlement areas are being carried forward in the proposed PPS; however, the language in respective policies appear to be more relaxed and may potentially lead to unintended consequences. In addition, the Province also appears to be moving away from focusing growth through intensification and allowing settlement area expansions or identification of new settlement areas without comprehensive planning or specific criteria. Staff recommend the Province to reconsider some of the policy changes as discussed in this report and maintain a tight growth structure with clear targets to manage growth in Ontario.

## **Business Plan and Strategic Plan Linkages**

None

## **Consultation**

None

## **Human Resource Considerations**

None

## **Budget Impact**

None

## **Attachments**

Attachment 1 – List of Large and Fast-Growing Municipalities

## **Submitted by**

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## **Approved for Submission**

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