

May 10, 2024

Provincial Land Use Plans Branch
13th Floor, 777 Bay St
Toronto Ontario
M7A 2J3

Re: ERO 019-8462: Review of Proposed Policies for a New Provincial Planning Policy Instrument (updated proposed Provincial Planning Statement)

On behalf of our many municipal clients, we are submitting our comments related to the updated proposed Provincial Planning Statement (PPS), 2024.

1. Introduction

Watson & Associates Economists Ltd. is one of Canada's leading economic consulting firms, comprising municipal economists, planners, accountants, and support staff. The firm has been in operation since 1982. We work with municipalities across the province on assignments related to growth management strategies, demographic forecasts, comprehensive reviews, employment strategies, housing studies, municipal finance and economics, and more. Watson is a leader in the province in the growth management field, having completed numerous comprehensive reviews for numerous lower-tier, upper-tier and single-tier municipalities over the past two decades.

2. Overview Commentary

As part of Bill 185, the Province has introduced the proposed PPS, 2024, which is an update to the proposed PPS prepared in 2023. The objective of the proposed PPS, 2024 according to the proposal summary prepared by the province is to replace the existing Provincial Planning Statement (PPS), 2020 and A Place to Grow: Growth Plan for the Greater Golden Horseshoe 2019 (Growth Plan) in a consolidated document that will support a streamlined province-wide land use planning policy framework.

The proposed PPS, 2024 will be replacing two integral documents in planning, as under the *Planning Act*, planning decisions shall be consistent with policy statements of the Provincial Policy Statement and shall conform with provincial plans, including the Growth Plan. These two documents have been influential in managing growth in the province. As such, it is important that the province considers a careful review of the proposed PPS, 2024. Any further revisions or updates to the PPS may pose disruptions to Ontario municipalities in the timely delivery of housing, as they will need to review these impacts and coordinate provincial changes with local planning policies.



While we are encouraged by the province's efforts to streamline the planning process and focus on improving policies to delivery more housing supply, we have identified areas of the proposed PPS, 2024 where we believe the province can enhance and improved upon.

The following sections summarize our analysis and comments on the following areas:

- The approach to regional planning within the Greater Golden Horseshoe (GGH) region;
- The application of Minister's Zoning Orders (MZOs) in growth management;
- The approach to Settlement Area Boundary Expansion and prioritizing intensification; and
- Planning for employment growth outside of Employment Areas.

3. More Emphasis in the Coordination of Planning within the Greater Golden Horseshoe Region Required in the Proposed PPS, 2024

The Growth Plan which was initially released in 2006 has provided a comprehensive framework for managing growth within Canada's largest region, the Greater Golden Horseshoe (GGH). The GGH is a dynamic region in Canada and is the economic engine of the province. The success of the GGH, in a large part, benefits the rest of the Province. As noted in the Growth Plan, "the GGH has one of the world's most vibrant and diverse economies – generating upwards of 25 per cent of Canada's Gross Domestic Product."¹ Further, not only is the GGH an economic engine, but according to the Growth Plan:

The region also has some of Canada's most important and productive farmland. Its fertile soil, moderate climate, abundant water resources, and proximity to markets support agricultural production that cannot be duplicated elsewhere in the country.²

This key document to regional planning within Canada's largest economic region is proposed to be replaced with the PPS, 2024.

Comment

While we support the streamlining of provincial planning documents, we are concerned that the proposed PPS, 2024 does not stress the importance of planning within Canada's major economic region. The reference to the GGH is not mentioned within the

¹ A Place to Grow: Growth plan for the Greater Golden Horseshoe, p.1.

² Ibid.



proposed PPS, 2024. Further, given that several of the upper-tier municipalities (Regions of Halton, Peel, York, Durham, Waterloo and Niagara, and the County of Simcoe) within the GGH are anticipated to lose planning responsibilities as part of Bill 185 proposed changes to the *Planning Act*¹ there is a potential risk that Canada's largest economic region will lack the regional planning framework required to coordinate growth that supports sustainability, regional connectivity and the efficient management of urban lands and infrastructure.

Recommendations

1. While we recognize that the proposed PPS, 2024 under policy 6.2.10 requires planning authorities that are not a part of upper-tier municipalities and those that are within “upper-tier municipalities with no planning responsibilities” to coordinate matters of growth forecasts and minimum density targets with adjacent municipalities, we would recommend enhancing the policy to require the coordination with upper-tier municipalities regardless of whether the upper-tier municipality has planning responsibilities.
2. Furthermore, we would recommend adding more policy direction on the role of “upper-tier municipalities with no planning responsibilities” and stressing the importance of the coordination of infrastructure with land use planning within two-tier municipalities, where appropriate.

4. The Application of Miniter's Zoning Orders (MZOs) in Growth Management

We are concerned with the application of MZOs in the PPS. According to the proposed PPS, 2024, MZOs are to be treated as “in addition to projected needs” over the planning horizon. In planning for MZOs lands, the proposed PPS, 2024 states these lands must be incorporated into the Official Plan and related infrastructure plans.^[2]

Comment

The term “in addition to the projected needs” is likely to cause confusion, as it is not clear what this may mean. It creates a false understanding that the MZO tool by itself establishes the need. Furthermore, we are concerned about the risk of over planning for population, housing, employment and associated infrastructure requirements with the absence of land needs assessment and economic analysis to support the MZO. The proposed MZO framework as part of Bill 185 does not require MZO applications to address the local context of supply and demand. As part of a municipality's Official Plan Review, considerable resources and extensive public engagement are carried out to

¹ Bill 185, schedule 12, proposed changes to the Planning Act include the identification of “upper-tier municipalities without planning responsibilities”.

^[2] Proposed PPS, 2024, policy 2.1.1, p. 6.



ensure that future growth is comprehensively assessed, and that urban and rural development is directed to appropriate locations. Based on the current framework, MZOs can be requested and approved without regard to local policies, the need for the application, or the municipality's ability to accommodate the development.

Recommendation

1. It is recommended that the province provide more policy clarity around the policy "in addition to projected needs."
2. It is recommended that the province consider enhancing the MZO Framework to require more onus on the applicant to demonstrate the need of the development proposed in the MZO application.
3. It should be recognized that full development of MZOs may or may not extend beyond the 30-year maximum planning horizon set out in the proposed PPS, 2024, subject to anticipated economic growth and real estate market demand within the municipality and the broader economic region over the horizon of the plan
4. We recommended that MZO framework is expanded to identify that the timing of development and ultimate buildout of approved MZOs is guided and coordinated through local phasing strategies, municipal servicing plans, and reviewed through regular monitoring.

5. Approach to Settlement Area Boundary Expansions

We are encouraged by the province's approach to providing flexibility for municipalities in expanding a Settlement Area Boundary at any time. Given the current need for housing in the province, this flexibility will allow municipalities and private sector applicants to better respond to potential opportunities that may involve an expansion to the Settlement Area.

Comment

We are concerned that the current framework in the proposed PPS, 2024 does not require municipalities to take a review of intensification opportunities first before expanding outward. This is a key policy strength in the Growth Plan and the PPS, 2020 in effort to maximize the utilization of urban lands.

Recommendations

1. We recommend that a policy is added to the proposed PPS 2024 that identifies where planning authorities have established minimum targets for intensification and redevelopment within built-up areas and that implementation of these targets shall be considered prior to identifying the need for new settlement areas.



6. Planning for Employment Outside of Employment Areas

A key focus of the PPS, 2024 is unlocking opportunities on non-residential lands to support housing opportunities. Lands for employment outside of Employment Areas, according to the proposed PPS, 2024 are required to support a diverse mix of land uses, including residential, employment, public service facilities and other institutional uses which shall be permitted.¹

Comment

We are concerned that the proposed PPS, 2024 does not stress the importance of planning for a diverse range of employment opportunities that contribute towards complete communities, including employment uses, particularly those that embrace the knowledge-based economy, which would often be accommodated outside of Employment Areas.

Recommendation

1. We recommend that a policy is added which recognizes the economic importance of employment outside of employment areas. We would also recommend that a policy is added to encourage municipalities to establish a local policy framework that will accommodate a range of employment opportunities for employment opportunities outside of Employment Areas.

We appreciate the opportunity to provide comments related to the proposed changes on behalf of our municipal clients.

Yours very truly,

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¹ Proposed PPS, 2024, policy 2.8.1.3, p.13.