

Our Plan Toronto: Recommendations on Seventy Employment Area Conversion Requests and Chapter 7 Site and Area Specific Policy Review - Final Report

Date: June 16, 2023

To: Planning and Housing Committee

From: Chief Planner and Executive Director, City Planning

Wards: All

SUMMARY

This report is the third in a series of Final Reports that provide staff recommendations on Employment Area conversion requests as part of the Municipal Comprehensive Review (MCR) of the Official Plan.

In 2022, Toronto's *Employment Areas* are home to over 21,600 establishments employing over 390,000 people (27% of all jobs in the city). Businesses within our *Employment Areas* create about 27% of the City's estimated 2021 GDP of \$195.7 billion and contribute about 12% of all property taxes paid in the City (municipal and education taxes). This report also highlights the social and economic role that *Employment Areas* play in the health and growth of the city, given the role that they play in supporting Toronto's diverse economic base and providing jobs with living wages for Toronto's diverse labour pool.

Council authorized the commencement of the Municipal Comprehensive Review (MCR) and Growth Plan Conformity Exercise known as "Our Plan Toronto", on August 4, 2020. As part of the MCR, the City Planning received approximately 150 requests to convert lands designated *Core Employment Areas* or *General Employment Areas* in the Official Plan for non-employment uses, including some of which were City-initiated.

This third report provides a fulsome overview of the planning context for *Employment Area* policies, recent decisions impacting *Employment Areas* and provides final recommendations on 70 conversion requests. The MCR and recommended Official Plan amendments are considered under Section 26 of the *Planning Act*, where the Minister of Municipal Affairs and Housing is the approval authority. The Minister's decisions are not subject to appeal to the Ontario Land Tribunal unless the Minister refers all or part of the amendments to the Tribunal. The Minister has been reviewing OPA 591 since August 9, 2022 and suspended the 120-day time period to make a decision on the Council adopted 30+ conversion requests. To date, the City has yet to receive a decision on OPA 591.

On June 16, 2023, Council considered final recommendations on 45 conversion requests, including six which were recommended for conversion. To implement the recommended conversions, Council adopted OPA 644 which staff will forward to the Ministry of Municipal Affairs and Housing for approval.

This Final Report recommends Council retain most of the lands subject to these 70 conversion requests listed in Attachment 2 of this report as either *Core Employment Areas* or *General Employment Areas*. Staff recommended *Employment Area* conversions in this report are implemented through draft Official Plan Amendment 653 listed as Attachment 1 to this report.

This report is to be considered at a Special Public Meeting under Section 26 of the *Planning Act* regarding the City's phased Official Plan and Municipal Comprehensive Reviews.

RECOMMENDATIONS

The Chief Planner and Executive Director, City Planning recommends that:

1. City Council adopt Official Plan Amendment 653 substantially in accordance with Attachment 1 to this report.
2. City Council authorize the Chief Planner and Executive Director, City Planning to seek approval of the Minister of Municipal Affairs and Housing of Official Plan Amendment 653 under Section 26 of the *Planning Act*.
3. City Council authorize the City Solicitor to make such stylistic and technical changes to the recommended Official Plan Amendment 653 as may be required.
4. City Council declare by resolution to the Minister of Municipal Affairs and Housing that Official Plan Amendment 653 conforms with Provincial Plans or does not conflict with them; has regard to the matters of Provincial Interest in Section 2 of the *Planning Act*; and is consistent with policy statements issued under subsection 3(1) of the *Planning Act*.
5. City Council request that the Minister of Municipal Affairs and Housing review OPA 653 under the current in effect Provincial Policy Statement 2020 and Growth Plan for the Greater Golden Horseshoe 2020.
6. City Council declare that the Municipal Comprehensive Review (MCR) is concluded, except as it pertains to the following parcels of land:
 - Conversion Request 041 for 21 Don Roadway, 30 Booth Avenue, and 375 & 385 Eastern Avenue (East Harbour lands);
 - Conversion Request 114 for 301 Rockcliffe Boulevard; and
 - Conversion Request 070 for 825 Don Mills Road.

7. City Council instruct the City Solicitor to request that the Ontario Land Tribunal (OLT) modify Official Plan Amendment No. 231 by removing Site and Area Specific Policy numbers 154, 247 and 313, which are currently not in force, as they apply to all of the lands subject to the Site and Area Specific Policies except for those lands subject to Site-Specific Appeals No. 67 and No. 121 of Official Plan Amendment No. 231 and known as 388 Carlaw Avenue and 10 Dickens Street, and 393 Sorauren Avenue and 1947 Dundas Street West and take any further actions necessary to avoid inconsistent decisions by the Minister with respect to OPA 653 and the OLT with respect to outstanding appeals of OPA 231, where appropriate.

8. City Council request that the decision of the Minister of Municipal Affairs and Housing on the portion of Official Plan Amendment No. 653 pertaining to the sections G), H), and I) – for In Force Chapter 7 SASP No.154, Site and Area Specific Policy Review, be withheld until the OLT has modified Official Plan Amendment No. 231 by removing SASP numbers 154, 247 and 313, as they apply to all of the lands subject to the Site and Area Specific Policies except for those lands subject to Site-Specific Appeals No. 67 and No. 121 of Official Plan Amendment No. 231 and identified above in 7.

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations included in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

EQUITY IMPACT STATEMENT

At the outset of the Our Plan Toronto process, staff undertook broad-based and comprehensive efforts to engage with Torontonians and stakeholders representing equity deserving groups across the city. Post-pandemic recovery and rebuilding efforts must acknowledge that lived experiences vary amongst Torontonians.

Through the MCR, the City is required to demonstrate conformity with provincially determined growth forecasts of at least 700,000 new residents and 450,000 jobs by 2051. Applying an equity lens means identifying and removing barriers for the City's most marginalized and vulnerable communities as the city grows. Staff have carefully considered how the city will grow in the next thirty years and not solely by how much.

Employment Areas play an important role in accommodating a range of businesses including those that offer attainable employment opportunities for people of various education levels and skill sets. Jobs in distribution and in manufacturing and other goods-producing sectors are commonly identified as low-barrier employment opportunities for recent immigrants and other individuals that tend to face challenges related to having their professional certifications recognized along with those individuals where English is not their first language.

Staff have continued engagement on the draft Indigenous planning perspectives and the 2051 Vision Statement, which describes that the Official Plan should:

- seek to eliminate disparities in Toronto by challenging orthodoxies and systemic impacts of land use planning;
- prioritize climate change action and sustainability towards net zero by 2040; and
- be the road map for Toronto to become the most inclusive city in the world.

The principles for a successful and inclusive city are: Access, Equity, and Inclusion. The revisions to Official Plan Chapter 1 Vision Statement for 2051, Principles for a Successful and Inclusive City and Indigenous Planning Perspectives are targeted to be reported to Planning and Housing Committee meeting third quarter of 2023.

Staff continue to apply an equity lens while reviewing each conversion request. The recommended *Employment Area* conversions in Attachment 1 to this report have undergone careful consideration by City Planning and Economic Development and Culture staff. In addition to applying the applicable provincial and city policies to the proposed employment conversions, staff and participating proponents have discussed how changes to the land use permissions can help advance City building objectives related to job creation, access to public transit, and inclusion of affordable housing in future developments.

Staff's analysis of each conversion request has considered the impacts that staff's recommendations may have on the climate. In particular, facilitating the movement of goods into and out of employment areas across the city is an important consideration when retaining employment areas for their economic function and having goods and services close to the market and end users. Staff have also considered access to transit and active modes of transportation when recommending conversions contained in this report.

DECISION HISTORY

A summary of the Council and Committee decisions with respect to the Our Plan Toronto MCR process can be found in Attachment 3 and was also provided in the report Our Plan Toronto: Recommendations on Sixty Employment Area Conversion Requests, and Chapter 7 Site and Area Specific Policy Review - Final Report, dated May 17, 2023.

ISSUE BACKGROUND

Planning Context

The context for planning for employment uses in the City is laid out in the *Planning Act*, the Provincial Policy Statement (2020) ("PPS 2020"), A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019) as amended in 2020 ("Growth Plan 2020"), the Official Plan, and any directions that may be set by the Ontario Land Tribunal.

Planning Act

The *Planning Act* is provincial legislation that sets out the authorities for land use planning in Ontario, which lists as its first element within its statement of purpose, to promote sustainable economic development. Council, in carrying out its responsibilities under the *Planning Act* shall have regard to, among other matters, matters of provincial interest. Matters of provincial interest include the adequate provision of employment opportunities, the protection of the financial and economic well-being of the province and its municipalities, and the appropriate location of growth and development.

The *Planning Act* defines "area of employment" as, an area of land designated in an official plan for clusters of business and economic uses including, without limitation: manufacturing uses; warehousing uses; office uses; retail uses that are associated with those uses; and facilities that are ancillary to those uses. A similar definition is provided in the PPS 2020 and the Growth Plan 2020.

The *Planning Act* sets out other requirements such as the timing and process of official plan updates; direction on relevant population and employment growth forecasts; and, requirements around the removal of land from areas of employment (i.e., an employment conversion). The *Planning Act* allows a municipality three years to update its zoning by-laws after amendments to the official plan are made.

Pursuant to Section 26 of the *Planning Act*, the City must review and revise its official plan no less than every five years. The Minister of Municipal Affairs and Housing is the approval authority for the conformity exercise and MCR. There is no right of appeal of the Minister's decision to the Tribunal. Recent amendments to *the Planning Act* through Bill 109, *More Homes for Everyone Act, 2022*, allow the Minister to refer official plan amendments or a part of an amendment for which the Minister is the approval authority to the Ontario Land Tribunal for either a recommendation back to the Minister or to the OLT to make a decision.

Provincial Policy Statement 2020

The updated PPS 2020 came into effect May 1, 2020. The PPS 2020 provides province-wide policy direction on land use planning and development to promote strong communities, a strong economy, and a clean and healthy environment. The PPS 2020 includes policies on key issues that affect communities, such as:

- protecting and preserving *Employment Areas* for current and future uses and ensure that the necessary infrastructure is provided to support current and projected needs;
- the efficient use and management of land and infrastructure;
- ensuring opportunities for job creation; and,
- ensuring the appropriate transportation, water, sewer and other infrastructure is available to accommodate current and future needs.

The PPS 2020 recognizes and acknowledges a municipality's official plan as an important document for implementing the policies within the PPS. Policy 4.6 of the PPS states that, "The official plan is the most important vehicle for implementation of this Provincial Policy Statement. Comprehensive, integrated and long-term planning is best achieved through official plans."

Related to the protection of economic uses and to facilitate conditions for economic investment, the PPS 2020 includes the following policies relevant to Our Plan Toronto and to the City's economic health and *Employment Area* policies:

- Land use compatibility has been strengthened by stating that major facilities and sensitive lands uses shall be planned and developed to avoid potential adverse effects, minimize risk to public health and safety, and ensure the long-term operational and economic viability of major facilities (Policy 1.2.6.1).
- Conditions (Policy 1.2.6.2) that must be satisfied where avoidance is not possible in accordance with Policy 1.2.6.1.
- To provide clarity, residential uses are explicitly prohibited within *Employment Areas* planned for industrial and manufacturing uses, and other sensitive land uses permissions are limited. As well, it states that *Employment Areas* planned for industrial, or manufacturing uses should include appropriate transitions to adjacent non-*Employment Areas* (Policy 1.3.2.3).
- Allows for the conversion of *Employment Areas* that are not provincially significant until the official plan review or update subject to an identified need; the effect on the *Employment Area*; and the availability of hard and soft infrastructure (Policy 1.3.2.5).
- The definition of major facilities has been updated to include manufacturing uses.

Places to Grow: Growth Plan for the Greater Golden Horseshoe 2020

The Growth Plan 2020 came into effect on August 28, 2020. The Growth Plan 2020 provides a strategic framework for managing growth and environmental protection in the Greater Golden Horseshoe (GGH) region, of which the City is an integral part. Section 26 of the *Planning Act* and Section 12 of the *Places to Grow Act, 2005*, require all GGH municipalities to implement the policies of the Growth Plan through an MCR.

The Growth Plan 2020 builds on the policy foundation of the PPS 2020 and provides more specific land use planning policies to address issues facing the GGH region. The policies of the Growth Plan take precedence over the policies of the PPS 2020 to the extent of any conflict, except where the relevant legislation provides otherwise. In accordance with Section 3 of the *Planning Act*, all Council decisions that affects a planning matter shall conform with the Growth Plan 2020.

The Growth Plan 2020 requires municipalities to undertake integrated planning to manage forecasted growth to the 2051 planning horizon. With respect to economic health and *Employment Areas*, the Growth Plan's 2020 policies require the City to:

- Plan for and manage population and employment growth to 2051 as provided in the Growth Plan Schedule 3 forecasts or higher as established by the City (Policy 2.2.1.1);
- Assess the quantity of land required to accommodate forecasted population and employment growth using the methodology established by the Minister (Policy 2.2.1.5);
- Promote economic development and competitiveness by connecting areas with high employment densities to transit and ensuring sufficient supply, in appropriate locations for a variety of employment (Policy 2.2.5.1 a) and b));

- Direct retail and office uses, including major office, to locations that support active transportation or have transit, including urban growth centres, major transit stations areas, or other strategic growth areas and support the retail sector through compact built form, intensification and land uses to support complete communities (Policies 2.2.5.2, 2.2.5.3 and 2.2.5.15);
- Designate and preserve lands located adjacent or near to major goods movement facilities and corridors and major transportation infrastructure for manufacturing, warehousing and logistics, and appropriate associated uses and ancillary facilities (Policy 2.2.5.5);
- Designate all *Employment Areas* in official plans and protect them for appropriate employment uses over the long-term (Policy 2.2.5.6);
- Prohibit residential land uses in *Employment Areas* and prohibit or limit other sensitive land uses in *Employment Areas* (Policy 2.2.5.7 a);
- Establish size or scale thresholds for major retail uses and only permit new or expanded opportunities for major retail in an *Employment Area* in accordance with the conversion policies of the Growth Plan (Policy 2.2.5.7 b) and 2.2.5.11);
- Address compatibility issues in and between *Employment Areas* and non-*Employment Areas* (Policies 2.2.5.7 c) and 2.2.5.8);
- Permit the conversion of *Employment Areas* to non-employment uses only through a municipal comprehensive review and where it is demonstrated that: there is a need for the conversion; the lands are not required for the employment purposes for which they are designated; the municipality will maintain sufficient employment lands to accommodate forecasted employment growth; the conversion will not adversely affect the overall viability of the *Employment Area*; and, there are existing or planned infrastructure and public service facilities to accommodate the proposed uses (Policy 2.2.5.9);
- Until the next MCR and policy circumstances, permit the conversion of *Employment Areas* using alternative assessment criteria (Policy 2.2.5.10);
- Establish minimum density targets for all *Employment Areas* (Policy 2.2.5.13);
- Develop criteria to ensure that the redevelopment of any employment lands will retain space for a similar number of jobs to remain accommodated on site (Policy 2.2.5.13); and,
- Support office parks, including direction for transit connectivity, amenities, intensification, and limiting non-employment uses (Policy 2.2.5.16).

Official Plan Amendment (OPA) 231

In December 2013, Council adopted OPA 231 regarding *Employment Areas* as part of the City's first MCR to bring its Official Plan into conformity with the policies of the Growth Plan 2006. OPA 231 implements the definitions for *Employment Areas* found within the *Planning Act* and the Growth Plan 2006. As approved by the Tribunal through OPA 231, Official Plan Policy 2.2.4.1 states in part that: "*Employment Areas* are areas designated in this Plan for clusters of business and economic activities including, but not limited to, manufacturing, warehousing, offices, and associated retail and ancillary facilities." Policy 2.2.4.2 also affirms that "*Employment Areas* will be used exclusively for business and economic activities."

The non-policy text in Section 4.6 of the Official Plan, further elaborates that, "*Employment Areas* are places of business and economic activities vital to Toronto's

economy and future economic prospects. Both *Core Employment Areas* and *General Employment Areas* are important and comprise the City's "*Employment Areas*" as defined under the Provincial Planning framework."

The Minister of Municipal Affairs and Housing approved OPA 231, with minor modifications in July 2014. 178 appeals to OPA 231 were made to the Tribunal.

The OPA 231 hearing was phased, with site specific appeals to be dealt with following consideration by the OLT of City-wide matters. Table 1 outlines the various phases and the general outcome of each appealed phase. Ontario Regulation 305/19 transitions OPA 231 under the Growth Plan 2006, requiring that appeals of OPA 231 be continued and disposed of in accordance with the 2006 Growth Plan as it read on June 16, 2006.

The Tribunal approved significant portions of OPA 231, including several Council-adopted site-specific settlements. OPA 231 resulted in considerable policy changes to the Official Plan, some of which came into full force in late 2019 due to the appeals. The Tribunal has not yet considered appeals to office replacement policies and over 70 site and area specific appeals, including those related to Site and Area Specific Policy 154. The remaining site-specific appellants have collectively requested over 300 hearing days for the Tribunal to consider their appeals.

Table 1: OPA 231 Hearing Phases

Phase	OPA 231 Matter	Order Date	Phase Description
1A	<i>Land use designations</i>	December 20, 2016	<ul style="list-style-type: none"> Brought into effect the <i>Core Employment Areas</i> and <i>General Employment Areas</i> land use designations and policy language with the exception of lands subject to a site-specific appeal
1B	Compatibility and Mitigation	July 10, 2018	<ul style="list-style-type: none"> Brought into effect Compatibility/Mitigation policies for development and use of lands outside of <i>Employment Areas</i>
1C	Sensitive Land Uses within <i>Employment Areas</i>	August 16, 2018	<ul style="list-style-type: none"> Brought into effect permitted land uses in <i>Core Employment Areas</i> and <i>General Employment Areas</i>
2	Office Replacement	2018 and 2019	<ul style="list-style-type: none"> Mediation has taken place and is currently on hold
3	Conversion and Forecasting	May 8, 2020	<ul style="list-style-type: none"> Brought into effect <i>the Employment Areas</i> conversion and removal policies, as well as the forecasting of employment in the City

Phase	OPA 231 Matter	Order Date	Phase Description
4	Retail in <i>Employment Areas</i>	April 26, 2021	<ul style="list-style-type: none"> Brought into effect policies related to retail in <i>Employment Areas</i>
5	Cultural policies	April 26, 2021	<ul style="list-style-type: none"> Brought into effect policies related to cultural uses
6	Phasing of site-specific appeals	April 8, 2021	<ul style="list-style-type: none"> Established a phased approach to hear outstanding site-specific appeals <ul style="list-style-type: none"> 6A – 8 Oak Street (complete) 6B – Northeast Scarborough (complete) 6C - Southwest Etobicoke (complete) Hearing phases: <ul style="list-style-type: none"> 6D - Liberty Village (10-day hearing to be held January 2024) 6E - <i>Core Employment Area</i> to <i>General Employment Area</i> (10-day hearing to be held October/November 2023) 6F - complete 6G - Site-specific appeals (not geographically clustered)

Official Plan and OPA 591

At its meeting on July 19 -22, 2022, Council adopted OPA 591, as part of a phased MCR and Growth Plan Conformity Exercise. While still with the Minister for review and approval, OPA 591 amends:

- Official Plan Economic Health and *Employment Area* policies;
- Site or Area Specific Policies resulting from local area studies (Update Downsview, Keele St. Clair Local Area Study, Geary Works, and
- Certain land use designation changes resulting from the review of Official Plan Amendment applications and conversion requests.

PPS 2020 Policy 1.3.2.3 prohibits residential uses within *Employment Areas* planned for industrial and manufacturing uses, and Growth Plan 2020 Policy 2.2.5.7 a) directs municipalities to prohibit residential uses in *Employment Areas*. While residential uses are not listed as a permitted use in *Employment Areas* in the Official Plan, for land use certainty and conformity purposes an explicit policy prohibiting residential uses was recommended and adopted as per of OPA 591. New Policy 4.6.7 states that “Residential uses are prohibited on lands designated *Core Employment Areas* and *General Employment Areas*.”

OPA 644

At its meeting on June 14 -16, 2023, Council adopted OPA 644, as part of a phased MCR and Growth Plan Conformity Exercise. In considering OPA 644, Council had before it Final Assessments for 45 conversion requests. Council adopted staff recommendations to retain 39 of the 45 conversion requests, and consideration of one conversion request was deferred until the July 5, 2023, meeting of the Planning and Housing Committee. While still needing Ministerial review and approval, OPA 644 provides for the implementation of five conversion requests that were recommended by staff, and adopted by Council:

- 2 requests: Conversion to *Regeneration Areas* with a SASP
- 3 requests: Conversion from *Core Employment Areas* to *General Employment Areas* without a SASP

Zoning Conformity for Official Plan *Employment Areas* and Consideration of Additional Uses

The *Planning Act* requires municipalities to amend all zoning by-laws to conform with the Official Plan. Given that the majority of OPA 231 is now in full force and effect, the City is required to amend the City-wide Zoning By-law 569-2013 to bring it into conformity with OPA 231.

The zoning conformity exercise provides the opportunity to bring lands zoned for employment uses in former general municipal zoning by-laws into the City-wide Zoning By-law in conformity with OPA 231. To bring the City's zoning by-laws into conformity with OPA 231, staff are reviewing zoning permissions for sensitive uses for lands designated *Core Employment Areas* and *General Employment Areas* and amend the permitted uses, and associated conditions.

At its meeting of November 9, 2021, City Council directed City Planning to report back to the Planning and Housing Committee on the recommendations of the Zoning Conformity for the OP *Employment Areas* – Phase 1 review (removal of permissions for sensitive uses) at the same time as the final recommendations on Phase 2. Phase 1 and Phase 2 are now being reviewed concurrently.

Through [PH35.15](#) and [PH27.2](#), Council directed staff to consider further permissions for sports facilities, places of assembly (including bingo halls and banquet halls) and places of worship in *Core Employment Areas* and *General Employment Areas* (site or area specific only) and report back to Committee and Council in the second quarter of 2023.

Staff has commenced work on addressing the direction from Council to consider expanding the permitted uses in *Employment Areas* to include sport facilities, places of assembly, and places of worship. A report back on this matter to the Planning and Housing Committee is anticipated in Fall 2023.

Land Needs Assessment (Updated)

The Land Needs Assessment (LNA) is a City-led study intended to determine the land required to accommodate the forecasted population growth to meet the 2051 Provincial

employment forecasts, as well as provide a range and mix of housing that can accommodate households of different sizes and incomes in locations that provide transportation options and access to jobs and other amenities.

The LNA study is also intended to determine the need for *Employment Area* land based on the number of jobs to be accommodated and the projected densities of those *Employment Areas*. The work undertaken through the LNA is essential to inform the various components of the City's intensification strategy and to identify the amount of *Employment Areas* required to achieve the objectives of the City's employment lands strategy and those of the PPS 2020.

The purpose of the updated Land Needs Assessment report is to complete the Growth Plan 2020 conformity exercise and demonstrate that there is more than adequate potential to accommodate growth anticipated by the forecasts and projections of the Province. The potential growth represented by the LNA will contribute to the continuing evolution of the City's urban structure. Through the implementation of updated Official Plan policies and the Housing Action Plan, the City is advancing a range of policy directions that balances projected population, household and employment growth against quality-of-life objectives including equity, climate adaption, inclusive economic growth, infrastructure provision, and an efficient use of land.

Some key finding of the updated Land Needs Assessment related to *Employment Areas* are that:

- there is more than sufficient potential housing in areas designated in the Official Plan for residential development to accommodate Growth Plan population forecasts at 2051;
- the surplus potential housing stock, after accommodating the population growth forecasted by the Growth Plan in 2051, is equivalent to over fifty years of potential housing supply;
- Toronto's total employment is projected to grow from 1,607,800 in 2016 to between 1,938,800 and 2,101,200 jobs in 2051, while jobs in *Employment Areas* are projected to grow from 410,700 to between 456,600 and 498,600; and
- as Toronto is unable to expand its settlement area, it needs to retain and intensify its currently designated *Employment Areas* to accommodate the forecasted employment growth.

The City needs to plan for beneficial outcomes of growth and change, and the LNA Study demonstrates that the City needs to be strategic in its choices to pursue its many priorities. Toronto needs to retain most of its currently designated *Employment Areas* and these lands will need to intensify to accommodate projected growth. Conversions should only occur strategically and include secured employment.

COMMENTS

Proposed Draft Provincial Planning Statement and Bill 97

On April 6, 2023, the Province introduced new policy and legislative changes as part of its ongoing effort to address both housing supply and affordability. The Province introduced two key components: Bill 97 – An Act to amend various statutes with respect to housing and development Amendments and the Proposed Provincial Planning Statement (PPS 2023).

The proposed Provincial Planning Statement is intended to replace the PPS 2020 and Growth Plan 2020 with a new document with which all land use matters must be consistent. The proposed PPS 2023 will eliminate the Growth Plan by reimagining the PPS 2020 and the Growth Plan into one new document that would apply province wide.

A report outlining the City's comments regarding the proposed draft PPS is to be considered by City Council at its meeting of June 14-16, 2023.

Should Council adopt staff's recommendations, City Council will express its concerns to the Minister of Municipal Affairs and Housing on the general policy direction taken in the proposed PPS 2023, including that the consideration of conversion requests of employment areas can occur at any time, given that MCRs will no longer be required.

While the proposed new policy and legislative changes, including the proposed new *Planning Act* definition for "areas of employment" will have implications for *Employment Areas* planning in the future, the policies and legislation are still in draft form, and in the public review period. This report recommends that Council request the Minister review OPA 653 under the policy framework currently in effect.

Employment Areas: Transit, Essential Workers and Social Equity

Toronto's *Employment Areas* have the potential to advance principles of access, equity, and inclusion. In 2019, 57% of the jobs found in the City's *Employment Areas* were in essential industries. Essential jobs are those that provide critical infrastructure and services and include but are not limited to: Wholesale and Retail Trade, Transportation and Warehousing, Healthcare and Social Assistance, Public Administration, Utilities, Construction and Manufacturing. Nearly 60% of people working in *Employment Areas* are in essential industries.

Employment Areas offer employment opportunities for people of various education levels and skill sets. Jobs in distribution and in manufacturing and other goods producing sectors are commonly identified as low-barrier employment opportunities for recent immigrants and other individuals that tend to face challenges related to having their professional certifications recognized along with those individuals where English is not their language.

In 2019, up to 45% of jobs found in the City's employment lands were in industries commonly identified to have low barrier employment. By 2021, a year into the pandemic, that number slightly increased to 46%.

Employment Areas also have an important relationship with neighbourhoods in which equity considerations and improved access to opportunity are key concerns. The City identified 31 neighbourhoods as Neighbourhood Improvement Areas (NIA). An NIA is a program aimed at improving the quality of life in a specific neighbourhood or area.

Out of the 23 *Employment Areas* in the City:

- 3 of them have 40% or more of their Toronto-based workforce residing in NIAs,
- 9 of them have 29% or more,
- 13 have 22% or more,
- 20 have 15% or more,
- while all have 12% or more.

Providing for economic growth in *Employment Areas* supports important equity objectives, as many of the daily work trips to *Employment Areas* originate in Neighbourhood Improvement Areas. This is enhanced by the extensive TTC and GO Transit network that enables employees who do not have access to a car to get to work relatively easily. In 2019, 20% of Toronto residents employed in Areas of Employment used transit. Some *Employment Areas* have a higher reliance on transit for workers than the city-wide average.

The Toronto Poverty Reduction Strategy is a 20-year plan that focuses on housing stability, services access, transit equity, food access, the quality of jobs and incomes, and systemic change. *Employment Areas* support two key recommendations of the Poverty Reduction Strategy: creating employment opportunities for low-income groups with high unemployment rates; and improving the quality of jobs.

Requests to Convert *Employment Areas* - Process, Policies and Requirements

A major component of the MCR is the consideration of conversions and removals of *Employment Areas* for non-employment uses or the broadening of permissions on a site-specific basis. While it is important to retain lands designated *Core Employment Areas* and *General Employment Areas* to accommodate and support economic growth, unique opportunities may arise where important city-building objectives may warrant a conversion to permit a broader mix of uses, including new residential uses, provided Official Plan objectives for change areas are addressed.

Growth Plan 2020 Policy 2.2.5.9 permits the conversion of *Employment Areas* through a MCR and lists the tests that need to be considered before any conversion of lands designated as *Core* or *General Employment Areas*. Official Plan policies clarify that the following proposals are also considered to be conversions:

- A redesignation of land from an *Employment Area* designation to any other designation;
- The introduction of a use that is otherwise not permitted in an *Employment Area*;
- The introduction of a use that may be permitted in a *General Employment Area* into a *Core Employment Area*; and,
- A redesignation of a *Core Employment Area* into a *General Employment Area*.

The Council-approved work plan for the conformity exercise and MCR established August 4, 2020, as the MCR commencement date. Proponents could submit requests to convert lands in one of two ways: a complete application for an Official Plan Amendment; or a written request with supporting material to the City Planning, subject to a \$20,000 user fee established under Chapters 441 and 442 of the Municipal Code. In both cases, proponents were required to include a response to the Growth Plan and Official Plan conversion tests, including the submission of a Compatibility/Mitigation Study that was subject to a peer review.

In addition, some sites were added to the MCR process either through a complete OPA application received during the MCR, or as directed by motions adopted by Planning and Housing Committee. Conversion requests associated and located within local planning studies were also included in the MCR process.

There is strong alignment between the Growth Plan 2020 policy and Toronto's Official Plan Policies 2.2.4.14 to 2.2.4.18, which provide Conversion and Removal Policies for *Employment Areas* in addition to those set out in the Growth Plan 2020. The Official Plan policies are discussed in detail below.

Staff have completed Final Assessments for 60 of the remaining conversion requests, which are provided in Attachment 2 to this report. The Final Assessments include:

- A summary of the request;
- site and locational characteristics,
- details of the area of employment;
- findings from the engagement process;
- findings from the compatibility/mitigation studies and peer review process
- rationale for recommendations; and
- staff's recommendation.

Another 10 remaining conversion requests are addressed in Attachment 4.

Engagement

Upon receipt of each conversion request, staff prepared a Preliminary Assessment for the purpose of consultation with stakeholders and the public. Staff have undertaken engagement including meetings and discussions with the proponent and their representatives, neighbouring businesses, major facility operators, industry, businesses organizations, Torontonians, and other interested stakeholders.

As part of staff's due diligence, the potential impact on surrounding lands and businesses, including the potential to adversely affect the overall viability of an *Employment Area* and the maintenance of a stable operating environment for business and economic activities was considered.

City staff arranged meetings with each requestor and their representatives, including those considered incomplete as well as conversions proposed through Official Plan Amendments. Staff met with most of the requestor groups, with the number and length

of meetings varying for each request, depending on the nature and complexity of the request. In addition, staff communicated with requestors via phone and email.

City councillors were briefed by staff with respect to the conversion request process in the context of the MCR. Where a councillor's ward includes conversion requests, the briefing included details and staff's recommendations for each request. Councillors whose wards are included in the Chapter 7 Site and Area Specific Policy Review, were offered briefings to discuss staff's recommendations.

Prior to the Planning and Housing Committee's statutory public meeting, staff held four public open houses, including the statutory open house, to discuss recommended changes to land use designations and SASPs. The draft OPA was also posted online for public information and feedback in advance of the open houses and statutory public meeting.

Compatibility/Mitigation Studies and Peer Review Process

A Compatibility/Mitigation ("C/M") Study was required to support each conversion request. The purpose of the C/M Study is to assess whether a proposed sensitive land use will affect the overall viability of *Employment Areas* and major facilities. The C/M Study follows the City's Terms of Reference and Official Plan policies and identifies potential mitigation options to address compatibility.

Each C/M Study was peer reviewed by the City. The objective of the peer review was to provide Council with independent, expert, third party assessments of the potential land use compatibility issues as well as proposed mitigation measures for each site that was subject of a conversion request. The scope of the review is to evaluate the completeness of the Study's methodology, findings, recommendations, and use of applicable standards and guidelines.

In most cases, the Peer Review of the C/M Study determined that some required information and assessment was not provided with respect to such things as: complaint history, stationary noise, air traffic noise, traffic noise, air quality, vibration, industrial/commercial operations in the vicinity and justification for the classification of a major facility. In most cases, the Peer Reviewer was not able to confirm that the C/M Studies fulfil the City's Terms of Reference for C/M Study requirements. Also, in most cases, the Peer Reviewer could not confirm that the proposed conversions are compatible within the existing *Employment Area*. Any follow up material submitted in response to the Peer Review was not sent to the Peer Reviewer for further review, but staff considered it as part of their evaluation of the conversion request.

As part of the consideration of compatibility, outreach was done to local industry including those with existing provincial Environmental Compliance Approvals ("ECA") and Environmental Activity and Sector Registrations ("EASR"). This was done to better understand the impact of introducing additional sensitive uses within the *Employment Area*. Industrial operations may be required to implement mitigation measure at the source in order to comply with their various approval certificates. Despite compliance, the introduction of new residential or other sensitive uses nearby could result in new complaints regarding noise, odours and vibration impacts. The burden of additional

mitigation measures, which are often financially onerous, would fall to the existing industrial operation. The introduction of sensitive lands uses within the *Employment Area* has the potential to impact the continued operation and expansion of existing businesses.

Consideration was also given to the D-6 Guidelines, which are applied to industrial facilities in order to prevent or minimize compatibility issues as a result of the introduction of sensitive uses. In the Guidelines, facilities are categorized as Class I, Class II or Class III Industrial Facilities. A potential influence area (the areas within which adverse effects may be experienced) is applied depending on the category: 70 metres, 300 metres, and 1000 metres for Class I, Class II and Class III respectively. Minimum separation distances of 20 metres, 70 metres and 300 metres are also recommended by the guidelines for each of the categories.

Consideration of Conversion Requests

Employment Study

Each conversion request was considered against the broader context of the *Employment Area* it is located in. The City retained Hemson Consulting Ltd., with Cushman & Wakefield, to carry out an employment study and economic analysis of the City's *Employment Areas* and office market ("Employment Study"). The Employment Study, completed in April 2022, included detailed profiles of all 23 of Toronto's *Employment Areas*. The profiles illustrate the geographic context along with statistical summaries of employment and development trends as well as an estimation of commuting patterns for that part of the local workforce who live within Toronto.

The Employment Study included the value of building permits within the *Employment Areas*, as a metric to gauge the level of non-residential investment, and thereby confidence, in the area. On average across the 23 *Employment Areas*, the value of new industrial building permits average over \$48 million annually, renovations average \$39 million annually and structural/other permits average \$26 million annually. Also, new building non-residential gross floor area averages nearly 22,500 square metres annually while addition/renovations of existing non-residential gross floor area averages nearly 10,000 square metres annually.

The Employment Study showed that the City's *Employment Areas* are healthy with considerable investment in new buildings and improvements, and overall low building vacancy rates. They are also a key contributor to the quality of life for Torontonians, reflected by the significant share of jobs held by city residents in these areas.

Addressing Official Plan Conversion and Removal Policies for *Employment Areas*

In staff's review of requests to convert lands within *Employment Areas*, both cumulatively and individually, careful consideration was given to whether or not the proposed conversion requests meet the considerations set out in the Conversion and Removal Policies for *Employment Areas* in Official Plan.

It is critical to ensure that *Employment Areas* provide certainty for businesses and economic activities. The introduction of sensitive land uses into *Employment Areas* can

force industry to alter their operations, particularly when the environmental certificates that industries operate under are affected, or complaints are lodged about adverse effects from industrial operations.

Where conversions are granted, the prospect of potential future conversions can lead to uncertainty and reduced investment in business operations, degrading the viability of the *Employment Area*. This could have a cumulative impact on the overall viability of an *Employment Area* and its planned function. Potential conversions were therefore carefully considered.

There are several attributes of employment lands and their location that can help determine the potential impact that a conversion on those lands would have on the broader *Employment Area* of which they are a part. When determining the affect that a potential conversion would have on the viability of an *Employment Area*, staff considered numerous site characteristics in the context of the larger *Employment Area*, such as:

- are the lands part of a broader contiguous *Employment Area*;
- are the boundaries of the *Employment Area* well-defined;
- are the lands strategically situated within the *Employment Area* in terms of access and visibility;
- are the lands located so that they provide buffering or separation between the employment uses and areas where sensitive uses are permitted (for example, *General Employment Areas* can provide this for *Core Employment Areas*);
- are the lands unique in terms of size or location;
- do the lands contribute to a variety of parcel sizes within the *Employment Area*; and
- are the lands part of a cluster with surrounding business establishments, or do they provide for opportunities for similar or related employment uses to cluster

The Growth Plan 2020 only permits the conversion of employments lands where it has been demonstrated that there is existing or planned public service facilities to accommodate the proposed uses. The Official Plan conversion and removal policies also require consideration of community services and facilities within the area where the conversion is being requested. Convenient access to public service facilities for people of all ages and abilities is an important component of creating complete communities.

For each conversion request for residential uses, staff surveyed the distance between the conversion site and the existing community services in the area. Many of the conversion requests are in areas where the introduction of residential uses would not provide residents with convenient access to local stores, schools, services and public service facilities. In most cases, accessing existing facilities would require walking very long distances, crossing through the *Employment Area*, and crossing major streets or even highways.

Good transit access makes *Employment Areas* more attractive to businesses, by providing transportation options for workers and businesses. Transit accessible *Employment Areas* play a key role in providing Torontonians equitable access to employment opportunities. The timing and certainty of access to higher order transit has been carefully considered in the analysis of each employment land conversion request.

City Council has adopted over 130 delineations for Major Transit Station Areas (MTSAs) and Protected Major Transit Station Areas (PMTSAs). The delineations been submitted to the Minister of Municipal Affairs and Housing for approval, as the approval authority. To date, no decision has been received. The Growth Plan minimum density targets for PMTSA/MTSAs are targets for jobs as well as residents. Where the conversion requests in Attachment 2 of this report are in PMTSA/MTSAs, the existing and permitted development within the PMTSA/MTSAs meets or exceeds the minimum population and employment target as set out in the Growth Plan.

The Growth Plan 2020 requires municipalities to preserve lands adjacent to or near major goods movement facilities and corridors, including major highway interchanges, as areas for manufacturing, warehousing and logistics. The Official Plan builds on this requirement by requiring *Employment Areas* in the vicinity of existing major transportation infrastructure such as highway interchanges, ports, rail yards and airports to be preserved for employment uses that could rely on major transportation infrastructure for the movement of goods. Access for businesses to key transportation infrastructure and how quickly goods can be moved, has an impact on the efficiency and success of the many businesses that rely on goods movement.

The importance of preserving employment lands near major goods movement facilities and corridors is growing. The Transportation & Warehousing industry alone has grown considerably in recent years, partly owing to the growth of e-commerce. To overcome increasingly dense Toronto neighbourhoods, industry trends suggest that growth will continue in "last-mile" compact distribution facilities. As part of OPA 591, Council adopted a new policy to further reinforce the importance of centrally situated sites with access to highways and major roads (see Policy 3.5.3.7a)).

Conversion requests are therefore assessed on strategically preserving lands near a major goods movement facilities and corridors, as well as their impact on the capacity and functioning of the transportation network and the movement of goods for existing and future employment uses.

The data provided by the Employment Study illustrates how healthy and successful Toronto's *Employment Areas* are, and how wide-ranging the uses located within them are. In reviewing conversion requests, staff considered what uses would be replaced, how this would affect nearby businesses and the larger *Employment Area*. For example, consideration was given to whether the conversion request would remove land from an *Employment Area* with low vacancy rates where finding space for existing and new businesses may be an issue. Consideration was also given to what effect a conversion request would have on providing certainty for existing operations that want to expand, or new businesses looking to locate.

In reviewing the conversion requests, staff have consulted with other jurisdictions, such as the City of Mississauga, and the Greater Toronto Airport Authority (GTAA), where cross-jurisdictional matters need to be considered. Relevant information on these issues is included in the affected final assessments.

Summary of Recommended *Employment Area* Conversions

Of the 70 conversion requests being considered in this report: 60 are included in the Final Assessments (see Attachment 2), and 10 are incomplete (see Attachment 4) and are not included in the Final Assessments. Twenty-three of the conversion requests are recommended to be converted as outlined below, and the remainder are recommended to be retained as *Core Employment Areas* or *General Employment Areas*. Staff are recommending the conversion of 23 requests as follows:

- Three requests - retaining the lands as the current land use of *Core Employment Areas*, with additional use permissions;
- Three requests - conversion of the lands from *Core Employment Areas* to *General Employment Areas*;
- One request - conversion of the lands from *General Employment Areas* to *Institutional Areas*;
- Eleven requests - conversion of the lands from *Core Employment Areas* and *General Employment Areas* to *Regeneration Areas*;
- Five requests - conversion of the lands from *Core Employment Areas* and *General Employment Areas* to *Mixed Use Areas*.

OPA 653 (Attachment 1) provides for the implementation of the conversions being recommended by staff as part of this report. It is City Planning staff's opinion that the recommended OPA 653 is consistent with the PPS 2020 and conforms to the Growth Plan 2020 and its requirements related to the economy, economic growth, and *Employment Areas*.

In addition to required mapping changes, for all except one of the conversion requests contained in OPA 653 staff recommend that a SASP be adopted in conjunction with the land use redesignation. SASPs, included in Official Plan Chapters 6 (Secondary Plans) or 7 (Site and Area Specific Policies), apply to sites and areas that require a further layer of local policy direction that generally reflects unique local conditions. The inclusion of these SASP policies reflects an understanding of the changing local contexts that support the conversion, while adhering to Provincial planning policies. Each SASP is distinctly individual, reflecting locational characteristics, site attributes, and planning and development contexts. The resulting SASP reflects consideration of such matters as Official Plan policy, the site size, location, on-site and surrounding land uses, existing and planned transportation and transit investment, and approach to implementation.

Core Employment Areas to General Employment Areas

Official Plan Policy 2.2.4.14 states that the introduction of a use or the redesignation of a *Core Employment Area* into a *General Employment Area* is a conversion and removal of land from an *Employment Area* and may only be permitted by way of an MCR.

OPA 653 includes recommendations that three conversion requests be redesignated from *Core Employment Areas* to *General Employment Areas*:

- CR035 – 1655 Dupont Street

- CR111 – 60 Paton Road
- CR098B – 44 to 56 Colville Road

These redesignations would retain the lands exclusively for business and economic activities while recognizing existing uses and providing for a broader range of uses. This retention provides land use certainty that supports continued investment into nearby lands. In the case of one site, a SASP was added to ensure that the newly permitted use is appropriate in terms of size and location. Attachment 2 to this report includes the Final Assessments for these sites.

Employment Areas to Institutional Areas

Institutional Areas is a land use designation made up of major education, health and governmental uses with ancillary uses, which includes a full range of housing associated with a health institution. OPA 653 includes one recommended conversion request to be redesignated from *General Employment Areas* to *Institutional Areas* with a SASP that would permit seniors accommodation, and residential uses on a limited portion of the lands to support existing community and institutional uses.

- CR078 - 920 and 930 Progress Avenue

Employment Areas to Mixed Use Areas

Mixed Use Areas is a land use designation that includes a broad range of commercial, residential and institutional uses. Development in *Mixed Use Areas* will include, among other things:

- a balance of permitted uses to help reduce automobile dependency and to meet the needs of the local community;
- the provision of new jobs and homes to create and sustain well-paid, stable, safe and fulfilling employment opportunities; and
- access to schools, parks, community centres, libraries and childcare.

OPA 653 includes five recommended conversion requests to be redesignated from *Core Employment Areas* and *General Employment Areas* to *Mixed Use Areas* with a SASP that prescribes additional requirements, such as the provision of affordable housing:

- CR009 – 20 Brentcliffe Road
- CR025 – 1001 Ellesmere Road
- CR038 – 600 Queen Street East
- CR074 – 555 Rexdale Boulevard (portion of)
- CR077 – 171 East Liberty Street and 37 Hanna Avenue (western portion)

Employment Areas to Regeneration Areas

Regeneration Areas is a land use designation for growth that is intended to accommodate an increase in both jobs and population. This designation is generally applied to sites that were not planned for residential uses, and the Official Plan policies

require that a Secondary Plan be approved to set the framework for growth on the lands prior to development proceeding. The Official Plan prescribes the strategies, studies, and policies necessary as part of the framework, including those related to servicing infrastructure, urban design, parks, community services and transportation. To maintain the economic function of the lands being converted, each *Regeneration Area* study must also require a net gain of employment or employment gross floor area.

The technical analyses prepared as part of the secondary plan planning process would identify gaps in both hard and soft infrastructure to accommodate anticipated and increased employment and population needs. This future study process enables the City to identify and secure the necessary components to achieve complete communities, including the provision and prioritization of affordable housing. The goals of achieving complete communities are to provide convenient access to most daily necessities, including jobs, stores, services, housing, active transportation and others.

The use of *Regeneration Areas* as an interim designation allows for a comprehensive approach to planning for these large areas, such as the provision of consolidated park land, instead of piecemeal planning on a site-by-site application basis. It also provides more robust opportunities for discussions with all stakeholders, including public consultation and the identification of community priorities.

It is staff's opinion that re-designating *Employment Areas* directly to *Mixed Use Areas* limits staff and Council's ability to fully consider the necessary components of complete communities, with the necessary infrastructure to service increased residential population. A *Mixed Use Area* designation would not enable staff the ability to broadly consult and undertake a scoped study before introducing residential uses on lands that did not previously have these permissions and may result in unintended consequences such as resident populations with little or insufficient nearby services

There are many positive precedents across the city where *Regeneration Areas* have been successfully applied. Recent examples include the former Celestica, Christie's, and Downsview lands. Both the Celestica and Christie's lands had OPAs adopted following the conclusion of the Regeneration Studies which enabled the development of area specific policies for the geographies. Downsview is currently subject to the Regeneration Study which is ongoing. OPA 591 adopted as part of the first group of 30+ conversion requests reported to Council last year, included the use of *Regeneration Areas* in support of many sites that were recommended for conversion by staff. Upon approval of OPA 581 City staff will be in a position to advance the Regeneration Study.

Staff will continue to recommend the use of *Regeneration Areas* as an interim designation for sites and areas being converted for residential uses where a coordinated and consolidated approach is required to ensure that future residents benefit from a complete community. Given that Section 37 density bonusing has been replaced by the Community Benefits Charge (CBC) which is capped at 4% by the Provincial legislation, Regeneration Studies should also consider financial strategies for how the identified community priorities will be implemented.

OPA 653 includes 11 recommended conversion requests to be redesignated from *Core Employment Areas* and *General Employment Areas* to *Regeneration Areas* with a SASP:

- CR015 and CR032– 15 Gervais Drive and 39 Wynford Drive
- CR016 and CR033 – 1121 Leslie Street and 1123 Leslie Street
- CR046 and CR037 – 4630 and 4570 Sheppard Avenue East
- CR076 and CR096 – 2541-2549 Weston Road and 2625 Weston Road
- CR059, CR121 and staff-initiated – 99, 109, 116, 116R and 126-142 Ryding Avenue and 90 Ethel Avenue

Common to each of the recommended SASPs for areas redesignated to *Regeneration Areas* by OPA 653, is the affordable housing requirement policy and the non-residential or employment gross floor area requirement policy.

Non-Residential Gross Floor Area (GFA)

The minimum non-residential gross floor area requirements in SASPs where conversion is recommended, is intended to ensure the replacement and/or growth of space for employment purposes as part of each recommended conversion. Securing minimum amounts of non-residential GFA, including employment GFA, helps to ensure that the previously designated *Employment Areas* can continue to provide an economic function, while accommodating additional housing across the city.

The requirement for non-residential is also intended to mitigate against the loss of employment opportunities. As demonstrated by the LNA, the city requires the lands designated as *Employment Areas* to be maintained or intensified to ensure the city maintains lands and opportunities for employment intensification.

This minimum non-residential GFA is secured as a percent of total GFA or a specific amount of GFA measured in square metres. On larger sites, where development may be phased, the SASPs recommend approaches to phasing that put in place residential to employment ratios. This ensures that the employment GFA will be developed in advance of or concurrent with residential GFA, providing a level of land use certainty that will support a diverse mixed-use community.

Affordable Housing

Upon staff determining that the proposed conversion can satisfy the Growth Plan 2020 and Official Plan policy "tests", staff applied multiple policies that seek to establish mixed use and mixed-income communities.

Section 2 (j) of the *Planning Act* requires that municipalities have regard for matters of provincial interest including the adequate provision of a full range of housing, including affordable housing.

The PPS 2020 includes policies on housing matters, including the need to accommodate an appropriate affordable and market-based range and mix of housing types and providing for an appropriate range and mix of housing options and densities

to meet projected market-based and affordable housing needs of current and future residents. The Growth Plan 2020 provides a strategic framework for managing growth and environmental protection including supporting the achievement of complete communities, with access to a diverse range of housing options, and supporting a range and mix of housing options, to serve all sizes, incomes and ages of households.

A key objective of the Official Plan is to provide a full range of housing in terms of form, tenure and affordability across the City and within neighbourhoods. Official Plan Building New Neighbourhoods policy 3.3.1.e requires that new neighbourhoods will have a comprehensive planning framework reflecting the Plan's city-wide goals as well as the local context. The framework should include a strategy to provide affordable housing. Affordable housing is a key component of inclusive neighbourhoods and ensures that essential workers can afford to make their home in the city.

The provision of affordable housing also supports the HousingTO 2020-2030 Action Plan, approved by City Council in December 2019. The Action Plan sets a bold target of securing 40,000 new affordable rental homes by 2030, which is being advanced through various means and opportunities.

Conversion requests provide a unique opportunity for the provision of affordable housing. As residential permissions are recommended to be introduced where none previously existed, it is important that these future communities are inclusive and include affordable housing. As the urgency around the provision of affordable housing has grown, so too has the expectation from Council and local communities that affordable housing be included in new developments. The cost of providing affordable housing as part of a conversion request can be offset by the increase in land value that is generally achieved when lands are redesignated from *Employment Areas* to a designation that permits residential uses. Each Site and Area Specific Policy securing a minimum amount of affordable housing indicate that these units may be secured through a Municipal Housing Project Facility Agreement, which would make these units exempt from the Community Benefits Charge (CBC).

Official Plan Amendment Applications Reviewed Concurrently with the MCR

Staff recommendations on the following two Official Plan Amendment (OPA) applications which were received during, and reviewed concurrently with the MCR can be found in Attachment 2:

- **266 and 268 Royal York Road (22 207193 WET 03 OZ):** Official Plan Amendment application received September 22, 2022, to permit within lands designated *Core Employment Areas* access to the loading, service and parking areas, and other building facilities and services for a proposed mixed-use development on the *Mixed Use Areas* portion of the lands; and
- **350 Campbell Avenue (23 104503 STE 09 OZ):** Official Plan Amendment application received January 17, 2023, to permit within lands designated *Core Employment Areas* a parking garage and rooftop outdoor amenity for a proposed mixed-use development on the *Mixed Use Areas* to the west.

In addition, staff recommendations on an Official Plan Amendment application for 900 York Mills Road (17 254908 NNY 34 OZ) are also found in Attachment 2. This application was received on October 30, 2017 and proposes two residential mixed- use buildings with proposed heights of 32 and 26 storeys with a total of 564 residential units, along with a new 8 storey mid rise office building. A rear addition to an existing 21 storey hotel, would include a new 10 storey hotel, a new ballroom and an expanded conference centre. An additional 38,164 square metres of above grade parking is also proposed. An OPA is required to permit residential and hotel uses on lands designated as *General Employment Areas*. To date, no final recommendation has been brought to Planning and Housing Committee on this application.

Employment Areas Conversion Tracking Since 2013

Land Area

The approximately 150 conversion requests received as part of the current MCR amount to approximately 685 hectares of *Employment Area* lands or 8.5% of all *Employment Areas* across the city.

The 30+ conversion requests that Council adopted in July 2022 (OPA 591) represent the conversion of approximately 65 hectares of *Employment Areas* to other land use designations. Of these 65 hectares, approximately 54 hectares were originally designated as *General Employment Areas*, while almost 13 hectares were designated *Core Employment Areas*.

Should the Minister approve OPA 591 as adopted by Council, the total amount of *Employment Areas* remaining across the city is approximately 7,800 hectares or 12.3% of the City's land mass. This data reflects the changes made as a result of a pending Minister's decision on the current Municipal Comprehensive Review (through OPA 591), as well as previous Council decisions to accept settlements on appeals to OPA 231.

The five conversion requests that Council adopted at its meeting June 14-16, 2023 (OPA 644), represent the conversion of approximately 20 hectares of *Employment Areas* to other land use designations. Of these, about half would be converted from *General Employment Areas* to *Regeneration Areas*, and half from *Core Employment Areas* to *General Employment Areas*.

Should Council adopt staff's recommendations and OPA 653 in Attachment 1, approximately 55 hectares (or 0.7% of the lands designated as *Employment Area* in the city) would be converted from *Employment Areas* to other land use designations. Of this land area, about 60% would be converted to *Regeneration Areas* (almost all from *General Employment Areas*), and more than 35% would be converted to *Mixed Use Areas* (almost all from *General Employment Areas*).

Recommended Re-designation in OPA 653	Hectares
<i>General Employment Areas</i> (from <i>Core Employment Areas</i>)	3.5
<i>Institutional Areas</i> with a SASP (from <i>General Employment Areas</i>)	1.5

Recommended Re-designation in OPA 653	Hectares
<i>Mixed Use Areas with a SASP (from Core or General Employment Areas)</i>	20.7
<i>Regeneration Areas with a SASP (from Core or General Employment Areas)</i>	32.5

Development Pipeline and Land Sales

A combined 99 sites across the city were converted via Council-adopted OPA 231 and OPA 591, or via settled OPA 231 appeals. An analysis of these 99 sites demonstrates that:

- 41 of the 99 sites have had building permits issued:
 - 32 (of 41) sites have applied for residential (or mixed use) building permits amounting to 13,693 units, of which 5,997 are currently built; however, only 20 (of 32) sites have units built on them
 - 9 (of 41) sites have applied for non-residential only building permits, of which 4 are currently built
- 58 of the 99 sites have not submitted building permit applications
 - 30 (of 99) sites have submitted a Zoning By-law Amendment application and 15 have submitted a Site Plan Approval application
 - 26 (of 99) sites have no development applications submitted.

Staff also looked at land sales data from the Municipal Property Assessment Corporation (MPAC), to determine if, and how many, of the converted sites have been sold between 2013 and 2022. Of the 79 OPA 591 and adopted or settled OPA 231 conversion sites that do not have any residential units built yet (20 of the total 99 sites did have built units as per data above, and were excluded from this data), 41 sites (52%), were sold between 2013 and 2022. This includes:

- 71% (15 of 21) of the sites that have applied for building permits but have not yet built any units
- 53% (17 of 32) of the sites that have not applied for permits but that have submitted a planning application
- 35% (9 of 26) of the sites that have not submitted a planning application or building permit application

Of the 79 OPA 591 and adopted or settled OPA 231 conversion sites that have not yet had any units built:

- 52% (28 of 54) of the OPA 231 conversion sites were sold between 2013 and 2022 inclusive
- 52% (13 of 25) of the OPA 591 conversion sites were sold between 2013 and 2022 inclusive (3 were sold around the time that OPA 591 was adopted).

This analysis illustrates that not all converted *Employment Areas* have translated into built residential units after receiving an approved conversion. Various factors may impact this outcome, but converting land does not necessarily result in adding to the supply of housing, nor is it necessarily related to the lands undergoing a planning approval process.

Incomplete Conversion Requests

Ten incomplete conversion requests were submitted, where staff did not receive the necessary materials, studies, and/or fees to undertake the required review. The submitted information for all ten is insufficient for staff to conduct their review as not all required criteria in the Growth Plan 2020, or the Official Plan are addressed in the incomplete submissions. Staff notified each of the requestors - in writing - that additional materials were required for staff to commence its review. To date, staff have not received the required information. Planning and Housing Committee has considered 99 preliminary assessments of "complete" requests as part of the current Growth Plan 2020 conformity exercise and Municipal Comprehensive Review (MCR).

Attachment 4 to this report provides details on the ten incomplete conversion requests. It has been nearly two years, if not longer, since the requesters submitted their initial materials, after which they were each notified of the additional information required. It is staff's opinion that these requesters have had sufficient time to prepare and submit the materials allowing staff to commence its review, including the peer review of required compatibility and mitigation studies.

Given the lack of information for staff to adequately review these ten requests, staff are recommending Council refuse them, and that the lands be retained as *Core Employment Areas* or *General Employment Areas*.

Review of Chapter 7 Site and Area Specific Policies

The Provincial Policy Statement 2020 (PPS 2020) and the Growth Plan 2020 require municipalities to prohibit residential uses on employment lands. OPA 591, adopted by Council in July 2022, and awaiting Ministerial approval, introduced a new policy to prohibit residential uses on lands designated *Core Employment Areas* and *General Employment Areas*.

Fourteen Site and Area Specific Policies (SASP) in Official Plan Chapter 7 were initially identified that permit residential uses on lands designated *Core Employment Areas* or *General Employment Areas*. These residential permissions in the SASPs prevail over the *Employment Areas* policies. The fourteen SASPs primarily reflect permissions which existed in the Official Plans of the former municipalities before amalgamation of Toronto in 1998. These permissions were carried forward into the Toronto Official Plan through the introduction of SASPs when Council adopted the Plan in 2002.

Given the potential conflict between the land use permissions in the SASPs and the PPS 2020, Growth Plan 2020 and OPA 591 policy prohibiting residential uses in *Employment Areas*, staff reviewed the underlying designations and conducted site visits with the intent of either redesignating the lands to another designation that permits

residential uses or deleting the SASP permitting residential uses on the *Employment Area* lands. In considering each SASP to resolve this policy conflict, staff analyzed existing and proposed uses, surrounding land uses and permissions, the location and size of the lands, proximity to major facilities including rail corridors, rail yards and impactful industry and other site-specific considerations. The recommendations of staff generally reflected what is currently on the ground, so that lands developed with residential uses would be redesignated from *Employment Areas* to another designation, and lands developed with employment uses would be removed from the SASP permitting residential uses.

A preliminary assessment of these SASPs was included in Planning and Housing Committee Item 35.15 - Our Plan Toronto: Recommended Official Plan Amendment for City-wide Employment Policies and Conversion Requests - Final Report. City Council authorized staff to use the preliminary assessment as attached to that report as a basis for consultation. The preliminary assessments can be found at <https://www.toronto.ca/legdocs/mmis/2022/ph/bgrd/backgroundfile-227774.pdf>

Consultation meetings with interested landowners were held on December 12, 13 and 15, 2022 using the Preliminary Assessment Chapter 7 Site and Area Specific Policies to inform participants about the study and the preliminary assessments being considered to resolve the conflict between the SASP land use permissions and the PPS 2020, Growth Plan 2020 and OPA 591 policy. Participants were provided opportunities to provide feedback. Feedback received generally included questions about what could happen with existing uses as a result of any policy changes, particularly when it was determined that residential uses should be removed, as well as implications for existing non-residential uses. With additional information from landowners, modifications to the Preliminary Assessments recommendations were made as appropriate.

Where residential uses already exist, redesignations have been recommended from *Core* or *General Employment Areas* to either *Neighbourhoods*, *Mixed Use Areas* or *Institutional Areas*. Lands with site-specific approvals or active development applications reflective of current in-force Official Plan policies were also redesignated as appropriate. Lands that were subject to recent local area studies would be reflective of the outcomes of those studies.

After the consultation meetings, an additional SASP was identified for modification. SASP 288 permits a 5-storey senior citizen apartment on lands designated *General Employment Areas*. Staff recommend redesignating the subject lands to *Institutional Areas* and retaining the SASP allowing the senior citizen apartment use to continue.

Official Plan Amendment 231 proposed to expand SASP 154 to include lands designated as *General Employment Areas* on Florence Street and Dufferin Street to permit residential uses. Staff are recommending to carry this recommendation forward by redesignating these lands to *Neighbourhoods* given that residential uses have developed in this location.

In the case of certain SASPs where there was either a long-term care facility/health care facility or a theological facility where overnight stays have already been permitted, the

general approach is to redesignate those lands to *Institutional Areas*. Where residential uses do not exist, policies that would permit residential uses were removed.

Where appropriate, SASPs were either introduced or modified to resolve policy conflicts, to facilitate approved development or to introduce rail safety related policies. It is noted that the resolution of SASP 190 will also require modification to the Lower Don Special Policy Area.

Details of staff's recommendations can be found in the recommended OPA 653 in Attachment 1.

The in-force Site and Area Specific Policy 154 was amended through Official Plan Amendment 231 (OPA 231), resulting in a revised SASP 154, as well as a new SASP 247 (Dundas/Carlaw area) and a new SASP 313 (Caledonia Road/St. Clair Avenue West). Due to appeals of OPA 231 to the Ontario Land Tribunal (OLT), the amended SASP 154 and new SASPs 247 and 313 are not yet in force. Additionally, there are two outstanding site-specific appeals to OPA 231 that impact this study: an appeal to the revised SASP 154 regarding 393 Sorauren Avenue and 1947 Dundas Street West and an appeal to SASP 247 regarding 388 Carlaw Avenue and 10 Dickens Street. The recommended amendments to the Official Plan as part of this MCR do not impact these lands subject to site-specific appeals of OPA 231.

To avoid potential inconsistency, both the OLT (as approval authority of OPA 231) and the Minister (as approval authority of OPA 653) should take coordinated actions. It is recommended that Council instruct the City Solicitor to request that the OLT to modify OPA 231 and remove lands not affected by site-specific appeals from the revised but not in force SASP 154, 247 and 313 so that the Minister as the approval authority for land use changes recommended in attached OPA 653 can proceed to approve a new policy framework. It is recommended that the modifications to OPA 231 proceed prior to Ministerial approval of any portions of OPA 653 that apply to lands subject to SASP 154, 247 and 313.

Lands that are subject to a site-specific appeal of OPA 231 (393 Sorauren Avenue and 1947 Dundas Street West, and 388 Carlaw Avenue and 10 Dickens Street) will continue to be resolved through the OLT.

Chapter 7 Site and Area Specific Policy 1 (SASP 1) Update

Site and Area Specific Policy 1 (SASP 1) applies to 11.3 hectares of *Core Employment Area* lands at the extreme northwest corner of Toronto, south of the City of Vaughan, east of the City of Brampton and west of the Highway 427 / Highway 407 interchange.

Despite the *Core Employment Areas* designation, SASP 1 limits the permitted uses to those that are compatible with existing residential land uses "until the majority of existing residential land uses cease to exist". This includes restrictions on vehicle body shops, recycling facilities, truck terminals and outdoor storage uses.

SASP 1 was carried forward into the Official Plan from the former Etobicoke Official Plan (Etobicoke OP). There were 13 detached residential dwellings in the area in 2000

when the Etobicoke OP was amended to add the restrictive area specific policy for the lands. The intent was to limit the employment uses to those compatible with the residential uses that existed in this area at the time. The preamble to the amendment advised that the issue of appropriate land uses in the area could be revisited once the majority of existing residential land uses ceased to exist.

The majority of the residential land uses that existed in 2000 have ceased to exist. Two of the 13 residential form buildings are currently used as residences and the other 11 residential form buildings are used for employment purposes. The SASP 1 lands contain a mix of *Core Employment Area* uses such as distribution, logistics and construction. Two places of worship are also located within the area.

This report recommends that sub-policies a), b) and c) of SASP 1 be deleted to remove the limitations on the *Core Employment Area* uses on the lands as the majority of residential land uses have ceased to exist. It is appropriate to provide for a broad range of employment uses in this *Core Employment Area* near Highways 427 and 407 and preserve the area for logistics, warehousing and manufacturing. Removing the SASP 1 limitations on permitted *Core Employment Area* uses will allow the *Employment Area* to be used for its intended purpose and encourage the establishment of key clusters of economic activity. Regarding the few remaining residences that exist in the SASP 1 area, Policy 3.4.21 requires employment uses and residences to be appropriately designed, buffered and/or separated from each other to avoid adverse effects on residents. Additionally, sub-policy e) in SASP 1 will be maintained, and directs that “no expansion of the existing houses is permitted.”

The amendments that give effect to the recommended changes to SASP 1 are found in OPA 644 (Attachment 1).

Technical Amendments to Two Properties on The Queensway

The lands at 773-781 and 829-831 The Queensway (The Queensway Lands) front onto the south side of The Queensway and are located west of Royal York Road and east of Islington Avenue. When the Toronto Official Plan was adopted in 2002 all of the lands fronting The Queensway between Royal York Road and Islington Avenue, including The Queensway Lands, were designated *Mixed Use Areas* and shown as *Avenues* on Map 2, Urban Structure. This same segment of The Queensway was considered through an *Avenues* study in 2003 that resulted in implementing zoning on these lands that permits residential and commercial uses consistent with the *Mixed Use Areas* designation. The front part of 773-781 The Queensway is developed with residential, retail and service uses. The front part of 829-831 The Queensway is developed with restaurant and service uses.

In 2013 Council adopted OPA 231 as part of Toronto’s first MCR. The mapping completed as part of OPA 231, inadvertently had the effect of redesignating the front parts of 773-781 and 829-831 The Queensway from *Mixed Use Areas* to *Core* and *General Employment Areas* respectively. The rear parts of The Queensway Lands were also redesignated by OPA 231 to *Core* and *General Employment Areas* respectively. No other properties along this *Mixed Use Area* fronting The Queensway were redesignated to *Employment Areas* by OPA 231. The staff report regarding the first

MCR that resulted in OPA 231 did not refer to The Queensway Lands or express an intent to redesignate these properties from *Mixed Use Areas* to *Employment Areas*.

This report recommends that the front parts of The Queensway Lands be redesignated to *Mixed Use Areas* to reflect the intent of OPA 231 that did not intend to redesignate the lands to *Employment Areas*. It is also recommended that Map 2, Urban Structure be amended as a technical revision to appropriately show the *Avenues* overlay on the front parts of The Queensway Lands. These proposed amendments are implemented in OPA 644 (Attachment 1).

Next Steps

Following Committee and Council's decision on the recommendations contained in this report, staff will prepare a submission package to the Minister of Municipal Affairs and Housing, as the approval authority on conversion requests. This report concludes the 2020 Municipal Comprehensive Review, except as it pertains to the following parcels of land, as recommended in this report:

- Conversion Request 041 for 21 Don Roadway, 30 Booth Avenue, and 375 & 385 Eastern Avenue (East Harbour lands);
- Conversion Request 114 for 301 Rockcliffe Boulevard; and
- Conversion Request 070 for 825 Don Mills Road.

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ATTACHMENTS

Attachment 1: Recommended Official Plan Amendment (OPA) 653

Attachment 2: Final Assessments and Recommendations to Convert Land Designated
Employment Areas

Attachment 3: Decision History

Attachment 4: List of Incomplete Conversion Requests