

## Ontario Plans for Growth: The New Provincial Planning Statement Published

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On August 20, 2024, the province of Ontario (the province) published the new *Provincial Planning Statement, 2024* (PPS, 2024), a province-wide policy instrument that, once in force, will replace both the Provincial Policy Statement, 2020 (PPS, 2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (Growth Plan). It will come into force on October 20, 2024.

In 2023, the province consulted on an earlier version of the Provincial Planning Statement (2023 Draft), which we discussed in a previous update available [here](#). Since then, the province released an updated draft for public consultation on April 12, 2024 (April 2024 Draft). The PPS, 2024 makes minor modifications to the April 2024 Draft.

The PPS, 2024 will fundamentally change how growth planning occurs throughout Ontario by simplifying and re-aligning existing policies to ostensibly achieve the province's goal to build at least 1.5 million homes by 2031. As a policy statement under the *Planning Act*, all decisions that affect a planning matter must be consistent with the PPS, 2024.

### Summary of Key Changes

#### 1. Simplification of Growth Hierarchy and Municipal Growth Forecasting

##### Amendments from Earlier Instruments

The PPS, 2024 introduces several new policies since the 2023 Draft. While municipalities are permitted to continue using forecasts previously issued by the province, municipalities must carry out their own growth forecasts based on 25-year population and employment forecasts published by the Ministry of Finance. The PPS, 2024 also requires municipalities to make sufficient land available to accommodate growth over a time horizon of 20-30 years. The PPS, 2024 mandates that planning authorities must establish and implement minimum intensification and

##### What this Means for You

The PPS, 2024 grants all municipalities, and in particular, municipalities formerly subject to the Growth Plan, significant discretion to plan for growth based on local conditions. Municipalities are now required to forecast their own growth targets, which may be more measured than some of the previous provincially mandated growth targets. The elimination of upper-tier planning responsibility for certain municipalities in the Greater Golden Horseshoe through Bill 185, the *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185), will further concentrate decision-

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redevelopment targets within built up areas. This direction was previously an encouragement and more broadly applied throughout settlement areas. The PPS, 2024, identifies 29 “large and fast-growing municipalities,” which are encouraged to plan for a minimum target of 50 residents and jobs per gross hectares in “designated growth areas,” which includes sites formerly classified as greenfield areas. The PPS, 2024 expands upon the streamlined growth hierarchy approach from the 2023 Draft. The PPS, 2024 eliminates the “Urban Growth Centre” policy framework from the Growth Plan. Instead, the PPS, 2024 focuses on major transit station areas (MTSA), while also encouraging the identification of other Strategic Growth Areas. All planning authorities must delineate MTSA boundaries in official plans and plan for minimum densities as previously set out in the Growth Plan.

## **2. Municipal Comprehensive Reviews and Settlement Area Expansions**

### **Amendments from Earlier Instruments**

The PPS, 2024 continues to uncouple settlement area expansions and employment conversion requests from the Municipal Comprehensive Review process. The PPS, 2024 modifies the factors that a planning authority must consider before identifying a new settlement area or allowing a settlement boundary expansion. In particular, planning authorities must consider the need for additional land, whether there is sufficient infrastructure to service the lands, and whether the settlement area expansion is compatible with agricultural systems.

## **3. Employment Lands and Land Use Compatibility**

### **Amendments from Earlier Instruments**

The PPS, 2024 carries over the policy modifications introduced in the 2023 Draft that permit a planning authority to remove lands from employment areas at any time. The test that a planning authority must satisfy to remove lands

making in lower-tier municipalities. Further, the PPS, 2024 concentrates growth planning around MTSAs, which are now identified as the primary Strategic Growth Area. All municipalities, not just large and fast-growing municipalities, must delineate MTSAs and plan those areas for significant intensification. Municipalities are otherwise given a wide latitude to identify other Strategic Growth Areas, which may nonetheless exist despite a municipality’s failure to identify it an official plan.

### **What this Means for You**

The PPS, 2024 will primarily allow any landowner to request a settlement area expansion at any time. Corresponding amendments made in Bill 185 further allow an applicant (or a specified person or body) of an official plan or zoning by-law amendment that proposes to alter all or part of the boundary of an “area of settlement” to appeal the application(s) to the Ontario Land Tribunal.

### **What this Means for You**

The PPS, 2024 represents an effort by the province to limit employment areas to areas designated for specified industrial uses, making additional lands available for mixed use redevelopment without being considered an

from employment areas remains the same. The PPS, 2024 also encourages the intensification of employment uses and compatible mixed-use development to support the achievement of complete communities. As introduced in 2023 together with Bill 97, the *Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97), a new definition of employment area has been introduced, limited to areas designated for traditional industrial uses, such as manufacturing and warehousing. Bill 97 has received Royal Assent and will come into force on October 20, 2024, at the same time as the PPS, 2024. The PPS, 2024 proposes to enhance land use compatibility by requiring development within 300 metres of employment areas to avoid or minimize potential impacts to the long-term economic viability of employment uses therein. The PPS, 2024, carries over changes to land use compatibility policies described in the 2023 Draft.

#### 4. Rural and Agricultural Policies

##### Amendments from Earlier Instruments

The PPS, 2024 adds new policies to the 2023 Draft that identify rural settlement areas as a focus of growth and development. However, the PPS, 2024 also reverts some of the more permissive 2023 Draft policies that would have permitted new lot creation in prime agricultural areas. The PPS, 2024 also introduces new permissions for up to two additional residential units in prime agricultural areas, provided that a residential dwelling is permitted on the lot.

#### 5. Natural Heritage and Watershed Planning

##### Amendments from Earlier Instruments

The 2023 Draft did not propose any policies on natural heritage. The PPS, 2024 carries forward existing natural heritage policies found in the PPS, 2020. The PPS, 2024 also provides planning authorities with greater discretion to plan watersheds. All municipalities are encouraged to

employment land conversion. The province is also seeking to protect core employment uses through enhanced land use compatibility policies. A landowner must demonstrate compliance with provincial guidelines, which notably, includes provincial guidelines for noise. These changes complement recent changes from Bill 185 that provide holders of specified environmental approvals third-party appeal rights of *Planning Act* applications concerning land-use compatibility issues.

##### What this Means for You

The PPS, 2024 largely carries forward existing protections for prime agricultural areas found in the PPS, 2020, while strongly emphasizing the development of appropriate rural sites.

##### What this Means for You

The PPS, 2024 gives effect to the province's intentions in Bill 23, the *More Homes, Built Faster Act, 2022* (Bill 23) to shift responsibility over natural heritage from conservation authorities to municipalities. The PPS, 2024 also further implements the province's approach from Bill 185

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undertake watershed planning to inform water, wastewater, and stormwater management planning. Large and fast-growing municipalities, however, must undertake this planning. The PPS, 2024, also stipulates that if an upper-tier municipality retains planning responsibilities, then the upper-tier municipality shall be responsible for undertaking watershed planning in partnership with lower-tier municipalities. New policies also mandate planning authorities to consider opportunities to allocate and re-allocate unused system capacity of municipal water and wastewater services.

## 6. Implementation and Interpretation

### Amendments from Earlier Instruments

The PPS, 2024 largely carries over the changes to the implementation and interpretation policies from the 2023 Draft. Additional policies now require planning authorities to collaborate with publicly assisted post-secondary institutions to develop and facilitate early planning for student housing.

to fully use allocated servicing capacity. As we [previously reported](#), Bill 185 introduced a “use it or lose it” regime that allows municipalities to adopt policies by by-law to provide for the allocation of water supply and sewage capacity. There is a potential for more aggressive provisions to be adopted under this framework.

### What this Means for You

The PPS, 2024 urges planning authorities to collaborate with publicly assisted post-secondary institutions to deliver student housing. This policy intention is consistent with other recent amendments in Bill 185 to broadly exempt undertakings of publicly assisted post-secondary institutions from the *Planning Act* and parts of the *City of Toronto Act, 2006*.

## Next Steps

The PPS, 2024 is published and not open to further public comment. The PPS, 2024 will come into force on October 20, 2024, at which point, the province will repeal the PPS, 2020, the Growth Plan, and associated regulations.

Upon the PPS, 2024 coming into force, all decisions relating to planning must be consistent with the PPS, 2024. This direction applies to any planning decision that is currently outstanding, including Tribunal hearings that have concluded but for which a decision remains outstanding. These decision-makers will have to ensure that all such decisions are consistent with the PPS, 2024, which could result in further delays to those decisions.

The Minister of Municipal Affairs and Housing is seeking additional public input as to whether there are specific planning matters in process that should be addressed through a transition regulation. Consultation is open until **October 4, 2024**.

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We encourage interested persons to submit comments to ERO Posting 019-9065, which is available [here](#).

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