

Committee of the Whole Meeting
April 29, 2024

Report #PD-2024-14

New Provincial Planning Legislation Proposed - Implications of Bill 185 and Provincial Policy Statement

Recommendation

That Report #PD-2024-14 be received;

And further that the comments contained in Report #PD-2024-14 be forwarded to the Provincial Government for the purposes of consultation on Bill 185 and draft Provincial Policy Statement, 2024 as part of the opportunity to participate in the public commenting of the ERO Posting;

And further that a copy also be forwarded to the Minister of Municipal Affairs and Housing, Association of Municipalities of Ontario (AMO), Federation of Canadian Municipalities (FCM), AMCTO, Local MP, Local MPP and the County of Simcoe.

Executive Summary

Purpose of Report

The purpose of this report is to provide Council a summary of the implication of Cutting Red Tape to Build More Homes Act, 2024 (Bill 185). This Bill includes changes to the Planning Act, Municipal Act, and Development Charges Act and at the same time an updated Provincial Policy Statement has been introduced. In addition, a brief summary is provided on Bill 162 on recent changes to the Conservation Authorities Act.

Key Findings

- Bill 185, Cutting Red Tape to Build More Homes Act, 2024 and proposed Provincial Policy Statement was introduced April 10, 2024 with a 30 day commenting period.
- The purpose of Bill 185 and the changes to the Provincial Policy Statement are to support the Province in streamlining development to achieve its target of 1.5 million homes in 10 years.
- Several of the provisions in Bill 185 provide assistance to municipalities in terms of planning, housing and infrastructure-related changes, however, some of them have negative consequences of potential financial risk and staffing capacity challenges.
- The Provincial Policy Statement 2024 version revives many proposed changes introduced in the 2023 version to the current 2020 version.

- The current Growth Plan is proposed to be revoked with some of the provisions in the current Growth Plan modified and incorporated into a new Provincial Policy Statement with respect to settlement area boundary expansions and employment planning.
- Bill 162 regarding changes to the Conservation Authorities Act was enacted April 1, 2024 and helps to streamline the conservation authority permit and planning processes.

Background

On April 10, 2024, the Provincial government introduced Bill 185, Cutting Red Tape to Build More Homes Act, 2024 and another draft update of the Provincial Policy Statement (PPS) for consultation. This also aligns with the recent Bill 162: Get it Done Act, 2024 where these new changes focus on streamlining approvals and increasing housing and infrastructure development in order for the Province to achieve its target of 1.5 million homes built within 10 years.

Bill 185 includes changes to the Planning Act, Municipal Act, and Development Charges Act; the Provincial Policy Statement was also introduced at the same time. The Province is seeking feedback on the proposed Bill 185 and PPS through a consultation period of 30 days from April 10, 2024 to May 10th, 2024.

Comments and Considerations

A number of recent changes have been proposed by the Province through Bill 185 that have implications for the Town of New Tecumseth. However, many of the potential changes cannot be assessed because they will be implemented by future regulations that would provide the necessary details to determine any impacts. The following is an overview of the recent significant changes proposed in the Provincial legislation:

Bill 185 - Cutting Red Tape to Build More Homes Act, 2024

Ontario Land Tribunal Appeals

It is proposed that there will be a prohibition on third party appeals of Official Plan Amendments and Zoning By-Law Amendments. Appeals are proposed to only be able to be filed by the applicant, minister, public bodies, specified persons and third-party appellants who made written or oral submissions. Third party appeals filed prior to the legislation coming into force and where the hearing has not been scheduled before April 10, 2024, will be dismissed.

Where an applicant seeks to amend a settlement area boundary, Bill 185 proposes a change that would allow a private applicant to appeal the approval authority's refusal or non-decision providing that the proposed boundary expansion does not include any

lands within the Greenbelt area. The only Greenbelt lands in New Tecumseth are within the Oak Ridges Moraine.

Third party appeals being prohibited will streamline the approvals process for development applications.

Development Charges

After consulting with municipal and industry subject matter experts, the Province is seeking to make several legislative amendments to the Development Charges Act, 1997 (DCA), many of which would repeal changes made as part of the More Homes Built Faster Act, 2022. A list of the proposed changes in Bill 185 can be found in the attached summary (Attachment #1) prepared by Watson & Associates Economists Ltd. (Watson). The majority of the changes outlined appear positive for municipalities, as they focus on enhancing municipal ability to build housing-enabling infrastructure and support the mandate of growth paying for growth to the greatest extent possible.

One area of concern is the planned implementation of the Affordable Residential Unit exemption on June 1, 2024 and the potential financial and administrative consequences on the municipality. Watson and other municipal groups such as the Municipal Finance Officers Association (MFOA) have expressed their intent to submit comments and lobby in support of municipal interests.

Pre-consultation Becomes Voluntary

Pre-application consultations with municipalities will be voluntary. As part of Bill 109, the Town approved an Official Plan Amendment and a By-law which made pre-consultation mandatory. Changes would need to be made to the current process that has been in effect for over a year, to the Official Plan policies and the 'Pre -Consultation for Submission of Planning Applications and Complete Applications By-law'. Staff do not support this proposed Provincial change as the pre-consultation process helps to ensure better quality complete Planning Act applications and expedites the planning process. However, the Planning Act fee refund provisions put in place by Bill 109, if a municipality did not make a decision within specified times, are proposed to be revoked. This proposal helps to reduce financial risk to the Town.

Bill 185 proposes to remove the 30 day deadline to deem a planning application 'complete' and allow applicants to bring a motion to the OLT to dispute the determination. Applicants can challenge whether the requirements for a complete application are reasonable, or have been met. This would result in additional staff resources to prepare for the OLT hearing as well as a financial strain to the Town with additional unanticipated legal costs. The Town's pre-consultation process is set up to scope submission requirements to those which are necessary for staff to make an informed decision.

Minister's Zoning Orders/Community Infrastructure Housing Accelerators

The Province has proposed a new framework for requesting a Minister's Zoning Order (MZO) including criteria that will consider whether an MZO delivers on provincial priorities, and whether it is supported by a municipal council or a mayor with strong mayor powers. These are provided in a [Zoning Order Framework](#) which would allow the municipality and Province to evaluate the merits of an MZO and make an informed decision. The public will also be notified. Bill 185 revokes six MZOs located in Cambridge, Guelph, Kingston, Markham and Oro-Medonte. Therefore, the only MZO in New Tecumseth (Beeton Meadows Phase II) will continue to proceed.

The Community Infrastructure Housing Accelerator process introduced by Bill 23 is proposed to be repealed. No applications for this were proposed in New Tecumseth.

Changes to Site Plans and Plans of Subdivision - 'Use It or Lose It'

Developments with approved site plans and draft plans of subdivision which do not obtain building permits within a period of time can have their approvals withdrawn. The time period will be set by a future regulation, with a default of no less than three years if a regulation does not apply. These changes invoke the 'use it or lose it' provisions which would help the Town deliver its Housing Pledge of 6,400 by 2031.

Municipalities will be given the authority to enact by-laws under the Municipal Act to track water supply and sewage capacity, and to set criteria for when an approved development can have their allocation withdrawn. The Town's Servicing Allocation Policy is aligned to these objectives and will likely need to have minor updates. Bill 185 allows municipalities to apply allocation policies to the entire municipality or to specific geographic areas within the municipality. This will be explored if the legislation is approved to update the Town's Servicing Allocation Policy.

There is no appeal route from a decision made under an approved allocation by-law. However, the Province, by regulation, can exempt an approved development or a class of approved developments from any and all provisions of such a by-law. These Provincial powers may jeopardize the capacity of the Town's infrastructure if not coordinated efficiently.

Draft plans of subdivisions that were approved before March 27, 1995 will lapse if not registered within three years of the bill passing. Staff support this change as any subdivisions approved that have not been registered, should be closed. The number of subdivisions impacted in New Tecumseth will need to be determined if this legislation is enacted.

Upper Tier Municipalities

Bill 23 introduced that identified upper tier municipalities would have their planning responsibilities revoked. Through Bill 185, Halton, Peel and York regions will no longer have planning responsibilities as of July 1, 2024. The dates for Simcoe County and the regions of Durham, Niagara and Waterloo have not been set and will be determined by

proclamation of the Lieutenant Governor. As a result, the Simcoe County Official Plan will cease to exist and the Town's Official Plan will then only be required to conform with Provincial plans and policies.

Further, the Province would be the approval authority for the Town's Official Plan. This may delay the Town in obtaining approval of future urban boundary expansions in Alliston, Beeton and Tottenham that would potentially stymie development approvals. The Town has recently supported the expansion of the Collingwood Water Treatment Plant expansion with significant financial investment. Growth is required to support this investment and any delays will put financial strain on the Town.

There is also the possibility that the Province may alter the prescribed forecasted population and job growth in addition to the amount of land required for growth. This will be monitored by staff over the coming months and staff will keep Council and public apprised of any details when made available.

Public Notices

Changes are proposed to the regulations that govern how statutory public notice is given by a municipality to reflect current practices of most municipalities, including on a website if local papers are not available. Staff support this change as it has been challenging to provide notice without a newspaper servicing the community.

Additional Residential Units

It is proposed that the minister is given new powers to introduce regulations to remove zoning barriers for small multi-unit residential developments. Staff will monitor this, however anticipate that the regulations will likely align to the Town's progressive Zoning By-law, adopted in 2021, in relation to permitting additional residential units.

Exempting Community Service Facilities from Planning Act Requirements

Some community service facilities that meet prescribed requirements for schools, hospitals and long-term care homes may be exempt from some Planning Act requirements to expedite the approval process. Therefore, the planning for these facilities may be exempt from application fees and site plan approval therefore putting municipalities in a challenging position to ensure these developments meet municipal requirements.

New Exception to the Anti-Bonusing Rule

Currently, the Municipal Act prohibits municipal bonusing which may include providing assistance to an industrial or commercial business in the form of lending of money, property, guaranteeing borrowing, leasing or selling municipal property at below fair market value or giving exemption from municipal levies, charges or fees. Bill 185 proposed a new section that would allow the Province to make regulations authorizing a municipality to grant assistance to a specified industrial or commercial business during a specified period if it is identified as a Provincial interest to attract investment in Ontario. The Province could establish the types of assistance that may be granted

including conditions, limits or restrictions on the granting of the assistance. The Town if subjected to these, could be financially challenged in terms of having to provide land, leasing, reductions to fees, charges and levies. This will need to be monitored.

Provincial Policy Statement

In 2023, the Province released a draft Provincial Policy Statement (PPS) that would see the current 2020 version updated and the Growth Plan revoked with some of the Growth Plan policies being incorporated into the updated PPS. On April 10th, a revised version of the PPS which still proposes to revoke the Growth Plan was released for a 30 day consultation period. Staff provided an assessment of the impacts in 2023 to Council and provided the Province with the Town's comments. Attachment #2 to this report provides a summary of the changes that are different from the 2023 version.

The Province in the proposed 2024 PPS has restored many provisions that reflect the current 2020 version, especially in terms of rural and agricultural lot creation. There are few changes between the proposed 2023 and 2024 versions as outlined in the report, however there is still a lack of strong natural heritage policies which will result in the erosion of the protection and preservation of the natural heritage system. The majority of the policy changes support good land use planning and growth management for municipalities.

Staff remains concerned with respect to some of the proposed changes in the PPS related to the removal of sensitive land use provisions from employment areas which could become problematic from a by-law enforcement perspective in the future if incompatible uses are built. The planning horizon for planning for growth is capped at 30 years, however there is no upper limit for planning for infrastructure, public service facilities, strategic growth areas and employment areas. This provides the Town with some flexibility when planning for these services and areas. The criteria for settlement area boundary expansions has been strengthened as municipalities 'shall consider' rather than the formerly proposed 'should consider'.

Bill 162 - Changes to the Conservation Authorities Act

On April 1, 2024 new legislative and regulatory changes were enacted by the Province to update the Conservation Authorities Act. It replaced all individual Conservation Authorities regulations with one regulation O.Reg 41/24 to be used Province-wide. The key changes include a change to the definition of watercourse which may change the regulation mapping. Further, all wetlands will now have a setback of 30 metres from development rather than the previous 120 metres for Provincially significant wetlands.

New exceptions were introduced to permit minor structures such as decks that are less than 15 square metres without a permit providing it is not located within 30m of a wetland or watercourse. Other exceptions include off-line ponds for livestock watering, repairs of roads, municipal drains and reconstruction of non-habitable garage on the

same footprint all subject to specific criteria where a property owner does not require a permit.

Planning Act applications that require Conservation Authority input, pre-consultation for an application is encouraged to confirm complete application requirements, including the list of required documents.

New regulatory tests for conservation authority permit approvals are introduced to provide clarity around unstable soil, health or safety of persons and damage or destruction of property. Further, the Conservation Authority has to review the permit within 30 days of receipt for completeness and issue a decision within a 90 day timeline. Permits will be issued for 60 months that exceed the previous timeline of 24 months. The Province can direct a Conservation Authority not to issue a permit, issue for a specific period of time or issue a permit with conditions.

Conclusion

A number of the changes proposed in Bill 185 are key to expediting or streamlining development in order for the Province to achieve their goal of 1.5 million homes built in 10 years. Many of the changes work in favour for municipalities for example reducing the number of third party appeals impacting both financial and staffing costs, improving the implementation of development charges, providing a framework for future MZOs, implementing stronger servicing allocation provisions for infrastructure and changes to public notice requirements. Many of the PPS changes restore provisions proposed in the 2023 version to the current 2020 PPS. Planning for growth in New Tecumseth will come from the PPS as the current Growth Plan will be revoked.

As outlined in the financial section below, most of the risks are related to financial impacts to the Town on lost fees and staff time for appeals to the OLT on the proposed Planning Act pre-consultation and application process. The other significant change is to the Municipal Act where the Province has the power to direct the Town to provide or lease land at a rate below fair market value as well as require the Town to waive fees and charges. These unknown factors may negatively impact how the Town can recover financially from such Provincial direction.

The majority of the proposed changes to the DC Act are positive providing the Town with the opportunity to obtain DCs at more of a current rate. However, the changes to the anti-bonusing provisions could have a negative impact on the DCs collectible on large industrial developments.

Staff recommend that Council send the staff report to the Province as the Town's comments on Bill 185 and the PPS and reiterate that it is not supportive of some of the proposed changes that will negatively impact the Town.

Alternative Options

Not applicable.

Financial Considerations

In Bill 185, there are proposed provisions of concern for the Town as they have unintended consequences of adding financial risk and strain, and negatively impacting the staffing capacity of the municipality. The pre-consultation policy the Town currently uses works well to reduce timelines for processing of development applications and scoping application requirements. No fees for pre-consultation could be collected by the Town so the application fees will need to be increased to reflect staff time. The proposed provision of voluntary pre-consultation will not be a positive experience for applicants nor the Town.

Exempting community service facilities from the planning process will also have similar results and put a financial strain on the Town as fees will not be collected. To have well built communities, the planning process has served the Town well on pre-consultation and having all Planning Act applications proceed through the process. These changes jeopardize the quality of our communities in terms of urban design and may result in applications not meeting Town development standards, produce delays in obtaining building permits and fulfilling the intent of the Official Plan.

Under the Municipal Act, the Town has limited tools to retain or attract industrial or commercial businesses. The proposed provisions, may result in significant financial risk to the Town as imposed by the Province, particularly if the provisions include DC reductions or exemptions. These concerns need to be expressed to the Province as the municipalities are limited in their ability to generate revenue.

Communication Plan

Staff are prepared to send the staff report to the Ministry of Municipal Affairs and Housing as the Town's comments on Bill 185 and the Provincial Policy Statement prior to the May 10, 2024 commenting deadline and will provide any additional comments after the deadline when the report is ratified by Council on May 13, 2024.

Strategic Plan

[Click here for strategic plan](#)

Economic Vitality

Relevant Information

[#PD-2023-19](#) - Proposed Provincial Policy Statement Implications on New Tecumseth's Growth Management Strategy

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Attachments:

- [Attachment #1 - Watson Assessment of Bill 185 Cutting Red Tape to Build More Homes Act 2024](#)
- [Attachment #2 - Summary 2024 Provincial Policy Statement Changes](#)

Approved By:

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Department:

Planning
Infrastructure and Development
Division

Status:

Approved - 19 Apr 2024
Approved - 19 Apr 2024

April 11, 2024

To Our Municipal Clients:

Re: Assessment of Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*

On behalf of our many municipal clients, we are writing to inform you of the Ontario Legislature's proposed changes to the *Development Charges Act* (D.C.A.) under Bill 185 (*Cutting Red Tape to Build More Homes Act*) and to Ontario Regulation 82/98 under the D.C.A. These proposed changes are with respect to:

- The definition of eligible capital costs (to include certain studies);
- The removal of the mandatory phase-in of charges;
- The process for minor amendments to development charge (D.C.) by-laws;
- A reduction of time for the D.C. rate freeze related to site plan and zoning by-law amendment planning applications;
- Modernizing public notice requirements; and
- Implementation of the Affordable Residential Unit exemptions.

Further details with respect to these proposed changes are provided below.

With respect to changes to the *Planning Act* arising from Bill 185, Watson will be preparing a subsequent letter summarizing the changes.

1. Revised Definition of Capital Costs

On November 28, 2022, the Province enacted Bill 23, *More Homes Built Faster Act*, which included a number of discounts, exemptions, and reductions to D.C.s. As part of this legislation, the definition of capital costs (subsection 5 (3) of the D.C.A.) was amended to remove studies, including D.C. background studies.

Bill 185 proposes to reverse the capital cost amendments of the *More Homes Built Faster Act* (Bill 23) by reinstating studies as an eligible capital cost. The following paragraphs are proposed to be added to subsection 5 (3) of the D.C.A.:

5. *Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4.*
6. *Costs of the development charge background study required under section 10.*



The proposed amendment will allow municipalities to fund studies, consistent with by-laws passed prior to the *More Homes Built Faster Act* (Bill 23). This will allow for the funding of master plans, D.C. background studies, and similar studies that inform the capital costs of the D.C. background study.

2. Removal of the Mandatory Phase-in

The *More Homes Built Faster Act* (Bill 23) required the phase-in of charges imposed in a D.C. by-law over a five-year term. D.C. by-laws passed after January 1, 2022, were required to phase-in the calculated charges as follows:

- Year 1 of the by-law – 80% of the charges could be imposed;
- Year 2 of the by-law – 85% of the charges could be imposed;
- Year 3 of the by-law – 90% of the charges could be imposed;
- Year 4 of the by-law – 95% of the charges could be imposed; and
- Years 5 to 10 of the by-law – 100% of the charges could be imposed.

Bill 185 proposes to remove the mandatory phase-in of the charges. It is proposed that this change would be effective for D.C. by-laws passed after Bill 185 comes into effect.

For site plan and zoning by-law amendment applications that were made prior to Bill 185 receiving Royal Assent, the charges payable will be the charges that were in place on the day the planning application was made (i.e., including the applicable mandatory phase-in).

Note, the Bill also proposes to allow minor amendments to D.C. by-laws that include these phase-in provisions. As provided in further detail below, these amendments would not require the preparation of a D.C. background study or undertake the statutory public process, and the amendments would not be subject to Ontario Land Tribunal appeal. This provision will only be available for a period of six months after Bill 185 takes effect.

3. Process for Minor Amendments to D.C. By-laws

Section 19 of the D.C.A. requires that a municipality must follow sections 10 through 18 of the D.C.A. (with necessary modifications) when amending D.C. by-laws. Sections 10 through 18 of the D.C.A. generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. by-law;
- Passage of a D.C. by-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the by-law to the Ontario Land Tribunal.



Bill 185 proposes to allow municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above (with the exception of the notice requirements):

1. To repeal a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date (subject to the 10-year limitations provided in the D.C.A.);
2. To impose D.C.s for studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s as discussed in section 2 of this letter.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. by-law being amended was passed after November 28, 2022, and before Bill 185 takes effect. Moreover, the amending by-law must be passed within six months of Bill 185 taking effect.

Notice requirements for these minor amending by-laws are similar to the typical notice requirements, with the exception of the requirement to identify the last day for appealing the by-law (as these provisions do not apply).

4. Reduction of D.C. Rate Freeze Timeframe

Bill 108, *More Homes, More Choices Act, 2019*, which received Royal Assent on June 6, 2019, provided several changes to the D.C.A. including the requirement to freeze the D.C.s imposed on certain developments. This applied to developments that were subject to a site plan and/or a zoning by-law amendment application. The D.C. rate for these developments is “frozen” at the rates that were in effect at the time the site plan and/or a zoning by-law amendment application was submitted (subject to applicable interest). Once the application is approved by the municipality, if the date the D.C. is payable^[1] is more than two years from the approval date, the D.C. rate freeze would no longer apply.

Bill 185 proposes to reduce the two-year timeframe to 18 months and move this timeframe from being identified in O. Reg. 82/98 to being identified in the D.C.A. Transition provisions are included that require the two-year D.C. “freeze” for site plan and zoning by-law amendment applications that were approved prior to Bill 185 receiving Royal Assent to remain in effect.

^[1] In the case of Rental Housing and Institutional development, once the application is approved by the municipality, if the date the first building permit is issued is more than two years after the date of approval, the D.C. rate freeze would no longer apply.



Note that the streamlined process for minor amending by-laws does not appear to include the ability to amend D.C. by-laws to meet this legislative change.

5. Other Proposed Changes

Along with the proposed legislative changes outlined in Bill 185, the Province has identified related proposed regulatory changes regarding modernization of the public notice requirements. In addition, the Province has noted that implementation of the Affordable Residential Unit exemption will occur on June 1, 2024.

5.1 Modernizing Public Notice Requirements

The D.C.A. sets out the requirements for municipalities to give notice of public meetings and of by-law passage. These requirements are prescribed in sections 9 and 10 of O. Reg. 82/98 and include giving notice in a newspaper of sufficiently general circulation in the area to which the by-law would apply. The proposed regulatory changes would modernize public notice requirements by allowing municipalities to provide notice on a municipal website if a local newspaper is not available.

5.2 Implementing the Affordable Residential Unit Exemption

The More Homes Built Faster Act (Bill 23) identified an exemption for Affordable Residential Units. This exemption was subsequently revised through Bill 134, *Affordable Homes and Good Jobs Act, 2023*, which received Royal Assent on December 4, 2023. The exemption is summarized as follows:

- Affordable Rental: Where the rent is no greater than the lesser of the income based affordable rent^[1] set out in the Affordable Residential Units Bulletin and the average market rent identified in the Affordable Residential Units Bulletin.
- Affordable Owned Unit: Where the price of the residential unit is no greater than the lesser of the income-based affordable purchase price^[2] set out in the Affordable Residential Units Bulletin and 90% of the average purchase price identified in the Affordable Residential Units Bulletin.

^[1] Based on the 60th percentile of gross annual incomes for renter households in the applicable local municipality and where the rent is equal to 30% of the income of the household.

^[2] Based on the 60th percentile of gross annual incomes for households in the applicable local municipality and where the purchase price would result in annual accommodation costs equal to 30 per cent of the income of the household.



The Provincial Backgrounder has indicated that this exemption will come into force on June 1, 2024, and that the Affordable Residential Units Bulletin will be posted on Ontario.ca.

Note, no commentary has been provided on the Attainable Unit exemption at this time.

6. Summary Comments on the Proposed Amendments

Many of these changes to the D.C.A. appear positive for municipalities by assisting in ensuring that growth pays for growth to the extent possible. This is achieved by allowing for the inclusion of growth-related studies that will allow municipalities to appropriately plan for additional development. Furthermore, the removal of the mandatory phase-in provisions ensures discounts to D.C.s are not provided to development and redevelopment that municipalities do not aim to incentivize. The reduction in the D.C. rate freeze timeline helps to ensure development that is not proceeding quickly does not receive D.C. discounts. Additionally, the ability to make minor amendments to D.C. by-laws to align with the legislative changes without onerous administrative requirements will assist municipalities in aligning policies with the amended legislation quickly. Modernizing the public notice requirements further assists municipalities in areas where there is no local newspaper.

With respect to the implementation of the Affordable Residential Unit exemption on June 1, 2024, as stated in previous correspondence, while it is an admirable goal to create additional affordable housing units, further D.C., community benefits charge, and parkland exemptions will continue to provide further financial burdens on municipalities to fund these exemptions.

Watson will be providing a submission through the Environmental Registry of Ontario on these legislative changes. Watson will also be seeking an opportunity to speak as a delegation to the Standing Committee, if possible, to provide our comments on behalf of our municipal clients. We will continue to monitor the progress of Bill 185 through the legislature and will continue to keep our clients informed of any changes. If you have any questions, please do not hesitate to contact us.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

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Attachment #2

Summary of the Key Changes to the draft Provincial Policy Statement, 2024

Most of the changes proposed in 2023 remain. The changes between the two versions are highlighted as follows:

The proposed planning horizon for an Official Plan is to be at least 20 years but not more than 30 years to accommodate a mix and range of land uses to meet projected needs. This was previously set at 25 years with no upper limit. Planning for infrastructure, public service facilities, strategic growth areas and employment areas can exceed 30 years.

- Re-establishing and implementing minimum targets for the provision of housing that is affordable to low and moderate income households has been re-introduced with minor modifications to the definitions from the 2020 PPS. Service Managers, such as County of Simcoe, must address the full range of housing options including affordable housing.
- Underutilized commercial and institutional sites can be redeveloped for residential development as per the 2023 version. This has been extended in the 2024 version to include underutilized shopping malls and plazas as potential commercial sites for redevelopment.
- Areas known as the Built-Up Areas and Designated Growth Areas have been re-established where municipalities are encouraged but not required to establish intensification and density targets for these areas. The Town is currently planning for a 40% intensification target and 55 people/jobs per hectare as part of the Growth Management Study.
- Phasing policies are recommended within the Designated Growth Areas to ensure efficient growth and aligns to the timely provision of infrastructure and public service facilities.
- Criteria for Settlement Area Boundary Expansions or new community areas remains the same, however planning authorities in the 2024 version 'shall consider' the criteria instead of 'should consider' therefore strengthening the application of these policies.
- A new policy would allow a municipality to identify a new settlement area only where it has been demonstrated that infrastructure and public service facilities to support development are planned or available.
- The identification of strategic growth areas is encouraged to achieve planning for complete communities.
- The multi-lot residential development in rural areas that was proposed in the 2023 version has been removed after significant public opposition.
- Municipalities are no longer required to use the provincially mapped Agricultural System but will still have to map prime agricultural areas and designate them to protect these areas for long-term use.
- Up to two additional residential units are permitted on a lot in a prime agricultural area where a residential dwelling unit is permitted with criteria speaking to

compatibility, servicing, minimum distance separation and siting around current structures to minimize the amount of land taken out of agricultural production.

- The lot creation policies introduced in the 2023 version have been significantly modified for prime agricultural areas after public opposition. Lot creation is only permitted in accordance with provincial guidance for agricultural uses and agriculture-related uses and still permits up to one residence surplus to an agricultural operation with criteria being met. These policies more resemble the current PPS.
- In the 2023 version, the Province proposed to remove the sensitive land use provisions from employment areas whereas the 2024 version requires municipalities to maintain land use compatibility between sensitive land uses and employment areas.
- The definition of employment area would reflect the new definition in the Planning Act adopted through Bill 97 for consistency.
- The Provincially Significant Employment Zones identified in the Growth Plan are not carried into the new Provincial Policy Statement which therefore removes the protection for most of Alliston's employment area.
- Some definitions have been amended regarding natural heritage however no new changes have been proposed in the 2024 version to the natural heritage policies.
- New definitions are proposed in the 2024 version including 'affordable', 'designated growth areas', 'energy storage system', 'low and moderate income households' and 'urban agriculture'.

Transition policies for the new Provincial Policy Statement are being contemplated through a regulation but information on this is not available at this time.