



Mayors of the Municipalities of Oxford County

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P.O. Box 1614
Woodstock, Ontario
N4S 7Y3

December 14, 2022



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

Dear Premier Ford:

In follow-up to our meeting with Ernie Hardeman, MPP Oxford, on December 13, Oxford County acknowledges and supports Ontario's stated objective to increase housing supply: our own County Council has focused on this through a number of actions and strategies over the years. We are also supportive of efficient and effective municipal decision-making.



We cannot, however, support measures that compromise the democratic process and risk community and environmental sustainability. We believe these core principles are vulnerable under parts of the *More Homes Built Faster Act, 2022*, and *Bill 39, Better Municipal Governance Act, 2022*, and are submitting for your consideration specific requests through this letter.



Supporting affordable housing

Oxford County Council has taken a progressive approach to housing policy for many years:

We enacted a *Housing First* Policy in 2015, directing all surplus lands to be used for housing development or sold for reinvestment in housing.

We took a leadership role in hosting a **municipal housing forum** in 2019, producing a number of housing strategies that were shared with partners and neighbouring municipalities through a **tool kit**.

Affordable housing is a key focus of Council's Zero Poverty resolution, 2017.

Council allocated \$1.5 million in additional affordable housing funds in the 2022 budget and is considering another \$3.0 million investment as part of the 2023 budget.

Our Master Housing Strategy has now been released, directing funds and resources in support of affordable housing initiatives.

We continue to support affordable housing programs for individuals and families through our affordable home ownership and secondary unit programs.



Oxford County is concerned that the *More Homes Built Faster Act* will have significant unintended consequences that may have the opposite effect of its goal, delaying or obstructing the construction of additional housing supply. Moreover, there are no assurances in the legislation that houses built can be afforded by those who need them.

Our concerns

Our concerns over the *More Homes Built Faster Act, 2022*, and *Bill 39, Better Municipal Governance Act, 2022*, include the following.

Financial burden on municipalities. The move away from a “growth pays for growth” approach places severe financial burden on municipalities and, by extension, taxpayers, including those families and individuals reaching for home ownership. The shift of growth costs to residents through property tax and water/sewer rates will impact the affordability of homes.

For Oxford County, the removal of development charges as outlined in the legislation will result in a loss of approximately \$5.6 million over a 10-year period, **a 32% reduction**. Across all Oxford’s municipalities, that revenue loss climbs to \$10.54 million.

The County is also estimating significant resource implications, including the potential need for additional staffing and other resources to manage the financial reporting, policy and administrative aspects of the changes. Our early estimated costs for staffing to implement the *More Homes Built Faster Act* is \$288,500.

While this money is either being taken out of our budget or forced into our levy, Oxford County is right now--pending budget deliberations-- considering investing another \$3 million in actual housing.

Impact on affordable housing programs. Housing Services has been removed from the list of development charge eligible services, which has historically served as a means to recover for and construct affordable housing. This change prevents the County from adding affordable housing-related projects as an eligible service in future. Additionally, changes under the Act are expected to increase demands on housing staff to update and process by-laws and administer and monitor agreements for affordable and attainable housing.

Impact on infrastructure. A significant challenge in completing the construction of new homes in a shorter time than planned for is the demand new construction puts on essential services, like water and sanitary, and the infrastructure required to provide those services.

Community sustainability and environmental protection. As expressed by the Association of the Municipalities of Ontario (AMO), many of the proposed amendments to the *Conservation Authorities Act* and the *Planning Act* signal a move away from environmental protection at a time when climate change impacts are being felt more at the local level.

Oxford County is seeking assurance that natural heritage and water resources are managed in a way that maintains, enhances or restores these systems, and that these systems are considered in the context of other natural heritage features, such as surface water and groundwater. We are further concerned that the proposed offsetting policy—or “pay to pave”—will result in the loss of biodiversity and ecosystems.

Erosion of local government. Along with *Bill 39, Better Municipal Governance Act*, this Act erodes the public process that taxpayers expect from local government. This autocratic approach to local government demonstrates to residents that their opinions on development-- and its impacts to sustainability, environment and social wellbeing-- does not matter.

Lack of meaningful consultation. The very short consultation period provided by the Province has not allowed municipalities to understand, before commenting, the full extent and impacts of the sweeping changes that have been introduced, not to mention the various other related legislative, policy and regulatory changes that are still under consideration (e.g., Provincial Policy Statement, natural heritage planning, etc.).

The *More Homes Built Faster Act* is of particular concern when considered with *Bill 39, Better Municipal Governance Act, 2022*. Together, these legislations threaten the authority, effectiveness and viability of local government. And, while this legislation is applied to only some today, it can only be a matter of time before it is applied to all.

We are seeking

Further consultation with Ontario's municipalities. While the consultation timelines did not offer municipalities full voice to this point, we are asking the Province to now allow municipalities to have greater say on aspects of the implementation of the Acts.

Protection for Oxford County's unique government structure. Oxford is referenced under the *Municipal Act, 2001* as a regional government with a unique sphere of jurisdiction carried over from the repealed *Oxford County Act*. The County has no oversight or veto over area municipalities. For this reason, we are asking for an amendment to exclude Oxford County from any and all provisions of Bill 39.

Financial support. Early estimates of the financial impacts of the *More Homes Built Faster Act* are significant. Municipal governments are not positioned to absorb these costs, and cannot carry out the Province's strategy without financial support.

Oxford County Council thanks you for your time in hearing our concerns. We are hopeful for continued dialogue on the *More Homes Built Faster Act, 2022*, and *Bill 39, Better Municipal Governance Act, 2022*, and seek your confirmation that our request for protection from Bill 39 will be advanced for consideration.

In the meantime, it is our intention to continue to support municipal organizations, such as the Association of Municipalities of Ontario, to lobby the province to work together with the municipalities in developing solutions that grow the housing supply, and that Bill 39 does not undermine municipal government and the democratic process. It is imperative that solutions be found through collaboration, cooperation and innovation of all parties.

Thank you,
The Mayors of the Municipalities of Oxford County

cc: The Hon. Steve Clark, Minister of Municipal Affairs & Housing, minister.mah@ontario.ca
Ernie Hardeman, Member of Provincial Parliament, Oxford, ernie.hardemanco@pc.ola.org
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Oxford County Warden Marcus Ryan
Mayor, Township of Zorra



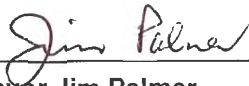
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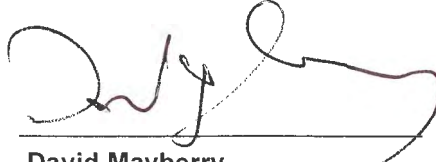
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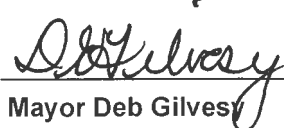
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Attachments

Oxford County Resolution Re: Better Municipal Governance Act, 2022 – Nov 23, 2022

CS 2022-49 - Municipal Resource Impacts Resulting From Bill 23

CP 2022-413 - Review of A Place to Grow and Provincial Policy Statement

Municipal Council of the County of Oxford
Council Meeting - Oxford County

Date: Wednesday, November 23, 2022

Moved By: David Mayberry

Seconded By: Brian Petrie

Whereas on November 16 2022, the Province of Ontario announced the “Better Municipal Governance Act, 2022”;

And whereas in the November 16th announcement the Minister of Municipal Affairs and Housing justified the introduction of Bill 39 by stating that this would help with the “housing crisis” and included The Better Homes Built Faster Act (Bill 23) in this news release;

And whereas the Government of Ontario’s Memorandum of Understanding with the Association of Municipalities of Ontario states that “Ontario recognizes municipalities as responsible and accountable governments with respect to matters within their jurisdiction”;

And whereas the powers of a Head of Council, the appointment of a Chair, and bylaws are, and have always been, both under the Municipal Act and as a matter of democratic principle, the responsibility of democratically elected representative councils;

And whereas Oxford County values its councils and principles of democracy and has not asked for any of these changes;

And whereas residents of Oxford were not afforded any opportunity to discuss these changes in the forums of either the previous Provincial, or just completed Municipal, elections;

Therefore be it resolved that Oxford County Council ask staff, (in conjunction with area municipal staff where necessary) to bring forward a report to the December 14, 2022 meeting of Council that describes the potential impacts for both finances and staffing requirements that could arise from the introduction of Bills 39 and 23 for the 2023 and future budgets and work plans, to, at a minimum, include the impacts of announced changes to Developmental Charges Act, the timing, financial and staffing implications for planning reports, the implications for announced changes to the Conservation Act and the Heritage Act, and any other financial and staffing implications for the county, and where possible, for the area municipalities;

And further that Oxford County Council opposes the “Better Municipal Governance Act, 2022” in the strongest terms possible and hereby request the Warden to meet with our MPP as soon as possible to express our very serious concerns about both Bill 39 and Bill 23;

And further, that this resolution be forwarded to all Oxford area municipalities, WOWC, ROMA, AMO, Oxford MPP, Minister of Municipal Affairs & Housing, and the Premier of Ontario.

DISPOSITION: Motion Carried

Chloe Senior

To: Warden and Members of County Council

From: Director of Corporate Services

Municipal Resource Impacts Resulting From Bill 23

RECOMMENDATIONS

1. That Report No. CS 2022-49, titled “Municipal Resource Impacts Resulting From Bill 23” be received;
2. And further, that Council give consideration to three additional FTEs as part of the 2023 Business Plan and Budget to meet Planning and Finance staff resource needs that will be required to operationalize the requirements of Bill 23 – *More Homes Built Faster Act*;
3. And further, that Council request staff to bring a follow up report back for Council’s consideration in early 2023 (once staff have had an opportunity to assess the impacts of the changes in greater detail), to provide further detail on additional resource needs arising from Bill 23 and related provincial changes;
4. And further, that a copy of this report be forwarded to the Premier of Ontario, the Minister of Municipal Affairs and Housing, the Leader of the Official Opposition, all Ontario MPPs, and the Association of Municipalities of Ontario.

REPORT HIGHLIGHTS

- On November 28, 2022 the Province enacted Bill 23, the More Homes Built Faster Act, and has also commenced a related review of the Provincial Policy Statement (PPS), natural heritage planning and natural hazard regulations. These changes and related consultations are being undertaken through a series of postings on the Environmental Registry of Ontario (ERO).
- Bill 23 and a number of the other proposed legislative and regulatory changes will have significant financial and resource implications for the County and/or Area Municipalities, including the need for additional staffing and other resources and consideration of increased and/or new/alternative sources of funding to cover additional costs and off-set expected reductions in some municipal revenue sources.
- This report, prepared in collaboration with Planning and Housing staff, provides a preliminary, high level assessment of these changes and resulting financial and other resource implications for Council’s initial consideration.

Implementation Points

Bill 23 and a number of the other changes currently being considered and/or proposed by the Province, will have significant implications for the local implementation of land use planning, development charges, parks planning, environmental and heritage protections, and various other matters. These changes will require substantial review and/or update of various County and Area Municipal policies, documents, processes and standards, as well as consideration of related staffing and financial resource implications.

Financial Impact

The changes contained in Bill 23 will negatively impact a municipalities' financial sustainability, with the most significant changes occurring to the Development Charges Act (DCA). Development Charges (DC) are a long-standing critical source of funding relied on by municipalities to finance growth related infrastructure and ensures that "growth pays for growth". The changes arising from Bill 23 compromise this objective by shifting the burden for growth related infrastructure investments to existing taxpayers.

The initial estimated impact to the County is a loss of \$5.6 million in development charges over a 10 year period. The estimated DC revenue loss, as illustrated in Table 1, is based on the 2019 DC Study and actual loss realized will vary from these estimates.

As the County's current DC By-law was passed prior to January 1, 2022 the mandatory phase in reductions and elimination of cost recovery for certain studies is not anticipated to impact the County until the next DC By-law update in 2024.

Table 1 – County Estimated Impacts - Development Charges Act Changes (over a 10-year period)

Bill 23 Change	Details	Estimated Financial Impact
Elimination of Housing as an eligible service	Passing of Legislation - cannot charge Housing DC from date of Royal Assent.	N/A – Current DC By-law included an affordable housing needs study only, accounted for in the figures below.
Elimination of cost recovery for certain studies	Studies are to determine the capital costs for land, building, facilities, including DC background study	\$1.1 million – Rates \$1.3 million – Levy
Elimination of cost recovery of land for certain services	Cost to acquire land for specific services can be exempted as an eligible expense if prescribed.	TBD - The County's current background study does include some costs for acquiring land, however further review to determine eligibility is

Bill 23 Change	Details	Estimated Financial Impact
		required before impact can be quantified.
DC for rental housing development	% Reduction based on the number of bedrooms: 3+ bedrooms 25%; 2 bedrooms 20%; 1 bedroom 15%.	TBD – Unable to quantify the impact based on data currently tracked at the County level.
DC exemptions	Exemptions for the creation of affordable residential units and attainable housing units, for non-profit housing developments, and for inclusionary zoning residential units. Includes DC exemptions for one additional residential unit (or 1% of existing units) in an existing residential building; as well as up to three residential units on an existing residential property (may be within the existing home or within an ancillary unit).	TBD - County's current By-law provides a non-statutory exemption for Affordable Housing development. Unable to determine the ongoing annual impact as this is highly dependant on the types of developments undertaken.
Mandatory phase-in Year 1	Phase-in of DC rates in by-laws passed on or after January 1, 2022. Year 1 (80%)	\$0.8 million – Rates \$0.5 million – Levy
Mandatory phase-in Year 2	Phase-in of DC rates in by-laws passed on or after January 1, 2022. Year 2 (85%)	\$0.6 million – Rates \$0.4 million – Levy
Mandatory phase-in Year 3	Phase-in of DC rates in by-laws passed on or after January 1, 2022. Year 3 (90%)	\$0.4 million – Rates \$0.2 million – Levy
Mandatory phase-in Year 4	Phase-in of DC rates in by-laws passed on or after January 1, 2022. Year 4 (95%)	\$0.2 million – Rates \$0.1 million – Levy
DC By-law expiration	By-laws expire 10 years after they come into force (previously 5 years). This length of time could result in growth projections and capital programs becoming stale dated and not being as responsive to the County's changing growth needs.	TBD – Updating the DC By-law prior to the expiry of the 10 year period would trigger the phase in and potential impacts listed above.
Historical service levels	Historical service levels now based on 15 years prior instead of current 10 years prior	TBD – Unable to determine the extent of the impact until the next

Bill 23 Change	Details	Estimated Financial Impact
		DC Background Study is completed.
Imposing a maximum interest rate for DC deferrals and payment plans	Municipalities will be “capped” regarding the maximum interest rates that can be charged. The maximum interest rate would be based on Canadian banks prime rates plus 1%. Interest rate to be set quarterly.	TBD – County is not aware of any development deferrals currently in place, and is unable to determine future development applications that may be subject to deferrals.
Reserve fund balances	Municipalities must spend or allocate 60% of reserve fund balances for water, wastewater, and road DCs (and other DC services as prescribed). This will be an annual requirement.	TBD – Further clarification is required.
TOTAL (2019 dollars)		\$3.1 million – Rates \$2.5 million – Levy
TOTAL (2022 dollars)	Estimated 29% inflationary increase	\$4.0 million – Rates \$3.3 million – Levy

Table 2 summarizes the estimated impacts to the area municipalities as a result of the elimination of certain studies as an eligible cost for recovery, and the mandatory phase-in.

Table 2 – Area Municipality Estimated Impacts - Development Charges Act Changes (over a 10-year period)

Area Municipality	Elimination of recovery for studies	Mandatory phase-in	Total Estimated Financial Impact
Zorra	\$0.10 million	\$0.05 million	\$0.15 million
Blandford-Blenheim	0.09 million	0.14 million	0.23 million
East Zorra-Tavistock	TBD	TBD	TBD
Norwich	0.04 million	0.14 million	0.18 million
South-West Oxford	0.06 million	0.04 million	0.10 million
Tillsonburg	0.11 million	0.41 million	0.52 million

Area Municipality	Elimination of recovery for studies	Mandatory phase-in	Total Estimated Financial Impact
Ingersoll	0.11 million	0.15 million	0.26 million
Woodstock	1.00 million	2.50 million	3.50 million
TOTAL (2019 dollars)			\$4.94 million
TOTAL (2022 dollars)	Estimated 29% inflationary increase		\$6.37 million

Not included in the above table are the proposed changes to the Planning Act as they relate to parkland dedication rates and Community Benefits Charges (CBC). These fees and charges do not impact the County but will impact area municipalities. The parkland dedication changes (e.g. dedication rates, exemptions etc.) will result in less revenue collected by the area municipalities to fund the costs of infrastructure related to parks, and other services.

The initial review of Bill 23 impacts has identified the need for consideration of three additional FTEs as part of the 2023 Business Plan and Budget to meet Planning and Finance staff resource needs, with preliminary estimated costs summarized in Table 3. The need for the FTEs is further identified within the comments section of this report.

Table 3 – Estimated Staffing Costs







	One-time	Base	Total Budget
Salaries and benefits			
Finance FTE	\$-	\$79,200	\$79,200
Planning administration / support FTE	-	80,700	80,700
Development Planner FTE	-	128,600	128,600
Total Salaries and Benefits	-	288,500	288,500
Capital			
Computer Equipment: Laptop	6,000	-	6,000
Total capital	6,000	-	6,000
County Levy	\$5,200	\$256,100	\$261,300
Water and Wastewater Rates	\$800	\$32,400	\$33,200
<i>Initiative Gapping – positions start April 2023</i> 2024 Budget Impact	-	71,600	71,600
2023 Estimated Budget Impact - Levy	\$5,200	\$192,600	\$197,800

	One-time	Base	Total Budget
2023 Estimated Budget Impact - Rates	\$800	\$24,300	\$25,100

Communications

Initial communication is proposed to be through the inclusion of this report on the County Council agenda and related communications. Any changes to the budget or business plan processes that may arise from consideration of this report will be further communicated as part of those processes.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
1.ii.		3.ii. 3.iii.	4.i. 4.ii.	5.ii.	

DISCUSSION

Background

On October 25, 2022, the Provincial government initiated consultations with respect to a range of legislative changes, policies and other actions being considered as part of the second phase of their 2022 housing supply action plan (i.e. More Homes for Everyone Plan), including the introduction of Bill 23, known as the More Homes Built Faster Act, 2022. An overview of these proposed changes is provided in Reports No. [CP 2022-407](#) and CP 2022-413 (included on Council's December 14 agenda).

The overall stated purpose of Bill 23 is to introduce several legislative changes to increase housing supply throughout Ontario and to achieve the Province's goal of 1.5 million homes in the next 10 years. Bill 23 received first and second reading on October 25, 2022, was ordered for third reading on November 22, 2022 and received Royal Assent on November 28, 2022.

The Development Charges Act, 1997 (DCA), governs the collection of DCs. The intent of DCs is to ensure that infrastructure costs arising from increasing population and employment are funded by new development that benefits from the introduction of the new services (user-pays approach). DCs have been established to ensure that these costs are not borne by existing residents and businesses through property taxes or water/sewer rates.

At the regular meeting of November 23, 2022, County Council passed a resolution requesting that County staff bring forward a report that describes the potential impacts for both financial and staffing requirements that could arise from the introduction of Bills 39 and 23 for the 2023 and future budgets and work plans including, but not limited to, the changes to the Development Charges Act, Planning Act, Conservation Act and the Heritage Act. In response to that request, staff have prepared the following initial summary of financial, staffing and other municipal resource implications for Council's consideration.

Comments

Like all municipalities, given the very short consultation period provided by the Province, County and area municipal staff are still very much in the process of understanding the full extent and impacts of the sweeping changes that have been introduced through Bill 23, not to mention the various other related legislative, policy and regulatory changes that are still under consideration by the Province (e.g. PPS, natural heritage planning, natural hazard regulations etc.).

That said, as a starting point, County staff have prepared the following preliminary assessment of resource implications of the enacted and proposed changes for Council's consideration.

a) Financial Implications of Changes to the Development Charges Act (DCA)

Virtually all of the changes to the DCA result in less DC revenue collected by municipalities to fund the costs of growth-related infrastructure that supports new housing and commercial and industrial development. Several of the proposed changes would have notable impacts to both Oxford County and our area municipalities.

The most financially impactful change resulting from the revisions to the DCA is the DC rate phase-in. With this change, full recovery of DCs for a new approved by-law is not achieved until year five. This would impact the County's ability to fund the necessary growth-related infrastructure to support new development and maintain the timing of projects as identified in the long-term capital plan. During high growth periods, like the County is seeing now, supportive infrastructure needs (such as water and sanitary services) can change significantly in a short period of time. Although the DC Act allows for a By-Law to be in place for 10 years, this may put further strain on the ability to fund growth related project needs as they arise. Updating the DC By-Laws prior to the end of the 10-year period would result in the phase-in reductions being re-applicable, increasing the amount of lost DC revenue over a 10-year period.

Additionally, costs of certain growth related studies, and land or an interest in land that will be prescribed for certain services, will no longer be deemed eligible capital costs. In Oxford, the growth related studies that are currently recovered for through DCs include: secondary plans and servicing strategies (i.e. required to consider settlement expansions) and development charges study updates.

These changes place municipalities in a position where other funding sources would need to be identified in order to cover the shortfall (i.e. property tax, water / sewer rates). The shift of costs to existing residents would increase pressures on the affordability of existing homes.

Further, Housing Services has been removed from the list of DC eligible services, which is used to recover for and construct affordable housing. This change prevents the County from adding housing related projects as an eligible service in future.

A letter dated November 30, 2022 from Minister Steve Clark (Attachment 1) stated that the province is committed to ensuring municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure due to Bill 23. While no specifics were provided as to what this means, or when grant funding may be available, County staff will continue to monitor ongoing discussions around the impacts of Bill 23 and the specific financial impacts to the County, and report to Council accordingly.

The proposed changes included in Bill 23 that impact the DCA will require difficult choices between funding necessary growth-related infrastructure to support new development, replacing growth infrastructure funds with alternative funding sources such as property taxes, and/or delaying the construction of critical growth-related infrastructure. This would create affordability concerns and may result in the loss of progress made to resolve lifecycle funding gaps as identified in the 2022 Asset Management Plan, in the event that funding was required to be diverted from renewing assets to pay for growth needs. The 2024 Asset Management Plan Update will account for the additional growth asset needs, as identified in the upcoming DC Background Study, along with the funding impacts as a result of Bill 23 in order to determine if the County has made progress on closing the funding gaps, or lost progress due to the changes.

A significant challenge in completing the construction of new homes in a shorter time than planned for is the demand new construction puts on essential services like water and sanitary and the infrastructure required to provide those services. The planning and approval processes for supportive services (such as a new well water source) has not changed. Accelerated growth plans will exacerbate issues for communities with current capacity limitations.

The changes to the DCA as a result of Bill 23 increase the administrative burden of ensuring all development files are charged the appropriate rate in accordance with the Act and applicable By-Law(s), and that exemptions are calculated and funded appropriately. The current process has the area municipalities calculate and collect on DC applicable files, while County staff calculate and fund exemptions based on information received from the area municipalities.

Given the increased administrative burden, and that the County is ultimately responsible for ensuring its DC rates are applied appropriately, County staff will engage with area municipal staff to determine if it is appropriate to have County staff calculate all DC charges anticipated. While we recognize there will be an increase in the time undertaken to process applications, we anticipate the impact to be minimal. This change would result in an additional FTE requirement at the County level, and would be an anticipated 2023 need required for updating the DC By-Laws. County staff will then undertake discussions with municipal staff throughout 2023 and support Engineering Services as applicable with development review.

b) Public Works Resource Implications

With the recently passed More Homes for Everyone Act (Bill 109), there is now additional pressure put on municipalities to quickly review applications or risk having to refund fees to developers. FTE 2023-01, included in the draft 2023 Business Plan and Budget documents, is a

report in support of a Supervisor of Development position (in Public Works) to assist in managing the increased volume and pressures to meet the new legislative deadlines for review of development files. Further staffing requirements, as a direct result of Bill 23, will be assessed after the Supervisor of Development is in place.

c) Planning Related Resource Implications

Community Planning Office (CPO) staff have undertaken an initial, high level, assessment of potential staffing and other municipal resource impacts that are expected to arise from the Bill 23 changes to the Planning Act, Conservation Authorities Act and Heritage Act and various other changes being proposed by the Province (e.g. updates to the Provincial Policy Statement, natural heritage planning, natural hazard regulations, etc.). This assessment is provided in Table 1 contained in Attachment 2 to this report.

Based on this preliminary review, CPO staff have identified a number of financial, staffing and/or other resource implications, as follows:

Financial Implications

Growth Related Studies

As noted in the DCA change discussion above, the loss of DCs as a source of funding for growth related studies will directly impact how the County and the area municipalities fund the costs of various growth related planning projects (e.g. secondary plans and servicing strategies, growth forecast updates, new Official Plan and related studies etc.) going forward. DCs are currently the primary source of funding for such studies and, with the recent higher levels of growth the County has been experiencing, the need for and total cost of such studies is only expected to increase.

The County's DC background study currently identifies approximately \$1.6 million for growth related planning projects, with a similar amount identified for such projects in the area municipal DC background studies (i.e. collectively). With these projects no longer being DC eligible, this represents a substantial amount of funding that would need to be obtained from other sources to allow such projects to continue. These projects are all fundamental to ensuring growth in our communities (in particular housing) can continue to be accommodated in a coordinated, efficient and timely manner. So, it is unclear why the province would choose to introduce potential delay and uncertainty for the funding and/or completion of such projects, without any obvious benefits.

Parkland

Parkland is primarily an area municipal responsibility. The changes to the parkland dedication rates, exemptions for affordable and attainable housing, additional residential units and freezing of parkland rates etc. will have an impact on municipal parkland contributions and/or cash-in-lieu revenue.

In Oxford, the area municipalities generally still apply the standard parkland dedication rate of 5% to most residential developments. As such, the financial impact is not likely to be as pronounced as for larger urban municipalities that have a greater proportion of higher density residential development, where the application of the alternative parkland dedication rates

(which have been substantially reduced) is more critical. That said, the area municipalities will still need to assess the financial and other impacts of these changes.

Application Fees

The refund of application fees for Site Plan and Zone Change applications (and combined Zone Change and Official Plan Amendment applications) that are not processed within the newly prescribed time lines is likely to have a financial impact on the area municipalities and, to a lesser extent, the County without the additional FTEs. Planning staff are currently working to identify various measures that the area municipalities could consider to avoid, or substantially mitigate, this impact (i.e. complete application requirements, process change, increased application fees etc.) and will be meeting with area municipal staff shortly to discuss preferred approaches.

Sources of Funding

The above noted direct financial impacts together with increased municipal costs resulting from the need for increased staffing and other resources, as noted below, will likely require the consideration of alternative funding sources (e.g. application fees) to off-set some or all of those costs.

Staffing Impacts

Given the high level of development activity that the County and area municipalities have recently experienced and continue to experience, it has been challenging at times for the CPO to maintain timely and high quality development review services with existing staffing levels, particularly while also trying to move forward other important planning related projects and initiatives (i.e. zoning by-law updates, local planning studies, process updates and improvements, etc.).

This challenge has only been compounded by the seemingly continuous and wide ranging legislative, regulatory, and policy changes the Province has been bringing forward over the last few years, which have often pulled one or more senior and/or experienced staff away from work on other important planning projects and initiatives (i.e. Official Plan updates, secondary planning, etc.) to assess and respond to the changes. In the last several years, this additional demand on staffing has been virtually continuous.

Even without the impacts from Bill 23 and other proposed provincial changes, there would be benefit to reviewing the need for additional CPO staffing required to maintain and/or improve current levels of service. It is noted that current CPO staffing levels are relatively modest in comparison to those in other jurisdictions that provide similar planning services. So, with Bill 23 and the other proposed provincial changes placing even further demands on staffing, it is expected that CPO will require additional staffing to address both short term and longer term/ongoing resource demands. Following are some initial thoughts and considerations in that regard:

Administration/Support Staff

Additional staffing (i.e. minimum one FTE) will be required to continue to meet application processing timelines and requirements, maintain tracking systems and related reporting, update and maintain various planning related forms, documents (i.e. Zoning By-law consolidations) and processes, etc.

Planning Staff

Additional planning staff capacity (i.e. minimum of one FTE) would help to ensure application processing timelines and requirements can continue to be met, while also being able to continue to move forward other important planning projects and initiatives (i.e. OP review, growth forecast updates, secondary planning, zoning by-law updates, additional residential unit implementation, etc.) and respond to ongoing provincial legislative, policy and other changes.

Further, as it appears that Bill 23 may eliminate the ability for municipalities to rely on the Conservation Authorities for natural heritage review and expertise, additional in-house staffing and/or consulting services are expected to be required for municipalities to be able to provide that function. If this were to be provided primarily as an in-house service (i.e. by CPO staff), it is expected that a minimum of two additional staff FTEs (i.e. an environmental planner and ecologist) would be required. That said, some additional consulting support (i.e. for field work, peer reviews, etc.) would likely still be required, particularly during the initial transition period. It is noted that the use of consulting services for natural heritage review has raised some concern in terms of availability and costs, as well as the time it takes to obtain review comments from said consultants on some projects. With municipalities across the Province now potentially in need of such services, and bound by prescribed timelines, it is expected that these challenges could become even more pronounced moving forward.

Finally, if the role of municipalities with respect to planning for natural hazards (flooding, erosion, etc. as opposed to review of natural heritage resources) and identifying and protecting wetlands (i.e. proposed changes to the Ontario Wetland Evaluation System) were also to increase, as has been proposed, that would have even further increase the need for municipal staff resources and expertise.

Area Municipal Staff

A number of the changes identified in Attachment 2 (e.g. changes to planning application timelines and processes; parkland dedication, planning and administration; DC administration, etc.) could also place additional demands on area municipal staff resources. To date, CPO staff have not had an opportunity to discuss potential staffing impacts with the area municipalities in any detail. However, it is hoped that the summary contained in Attachment 2 will serve as an initial starting point for discussions in this regard.

Summary

To date, CPO staff have had very limited time to fully assess the impacts of Bill 23 and the other proposed changes and there is still continued uncertainty with respect to the timing and extent of many of the changes (i.e. many are still being consulted on, or are subject to regulations that have yet to be released). Therefore, at this point, CPO have identified an immediate need for

two additional FTEs. However, once CPO staff have had an opportunity to fully assess the timing and impact of the various changes, the need for additional staffing or other resources may be identified (i.e. through a subsequent report).

d) Housing Services Related Resource Implications

County Housing Services staff have undertaken an initial, high level, assessment of potential staffing and other municipal resource impacts that are expected to arise from Bill 23 and the various other changes being proposed by the Province. This assessment is provided in Table 2 of Attachment 2 to this report.

The changes will reduce funding options for affordable housing and are expect to increase demands on housing staff to update processes and by-laws and administer and monitor agreements for affordable and attainable housing. Further consideration will be given to the impacts on Housing staff resources as the regulations become available.

Conclusions

The County acknowledges and supports the Province's stated objective of increasing housing supply. However, County staff are deeply concerned that the passing of Bill 23 will have a variety of significant unintended consequences which may actually have the opposite effect and delay or obstruct the construction of additional housing supply at the scale that is desired.

While the intent of the Bill, to create more housing, is laudable, there is nothing in the Bill that guarantees that additional housing will be built. The Bill is in large part premised on the fact that if costs are reduced and timelines to decision advanced, that this will result in more construction, but it does not address other realities in the complex world of development. There is nothing in the Bill compelling a developer to advance an approval to construction or to pass forward any cost savings to consumers; developers sell housing at the price that the market will bear.

Bill 23 threatens the ability for municipalities to provide services in a timely and sustainable manner. Existing residents will pay more for growth, as existing taxpayers and ratepayers take on an even greater share of the cost of growth-related infrastructure, the total cost of housing will increase due to higher property taxes and user rates. This comes at a time when municipalities are experiencing capital cost escalation in the range of 15% or more and the highest cost of borrowing in over 10 years.

It is imperative that solutions be found through collaboration, cooperation and innovation of all parties. County staff will continue to support municipal organizations, such as the Association of Municipalities of Ontario, to lobby the province to work together with the municipalities in developing solutions that continue to ensure that 'growth pays for growth', while further supporting the need to increase the housing supply.

SIGNATURES

Report Author:

Original signed by

Jennifer Lavallee, CPA, CGA
Manager of Capital Planning

Departmental Approval:

Original signed by

Lynn S. Buchner, CPA, CGA
Director of Corporate Services

Approved for submission:

Original signed by

Benjamin R. Addley
Interim Chief Administrative Officer

ATTACHMENTS

Attachment 1 - Minister of Housing, Steve Clark correspondence dated November 30, 2022, to Colin Best, President, Association of Municipalities of Ontario

Attachment 2 – Planning and Housing Related Resource Impacts from Bill 23 and Other Provincial Changes

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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234-2022-5420

November 30, 2022

Colin Best
President
Association of Municipalities of Ontario
amopresident@amo.on.ca

Dear Colin Best:

I am writing to you today in the spirit of the long-standing partnership between Ontario and the Association of Municipalities of Ontario.

Since the day our government took office, we have been steadfast in our support and empowerment of our municipal partners. Working together, Ontario has provided tens of billions of dollars in new funding to support municipal services and build critical infrastructure, spurring job creation and creating the conditions for long-term economic growth.

During the COVID-19 pandemic, governments rightly put politics aside to work together as a unified team. That is why our government, in partnership with the federal government, was proud to provide over \$4 billion to Ontario's municipalities through the Safe Restart Agreement to address pandemic-related pressures, including for public transit, shelters and other operating costs. In fact, this funding provided one of the largest investments the province has ever made in the housing and homelessness sector.

I am writing today to address municipal feedback regarding Bill 23, the *More Homes Built Faster Act*. In particular, I would like to address the suggested impact the legislation could have on the ability of municipalities to fund infrastructure and services that enable housing.

The central intention of Bill 23 is to build more homes that are attainable for our growing population by discounting and exempting municipal fees and taxes for affordable, non-profit and purpose-built rental housing, and new homebuyers who otherwise face these significant costs. For example, municipal fees and taxes currently add an average of \$116,900 to the cost of a single-family home in the Greater Toronto Area before a single shovel is in the ground. That's the size of a down payment for many families, and puts the dream of homeownership out of reach for thousands of Ontarians.

I know that you and your membership share our goal of building communities that are welcoming to all residents, including new Canadians – towns and cities where everyone can have a place to call home and the dream of home ownership is kept alive. That is why our decision to rein in unsustainable and out-of-control municipal fees on new homebuyers is the right thing to do, and that is why our position on Bill 23 will not waver.

At the same time, it is critical that municipalities are able to fund and contract road, water, sewer, and other housing enabling infrastructure and services that our growing communities need. There should be no funding shortfall for housing enabling infrastructure as a result of Bill 23, provided municipalities achieve and exceed their housing pledge levels and growth targets. That's why we are taking immediate action to launch a third-party audit of select municipalities to get a factual understanding of their finances, including their reserve funds and development charge administration. Together, we can use this process to get the facts, make improvements, and better serve taxpayers by exploring alternative tools for growth to appropriately pay for growth rather than continuing to raise development fees on new homebuyers.

As we undertake this work together, we are committing to ensuring municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure because of Bill 23.

Furthermore, as good partners and in recognition of most municipalities making best efforts to accelerate the issuance of housing permits and approvals to meet and exceed their pledge targets, the government will introduce legislation that, if passed, would delay the implementation of development application refund requirements set out in Bill 109 by six months, from January 1, 2023 to July 1, 2023.

The federal government shares our objective of building 1.5 million homes in Ontario over the next 10 years, particularly at a time when it has set ambitious new targets for immigration. The majority of these newcomers will be welcomed to Ontario in search of jobs and opportunity. To this end, the province looks forward to working with our municipal partners to ensure we receive a proportional share of the federal government's new \$4 billion national Housing Accelerator Fund. We also expect that all municipalities will make an application to the federal Housing Accelerator Fund for funding that will support housing enabling infrastructure and relieve municipal charges levied on new homebuyers.

Together, we will ensure we can achieve our shared goal of building desperately needed homes. A strong partnership between the Province of Ontario and municipalities is critical if we are to solve our housing supply crisis – and we look forward to continuing our work together.

Sincerely,



Steve Clark
Minister

- c. The Honourable Doug Ford, Premier of Ontario
- The Honourable Chrystia Freeland
Deputy Prime Minister and Minister of Finance
- The Honourable Peter Bethlenfalvy, Minister of Finance
- The Honourable Caroline Mulroney, Minister of Transportation
- The Honourable Kinga Surma, Minister of Infrastructure
- The Honourable Prabmeet Sarkaria, President of the Treasury Board
- Brian Rosborough, Executive Director, AMO

Planning and Housing Related Resource Impacts from Bill 23 and Other Provincial Changes

Table 1 - Potential Planning Related Resource Impacts

Change/Proposed Change	Potential CPO ¹ Resource impact	Potential AM ² Resource Impact
Bill 109 Changes (enacted March 2022)		
Site Plan & Zoning Changes Various process changes (i.e. complete applications, processing timelines) and mandatory fee refunds if timelines not met. Date of effect Jan. 1, 2023 , however province just proposed to extend to July 1, 2023.	Short term <ul style="list-style-type: none"> Staff resources to review and update related processes (e.g. pre-consultation/complete application requirements), documents, forms, etc. Longer term/ongoing <ul style="list-style-type: none"> Increased demand on CPO (admin and planners) and PW staff to ensure applications are processed within new time lines. Approx. 82 site plan and 134 zone change applications were processed in Oxford in 2021. 	Short term <ul style="list-style-type: none"> Staff resources to assist CPO with any required process updates. Longer term/on-going <ul style="list-style-type: none"> May be increased demand on staffing to meet new site plan timelines (Note: the 3 urbans comprised 80% of these applications). May precipitate need for a fee review/update to off-set potential financial impacts.
Proposed Bill 23 (Enacted Nov. 28, 2022) and Related Changes		
General Reviewing and responding to the proposed legislative changes (i.e. Bill 23 and other related ERO postings). Date of effect: various	Short Term <ul style="list-style-type: none"> Such significant Provincial legislative and/or policy changes create disruption and uncertainty and often requires the full and immediate attention of senior/experienced staff to review, assess and respond. This delays and pulls resources away from other important planning projects. Longer term <ul style="list-style-type: none"> Enacted changes can take years to fully assess and implement, requiring significant and sustained staff resources. With a new Provincial housing plan proposed to be released every year, demands on CPO staffing are expected to be relatively ongoing/continuous. 	Short Term <ul style="list-style-type: none"> Staff resources to review/assess any local impacts and prepare any additional local comments, where deemed necessary. Longer term <ul style="list-style-type: none"> Once changes enacted, staff resources to assist CPO with developing and implementing required updates to local planning processes, documents and forms, etc.

<p>General – Tracking and Monitoring</p> <p>A number of changes (i.e. application refunds, application of DCs and parkland rate, etc.) will increase the need for tracking and monitoring</p>	<p>Short term</p> <ul style="list-style-type: none"> Will require continued dedication of CPO staff and consulting resources to complete/populate new cloud based planning tracking solution. Longer term/ongoing <p>Longer Term/Ongoing</p> <ul style="list-style-type: none"> CPO staff resources to maintain tracking information and associated reporting 	<p>Long Term/Ongoing</p> <ul style="list-style-type: none"> May be increased demand on staffing for additional tracking and administration related to calculation of timing based fees for parkland, DCs, etc.
<p>Planning Act – Eliminating Public Meetings for Plans of Subdivision</p> <p>Date of effect: Nov. 28, 2022</p>	<p>Short term</p> <ul style="list-style-type: none"> CPO staff resources required to review and update local processes, forms, notices etc. to ensure consistency. 	<p>Short Term</p> <ul style="list-style-type: none"> May increase demands on local staff and Council to manage expectations at the local public meeting for any related zone change.
<p>Planning Act – Eliminating third party appeals</p> <p>No one other than the applicant, the municipality, certain public bodies, and the Minister will be allowed to appeal minor variance or consent decisions.</p> <p>Date of effect: Nov. 28, 2022</p>	<p>Short term</p> <ul style="list-style-type: none"> CPO staff resources to review and update processes, forms, notices etc. to ensure consistency. 	<p>Short term</p> <ul style="list-style-type: none"> Staff resources to update local minor variance processes and notices, with CPO assistance
<p>Planning Act – New Exemptions from Site Plan Control</p> <ul style="list-style-type: none"> Developments of not more than 10 residential units and any land lease community home; Exterior building design, except as related to: <ul style="list-style-type: none"> ➤ access to a building that will contain affordable housing units; and, ➤ building construction required under a by-law referred to in section 97.1 of the Municipal Act (green roofs). 	<p>Short Term</p> <ul style="list-style-type: none"> CPO staffing resources to assist the area municipalities undertake necessary update to their site plan control by-laws and guidelines to reflect this change and to develop alternative mechanisms and processes for obtaining some of the landscaping and exterior design elements (i.e. zoning, development standards, municipal act by-laws etc.) CPO staffing resource may also be required to update OP policies and subdivision requirements to address matters no longer subject to site plan. <p>Longer term/Ongoing</p> <ul style="list-style-type: none"> The use of alternative, potentially less efficient and flexible tools, to 	<p>Short Term</p> <ul style="list-style-type: none"> Local staffing resources to assist CPO staff with necessary updates to site plan control by-laws, process and guidelines and implement any other new and/or updated mechanisms or processes to adapt to the change. <p>Longer term/Ongoing</p> <ul style="list-style-type: none"> The use of alternative, potentially less efficient and flexible tools, to continue to implement landscaping and exterior design requirements may require the development of additional documents, guidelines and standards to support and require more

<p>The following is also exempted: <i>The appearance of the elements, facilities and works on the land or any adjoining municipal highway is not subject to site plan control, except to the extent that the appearance impacts matters of health, safety, accessibility, sustainable design or the protection of adjoining lands.</i></p> <p>Date of Effect: Nov. 28, 2022</p>	<p>continue to implement landscaping and exterior design requirements may require the development of additional documents, guidelines and standards to support, which will require more staff time to administer and implement.</p>	<p>staff time to administer and implement.</p>
<p>Planning Act – Changes to Parkland Dedication</p> <p>Changes to dedication rates, Parks Plan requirements, statutory exemptions, requirement to spend or allocation of reserve funds, rate freezes, owners ability to identify lands to be dedicated, etc.</p> <p>Date of Effect: Nov. 28, 2022</p>	<p>Short to medium term</p> <ul style="list-style-type: none"> CPO staff resources to review and update related planning processes and supporting OP policies. 	<p>Short to medium term</p> <ul style="list-style-type: none"> Staff resources to develop and/or update parks plans, parkland dedication by-laws, deal with LPAT appeals, support increased need for tracking and reporting, etc. <p>Longer term/ongoing</p> <ul style="list-style-type: none"> Impact of reductions in parkland contributions, cost of LPAT appeals, etc.
<p>Planning Act – Changes to Community Benefit Charges (CBCs)</p> <p>Statutory exemptions (e.g. affordable and attainable housing, etc.) and restricting its application to new development only.</p> <p>Date of Effect: Nov. 28, 2022</p>	<ul style="list-style-type: none"> CBCs are not currently utilized in Oxford, but are being considered by some area municipalities. CPO staff resources would be required to assist AMs considering a CBC and develop the required Official Plan policies Changes are not likely to increase the staff resources that would be required to implement a CBC. 	<ul style="list-style-type: none"> Similar to those noted in CPO column
<p>Planning Act – Updated requirements for Additional Residential Units (ARUs)</p> <p>Official Plan policies and zoning by-laws cannot prohibit three residential units per lot (3 in the main building, or 2 in main building and 1 in an accessory building) <u>in a fully serviced settlement</u> ('parcel of urban residential land'). Municipalities cannot specify</p>	<p>Short Term</p> <ul style="list-style-type: none"> CPO staff resources will be required to amend the Official Plan and Zoning By-Laws to reflect this change and assist area municipal staff with updating/implementing any other related local processes; Still unclear if this will change will impact the permission of ARUs in rural areas and what standards municipalities may still be able to apply (e.g. lot 	<p>Short Term</p> <ul style="list-style-type: none"> Staff resources to assist CPO with developing any required OP and zoning updates and implement any other local process that may be deemed necessary (i.e. licensing, registration, etc.) <p>Longer Term/On-going</p> <ul style="list-style-type: none"> As such units are exempt from DCs and parkland dedication, permitting them

<p>minimum unit sizes or more than one additional parking space per unit.</p> <p>Date of effect: Nov. 28, 2022 (also subject to updates to O. Reg. 299/19, which may provide further details)</p>	<p>size standards, confirmation of servicing capacity, maximum unit size, etc.). CPO staff will continue to review and monitor.</p> <p>Longer Term/On-going</p> <ul style="list-style-type: none"> As such units are exempt from DCs, permitting them essentially 'as of right' could increase funding short falls for required municipal services. 	<p>essentially 'as of right' could increase funding short falls for required municipal services and parkland.</p>
<p>Conservation Authorities Act – Eliminate CAs from review of natural heritage and other environmental matters</p> <p>Proposed changes that would prohibit a CA from providing natural heritage related planning review services on behalf of municipalities in relation to applications and process under prescribed Acts.</p> <p>Conservation Authorities would continue to review development applications for 'natural hazards' only.</p> <p>Date of effect: January 1, 2023 (but is still subject to passing of a regulation to prescribe the Acts to which it will pertain)</p> <p>The resource implications in this table are based on assumption that a regulation prescribing the Planning Act and other Acts is enacted.</p>	<p>Short to medium term</p> <ul style="list-style-type: none"> CPO staff resources to review and update planning related processes (i.e. complete application requirements technical guidelines) to clarify when and what natural heritage studies and review are required and front end related requirements. Review and update Official Plan natural heritage related policies to address changes Increased need for project management of peer reviews of environmental requirements Additional resources (i.e. environmental planner, ecologist and/or consulting support) to: scope and review environmental studies; conduct confirmatory field work, establish and monitor implementation of environmental requirements and implementation measures, etc. <p>Longer term/ongoing</p> <ul style="list-style-type: none"> development of supporting technical guidelines and implementation tools Increased costs to County/ Area Municipalities and developers Will require review of planning application and other fees (i.e. peer review fees/deposits) to recoup additional costs. 	<ul style="list-style-type: none"> May be additional demands on staffing resources to work with CPO to update local processes, documents, fees, etc. Resource impacts may be somewhat dependent on which Acts (and related review process) are prescribed through the regulation (i.e. local EAs, Planning Act applications, etc.) This is a change that will likely require ongoing discussions with CPO staff to identify potential local resource impacts and other implications.

<p>Conservation Authorities Act – Increase municipal authority/responsibility for review of natural hazards</p> <p>Proposing to increased role of municipalities in review of natural hazards (i.e. through regulation), etc.</p> <p>Date of effect: regulation not yet enacted</p>	<p>Longer Term/On-going</p> <ul style="list-style-type: none"> • Would likely require additional CPO staffing resources and expertise (i.e. staff and/or consulting support) to evaluate and protect such wetlands and maintain related data and mapping. 	
<p>Proposed Ontario Wetland Evaluation System (OWES) Changes</p> <p>If enacted, municipalities would be largely responsible for evaluating, mapping and protecting wetlands.</p> <p>Date of effect: Not yet known</p>	<p>Longer Term/On-going</p> <ul style="list-style-type: none"> • If this responsibility cannot be assigned to CAs (which now appears very unlikely) would require additional CPO staffing resource to evaluate and protect such wetlands and maintain related data and mapping. 	
<p>Review of the Provincial Policy Statement (PPS)</p> <p>The Province is considering comprehensive revisions to the 2020 PPS and combining it with A Place to Grow (i.e. the GGH growth plan), but no details have yet been provided.</p> <p>The preliminary resource impacts identified by staff assume that significant changes to the PPS will end up being proposed.</p> <p>Date of Effect: Unknown, but anticipated sometime in 2023</p>	<ul style="list-style-type: none"> • Short Term – Similar to the ‘General’ comments above, the significant changes to the PPS that are being proposed will create disruption and uncertainty and require the immediate dedication of senior planning staff resources to review, assess and respond. • Longer term – Some PPS changes take years to fully implement and require significant and sustained planning staff resources. For example, most municipalities are still working to fully implement the 2020 PPS changes and the changes from the previous PPS were limited. The more significant the changes are, the greater the staffing and other resources (e.g. supporting studies, GIS data and analysis, etc.) will be required to implement. 	<ul style="list-style-type: none"> • Longer term - Depending on the scale and nature of the proposed changes, may require local municipal staff support to assist CPO staff in developing appropriate policies, zoning any other tools to try to ensure the PPS policies are implemented in a manner that is reflective of the local context and considerations. May also trigger the need for additional local studies and data/information (i.e. additional costs) to support or implement any revised Official Plan policies that may result.

<p>Changes to Ontario Heritage Act</p> <p>Date of effect: many changes to come into force on a day to be named by proclamation</p>	<p>Short Term</p> <ul style="list-style-type: none"> • None <p>Longer term</p> <ul style="list-style-type: none"> • Staff resources will be required to update Official Plan policies to reflect the changes. Further, if AMs choose to proactively identify and evaluate heritage resources moving forward, they may wish for further assistance from CPO staff. 	<p>Short Term</p> <ul style="list-style-type: none"> • Staff resources to post the Municipal Register on municipal websites and to designate, or remove, any non-designated properties on their register 2 years after Schedule 6 of Bill 23 in force (to be proclaimed). <p>Longer term</p> <ul style="list-style-type: none"> • As the ability to designate heritage resources at time of a Planning Act application has been greatly limited, municipalities may wish to consider more proactive identification and evaluation of heritage resources and related staffing resource impacts (i.e. CPO staffing and/or consulting support)
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Note 1 – Community Planning Office (CPO)
Note 2 – Area Municipalities (AM)

Table 2 - Potential Housing Services Resource Impacts

Change/Proposed Change	Potential Housing Services Impact
<p>Removal of Housing Services as a DC eligible Service</p>	<p>Short term</p> <ul style="list-style-type: none"> • No immediate impacts as the County currently exempts “affordable housing” from paying DCs <p>Longer term</p> <ul style="list-style-type: none"> • Removal of this potential funding tool will impact the County’s ability to consider alternative funding models for affordable housing services in the future. • This may significantly impact the ability of municipalities to plan for, deliver, and financially support affordable housing projects. • Will transfer the cost burden to taxpayers and/or increase the County’s reliance on other funding programs offered through Federal/Provincial governments.
<p>Changes to Affordable Housing Definitions</p> <p>Affordable housing under the Development Charges Act is now defined as a unit whereby rent is no greater than 80% of the Average</p>	<p>Short Term</p> <ul style="list-style-type: none"> • Following issuance of the updated MMAH Bulletin, housing staff will need to review existing housing programs and related agreements (i.e. Home Ownership and My Second Unit) to determine if changes respecting affordability thresholds are necessary.

<p>Market Rent, as well as a home with a purchase price no greater than 80% of the average purchase price according to the bulletin under the Development Charges Act, as published by MMAH.</p> <p>At this time, it is unclear whether the bulletin provided by MMAH will be specific to each Municipality, or in accordance with annual Average Market Rents that are provided for existing Provincially funded housing programs.</p>	<p>Longer Term</p> <ul style="list-style-type: none"> • While long-term financial impacts are not expected from this change, the anticipated Average Market Rents may have a significant impact on the affordability thresholds of existing housing programs, including existing provincially funded affordable housing projects. • Depending on what is contained in the updated MMAH Bulletin, housing staff may need to reevaluate existing program eligibility thresholds, with consideration for greater gaps, and associated needs, along the housing continuum. • As there may be more housing projects that will qualify for the DC exemptions for affordable housing under the new definition, housing staff may be required to administer more agreements, and ensure affordability terms (25 years) are maintained. Administering and monitoring more agreements may increase demand on housing staff resources.
<p>Introduction of new attainable housing definition/exemption</p>	<p>Short term</p> <ul style="list-style-type: none"> • The definition of “attainable housing” has yet to be defined through regulations. However, it is clear the County will need to enter into agreements to ensure attainable units are considered ‘attainable’ at the time they are sold. Administering and monitoring such agreements could increase demands on housing staff and legal fees associated with registering such agreements on title. • Will likely also require the County to consider amendments to existing Housing Facilities By-Laws to include ‘Attainable Housing Units’.
<p>Proposed amendments to rental conversion regulation under the Municipal Act</p>	<ul style="list-style-type: none"> • Once further details on this amended regulation have been released, housing staff will need to complete a review to determine if it would be useful in the context of the County and Area Municipalities and any associated resource impacts.
<p>New parkland dedication requirement and exemptions for Affordable, Attainable, and Non-Profit Housing</p>	<ul style="list-style-type: none"> • It is expected that there will be increased demands on housing staff resources to assist Area Municipalities with confirming such units for the purposes of ensuring parkland reductions/exemptions are applicable. This will include confirmation of related agreements, if applicable.

To: Warden and Members of County Council

From: Director of Community Planning

Review of A Place to Grow and Provincial Policy Statement

RECOMMENDATION

1. That the Director of Community Planning, in consultation with other County staff as required, prepare and submit the County of Oxford's formal comments in response to the Provincial consultations on the Review of A Place to Grow and Provincial Policy Statement, and other related ERO postings, as generally outlined in Report No. CP 2022-413;
2. And further, that Report No. CP 2022-413 be circulated to the Area Municipalities for information.

REPORT HIGHLIGHTS

- Along with consultation on Bill 23, the *More Homes Built Faster Act* the Province has also commenced a review of A Place to Grow (APTG) and the Provincial Policy Statement (PPS). This consultation is being undertaken as part of a series of postings on the Environmental Registry of Ontario (ERO), with aggressive commenting deadlines of December 30, 2022.
- This report builds from CP 2022-407 and provides an overview of the various legislative amendments currently being considered through the review of APTG and PPS and changes to natural heritage protection and natural hazard regulations under the Conservation Authorities Act, among others.
- This report summarizes the key areas of focus for the County's proposed response to these Provincial consultations and outlines some of the preliminary proposed responses.

Implementation Points

The recommendations contained in this report will have no immediate impacts with respect to implementation. However, a number of the proposed legislative changes and other actions would have significant implications for the local implementation of land use planning, environmental and heritage protections, and various other matters and, as such, may require potential review and/or update of various County and Area Municipal policies, processes and standards.







Financial Impact

If enacted, a number of the proposed legislative and regulatory changes identified in this report could have significant financial impacts for the County and Area Municipalities, including the need for additional staffing and other resources. An initial assessment of these financial impacts is provided in report CS 2022-49 (included on the December 14 agenda).

Communications

Communication is proposed to be through the inclusion of this report on the County Council agenda and related communications and circulation to the area municipalities.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
		3.ii. 3.iii.	4.i. 4.ii.		

DISCUSSION

Background

On October 25, 2022, the Province initiated consultation with respect to a range of legislative changes, policies and other actions being considered or proposed as part of the second phase of their 2022 housing supply action plan (i.e. More Homes for Everyone Plan) and associated *More Homes Built Faster Act* (Bill 23), which received royal assent on November 28, 2022.

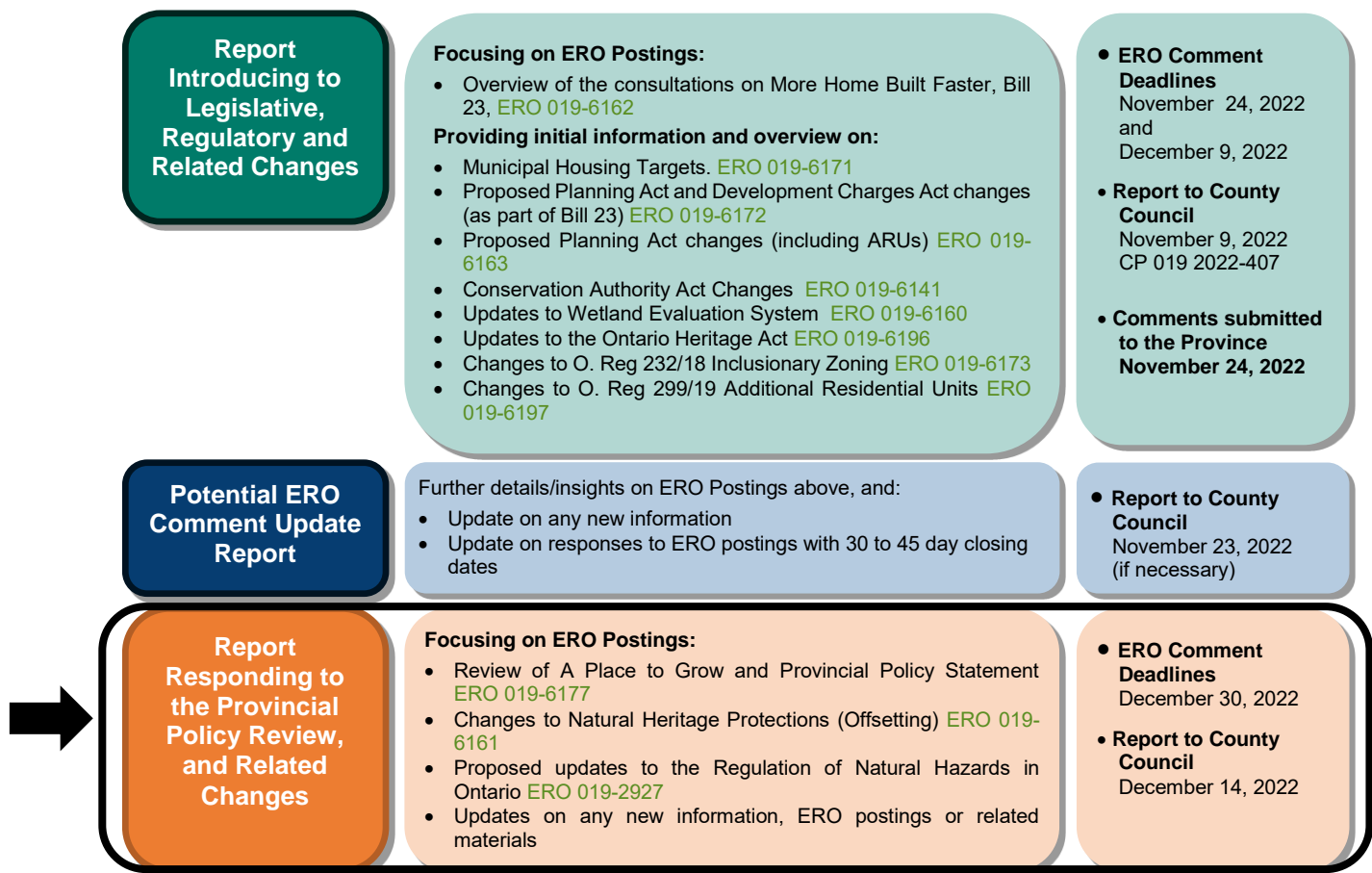
This consultation process was initiated through a series of postings on the Environmental Registry of Ontario (ERO).

According to the Province's consultation materials, the current postings are intended to comprise the next phase of 'Housing Supply Action Plans' that the Province has been utilizing to implement the various recommendations in the Provincial [Housing Affordability Task Force's report](#), which was released earlier this year. A summary of the key legislative and other changes introduced through the previous phases (i.e. More Homes for Everyone Act and related Housing Supply Action Plan) was provided to Council earlier this year through report [CP 2022-180](#).

It is noted that the County and various other municipalities, public bodies and organizations submitted comprehensive comments and suggestions in response to the previous phases of the Province's housing supply action plan consultations. However, it does not appear that the Province made any substantial changes or adjustments to the proposed legislation or associated regulations in response to the feedback provided.

The consultation on the current postings represents the first, and likely only, opportunity to review and provide feedback on the specific changes being proposed and/or considered by the Province as part of their Phase 3 Housing Supply Action Plan.

The focus of this report will be on providing Council with the preliminary proposed responses to the consultations regarding the a review of A Place to Grow, Growth Plan for the Greater Golden Horseshoe (APTG) and the Provincial Policy Statement (PPS), along with several other related ERO postings. The following graphic provides a summary of the various ERO postings to date and how staff are intending to keep Council apprised of the proposed changes and related comments and concerns.



Commentary

An overview of the key areas for proposed response to the Province on the changes being considered and/or proposed with respect to the APTG and PPS and to natural heritage protections and the regulation of natural hazards is provided below.

1. Review of A Place to Grow and Provincial Policy Statement (ERO 019-6177)

The Province is proposing to integrate the PPS and APTG into a new province-wide planning policy instrument that they have indicated is intended to:

- Leverage the housing-supportive policies of both policy documents;
- Remove or streamline policies that result in duplication, delays or burden the development of housing;
- Ensure key growth management and planning tools are available where needed across the province 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.

The intended outcome of this review is to determine the best approach to enable municipalities to accelerate the development of housing and increase housing supply (including rural housing), through a more streamlined, province-wide land use planning policy framework.

The PPS is the primary policy document for providing provincial direction on land use planning and related decision making across the Province. In some areas (e.g., Greater Golden Horseshoe), the PPS is also overlain by provincial growth plans which provide more specific and/or detailed provincial direction on land use matters for a particular geographic area (e.g., APTG).

The current PPS, 2020 has evolved considerably from the original 1996 document through regular reviews and updates (i.e. approx. every 5 years) that involved extensive and meaningful consultation with and input from municipalities (including extensive input from the Oxford County on many key policy areas) and other stakeholders. As a result, the current PPS policies have had the benefit of being informed and improved by years of municipal input, practical application and experience, and OMB/LPAT and legal decisions. As such, the current PPS policies are, for the most part, concise, responsive, and effective and generally enable and support the achievement of local planning and community objectives in Oxford.

In terms of APTG, it is important to note that the policies in that document do not currently apply to the County of Oxford or most other municipalities in South Western Ontario (i.e. only to municipalities within the Greater Golden Horseshoe). As previously noted, APTG provides additional and/or more detailed policy direction than the PPS with respect to a number of planning matters, such as;

- Prescribing growth allocations and targets for overall growth (people and jobs), as well as identifying and prescribing ‘urban growth centers’, built boundaries, and greenfield areas with more specific sub-targets and densities. Growth allocations are prescribed to the upper-tier municipalities which then disseminate how growth will occur between and among area municipalities while achieving all of the various targets and requirements.
- Establishing more detailed growth targets for “Major Transit Station Areas (MTSAs)”, which also enables a greater range of planning tools (e.g. inclusionary zoning) for these areas.

- Planning for large-scale development in greenfield areas, including through secondary plans, must be informed by a subwatershed plan or equivalent, which includes master planning for related infrastructure including water, waste water and stormwater management and various other matters (i.e. natural heritage considerations etc.).
- Prescribing a natural heritage system and agricultural system (including mapping), and more detailed policies and requirements for these systems, including for greater protection, mitigation measures, and refinement opportunities.
- Implementation to achieve “conformity” with the requirements of APTG is also prescribed with a deadline which upper tier municipalities are required to meet. The last deadline was July 1, 2022, and the plan is also to be reviewed on a 10 year cycle, similar to the PPS (and was last reviewed in 2019).

It is noted that the PPS review cycle was recently increased from 5 to 10 years at the request of municipalities. The intent was that this would provide the provincial policy stability and certainty necessary to allow for:

- the Province to focus on completing the various implementation guidelines and other tools that municipalities have previously requested to assist them with implementation of the policies; and
- municipalities to focus their limited resources on developing and implementing effective local policy approaches and other tools to implement the PPS policies and complete other projects to achieve their various planning objectives.

Therefore, it is unclear why the Province has decided to initiate another comprehensive review of the PPS and APTG, when both documents were just comprehensively reviewed and updated within the last 3 years. A key concern is that such a review may scale back some of the critical provincial policy direction that supports municipalities in the development of complete, liveable and sustainable communities, efficient use of land and infrastructure, protection of natural and cultural resources and other key matters, without substantively improving the ability of the Province or municipalities to increase the supply or affordability of housing.

Further, it is noted that the Province’s ‘freezing’ of decisions on various Official Plan updates across the Province (including the County’s agricultural policy updates) and continued changes to Ontario’s planning system (i.e. Bill 109, Bill 23, PPS and CA changes, yearly housing supply action plans etc.) is creating unnecessary uncertainty and, in many cases, actually disrupting and/or delaying the essential planning and implementation that is already being undertaken by municipalities to enable and support growth and ‘building more homes’ in the Province. At the same time, municipalities are still awaiting many long requested Provincial guidance documents and other tools necessary to help facilitate the efficient and effective implementation of the provincial policies that are already in place.

That said, it is recognized that there is always room for improvement. As such, planning staff have been working to identify specific PPS policy areas where potential refinements could potentially assist the Province and municipalities in achieving their housing and related objectives. Planning staff are of the opinion that any revisions to the PPS should be limited in scope and clearly focused on the objective of increasing housing supply and affordability, while at the same time ensuring they do not in any way undermine or compromise other key planning objectives (e.g. protecting prime agricultural areas and the environment, building complete, livable communities etc.).

Summary of Preliminary Proposed PPS/APTG Comments

The following is a high level summary of some of the key comments Planning staff are currently proposing be submitted to the Province in response to the review of the PPS/APTG:

i) General

- That the current 'shall be consistent with' test in the PPS be maintained.
- That the majority of the existing 2020 PPS policies are working well and should be maintained unchanged, except for those potential policy changes specifically identified in the County's submission. This targeted approach will ensure the provincial policy certainty and stability necessary for municipalities to continue to proceed with the implementation of key measures (i.e. Official Plan and zoning updates, secondary planning and servicing strategies, planning for infrastructure, process improvements etc.) to achieve their housing and other objectives, while also identifying specific policy revisions that could further assist municipalities in the creation of additional housing.
- The Province should strive to provide legislative and policy stability in land use planning system together with increased implementation support, so that municipalities can focus on completing the necessary land use and infrastructure planning required to sustainably accommodate forecasted growth. With some exceptions (e.g. as noted in the comments provided), the legislation and policies already in place provide the support and flexibility necessary to accommodate a sufficient supply and range of housing, it simply requires time and resources to fully implement. Unfortunately, the numerous and frequent changes to planning legislation and policies over the past several years have diverted limited municipal resources and focus away from implementation. Having insufficient time and stability to properly implement changes, and to monitor and assess the uptake or impact of the changes, creates inefficiency, unexpected consequences, and uncertainty for municipalities and the development industry.
- Re-iterate the County's previous requests for the Province to complete various new and/or updated technical and/or implementation guidelines to assist municipalities in more consistently and efficiently implementing the current provincial policy direction.
- That the Province release a 'tracked change' copy of any proposed PPS policy revisions and provide sufficient time (i.e. minimum 90 days) for detailed review by and consultation with municipalities on the proposed changes.

ii) Residential Land Supply

Settlement Area Boundary Expansions

- The County strongly supported the increase in the planning horizon from 20 to 25 years (was actually a change requested by Oxford), as it provided the necessary flexibility to undertake comprehensive planning (i.e. to better ensure efficient use of infrastructure and services and build complete communities) and address land supply constraints and challenges, particularly in smaller urban and/or rural municipalities.

That said, Oxford has also long taken a relatively unique and dynamic approach to growth management/settlement expansions, which is to strive to maintain a relatively continuous 25 year supply of growth land to accommodate forecasted growth in each area municipalities. This is accomplished through regular (i.e. 5 year) growth forecast updates, ongoing land supply monitoring, and initiation of individual Official Plan Amendment (OPA) processes for settlement expansions (i.e. not waiting to undertake all expansions at once as part of a Provincially approved OP review process), where deemed appropriate. In our experience, this approach provides the much needed flexibility to adjust the timing of the process to accommodate local circumstances (i.e. timing and direction of municipal boundary adjustments, availability of servicing capacity etc.), make efficient use of limited staffing and financial resources, and more quickly react to changes in growth land need. As such, promoting this same approach elsewhere (i.e. for other smaller urban/rural municipalities like Oxford) would also allow other municipalities in the Province to more dynamically respond to their growth land needs.

As such, the Province should ensure that any PPS updates and associated implementation guidelines provide the necessary flexibility to enable and/or support Oxford's approach.

- Provide additional flexibility for small/limited settlement expansions to facilitate 'good planning' in smaller rural communities without the need to undertake a full 'comprehensive review' (e.g. for one time, minor rounding of and/or 'squaring off' of rural clusters/hamlets, to accommodate new and/or expanding rural employment uses that would be more appropriate to locate in a settlement etc.).

Employment Area Conversions

- Provide additional direction on how provincially and/or regionally significant employment areas are to be identified, so that it is clear which employment lands are protected from conversion to other uses and which could potentially be considered for re-development to residential use, where appropriate.

Housing Mix

- Clarify PPS references with respect to 'market need/demand' for housing to ensure it does not support housing forms that may be desired by the market (i.e. large single detached lots, woodland lots etc.), but would undermine key planning objectives (e.g. planning for sustainable communities, protecting agricultural and natural resources etc.).

- Similar to the APTG, provide more specific provincial policy direction with respect to minimum density and unit mix targets for fully serviced settlement areas to ensure more consistency in the efficient use of land and infrastructure across the Province. Further, encourage all municipalities to identify urban growth centres (i.e. downtowns) and other key intensification areas (i.e. nodes and corridors, significant transit hubs etc.) with more specific minimum density and unit mix requirements where appropriate, and provide Provincial support for such measures (e.g., limit rights of appeal, use of inclusionary zoning, implementation guidelines etc.).
- Continue to support the alignment of affordable housing targets with Housing and Homelessness Plans and provide additional clarity on the definitions and criteria for affordable housing and attainable housing (i.e., to align with the Bill 23 changes)
- Ensure the policies provide the necessary land use basis for municipalities to specifically plan for, maintain, and require housing based on tenure (i.e., rental vs. ownership), where deemed necessary or appropriate to address local housing needs.

iii) Growth Management

- Some Residential Land Supply comments outlined above are also related to Growth Management
- Maintain and, where possible, strengthen the current PPS policy direction with respect to:
 - directing growth to fully serviced settlements (i.e. to ensure efficient use of land, services and infrastructure and support complete, sustainable communities) and limiting growth in other areas; and
 - ensuring new development has a compact form and mix of uses and densities that ensure the efficient use of land, infrastructure and public service facilities.
- Eliminate or clarify the 'regional market area' concept, so that it does not unduly restrict the ability of a particular local municipality within an upper tier municipality (i.e. regional market area) from designating additional residential growth, simply because another municipality in that upper tier municipality may have excess residential growth land.

iv) Environmental and Natural Resources

Agriculture (also includes comments on Rural Housing)

The province's stated goal for the review of the agricultural policies is to continue to protect prime agricultural areas, while also increasing flexibility to enable more residential development in rural areas that minimizes negative impacts to farmland and farm operations.

In this regard, staff have a number of comments as follows:

- The most effective means of enabling more residential development in rural areas, while not negatively impacting agriculture, is to accommodate such development in fully serviced settlement areas (i.e. Serviced Villages) and through minor infilling and minor rounding out within existing partially and privately serviced settlement areas (also see comments with respect to minor settlement expansions under Residential Land Supply).

This approach is already generally supported by the PPS policies. However, to ensure this it is consistently applied (i.e. that all municipalities are efficiently utilizing and protecting agricultural land), the Province should require that all rural municipalities have at least one fully serviced settlement with sufficient land supply and servicing capacity to accommodate their forecasted residential growth (including establishing minimum densities for such growth as previously noted) and further clarify that the expansion of existing privately/partially serviced settlement boundaries to accommodate residential growth is not generally be permitted.

- Maintain current limitations on new non-farm rural residential lot creation (as such development is an inefficient use of land and can hinder/conflict with agricultural operations). However, one reasonable exception that could potentially be considered would be to allow for the severance of an existing farm dwelling from a lot containing two or more dwellings that have existed as of a certain fixed date (i.e. pre 1996, to prevent house harvesting) without the need for a farm consolidation, provided certain criteria can be met (i.e. servicing, access, MDS, construction of further dwellings is prohibited etc.)
- To complement the above approaches, the Province could also consider:
 - Minor updates to the lot creation policies to allow for the splitting of existing, small (i.e. <2.5 ac), non-farm residentially zoned lots in agricultural areas. This would allow for more efficient use of existing non-agricultural land and increase the supply of housing in rural areas, with no loss of agricultural land and limited, if any, additional impact on agricultural operations.
 - Clarifying that the establishment of additional residential units (ARUs) may be permitted on lots located outside of rural settlements (i.e. on rural residential lots and farms), subject to appropriate locational (i.e. within or in close proximity to the principal dwelling), scale (i.e. maximum floor area etc.) and other criteria (i.e. servicing). If appropriately implemented (e.g. as per Oxford's draft ARU policies) this measure, combined with ARUs in rural settlements, could serve to substantially increase rural housing opportunities while also supporting the needs of farm families (i.e. facilitate elder and/or child care etc.), with limited to no additional impact on agricultural operations.
 - Point out the innovative policies the County recently developed to protect and support agriculture and provide a range of rural economic development opportunities (i.e. agricultural related uses, on-farm diversified uses, rural entrepreneurial uses etc.) as a model for Province. Further, request that the Province expedite their approval of those policies and offer to work directly with the Province to develop further policies and other tools to further support such innovative policy approaches.

Natural Heritage

- It is noted that the need to review this policy area does not appear to be supported by the Province's stated goal of increasing housing supply, as the protection of natural heritage resources is not generally a significant obstacle to the creation of housing and is critical to the long term health and sustainability of our communities and the Province.
- As such, the current natural heritage policy direction in the PPS should be maintained and, if anything, strengthened. It is critical that the Province continue to require a systems based approach to natural heritage and water resources that ensures that the diversity and connectivity of natural heritage systems is maintained, enhanced or restored and that these systems include linkages between and among natural heritage features, surface water features and groundwater features.
- That said, planning staff are of the opinion that there are opportunities to streamline the processes and timelines for natural heritage planning approvals without putting natural heritage systems at risk and are confident that such opportunities can be identified through fulsome engagement with a range of experts in land use and environmental planning, including qualified County and area municipal staff. See related comments below in Section 2 – Conserving Ontario's Natural Heritage.

Natural and Human Made Hazards

- Significant recommendations to update and overhaul the technical standards and approaches for flood-prone areas coming from the Province's 2020 Flood Strategy, which are intended to help ensure an avoidance-first approach to managing the impacts of flooding, and avoiding greater risks and long-term costs in light of more extreme and changing weather patterns. Accordingly, the County is suggesting that the Province first advance the changes to the technical approaches to flood management in Ontario, including consultation and engagement with municipalities and conservation authorities as part of this approach, before undertaking policy updates to streamline and clarify policy direction for development in natural hazard areas, such as flood plains, within Provincial policy.

Aggregates

- The PPS should provide clearer direction on the need for the cumulative impacts of multiple aggregate operations in an area to be considered and addressed.
- The proper rehabilitation of aggregate extraction sites represents one of the greatest opportunities to take coordinated action to improve the natural environment in Oxford and many other areas of the Province. As such, the Province should work closely with affected municipalities to develop clear and supportive PPS policies and comprehensive rehabilitation strategies for aggregate extraction that identify and maximize opportunities to restore and enhance the natural heritage system, where appropriate.

v) Community Infrastructure

Infrastructure Supply and Capacity

- Reiterate the County's previous concerns (e.g. construction and operational standards, potential for County to be ordered to assume operation of such systems if future issues arise etc.) with allowing the use of private communal systems for new development.
- The need for further Provincial direction and support for undertaking master servicing plans to support long term integrated growth and infrastructure planning.
- Provide clearer direction and support municipalities to regulate development on private water and wastewater services in order to ensure such servicing will be sustainable over the long term and have no negative impacts (either individually or cumulatively). This may include updated implementation guidelines and clear authority to regulate minimum lot size, type of systems permitted, monitoring requirements, securities etc.

School Capacity

- As Schools are essential to the development of complete communities, planning for school facilities needs to be more directly integrated with planning for growth in all larger, growing communities, not just 'high growth' communities as identified by the Province.

2. Conserving Ontario's Natural Heritage – Offsetting (ERO 019-6161)

The Province is also seeking feedback on how Ontario could offset development pressures on wetlands, woodlands, and other natural wildlife habitat, as the Ministry of Natural Resources and Forestry (MNRF) is considering developing an offset policy. The Province has indicated that the intent of an offset policy would be to require a net positive impact on these features and help reverse the decades-long trend of natural heritage loss in Ontario through a [discussion paper](#).

Ecological offsetting is an approach wherein natural features are permitted to be removed (in whole or in part) as part of land use decisions and are 'offset' or 'compensated' by creation of new natural heritage features, with the goal of at least matching the area, biodiversity, ecological, and hydrological functions provided by the feature being removed.

Planning staff note that offsetting programs typically have a number of challenges and complexities (e.g. inability to recreate functions being removed, loss of genetic diversity and biodiversity, poor implementation or little to no oversight, undervaluing of features being removed) which require careful consideration in the design of offsetting policies, program design and criteria, as well as in the administration, implementation and monitoring of successes and failures of the offsetting projects to improve outcomes over time.

Overall the County is not opposed to the Province working closely with municipalities and other public and private sector partners to develop minimum standards/policy requirements for an offsetting policy. That said, the current discussion paper fails to acknowledge the complexity, challenges and costs in managing and implementing the re-creation of ecosystems, let alone through municipal planning approvals spread across the Province and at a multitude of scales. There is also a very real risk that an offsetting policy could set precedents for the removal of

wetlands, woodlands, and wildlife habitat, irrespective of significance and result in accelerating not only the loss of natural heritage, but also biodiversity, as well as the loss of essential carbon sinks and sequestration functions that these ecosystems provide and are necessary to achieve greenhouse gas reduction goals. The concern is that off-setting does not just become synonymous for 'pay to pave' and will ensure that legitimate and effective off-setting occurs and only in very limited and appropriate circumstances and does not simply become the default option for new development.

Planning staff also note that municipalities and their conservation authority counterparts can already implement offsetting measures for natural heritage features and areas within the existing natural heritage policies and requirements under the PPS, 2020, in certain circumstances. In particular, to help address the loss of features and areas which do not meet the criteria to be 'significant' under the PPS, or in situations where development is otherwise permitted within natural heritage features and areas and it results in their removal (in whole or in part). These circumstances already provide sufficient opportunities for offsetting considerations and to evaluate and address the challenges associated with offsetting approaches.

It is also noted that offsetting programs and undertakings are likely to require additional municipal resources (e.g. staff) with multi-disciplinary backgrounds, and are not typically "quick" solutions to get development approved or to implement as part of planning approvals. As such, should the Province mandate offsetting into provincial policy, it should be understood that establishing legitimate and effective offsetting solutions for natural heritage loss may actually slow down the processing of development applications, which seems counter intuitive to 'getting more homes built faster'.

Staff have also identified additional concerns and gaps with respect to the Province's proposed approach for developing an offsetting framework, including:

- The Province's concept of 'net gain' should ensure that no loss of extent or area, as well as both quality and function, in order to help ensure a reasonable result of net gain for biodiversity as well;
- The principle of avoidance first needs to be clearly established to ensure that offsetting is only used as a last step after other options to avoid and mitigate any impacts on natural heritage are considered;
- The design and implementation of a biodiversity offset should be well a documented process informed by sound science;
- There should be clear limits as to where offsetting is not an option (e.g. offsetting should not be permitted for Provincially Significant Wetlands or any other 'significant' natural heritage feature or area where development would not be permitted currently under the 2020 PPS).
- The Province should include requirements for the location of offsets to be as close to the location of the feature as necessary. This is in order to ensure that municipalities and subwatersheds with high growth pressures do not suffer from further reductions in natural cover, loss of biodiversity, or functional losses in the performance of ecosystems (i.e. flood attenuation); and

- The Province should not permit “banking” or “cash in lieu” frameworks for offsetting based on the valuation of features, as these systems consistently undervalue the ecological goods and services provided by features, fail to consider the full costs (including monitoring and adaptive management) for feature creation, and do not ensure that suitable alternative lands are available for these purposes and that they can be secured for the long term).
- 3. Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario - ERO 019-2927**

It is understood that the Province is proposing to create a regulation governing the activities that require permits under the Conservation Authorities Act (CAA), and that the proposed regulation would focus permitting decisions on matters related to the control of flooding and other natural hazards and the protection of people and property, and that this is also to implement a recommendation from the Province’s 2020 Flooding Strategy.

As part of the ERO posting the Province is also consulting on streamlining rules for development, and to improve the coordination between Conservation Authority (CA) permitting and municipal planning approvals, potentially through a future regulation.

With respect to the proposed changes to under Section 28 of the CAA, staff note the following:

- The Province is proposing a group of activities to “streamline” approvals (i.e. proponents may need to submit/register information with the CA prior to engaging in an activity, but wouldn’t be subject to a ‘review process’. Many of the activities proposed for streamline may be minor enough to not necessarily require building permits for structures (subject to scale), and as such the County supports aligning or streamline these types of approvals.
- The County shares concerns identified by CAs regarding proposed updates to the definition of “watercourse” from an identifiable depression in which water regularly or continuously flows, to a defined channel having a bed, and banks or sides. This change in definition eliminates regulation of headwater areas and smaller tributaries which typically lack a clearly defined channel (bed, bank and sides), and are important sources of water to support fish habitat, maintain water quality and hydrological functions. These headwater areas can also be important areas of recharge for municipal drinking water supplies. As such, the Province should not exclude headwater features from the definition of ‘watercourse’ in the regulation.
- The proposed regulation would also establish requirements for a process for CAs to develop complete application frameworks, and establishes minimums with respect to complete application requirements for CA permits. The County supports the concept of complete application requirements as a means to ensure submissions include all required information for faster review and processing of applications. The Province should also clarify that applicable permit fees could be collected as part of a complete application.

The County has serious concern that the Province is proposing to streamline the conservation authority regulation requirements for flood hazards and the related PPS policies, without also updating the applicable flood event technical standards and natural hazard technical guides used for hazard management purposes, including for municipal planning as well as conservation authority regulatory purposes. As noted in the comments regarding the review of APTG and PPS, the Province’s flood strategy identified significant and major deficiencies in the existing flood standards used within both the PPS and the CAA. The review of these standards needs to be

made a priority given the increasing risks to municipalities, people and property resulting from changing weather patterns and more extreme storm events.

Improved coordination between Conservation Authorities Act regulations and municipal planning approvals

It is understood that the Province is also consulting on how development could be exempt where permitted under the Planning Act from requiring a permit under the Conservation Authorities Act, through a future regulation (that is not yet proposed). The County's response to Bill 23 provided comments pertaining to the main CA Act changes proposed which would create the ability for the Province to propose such a regulation, and more specifically that the Province should:

- Keep all existing natural hazard-related responsibilities with CAs, as they already have the technical knowledge, capacity and resources to implement necessary restrictions and requirements where development is proposed in areas of natural hazards. Existing processes are already established to integrate these requirements and information, and changes to these processes could create further delays in development timelines.
- Look for ways to streamline or establish greater consistencies on permit requirements and conditions that are imposed on CA permits, without downloading responsibilities to municipalities, for development applications, and get input from the existing multi-stakeholder Conservation Authorities Working Group (CAWG) and municipalities on how to do this.
- Consider improving language (through the PPS update) on how natural hazards should be considered through Planning Act requirements and how CAs and municipalities should integrate information into municipal planning documents to achieve this.

Given that the Province has since moved ahead with the Bill 23 changes despite widespread municipal concerns, staff are also suggesting that the Province:

- Only consider the download of natural hazard responsibilities through a regulation where municipalities are willing/interested (indicated by way of a council resolution).
- That interested municipalities should have to demonstrate how they have the technical knowledge, resources and capabilities necessary to implement permits related requirements as part of development approvals, and should also have to agree to assume the increased liability and associated costs which may occur as a result of any exemptions (similar to the MOU which exists between the Province and CAs for this purpose).
- The exemption should also not apply to the removal of wetlands and/or alteration of waterways and/or modification of shorelines, nor should works in areas of steep or unstable soils or bedrock.
- Clarify how permit related conditions could be applied to Planning Act applications such as zoning by-law amendments, which are not subject to conditions of approval. It is currently unclear how permit requirements could be imposed through such applications.
- Clarify what implementation tools the Province expects to be used to ensure that municipalities consistently flag and impose natural hazard requirements in accordance with Provincial standards. Given that the establishment of mapping and the interpretation of the Section 28 regulation is the responsibility of the CAs.

Conclusions

The potential changes to the Provincial Policy Statement and natural heritage and natural hazard planning being considered and/or proposed by the Province through the ERO postings discussed in this report could potentially have a significant impact on land use, infrastructure and environmental planning across the province. Therefore, if such changes are enacted by the Province, the County and Area Municipalities will need to undertake updates to various policies, processes and standards and review related staffing and other resource impacts to ensure the changes can be effectively addressed and implemented in the Oxford context.

Given the extent of the changes being considered and the short review and commenting deadline provided by the Province, County staff are seeking County Council's direction to prepare and submit formal comments to the Province on behalf of the County. It is intended that these comments will be focused primarily on the key policy areas and matters outlined in this report.

County staff will ensure that County Council is kept apprised of any comments submitted to the Province and will continue to monitor the progress of the policy and other changes being proposed, and advise County Council of any relevant changes and/or opportunities for comment on matters that may be of particular interest or concern to the County or Area Municipalities.

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