

PH24.3

**Major Transit Station Areas and Protected Major Transit Stations
Areas and Inclusionary Zoning Implementation
- Status Update and Work Plan**

Planning and Housing Committee – September 25, 2025



Background – P/MTSAs

Provincial policy requires municipalities to delineate Major Transit Station Area (MTSAs) and Protected Major Transit Station Area (PMTSAs).

What is a Major Transit Station Area (MTSA)?

- Delineated areas within an approximate 500-800 metre radius of an existing or planned higher order transit station (representing a 10-minute walk).
- MTSAs must meet Provincially prescribed minimum density targets:
 - Subways = 200 residents and jobs per hectare
 - Light Rail Transit = 160 residents and jobs per hectare for light rail transit
 - GO Transit = 150 residents and jobs

What is a Protected Major Transit Station Area (PMTSA)?

- A subset of MTSAs and in addition to MTSA requirements, require minimum development density for buildings and structures (i.e. Floor Space Index - FSI).
- Planning Act allows municipalities to apply **Inclusionary Zoning** only within PMTSAs

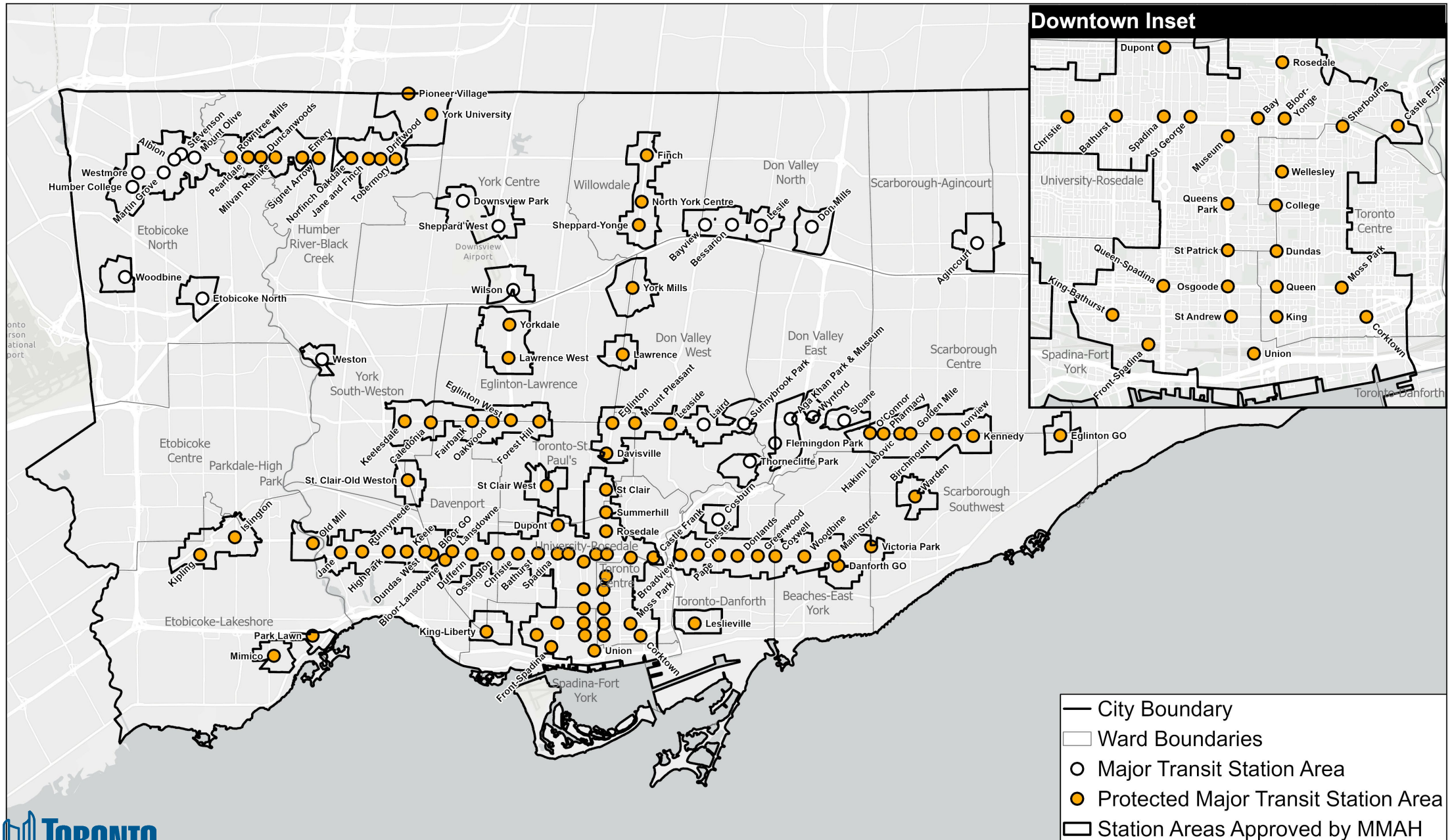
Background – P/MTSAs Timeline

December 2020 to July 2022:

- Council adopted 105 PMTSAs and 29 MTSAs.
- They had been with the Minister for a decision since that time.

August 15, 2025:

- Minister issued a decision approving 95 PMTSA and 25 MTSAs and withheld a decision on 8 PMTSAs and 4 MTSAs in Transit Oriented Communities and 2 PMTSAs in Keele/Finch.
- The Minister's decision is final and does not require Council approval or endorsement.
- There is no transition period and there are no appeal rights for the Minister approved OPAs.
- The new policies apply to all applicable development applications that have not received approval before August 15, 2025.



Key Policies

Within lands designated Neighbourhoods:

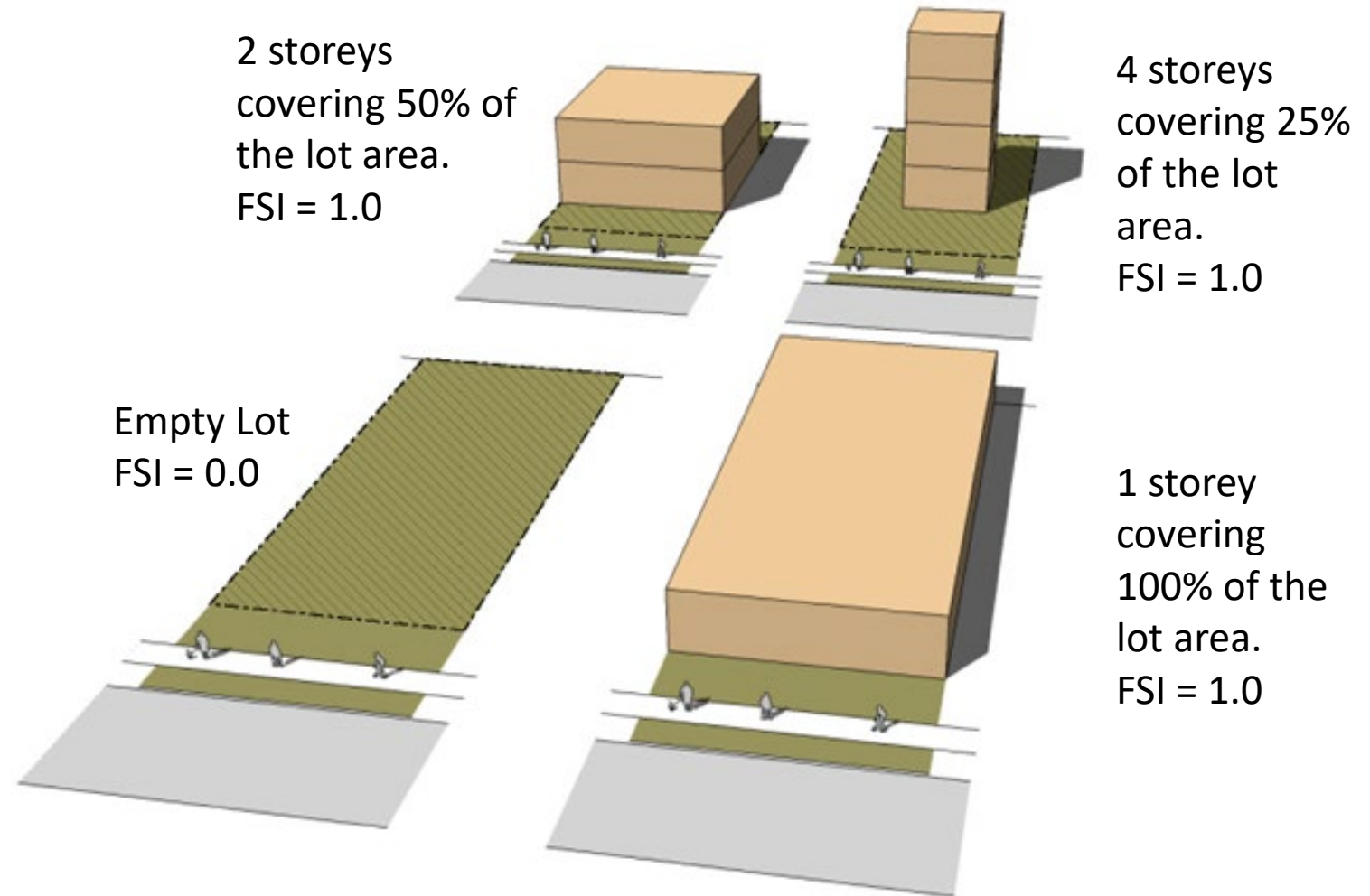
- Permit apartment buildings up to 6 storeys in height within 200 metres of transit stations.
- Permit apartment buildings up to 6 storeys in height on lands fronting a Major Street (per Official Plan Map 3).
- Permit multiplexes and apartment buildings up to 4 storeys in height.

Within lands designated Mixed Use Areas, Apartment Neighbourhoods and Regeneration Areas:

- Permit FSI of 8.0 or more within 200 metres of transit stations.
- Permit FSI of 6.0 or more within 200-500 metres of transit stations.

What is FSI?

- What is Floor Space Index (FSI)?
It is a measure of the Gross Floor Area of all buildings on a lot divided by the lot area.



Key Policies (cont'd)

Larger sites that can accommodate three or more towers will permit:

- Building heights of up to 30 storeys within 200 metres of transit stations.
- Building heights of up to 20 storeys within 200-500 metres of transit stations.
- Additional height is permitted if applicants submit a block context plan which demonstrates elements such as new public streets, new parks, publicly accessible open spaces, mid-block connections, public art, and a mix of building types and heights.

Special Policy Areas

- These are areas at risk of flooding and regulated by the TRCA.
- Minister modifications establish zero FSI for lands within Special Policy Areas in PMTSAs.
- Minister modifications confirm that policy changes in these areas require approval from Minister of Municipal Affairs and Housing and the Minister of Natural Resources.

Zoning to Implement the P/MTSA Policies

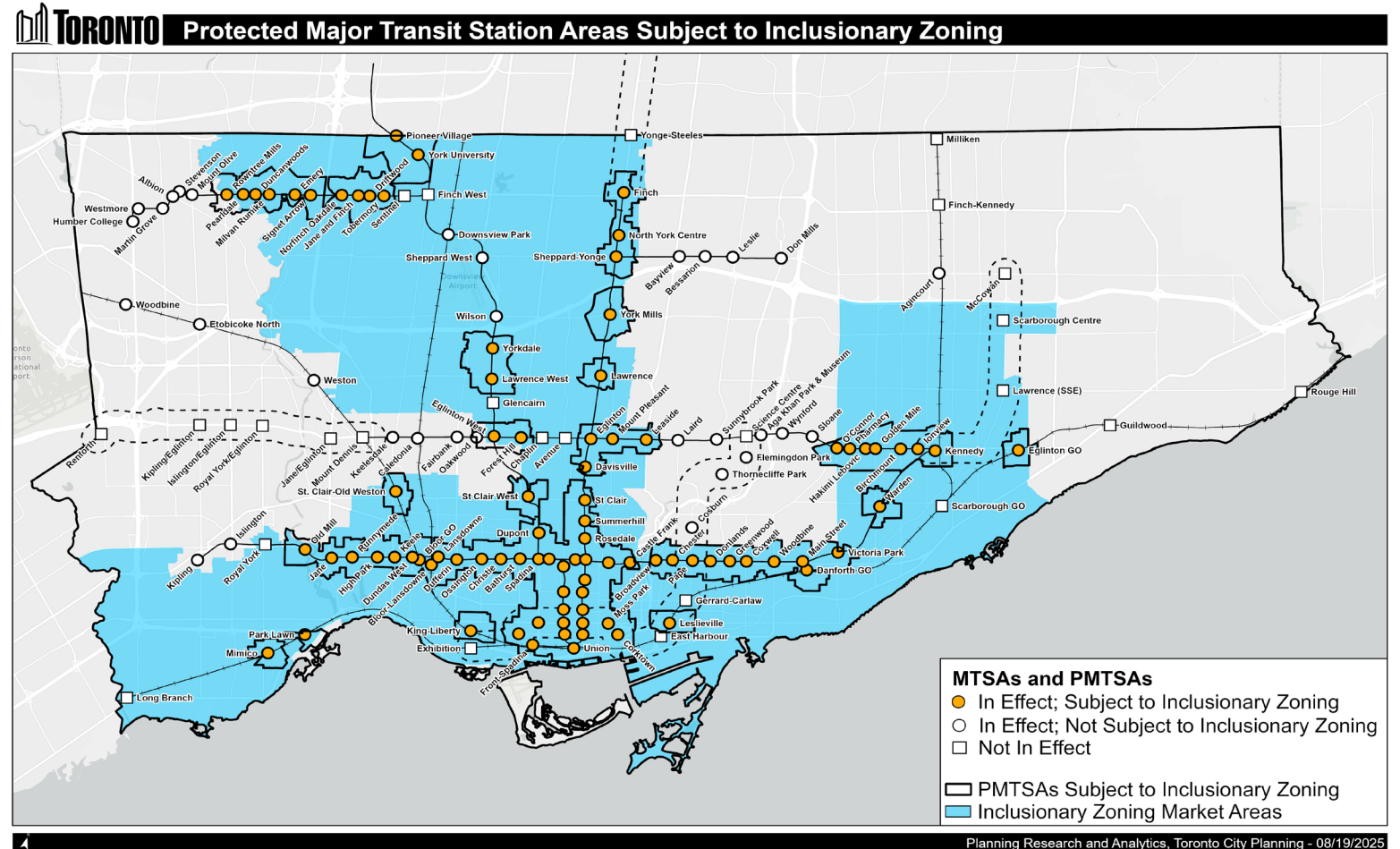
- The City must now amend its zoning by-law to implement the new P/MTSA policies.
- The Planning Act requires that municipalities amend their zoning by-laws no later than one year after the Official Plan policies for P/MTSAs come into effect. Zoning by-laws for P/MTSAs adopted within one year are sheltered from appeal to the Ontario Land Tribunal. Minister requested zoning be implemented in 9 months.
- City staff are targeting Q2 2026 to report back to Council with implementing zoning for the P/MTSAs.
- In the interest of moving quickly, the as-of-right zoning will be implemented using an overlay approach. The exercise is intended to focus on those zoning amendments that are necessary to implement the new P/MTSA policies.
- In addition to the minimum consultation required under the Planning Act, staff will host additional consultation opportunities prior to bringing forward the recommended zoning by-law amendments. Staff will create a study webpage, provide communications to Residents Associations and stakeholder groups, and host a public open house in each Community Council district.

Inclusionary Zoning

- Council adopted Inclusionary Zoning (IZ) in November 2021.
- The City's IZ policy required 5% to 10% affordable housing, varying by market area, with phased increases to 8% to 22% over time, and a 99-year affordability period.
- Inclusionary Zoning could not be implemented until the Minister approved the City's PMTSAs.
- On May 12, 2025, the Province issued a regulation capping Inclusionary Zoning at **5%** of the total residential units or 5% of the gross floor area of residential units in a project for a period that shall not exceed **25 years**. By comparison, City's rates for 2025 were between 5.5%-12%.
- With the Minister's approval of the PMTSAs, IZ is now **in effect** (capped at the 5% for 25 years Provincial rate) in **89 PMTSAs**.

Inclusionary Zoning Map

- IZ applies to Minister-approved PMTSAs within the City's Inclusionary Zoning Market Areas (Map 37 of the Official Plan).



Inclusionary Zoning

- Both the Province, through its Inclusionary Zoning Regulation, and the City's Zoning By-law, outline exemption and transition provisions, including exemptions for:
 - developments proposing **fewer than 100 units** and **less than 8,000 square metres** of residential gross floor area (which are generally **mid-rise housing** types).
 - non-profit housing developments, student residences, retirement homes, nursing homes, and residential care homes.
 - developments that submitted a **complete zoning by-law amendment** application and complete **site plan approval application** on or before the Minister's decision on **August 15, 2025**.
- In addition, Official Plan Policy 3.2.1.16 provides an exemption for purpose-built rental housing for applications received prior to January 1, 2026.

Approximately **98%** of the current development **pipeline is not subject** to Inclusionary Zoning

IZ units are exempt from CBCs, development charges and cash-in-lieu of parkland.

IZ projects receive lower DCs under current DC Bylaw

September 25 Staff Report

- The Minister's decision is **final**. It does not require Council approval or endorsement.
- Staff's **September 25** Planning and Housing Committee report advises Committee of:
 1. The **Minister's decision** and the new P/MTSA policies.
 2. The work program to prepare the **implementing zoning** for the new P/MTSA policies.
 3. The in-effect **Inclusionary Zoning** policies.