

THE CORPORATION OF THE TOWN OF GEORGINA Special Council Addendum Agenda

Tuesday, November 22, 2022 7:00 PM

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13. DISPOSITIONS/PROCLAMATIONS, GENERAL INFORMATION ITEMS AND COMMITTEE OF ADJUSTMENT

- 1. Dispositions/Proclamations
 - Report from Lake Simcoe Region Conservation Authority entitled 'Proposed Provincial Bill 23 - More Homes Built Faster Act, 2022' considered November 18, 2022
 - *a. LSRCA Resolution of November 18, 2022, More Homes Built Faster Act, 2022, Bill 23
 - *d. LSRCA response to ERO 019-6141, Bill 23
- 2. General Information Items
 - b. Briefing Notes
 - *a. Bill 23, the More Homes Built Faster Act, 2022

14. MOTIONS/ NOTICES OF MOTION

- 1. Draft Motion will follow by addendum
 - *a. Draft Motion has been included within the Briefing Note, Addendum Item No. 13.2.b.a above

Staff Report No. 40-22-BOD – Proposed Provincial Bill 23 – More Homes Built Faster Act, 2022

Moved by: P. Ferragine

Seconded by: D. Barton

BOD-111-22 **Resolved That** Staff Report No. 40-22-BOD regarding Provincial Bill 23 – More Homes Built Faster Act, 2022 regarding Amendments to the Conservation Authorities Act be received; and

Further that Staff be directed to provide a submission to Environmental Registry of Ontario No. 019-6141 based on comments within this report; and

Further that Staff be directed to submit a letter to the Minister of Natural Resources and Forestry and the Minister of Environment, Conservation and Parks requesting that the Conservation Authorities Working Group be re-engaged. **Carried**

www.LSRCA.on.ca



November 22, 2022

The Honourable Doug Ford
Premier of Ontario
Legislative Building, Queen's Park
Toronto, ON, M7A 1A1
premier@ontario.ca

The Honourable Steve Clark Minister of Municipal Affairs and Housing College Park 17th Floor, 777 Bay St, Toronto, ON M7A 2J3 <u>steve.clark@pc.ola.org</u>

The Honourable Graydon Smith Minister of Natural Resources and Forestry Whitney Block, 99 Wellesley St W, Toronto, ON M7A 1W3 <u>minister.mnrf@ontario.ca</u> The Honourable David Piccini Minister of Environment, Conservation and Parks College Park 5th Floor, 777 Bay Street Toronto, ON M7A 2J3 <u>david.piccinico@pc.ola.org</u>

Dear Premier Ford, Minister Clark, Minister Smith and Minister Piccini:

Re: Lake Simcoe Region Conservation Authority Response – ERO 019-6141 – Legislative and regulatory proposals affecting conservation authorities to support the Housing Supply Action Plan 3.0 and Bill 23, the *More Homes Built Faster Act, 2022*

We are writing to you in response to Bill 23, *More Homes Built Faster Act, 2022,* which was announced on Tuesday, October 25th, 2022, specifically regarding Schedule 2 and the supporting ERO 019-6141 posting.

The Lake Simcoe Region Conservation Authority (Conservation Authority) agrees that there is a housing supply and affordability issue in Ontario that needs to be pragmatically addressed. We support the government's commitment to reducing unnecessary barriers to development and streamlining processes. We share this commitment and as a leading Greater Toronto Area conservation authority, we have implemented innovative approaches and processes over the past seven years to increase developable land yield, significantly reduce review times, all while protecting the environment and reducing risk from hazards.

Following are a few examples of our partnerships with the province, municipalities, and the development industry:

- Partner with municipalities and development clients in reducing floodplains significantly through infrastructure upgrades, increasing land available for development while reducing or eliminating flood risk.
- Implemented ecological offsetting policies to facilitate development within settlement area boundaries, which accelerate the development and provide financial offsets for restoration projects within the watershed.
- Require detailed technical design charettes with municipalities and development clients for large commercial or residential subdivisions. This results in agreement on established principles and quality submissions, which greatly reduces review and approval times.
- Developed innovative stormwater guidelines that require the implementation of Low Impact Development techniques. This allows for stormwater facilities to be installed under roads, parks or within buffer areas, significantly increasing developable land yield and achieving a significantly higher degree of environmental protection.
- Undertaking Transfer of Review on behalf of MECP for stormwater reviews and submissions for approval. This has reduced wait times by between six and eighteen months, allowing developments to proceed much quicker to market.

The proposed changes in Schedule 2 of Bill 23 will result in the elimination of most, if not all, of these innovative approaches that have been implemented in response to the housing and development crisis in the Lake Simcoe watershed, which in turn will negatively impact approval times, reduce developable land, and result in greater environmental impacts.

Proposed change that would prohibit Conservation Authorities from establishing agreements with municipalities for other services (e.g., natural heritage reviews, select aspects of stormwater management reviews, etc.)

The Conservation Authority provides advice to member municipalities acting as one window for reviewing development for natural heritage, stormwater, groundwater, source water protection, Lake Simcoe Protection Plan, hazards, and floodplain related aspects.

This service is provided through 18 municipal agreements to provide cost appropriate and efficient development review in a watershed context at cost recovery. The agreements provide clarity of what elements of development applications the Conservation Authority reviews, ensuring no duplication. These reviews are completed under the auspice of "full cost recovery", ensuring development pays for development.

The legislative changes proposed in Bill 23 will place much of this review in the hands of municipalities who do not have the staff or expertise. In essence, instead of a one-window approach, there will be 18 windows resulting in inefficiencies and inconsistencies. A common refrain from the development and consulting industry is the need for consistency. With 18 municipalities acting independently, consistency within the Lake Simcoe watershed will be lost.

The Conservation Authority's one-window approach provides a focused and high caliber technical team that will not be achieved by each individual municipality due to costs. By sharing the costs through fees and utilizing the one window approach, impacts on taxpayers are greatly eliminated. The economy of scale structure utilized in the current scenario would be lost resulting in increased costs to the development clients.

The natural environment does not recognize municipal boundaries, rather it lives in a watershed. As recognized in the Provincial Growth Plan, complete communities require consideration of stormwater management and natural heritage. Conservation authorities are ideally suited to provide this perspective and expertise to municipalities. Removing a watershed approach from the development review process will create conflict and, in the end, negative impacts. Strong resilient community building relies on its natural environment. Removing a watershed approach from the development review process will create conflict, increase the risk to public safety, and in the end, create negative impacts.

The Conservation Authority provides development review services under clear agreements where municipalities choose their desired services, ensuring no duplication occurs. Under this proposed legislative change, a large portion of these services will no longer be eligible for a conservation authority to implement. This proposed change will likely result in chaos and confusion in the development review and approvals process as result of such significant change and lack of resources within municipalities.

Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario

The Conservation Authority is concerned about the proposed changes intended to update regulations regarding the protection of people and property from hazards.

The proposal for regulation exempting certain developments approved under the *Planning Act* at face value poses significant risk to people and property. Development in or adjacent to hazards must be evaluated relative to the undertaking on its own merit, and any resulting cumulative impacts must also be evaluated. Exemptions without adequate "guardrails" will significantly increase risk to people and property. Increased risks may include localized flooding,

development on land unsuitable for construction, cumulative increases in downstream flooding and many others. We strongly urge that the role of the conservation authority is not removed through an exemption regulation to ensure the safeguard of people, property, and municipal infrastructure.

Removal of "conservation of land" and "pollution" from consideration in exercising permitting powers presents a risk to the watershed. These aspects should remain under the *Conservation Authorities Act* but should be further defined to ensure consistent interpretation and use. The addition of "unstable soils and bedrock" would greatly assist in clarifying these potentially hazardous areas through legislation.

We also believe these proposed elements of Bill 23's Schedule 2 should have the same consultation timelines as ERO 019-2927 regarding updates to the regulation of development for the protection of people and property from natural hazards in Ontario (being considered until Dec. 30, 2022). All of the proposed amendments and changes to the regulations of natural hazards in Ontario should be reviewed holistically and not piecemeal.

Proposed change to freeze Conservation Authority fees

This proposal has no guidelines on the timing or permanence of the fee freeze. The Conservation Authority has already undertaken an extensive cost-based analysis that has been benchmarked against municipal and other conservation authorities' development review fees to ensure our fees do not exceed the cost to deliver the service. We meet regularly with developer groups and municipalities to ensure our fees, processes and service standards are transparent, consistent, and fair. Any long-term fee freeze will likely result in the increased costs to deliver being passed on to the taxpayer, conflicting with the goal of development paying for development. Impacts to service delivery may also be seen as a result of fees being frozen for a long period of time, impacting the ability to maintain resources and retain staff.

Disposition of Conservation Authority Land for housing and land disposition procedures

Conservation authority owned lands should remain in public ownership and remain greenspace. Lands typically owned by conservation authorities are hazard lands or natural heritage lands. These lands often are a significant part of greenspace in urban areas, connecting people to nature. Only lands within existing settlement area boundaries that are not hazard lands or greenspace should be considered for housing potential to minimize impacts to people and their environment.

The Conservation Authority is pleased with the recommended procedural changes for land disposition, which will make the process more efficient and timelier. These changes will allow

for expedited disposition for increasing infrastructure demands and the transfer of specific lands best suited under municipal ownership and management.

Recommendations:

- Restore the Conservation Authorities Working Group. The recent success of the Conservation Authorities Working Group is a clear demonstration of a positive approach to making substantive change built on consensus and partnerships in delivering on the goals of the Province. Allowing this group to tackle some of the transformational concepts proposed within Section 2 of Bill 23 will ensure that chaos will be eliminated and will commit conservation authorities to facilitating the goal of building 1.5 million homes. This can be considered the second phase of conservation authority modernization and transformation and can be accomplished within the same 2024 timeframe.
- Remove proposed legislative change prohibiting Conservation Authorities from entering agreements with municipalities or at minimum amend the proposed legislation to allow for a regulation developed through consultation with the Conservation Authorities Working Group.
- The legislative change for the development of regulation addressing exemptions of any development under the *Planning Act* should be removed at this time. Any consideration related to exemptions should only occur as part of the broader hazard regulation review occurring and in consultation with the Conservation Authorities Working Group. This will ensure the resulting regulation will be consistent, comprehensive, and developed holistically.
- Retain "conservation of land" and "pollution" while adding definitions for these terms to ensure their consistent interpretation and use. Add "unstable soils and bedrock" as this will ensure decreased risk to people and property.
- Require conservation authorities to demonstrate to the Province that permitting and planning fees do not exceed the cost to deliver the program or service, and only consider freezing fees if a conservation authority is exceeding 100% cost recovery. Also, allow for cost-of-living adjustments to be implemented annually and for all other fee adjustments to only be considered after detailed review and market comparison.
- Provide detailed guidelines outlining Conservation Authority lands that may be considered for housing to ensure consistent and accurate analysis. Only lands within settlement area boundaries that are not hazard lands or natural heritage (greenspace) should be considered as they are most likely to have access to municipal services.

The Conservation Authority continues to successfully assist the Province, municipalities and development partners in providing much needed housing supply through innovative approaches and processes, while reducing risk and protecting the environment. We will continue to help the Province meet its goal of building 1.5 million homes in Ontario over the next ten years. We think your stated outcomes are important, but we are concerned that your proposed legislative changes may have unintentional, negative consequences and may eliminate the approaches this Conservation Authority has clearly demonstrated are successful.

We ask for your careful consideration of our comments and proposed recommendations that will assist in ensuring the Province's objectives can be delivered efficiently and safely.

Respectfully,

Wayne Emmerson Chair, Lake Simcoe Region Conservation Authority Chairman and CEO, Regional Municipality of York

Copies:

Lake Simcoe Watershed MPPs Lake Simcoe Region Conservation Authority Board of Directors Angela Coleman, Conservation Ontario Hassaan Basit, Conservation Halton, Chair – Conservation Authority Working Group





2022.

Subject:	Bill 23, the More Homes Built Faster Act,
То:	Mayor and Council
From:	Alan Drozd, MCIP, RPP Manager of Planning Policy
Date:	November 22, 2022

1. Recommendation

It is recommended that Council adopt the following resolution:

WHEREAS on November 10, 2022, York Region Council adopted a resolution as follows:

"York Region requests the Province of Ontario to halt Bill 23 and begin consultation with the Housing Supply Action Plan Implementation Team to ensure municipalities can work in partnership with the Province of Ontario over the next few months to address the housing affordability concerns in our communities.

The Minister of Municipal Affairs and Housing be requested to appoint key stakeholders, such as the Association of Municipalities of Ontario (AMO), to the Housing Supply Action Plan Implementation Team.

The Regional Clerk circulate this report, including new Attachment 5, presented as Item G.1.1 on the revised agenda, to the Minister of Municipal Affairs and Housing, local municipalities, AMO, Federation of Canadian Municipalities (FCM) and local MPPs."

AND WHEREAS Schedule 10 to Bill 23 *Supporting Growth and Housing in York and Durham Regions Act, 2022* proposes to expedite the expansion and extension of the York Durham Sewage System effectively replacing the Upper York Sewage Solution (UYSS) project.

AND WHEREAS The Council of the Corporation of the Town of Georgina supports the halting of the Upper York Sewage Solutions project and the redirection of related drainage Area flows to the York Durham Sewage System.

THEREFORE BE IT RESOLVED THAT The Council of the Corporation of the Town of Georgina supports the November 10, 2022 resolution of York Region Council concerning Bill 23, with the exception that The Council of the Corporation of the Town of Georgina supports Schedule 10 to Bill 23 *Supporting Growth and Housing in York and Durham Regions Act, 2022* which proposes to expedite the expansion and extension of the York Durham Sewage System effectively replacing the Upper York Sewage Solution (UYSS) project.

AND FURTHER THAT The Council of the Corporation of the Town of Georgina support the resolution of the Board of the Lake Simcoe Region Conservation Authority dated November 18, 2022 directing Staff to provide a submission to Environmental Registry of Ontario No. 019-6141 based on comments within Staff Report No. 40-22-BOD regarding Provincial Bill 23 – More Homes Built Faster Act, 2022 and that Staff be directed to submit a letter to the Minister of Natural Resources and Forestry and the Minister of Environment, Conservation and Parks requesting that the Conservation Authorities Working Group be re-engaged.

AND FURTHER THAT The Council of the Corporation of the Town of Georgina opposes the proposed removal or redesignation of approximately 7,400 acres of protected lands from the Provincial Greenbelt Area and/or the Oak Ridges Moraine Conservation Plan for residential development as set out in ERO posting number 019-6217.

AND FURTHER THAT The Council of the Corporation of the Town of Georgina opposes the conversion of Conservation Authority lands considered surplus, for housing purposes in the absence of a fuller understanding of the criteria that will be used to conduct the assessment and a Municipal Comprehensive Review that demonstrates the need for the conversion to meet population targets.

2. Background

On October 25, 2022, the provincial government introduced Bill 23, the *More Homes Built Faster Act, 2022*, which proposes legislative changes with the stated goal of advancing the housing supply in Ontario and specifically the recommendations of the Ontario Housing Supply Action Plan. This includes a Provincial initiative to increase housing supply in Ontario by building 1.5 million homes in the next 10 years. This significantly exceeds current targets established in the Growth Plan for the Greater Golden Horseshoe. The Bill is an "omnibus" piece of legislation that amends nine Acts. It has proceeded to a second reading and has been referred to the Standing Committee on Heritage, Infrastructure and Cultural Policy. See the following URL link for an overview from the Province on the More Homes Build Faster Act, 2022: <u>https://www.ontario.ca/page/more-homes-built-faster</u>.

Bill 23 proposes very significant changes for upper- and lower-tier municipalities and Conservation Authorities, curtails appeal rights on planning applications, and restricts municipal discretion on site plan control. Bill 23 also impacts the ability of municipalities to collect development charges and parkland, shifting the burden for the cost of growth more to the general taxpayer and significantly reshaping the planning and development process in Ontario.

The deadline for comments on Bill 23 through an Environmental Registry posting is November 24, 2022 for most of the proposed changes. The government has not publicly announced its schedule for the final adoption and proclamation of the legislation. See the following URL link to the Provincial Legislative Assembly website to access Bill 23: <u>https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-23</u>.

This briefing note provides a high-level summary of Bill 23 and its potential implications on the Town as understood at this time.

2. Planning Act

2.1 Additional Residential Units

The proposed changes would modify existing provisions of the Planning Act which currently allow for two dwelling units in a building and one dwelling in an ancillary structure. The proposed amendments allow for up to three dwelling units in a building or two units in a primary building and one in an ancillary structure on any parcel of urban residential land that is serviced with municipal water and sanitary sewers. The Bill would further prevent any official plan or zoning by-law from prohibiting additional residential units, providing for any minimum unit sizes, or requiring more than one parking space per dwelling unit.

2.2 Planning Appeals

The Bill proposes to remove third party appeals from all manner of planning applications and only allow for appeals by applicants, the Province, specific public bodies, and utility providers etc., except where appeals have been restricted. York Region and the Lake Simcoe Region Conservation Authority would not be considered to be public bodies and would not have appeal rights.

2.3 Pitts and Quarries

The Bill would remove the two-year moratorium for submitting site-specific amendments to official plans and zoning by-laws related to pitts and quarries following the approval of a new official plan or comprehensive zoning by-law.

2.4 Site Plan Control

The Bill proposes to exempt all non-profit housing developments and residential development with 10 units or less, from site plan control. It would also remove the ability of a municipality to control the exterior appearance and design of buildings and require landscaping plans with repsect to any site plan application, irrespective of local official plan policies and design guidelines.

2.5 Parkland Dedication

The Bill would reduce the amount of parkland dedication by the imposition of a new formula where "affordable residential units" or "attainable residential units" required by inclusionary zoning are exempted from parkland dedication. For instance the maximum 5% parkland dedication rate would be discounted based on a ratio of the number of the exempt units in relation to the total units in a development. Not-for-profit housing developments would also be exempt from parkland dedication requirements as would the second and third units in a detached house, semi-detached house, row house or related ancillary structure.

The Bill would also allow the landowner of a proposed development to identify what lands it will dedicate for parkland purposes, subject to an appeal process for the municipality. Parkland to be dedicated may be subject to a number of easements and restrictions.

The current maximum rate for alternative parkland dedication at one hectare for every 300 dwelling units would be revised to one hectare for every 600 net residential units. The current alternative rate for cash-in-lieu of parkland payments would be changed from an equivalent of one hectare for every 500 dwelling units to one hectare for every 1,000 net residential units.

The Bill would require municipalities to develop a parks plan before passing a parkland dedication by-law; whereas currently, a parks plan is required before adopting the official plan policies enabling the use of the alternative parkland dedication requirement.

Beginning in 2023 and at the beginning of each year thereafter, municipalities would be required to spend or allocate at least 60% of the monies that are in a special account dedicated to parkland, for the purpose of acquisition of land to be used for parks or other public recreational purposes.

2.6 Plans of Subdivision – Public Meetings.

The requirement to hold public meetings requirements for proposed plans of subdivision would be removed.

2.7 Regional Planning / Official Plans

The Bill would remove planning responsibilities and approval authority from the Regional Municipalities of Halton, York, Peel, Durham, Niagara, Waterloo and Simcoe Country as "upper-tier municipalities without planning responsibilities".

For upper-tier municipalities without planning responsibilities, existing upper-tier official plans are considered to form part of the applicable lower-tier official plan until the lower-tier official plan has been updated. The Minister of Municipal Affairs and Housing would be the approval authority for new official plans and official plan amendments related to the lower-tier municipality. Most planning responsibilities for the affected upper-tier municipalities would be removed, including their right to appeal land use planning decisions. Decisions on new official plans and updates to conform with provincial policy would not be appealable to the LPAT.

A report from York Region's Chief Administrative Officer on Bill 23 was tabled to Regional Council on November 10, 2022 which provides more analysis of the impact of the proposed legislaton on the Region. See the following URL link to access the report:

https://yorkpublishing.escribemeetings.com/Meeting.aspx?Id=297e9ca1-2fff-49f3-84a5d2202b63aee5&Agenda=Merged&lang=English.

3. Conservation Authorities Act

The Bill would prohibit Conservation Authorities (CAs) from reviewing and commenting on development applications and supporting studies on behalf of municipalities. Consideration and control of pollution and conservation of land are removed as factors that must be considered by the CA when making decisions relating to a permission to carry out a development project. Appeal periods for non-decision of the CA is reduced from 120 days to 90 days.

A report from the Lake Simcoe Region Conservation Authority's (LSRCA) Chief Administrative Officer on Bill 23 as it relates to amendments to the Conservation Authorities Act, was tabled to the Board of Directors n November 18,

2022. This report provides a more detailed analysis of the proposed amendments. See the following URL link to access the LSRCA staff report:

https://www.lsrca.on.ca/Shared%20Documents/board/BOD-08-22%20Special%20Meeting%20Full%20Agenda%20-%20November%2018,%202022.pdf.

4. Development Charges Act

The Bill alters the manner in which development charge by-laws can be prepared and implemented. For instance, studies supporting development would no longer be eligible for costing in the development charge.

4.1 Exemptions and Discounts

The Bill provides exemptions for additional residential units in existing and new residential buildings, affordable units, attainable units, inclusionary zoning units, and non-profit housing units from payment of development charges. Further, the Bill introduces a mandatory discount for rental housing developments, ranging from 15-20% depending upon bedroom count.

4.2 Phase-in of Development Charges

A mandatory phase-in of a development charge would be required by by-laws passed on or after June 1, 2022. The phase-in would start in year 1 with 80% of the charge required to be paid, and ending in year 5 with 100% of the charge required to be paid (i.e. 80% in year 1, 85% in year 2, 90% in year 3, 95% in year 4 and 100% in year 5 and beyond).

4.3 Requirement to Allocate Funds Received

Beginning annually in 2023, the Bill would require municipalities to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater and/or services related to roads.

4.4 Financial Implications to Municipalities

Attachment 1 is a letter from Watson and Associates Economists Ltd. to clients that provides more detailed information concerning the potential financial implications of Bill 23 on municipalities.

5. Ontario Heritage Act

Changes are proposed that address heritage properties on the municipal register. These include:

- Requirement to designate properties on the municipal register within 120 days or it must be removed from the register;
- Listed properties on the municipal register would have to be removed from the register if the Council has not issued a notice of intention to designate within two years of Bill 23 coming into force and effect;

- If properties are removed from the register under any circumstance, the property would not be able to be relisted for five years;
- A municipality would be required to initiate the designation process through a Notice of Intent to designate within 90 days of a planning application being filed, otherwise the municipality would lose its opportunity to designate the property in the future;
- Various changes are proposed that would require greater explanation and adherence to regulatory criteria associated with Heritage Conservation Districts.

6. Supporting Growth and Housing in York and Durham Regions Act, 2022

The Supporting Growth and Housing in York and Durham Regions Act, 2022 (Growth Act) is intended to advance the development and construction of a sewage works project to facilitate growth and development in northern York Region (i.e. Aurora, East Gwillimbury and Newmarket). See the following URL link to access the Growth Act from the Environmental Registry of Ontario website: <u>https://ero.ontario.ca/notice/019-6192</u>.

The project would expedite the expansion and extension of the York Durham Sewage System (YDSS). This would effectively replace the Upper York Sewage Solution (UYSS) project which was approved by the Region and is pending approval of the related environmental assessment since 2014. The Act would also require prescribed municipalities to implement a Lake Simcoe phosphorus reduction project. These municipalities would be required to construct and operate a treatment facility that would remove phosphorus in the drainage from the Holland Marsh into Lake Simcoe.

In October 2021, the York Region Wastewater Act received Royal Assent. This Act prevented any decision from being made on the UYSS Environmental Assessment. Subsequently in January 2022, the Province established the York Region Wastewater Advisory Panel to advise the government concerning all wastewater servicing options to accommodate growth in York and Durham Regions. Following consultations, the Panel issued its report to the Minister of the Environment, Conservation and Parks in September 2022. The report examined four different servicing options for the Upper York service area and provided advice on a recommended solution.

The recommended solution involves connecting the Upper York service area to the YDSS which then flows to the Duffin Creek Sewage Treatment Plant in Pickering. This will require upsizing of the existing sewer systems with additional pump stations, force mains and sewers. York Region has reported on the Advisory Panel report that forms the basis for the Act, notes a number of concerns and suggests that the total cost of the recommended panel solution is likely to be much higher than anticipated in the report. The Growth Act requires York and Durham Region to develop a viable solution.

The Province has released revised housing projections which rely, in part, on the growth assumptions in the Region's 2022 Water and Wastewater Master Plan. Bill 23 will have very significant implications on long-term capital budgeting for infrastructure in York Region and the Town.

7. Review of A Place to Grow – Growth Plan for the Great Golden Horseshoe (Growth Plan) and the Provincial Policy Statement (PPS)

As part of the Province's Housing Supply Action Plan the government is proposing to integrate the Growth Plan and the PPS into a new province wide planning instrument that would "enable municipalities to accelerate the development of housing and increase housing supply through a more streamlined, province-wide land use planning policy framework". The proposal would effectively collapse the Growth Plan into the PPS. See the following URL link to the Environmental Registry of Ontario website where the proposal has been posted for comment to December 30, 2022 <u>https://ero.ontario.ca/notice/019-6177</u>.

No specific text of a consolidated policy document has been provided but discussion points from the Provincial posting are included in the headings below.

The core elements of this new policy instrument would include:

Residential Land Supply including settlement area boundary expansions, rural housing and employment area conversions.

Attainable Housing Supply and Mix including addressing policy directon addressing Housing Mix, Major Transit Station areas and urban growth centres.

Growth Management including population and emoplyment forecasts, intensification and coordination with infrastructure planning.

Environmental and Natural Resources including Agriculture, Natural Heritage, Natural and human-made Hazards, Aggregate and Cultural Heritage.

Community Infrastructure including supply and capacity and school capacity.

Streamlined Planning Framework including less precriptive policy direction and speed and flexibility in decision making.

While no specifics have been provided in the Provincial posting, the tone of the material suggests a relaxation of the strong growth management approach that has been developed in the Growth Plan over many years and now as found in conforming regional and local official plans.

8. Recommended Resolution

This Briefing Memo contains a recommended resolution for Council consideration which takes a position concerning Bill 23 and related proposals by the Province under the umbrella of the Ontario Housing Supply Action Plan and proposes recommended actions. The recommended resolution has been specifically prepared to reflect the existing Council position concerning the Upper York Sewage Solution project.

9. Conclusion

Bill 23 is part of a series of legislative initiatives advanced by the Province as part of the Ontario Housing Supply Action Plan in support of the goal of increasing the housing supply across Ontario. The proposed legislation would

have significant impacts on municipalities and would reshape the planning and development process in local communities. The Bill effectively removes the GTA Regions and CAs from the planning process and would shift the responsibility for certain functions to local municipalities.

There has been very little consultation leading up to Bill 23 with the municipal sector and no explanation how the proposed changes will have meaningful impacts on housing production. The changes will impact the ability of municipalities to finance capital works required to facilitate development through development charges and other means. Increasingly, new development will now be required to be financed more by the local taxpayer. It is unclear how any costs savings associated with the proposed reductions in development charge and other costs will lead to the production of more and lower priced housing that is subject to broader market forces. Bill 23 and the Housing Supply Action Plan place a principal onus on the development industry to solve the housing crisis when in fact it is a complicated matter that cannot simply be resolved by random expansions of land supply regulatory relief and development cost saving measures.

The legislative and policy program supporting the Province's Housing Supply Action Plan has been advanced very quickly after the general municipal election without adequate time for review and discussion. There are likely a great number of unintended consequences associated with the Plan and little understanding how the various changes to law and policy will translate into meaningful housing supply and affordibility. Prior to the Province moving forward with any of the proposed policy and legislative changes, it should re-engage with munnicipalities and other stakeholders to allow for a fullsome consultation of the efficacy of the proposed legislation and its broader impacts on Ontario communities.

Staff will continue to monitor Bill 23 and related legislation with consideration to its impacts on the Town and report further as circumstances necessitate. In this interim, Staff recommend that Council adopt the resolution contained in Section 1 of this Briefing Memo.

Should you have any comments, questions or concerns related to this briefing note, please contact me to discuss via telephone at 905-476-4301 ext. 2221 or via email at <u>adrozd@georgina.ca</u>.

Attachments:

Attachment 1 – Watson & Associates Economists Ltd. Letter to Clients



October 31, 2022

To Our Municipal and Conservation Authority Clients:

Re: <u>Bill 23, More Homes Built Faster Act, 2022 – Changes to the Development</u> <u>Charges Act, Planning Act, and Conservation Authorities Act</u>

Further to our correspondence of October 27, 2022, we indicated that we would be providing further information on the changes arising from Bill 23, the More Homes Built Faster Act, 2022. On behalf of our municipal and conservation authority clients, we are continuing to provide the most up to date information on the Bill's proposed changes to the *Development Charges Act* (D.C.A.), *Planning Act*, and *Conservation Authorities Act*. As at the time of writing, the Ontario Legislature moved to closed debate on second reading of the Bill.

By way of this letter, we are providing a high-level summary of the proposed changes to the D.C.A., *Planning Act*, and *Conservation Authorities Act*, with some further commentary on the proposed planning changes for the Province. We will be providing a full evaluation and summary of the legislative changes to you in the coming days. We are also available to discuss how these changes may impact your organization at your convenience.

1. Changes to D.C.A.

Additional Residential Unit Exemption: The rules for these exemptions are now provided in the D.C.A., rather than the regulations and are summarized as follows:

- Exemption for residential units in existing rental residential buildings for rental residential buildings with four or more residential units, the greater of one unit or 1% of the existing residential units will be exempt from development charges (D.C.s)
- Exemption for additional residential units in existing and new residential buildings – the following developments will be exempt from D.C.s.
 - A second unit in a detached, semi-detached, or rowhouse if all buildings and ancillary structures cumulatively contain no more than one residential unit;
 - A third unit in a detached, semi-detached, or rowhouse if no buildings or ancillary structures contain any residential units; and
 - One residential unit in a building or structure ancillary to a detached, semidetached, or rowhouse on a parcel of urban land, if the detached, semi-

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detached, or rowhouse contains no more than two residential units and no other buildings or ancillary structures contain any residential units.

Removal of Housing as an Eligible D.C. Service: Housing is removed as an eligible service. By-laws which include a charge for Housing Services can no longer collect for this service once s.s. 2(2) of Schedule 3 of the Bill comes into force.

New Statutory Exemptions: Affordable Units, Attainable Units, Inclusionary Zoning Units and Non-Profit Housing developments will be exempt from payment of D.C.

- <u>Affordable Rental Unit</u>: Where rent is no more than 80% of the average market rent as defined by a new Bulletin published by the Ministry of Municipal Affairs and Housing.
- <u>Affordable Owned Unit</u>: Where the price of the unit is no more than 80% of the average purchase price as defined by a new Bulletin published by the Ministry of Municipal Affairs and Housing.
- <u>Attainable Unit</u>: Excludes affordable units and rental units, will be defined as prescribed development or class of development and sold to a person who is at "arm's length" from the seller.
 - Note: for affordable and attainable units, the municipality shall enter into an agreement which ensures the unit remains affordable or attainable for 25 years.
- <u>Inclusionary Zoning Units</u>: Affordable housing units required under inclusionary zoning by-laws will be exempt from D.C.
- <u>Non-Profit Housing</u>: Non-profit housing units are exempt from D.C. installment. Outstanding installment payments due after this section comes into force will also be exempt from payment of D.C.s.

Historical Level of Service: Currently the increase in need for service is limited by the average historical level of service calculated over the 10 years preceding the preparation of the D.C. background study. This average will be extended to the historical 15-year period.

Capital Costs: The definition of capital costs that are eligible for D.C. funding will be revised to prescribe services for which land or an interest in land will be restricted. Additionally, costs of studies, including the preparation of the D.C. background study, will no longer be eligible capital costs.

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Mandatory Phase-in of a D.C.: For all D.C. by-laws passed after June 1, 2022, the charge must be phased-in relative to the maximum charge that could be imposed under the by-law. The proposed phase-in for the first 5-years that the by-law is in force, is as follows:

- Year 1 80% of the maximum charge;
- Year 2 85% of the maximum charge;
- Year 3 90% of the maximum charge;
- Year 4 95% of the maximum charge; and
- Year 5 to expiry 100% of the maximum charge
- Note, for a D.C. by-law passed on or after June 1, 2022, the phase-in provisions would only apply to D.C.s payable on or after the day s.s. 5(7) of Schedule 3 of the Bill comes into force (i.e., no refunds are required for a D.C. payable between June 1, 2022 and the day the Bill receives Royal Assent). The phased-in charges also apply with respect to the determination of the charges under s. 26.2 of the Act (i.e., eligible site plan and zoning by-law amendment applications).

D.C. By-law Expiry: D.C. by-laws would expire 10 years after the day the by-law comes into force. This extends the by-laws life from 5 years currently. D.C. by-laws that expire prior to s.s. 6(1) of the Bill coming into force would not be allowed to extend the life of the by-law.

Installment Payments: Non-profit housing development has been removed from the installment payment section of the Act (section 26.1), as these units are now exempt from payment of a D.C. (see above).

Rental Housing Discount: The D.C. payable for rental housing developments will be reduced based on the number of bedrooms in each unit as follows:

- Three or more bedrooms 25% reduction;
- Two bedrooms 20% reduction; and
- All other bedroom quantities 15% reduction.

Maximum Interest Rate for Installments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications: No maximum interest rate was previously prescribed. Under the proposed changes, the maximum interest rate would be set at the average prime rate plus 1%. How the average prime rate is

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determined is further defined under s.9 of Schedule 3 of the Bill. This maximum interest rate provisions would apply to all installment payments and eligible site plan and zoning by-law amendment application occurring after s.9 of Schedule 3 of the Bill comes into force.

Requirement to Allocate Funds Received: Similar to the requirements for Community Benefit Charges, annually beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by the Regulation.

Amendments to Section 44 (Front-ending): This section has been updated to include the new mandatory exemptions for affordable, attainable, and non-profit housing, along with required affordable units under inclusionary zoning by-laws.

Amendments to Section 60: Various amendments to this section were required to align the earlier described changes.

In-force Date of Changes: The mandatory exemptions for affordable and attainable housing come into force on a day to be named by proclamation of the Lieutenant Governor. All other changes come into force the day the Bill receives Royal Assent.

2. Changes to the Planning Act regarding Community Benefits Charges (C.B.C.)

New Statutory Exemptions: Affordable Units, Attainable Units, and Inclusionary Zoning Units will be exempt from C.B.C. These types of development are defined in the proposed amendments to the D.C.A. (see above). The exemption is proposed to be implemented by applying a discount to the maximum amount of the C.B.C. that can be imposed based on the proportionate share of floor area, as contained in s.s. 37(32) of the Act. For example, if the affordable, attainable and inclusionary zoning housing units represent 25% of the total building floor area, then the maximum C.B.C. that could be imposed on the development would be 3% of the total land value (i.e., a reduction of 25% from the maximum C.B.C. of 4% of land value).

Incremental Development: Where development or redevelopment is occurring on a parcel of land with existing buildings or structures, the maximum C.B.C. would be calculated on the incremental development only. The amount of incremental development would be determined as the ratio of new development floor area to the total floor area. For example, if development of a 150,000 sq.ft. of building floor area is occurring on a parcel of land with an existing 50,000 sq.ft. building, then the maximum C.B.C. that could be imposed on the development would be 3% of the total land value (i.e. the maximum C.B.C. of 4% of land value multiplied by 150,000/200,000).

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3. Changes to the Planning Act regarding Parkland Dedication

New Statutory Exemptions: Affordable Units, Attainable Units, and Inclusionary Zoning Units will be exempt from Parkland Dedication provision. Similar to the rules for C.B.C., these types of development are defined in the proposed amendments to the D.C.A. (see above). The exemption is proposed to be implemented by discounting the application of the standard parkland dedication requirements to the proportion of development excluding affordable, attainable and inclusionary zoning housing units. For example, if the affordable, attainable and inclusionary zoning housing units represent 25% of the total residential units of the development, then the standard parkland dedication requirements of the total land area would be multiplied by 75%.

Non-Profit Housing Exemption: Non-profit housing development, as defined in the D.C.A., would not be subject to parkland dedication requirements.

Additional Residential Unit Exemption: Exemption for additional residential units in existing and new residential buildings – the following developments will be exempt from parkland dedication:

- A second unit in a detached, semi-detached, or rowhouse if all buildings and structures ancillary cumulatively contain no more than one residential unit;
- A third unit in a detached, semi-detached, or rowhouse if no buildings or structures ancillary contain any residential units; and
- One residential unit in a building or structure ancillary to a detached, semidetached, or rowhouse on a parcel of urban land, if the detached, semidetached, or rowhouse contains no more than two residential units and no other buildings or structures ancillary contain any residential units.

Determination of Parkland Dedication: Similar to the rules under the D.C.A., the parkland dedication determination for a building permit issued within 2 year of a Site Plan and/or Zoning By-law Amendment approval would be subject to the requirements of the by-law as at the date of planning application submission.

Alternative Parkland Dedication Requirement: The following amendments are proposed for the imposition of the alternative parkland dedication requirements:

• The alternative requirement of 1 hectare (ha) per 300 dwelling units would be reduced to 1 ha per 600 net residential units where land is conveyed. Where the municipality imposes cash-in-lieu (CIL) of parkland requirements, the

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amendments would reduce the amount from 1 ha per 500 dwelling units to 1ha per 1,000 net residential units.

- Proposed amendments clarify that the alternative requirement would only be calculated on the incremental units of development/redevelopment.
- The alternative requirement would not be applicable to affordable and attainable residential units.
- The alternative requirement would be capped at 10% of the land area or land value where the land proposed for development or redevelopment is 5 ha or less; and 15% of the land area or land value where the land proposed for development or redevelopment is greater than 5 ha.

Parks Plan: Currently a Parks Plan is required to include the alternative parkland dedication requirements in an Official Plan. This proposed to be revised to require a Parks Plan before passing a parkland dedication by-law under s.42 of the Act.

Identification of Lands for Conveyance: Owners will be allowed to identify lands to meet conveyance requirements, with regulatory criteria requiring the acceptance of encumbered and privately owned public space (POPs) as parkland dedication. Municipalities may enter into agreements with the owners of the land re POPs to enforce conditions, which may be registered on title. Suitability of land for parks and recreational purposes will be appealable to the Ontario Land Tribunal (O.L.T.).

Requirement to Allocate Funds Received: Similar to the requirements for C.B.C. and proposed for D.C.A., annually beginning in 2023, municipalities will be required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year.

4. Changes to the Planning Act, and other Key Initiatives regarding Planning Matters

Provided below is a high-level summary of the proposed key changes impacting housing, growth management and long-range planning initiatives at the municipal level.

4.1 2031 Municipal Housing Targets

The Province has identified that an additional 1.5 million new housing units are required to be built over the next decade to meet Ontario's current and forecast housing needs. Further, the Province has assigned municipal housing targets, identifying the number of new housing units needed by 2031, impacting 29 of Ontario's largest and many of the fastest growing single/lower tier municipalities, as summarized in Table 1 below. Key observations include:

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- Of the 29 municipalities identified, 25 are within the Greater Golden Horseshoe (G.G.H.) region and four are located in other municipalities within Southern Ontario. Municipalities with the highest housing growth targets include the City of Toronto (285,000 new housing units by 2031), City of Ottawa (151,000 units) City of Mississauga (120,000 units) and City of Brampton (113,000).
- Collectively, the housing targets for the 29 municipalities total 1,229,000 new housing units, representing about 82% of Ontario's 1.5 million housing units needed over the next decade.
- The municipal housing targets do not provide details regarding housing form, density or structure type.
- The province is requesting that identified municipalities develop municipal housing pledges which provide details on how they will enable/support housing development to meet these targets through a range of planning, development approvals and infrastructure related initiatives.
- These pledges are not intended to replace current municipal plans and are not expected to impact adopted municipal population or employment projections.

Greater Golden Horseshoe (GGH) - Greater Toronto Hamilton Area (GTHA)	Greater Golden Horseshoe (GGH) Outer Ring	Non-GGH
Toronto (City): 285,000	Kitchener (City): 35,000	Ottawa (City): 151,000
Mississauga (City): 120,000	Barrie (City): 23,000	London (City): 47,000
Brampton (City): 113,000	Cambridge (City): 19,000	Windsor (City): 13,000
Hamilton (City): 47,000	Guelph (City): 18,000	Kingston (City): 8,000
Markham (City): 44,000	Waterloo (City): 16,000	
Vaughan (City): 42,000	St. Catharines (City): 11,000	
Oakville (Town): 33,000	Brantford (City): 10,000	
Richmond Hill (City): 27,000	Niagara Falls (City): 8,000	
Burlington (City): 29,000		
Oshawa (City): 23,000		
Milton: (Town): 21,000		
Whitby (Town): 18,000		

Table 1: 2032 Housing Growth Target

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Ajax (Town): 17,000	
Clarington: 13,000	
Pickering (City): 13,000	
Newmarket (Town): 12,000	
Caledon (Town): 13,000	

4.2 Potential Changes to Provincial and Regional Planning Framework

Streamlining Municipal Planning Responsibilities

Schedule 9 of the Bill proposes a number of amendments to the Planning Act. Subsection 1 (1) of the Act is proposed to be amended to provide for two different classes of upper-tier municipalities, those which have planning responsibilities and those which do not.

- Changes are proposed to remove the planning policy and approval responsibilities from the following upper-tier municipalities: Regions of Durham, Halton, Niagara, Peel, Waterloo, and York as well as the County of Simcoe.
- Future regulations would identify which official plans and amendments would not require approval by the Minister of Municipal Affairs and Housing (i.e., which lower-tier plans and amendments of the lower-tier municipality would need no further approval).
- The proposed changes could also potentially be applied to additional upper-tier municipalities in the future via regulation.

Creation of Supporting Growth and Housing in York and Durham Regions Act, 2022

Schedule 10 of the Bill presents the Supporting Growth and Housing in York and Durham Regions Act, 2022. The proposed Act would require York and Durham Regions to work together to enlarge and improve the existing York Durham Sewage System. Implementation of this proposal would accommodate growth and housing development in the upper part of York Region to 2051.

Review of Potential Integration of Place to Grow and Provincial Policy Statement (PPS)

The Ministry of Municipal Affairs and Housing (MMAH) is undertaking a housingfocused policy review of A Place to Grow and the Provincial Policy Statement.



The Government is reviewing the potential integration of the PPS and A Place to Grow into a new province-wide planning policy framework that is intended to:

- Leverage housing-supportive policies of both policy documents while removing or streamlining policies that result in duplication, delays or burden the development of housing;
- Ensure key growth management and planning tools are available to increase housing supply and support a range and mix of housing options;
- Continue to protect the environment, cultural heritage and public health and safety; and
- Ensure that growth is supported with the appropriate amount and type of community infrastructure.

Potential key elements of a new integrated policy instrument, as identified by the Government, include the following:

- **Residential Land Supply** more streamlined and simplified policy direction regarding settlement area boundary expansions, rural housing and employment area conversions that better reflect local market demand and supply considerations to expand housing supply opportunities.
- Attainable Housing Supply and Mix policy direction that provides greater certainty that an appropriate range and mix of housing options and densities to meet projected market-based demand and affordable housing needs of current and future residents can be developed. This includes a focus on housing development within Major Transit Station Areas (M.T.S.A.s) and Urban Growth Centres (U.G.S.) across the Province.
- **Growth Management** policy direction that enables municipalities to use current and reliable information about the current and future population and employment to determine the amount and type of housing needed and the amount and type of land needed for employment. Policy direction should also increase housing supply through intensification in strategic areas, such as along transit corridors and major transit station areas, in both urban and suburban areas.
- Environment and Natural Resources continued protection of prime agricultural areas which promotes Ontario's Agricultural System, while creating increased flexibility to enable more residential development in rural areas that minimizes negative impacts to farmland and farm operations. More streamlined policy direction regarding natural heritage, natural and human-made hazards, aggregates and with continued conservation of cultural heritage to also be considered.

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- **Community Infrastructure** increased flexibility for servicing new development (e.g., water and wastewater) encouraging municipalities to undertake long-range integrated infrastructure planning. A more coordinated policy direction is also to be considered that ensures publicly funded school facilities are part of integrated municipal planning and meet the needs of high growth communities.
- **Streamlined Planning Framework** more streamlined, less prescriptive policy direction including a straightforward approach to assessing land needs, that is focused on outcomes that focus more on relevance and ease of implementation.

Review of Revocation of the Central Pickering Development Plan and the Parkway Belt West Plan

The Government of Ontario is proposing to revoke two existing provincial plans as a means to reduce regulatory burdens and remove barriers to expanding housing supply; including;

- Central Pickering Development Plan, under the Ontario Planning and Development Act, 1994; and
- Parkway Belt West Plan, 1978, under the Ontario Planning and Development Act, 1994.

4.3 Potential Changes to Expand/Support Rental and Affordable Housing Supply Opportunities

Potential Changes to Planning Act and Ontario Regulation 299/19: Addition of Residential Units

Schedule 9 of Bill 23 proposes amendments to the Planning Act (Subsection 34 (19.1) with amendments to Ontario Regulation 299/19: Additional Residential Units to support gentle intensification in existing residential areas. The proposed changes would:

• allow, "as-of-right" (without the need to apply for a rezoning) up to 3 units per lot in many residential areas, including those permitting residential uses located in settlement areas with full municipal water and sewage services. This includes encompassing up to 3 units in the primary building (i.e, triplex), or up to 2 units allowed in the primary building and 1 unit allowed in an ancillary building (e.g. garden suite).

Potential Changes to Inclusionary Zoning

Ontario Regulation 232/18 is the regulation to implement inclusionary zoning in Ontario. The proposed amendments to O. Reg 232/18 would:

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- Establish 5% as the upper limit on the number of affordable housing units. The 5% limit would be based on either the number of units or percentage share of gross floor area of the total residential units; and
- Establish a maximum period of twenty-five (25) years over which the affordable housing units would be required to remain affordable.

Affordable units are defined as those which are no greater than 80% of the average resale purchase price for ownerships units or 80% of the average market rent (A.M.R.) for rental units.

5. Changes to the Conservation Authorities Act

Programs and services that are prohibited within municipal and other programs and services: Authorities would no longer be permitted to review and comment on a proposal, application, or other matter made under a prescribed Act. The Province proposes that a new regulation would prescribe the following Acts in this regard:

- The Aggregate Resources Act
- The Condominium Act
- The Drainage Act
- The Endangered Species Act
- The Environmental Assessment Act
- The Environmental Protection Act
- The Niagara Escarpment Planning and Development Act
- The Ontario Heritage Act
- The Ontario Water Resources Act
- The Planning Act
- These changes would focus an authority's role in plan review and commenting on applications made under the above Acts (including the Planning Act) to the risks of natural hazards only. Authorities would no longer be able to review applications with respect to natural heritage impacts.
- With respect to natural heritage review requirements, the Province is proposing to integrate the Provincial Policy Statement, 2020 and A Place To Grow: Growth Plan for the Greater Golden Horseshoe into a new Province-wide planning policy instrument. It is proposed that this new instrument could include changes to natural heritage policy direction (see section 4.2 above).

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Minister's ability to freeze fees: The Minister would have the ability to direct an authority to not change the amount of any fee it charges (including for mandatory programs and services) for a specified period of time.

Exemptions to requiting a permit under section 28 of the Conservation Authorities Act: Where development has been authorized under the Planning Act it will be exempt from required permits to authorize the development under section 28 of the Conservation Authorities Act. Exemptions to permits would also be granted where prescribed conditions are met.

• Regulation making authority would be provided to govern the exceptions to section 28 permits, including prescribing municipalities to which the exception applies, and any other conditions or restrictions that must be satisfied.

Shortened timeframe for decisions: Applicants may appeal the failure of the authority to issue a permit to the Ontario Land Tribunal within 90 days (shortened from 120 days currently).

6. Next Steps

We will continue to monitor the legislative changes and keep you informed. Further, there will be opportunities for municipalities to provide comments and/or written submissions through the provincial process. We note that there may be further questions and concerns which we may advance to the Province after our detailed review of this Bill and potential regulation(s).

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

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