

County of Brant Council Report

To: To the Mayor and Members of County of Brant Council

From: Jennifer Boyer, Manager of Policy Planning

Date: December 20, 2022

Report #: RPT-0711-22

Subject: Bill 23, More Homes Built Faster Act, 2022 – Legislative Update and Comments

Purpose: For Information and Direction

Recommendation

1) That report RPT-0711-22 regarding an overview of Bill 23, More Homes Built Faster Act, 2022 be received; and

- 2) That report RPT-0711-22 and attached comments be forwarded onto the Province of Ontario on *Bill 23, More Homes Built Faster Act, 2022* and the associated consultations posted on the Environmental Registry and Ontario Regulatory Registry as appropriate; and
- 3) That the County of Brant request that the Province of Ontario commit to an enhanced municipal consultation process such as by establishing technical working groups with municipalities, Indigenous communities, and other stakeholders on further proposed policy changes as part of *Bill 23, More Homes Built Faster Act, 2022*; and
- 4) That report RPT-0711-22 be shared with the two Conservation Authorities having jurisdiction within the County of Brant, and
- 5) That report RPT-0711-22 be shared with the Ontario Professional Planners Institute.

Executive Summary

Ontario's population will grow by more than two million people by 2031. The Province has confirmed that Ontario is in a housing crisis and is taking bold action to advance the plan to build 1.5 million homes over the next 10 years.

The Province recently released proposed legislative and regulatory changes under *Bill 23*, *More Homes Built Faster Act*, 2022 on amendments to *the Planning Act*, *R.S.O. 1990*, *c. P.13*, *the Development Charges Act*, 1997, S.O. 1997, c. 27, *the Conservation Authorities Act*, *R.S.O. 1990*, *c. C.27*, *the Ontario Land Tribunal Act*, 2021, S.O. 2021, c.4, Sched. 6, as well as several other pieces of legislation.

On November 22, 2022, Development Services presented RPT-0517-22 to Council, in which Council directed staff to forward comments to the Province on the proposed changes. Comments were submitted through the Environmental Registry of Ontario (ERO).

Subsequent to the November 22nd Council Report, the Province extended several commenting deadlines from November 24, 2022 to December 9, 2022. On November 29, 2022, *Bill 23, More Homes Built Faster Act, 2022* in Third Reading and received Royal Assent (Attachment 1). Some provisions are immediately in force, while others will not come into effect until January 1, 2023, until proclaimed by the Lieutenant Governor at a later date, or until such time that the implementing regulation is in place.

This report provides a synopsis of the approved changes to date, in force dates, and implications to the County (Attachment 2). Watson & Associates Economists Ltd. continues to support the County of Brant and has provided correspondence outlining the changes and potential impacts (Attachment 3).

Other commenting timeframes related to larger policy proposals, are still due by December 30, 2022. Larger policy proposals included a review of:

- A Place to Grow: Growth Plan for the Greater Golden Horseshoe (A Place to Grow) and the Provincial Policy Statement (PPS).
- Conserving Ontario's Natural Heritage.
- Proposed regulatory updates related to natural hazards pertaining to the role of Conservation Authorities.

Staff have conducted a detailed review of larger policy proposals as detailed in (Attachments 4, 5 and 6. Given that the proposed policy changes could have major implications for land use planning in the County, including the County's New Official Plan, staff are seeking direction from Council to submit formal comments to the Province.

Strategic Plan Priority

Strategic Priority 1 - Sustainable and Managed Growth

Strategic Priority 2 – Effective Communications

Strategic Priority 5 - Healthy, Safe and Engaged Citizens

Impacts and Mitigation

Social Impacts

There are many provisions in *Bill 23* that are expected to create more housing in an efficient manner. As-of-right permissions for three residential units per lot, in the fully serviced areas of Paris and St. George, should result in additional rental units including potential income support for home owners. Exempting residential development of up to 10 units from Site Plan Control will result in an efficient approval process to create more homes. Further changes to Site Plan Control, which the County may no longer review for architectural control, could reduce processing times and costs for applications.

Due to changes that no longer require public meetings for Plans of Subdivisions and prevent third-party *Ontario Land Tribunal* appeals on Consents and Minor Variances, there will be reduced opportunities for County of Brant residents to be involved in development application decisions. It will be important for the County to incorporate public comments as part of the development application review and decision process at the municipal level.

Environmental Impacts

Creating policies that change the Ontario Wetland Evaluation System without oversight from the Ministry of Natural Resources and Forestry, may result is less wetlands being classified as provincially significant and greater loss of wetlands in Ontario. New permissions for removal of natural areas subject to environmental offsetting, is expected to result in more natural areas being proposed for removal. Provincially significant wetlands have had long standing policy protections in which development and site alteration have been prohibited; new policies could mean that they are no longer afforded permanent protection. While a net gain approach is proposed, it could take decades to achieve a net gain, as in the case of forests, new trees are not ecologically equivalent to mature trees removed.

County staff have conducted a detailed review of larger policy changes, such as the integration of A Place to Grow and the PPS, from an environmental lens. Where opportunities arise, staff will continue to provide input on responsible development that protects the natural features and supports safe and responsible development approvals.

Economic Impacts

By expanding Development Charge exemptions, excluding expenses, and establishing a phase-in period, it is expected that *Bill 23* will see increased subsidization of development infrastructure costs by the tax levy. A financial impact analysis will be undertaken to assess the County's development charges and parkland dedication revenue losses directly resulting from *Bill 23*. Once an analysis has been completed staff will provide a summary to Council of the annual financial impact of *Bill 23* on the County. These changes could further negatively impact the County, local economy, and residents, as they come at a time of recovery from the COVID-19 Pandemic, higher inflation, and borrowing costs. At this time the province is not proposing to offset any revenue losses resulting from *Bill 23*.

Additional staff expertise may be required related to the review and implementation of environmental offsetting, wetland evaluations, and reviewing impacts of development on the quality of water of streams and wetlands.

Changes to provincial policies through the integration of A Place to Grow with the PPS into one document, if implemented, will likely require significant staffing resources and additional public consultation to update the New Official Plan to ensure conformity with new policies. However, it is anticipated that the integration of these two provincial documents will result in a streamlined review of development applications.

Increased opportunities for additional residential units (ARU's), to be built faster, and create more development income, strengthening the County of Brant tax base.

Report

Background

Tabled on October 25, 2022, as *Bill 23, More Homes Built Faster Act, 2022*, the Province is moving forward with proposed changes to legislation, regulations, policy and other matters as part of the *More Homes, Built Faster: Ontario's Housing Supply Action Plan 2022-2023*. The stated intent of these changes are to reduce red-tape by streamlining the development process to create more housing.

The Royal Assent of *Bill 23* and larger policy proposals are summarized below with greater detail provided in Attachments to this report.

Bill 23 Receives Royal Assent on November 29, 2022

On November 29, 2022, <u>Bill 23, More Homes Built Faster Act, 2022</u> was passed in Third Reading and received Royal Assent. The approved *Bill* 23 is attached to this Report.

After public hearings and debate, the Standing Committee proposed numerous revisions. Key changes approved as part of the final *Bill* are as follows:

- Third-party appeals to the Ontario Lands Tribunal (OLT) will continue to be permitted for Official Plan and Zoning By-Law Amendments. However, third-party appeals will not be permitted for Minor Variances or Consents.
- Previously the Planning Act did not permit Official Plan and Zoning By-Law's to be amended within the first 2 years of approval. The intent was to recognize and prevent changes to the new policy. This prohibition is no longer in force. As a result, once the County approves a new Official Plan, applicants could immediately apply for an Official Plan Amendment.
- Site Plan Control changes were proposed to restrict a municipality's ability to comment on exterior elements such as architectural design and landscaping. Site Plan Control is a tool that may be used to require green energy elements to reach net zero. Concerns were raised, and as a result, changes were made to allowing application of:
 - Matters related to green roofs;
 - Building construction requirements related to environmental conservation, where permitted, under the *Building Code Act*;
 - Exterior elements related to health, safety, accessibility or sustainable design.
- For the phase-in of Development Charges (DC's) over the first 4 years, the initial *Bill* was proposed to apply to existing DC By-Laws passed on or after June 1, 2022. The revised provisions now apply to DC By-Laws passed on or after January 1, 2022.

Policy Proposal - Review of A Place to Grow and Provincial Policy Statement

The Ministry of Municipal Affairs and Housing (MMAH) is undertaking a housing-focused policy review of A Place to Grow and the PPS. It is posted on the ERO as <u>019-6177: Review of A Place to Grow and Provincial Policy Statement.</u>

The Ministry is seeking feedback on how to create a streamlined province-wide land use planning document that would enable municipalities to approve housing faster and increase the supply and diversity of housing.

Currently, the PPS, issued under the authority of the *Planning Act*, is the primary provincial planning tool, which applies to all of Ontario. A Place to Grow was developed in 2005, intended to create more specific policy direction focused on the Greater Golden Horseshoe.

The current provincial land use planning framework has been developed over the last three decades. Due to ongoing updates to policies, the current system is complex, with overlapping policies that are similar but often contradictory and difficult to interpret. Integrating A Place to Grow with the PPS is intended to simplify the planning process.

The Province is seeking feedback on core elements related to residential land supply, attainable housing supply and mix, growth management, environment and natural resources,

community infrastructure, and a streamlined planning framework. In addition, the ERO proposed five questions to generate feedback.

Attachment 4 includes details on the core areas of review and discussion topics, and an analysis conducted by policy planning.

Policy Proposal - Conserving Ontario's Natural Heritage

In support of Ontario's commitment to build housing, the province is seeking feedback on a discussion paper entitled "Conserving Ontario's Natural Heritage." It is posted on the ERO as 019-6161: Conserving Ontario's Natural Heritage.

While it is recognized that natural heritage areas provide many benefits, conserving natural heritage has become challenging due to development pressures, climate change impacts on natural areas, and other threats that isolate and threaten preservation of wetlands, woodlands, and wildlife habitat.

Natural heritage conservation, as part of development, is primarily based on direction provided in the PPS and A Place to Grow. Protections vary greatly from prohibiting development in significant wetlands, to permissions in settlement areas for features such as significant woodlands subject to demonstration of no negative impacts, to policies outside of settlement areas that prohibit new development in or within 30 metres of certain features. Due to policies in the PPS, natural areas are particularly susceptible to development pressure within settlement areas.

The current provincial policy context does not contain provisions that require environmental offsetting, if natural areas are approved for development. For example, if part of a significant woodland is removed there is no requirement for replacement trees. Many Canadian provinces have developed offsetting policies for wetlands. Similarly, in Ontario some conservation authorities have developed policies that provide for removal of non-significant wetlands, subject to offsetting ecological and/or hydrological impacts.

A discussion paper has been provided to generate feedback on offsetting development pressures on wetlands, woodlands, and other wildlife habitat. To support this proposal, the Ministry of Natural Resources and Forestry is considering developing a policy that would require a net positive impact. The intent is to reverses the trend of natural heritage loss in Ontario.

The province is seeking feedback on what the County supports or disagrees with, and on recommendations that would support the growing need for housing while protecting and benefiting from the important role that natural areas provide to our community. Attachment 5 includes details on information contained in the discussion paper, and an analysis conducted by Senior Environmental Planning staff.

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

In support of Ontario's commitment to build housing, the province is seeking feedback on a discussion paper on natural hazards. It is posted on the ERO as <u>019-2927: Proposed</u> <u>updates to the regulation of development for the protection of people and property from natural hazards in Ontario.</u>

The proposal focuses on regulatory changes to implement updates to the *Conservation Authorities Act*, and which are intended to streamline development approvals by providing a consistent approach to the review of natural hazards. For example, the ministry is proposing to make a single regulation for all conservation authorities which would replace the 36 separate regulations for each individual conservation authority.

A discussion paper has been released to seek feedback on providing a streamlined and consistent approach to natural hazards, such as:

- Notifying and consulting with the public on any significant changes to regulated mapping.
- Reducing lands regulated adjacent to significant wetlands from 120 metres to 30 metres.
- Consistent definitions for wetlands, hazardous lands, and watercourses.
- Maintaining the existing regulation of erosion hazard limits associated with river valleys.
- Exempting low-risk activities from permitting requirements if certain requirements are met.
- Limiting conditions an authority may require as part of a permit.
- Providing mapping that illustrates where permitting applies.

While not part of the regulatory proposal, as part of the discussion paper, the province is seeking advice on exempting development approved under the *Planning Act* (e.g. Plan of Subdivision containing hazardous lands) from also having to acquire additional approval as part of a permit under the *Conservation Authorities Act*.

Attachment 6 includes details on information contained in the discussion paper, and an analysis conducted by Senior Environmental Planning staff.

Analysis

Overall, *Bill 23, More Homes Built Faster Act, 2022*, narrows the housing discussion to one of quantity and diminishes the critical role municipalities play in providing for quality and support for growth at a local community level. The approved and remaining proposed changes could lead to unintended consequences and implementation confusion. For example, higher taxes may be required to offset development charges, resulting in increased housing costs for all. Natural areas may become more prone to development subject to environmental offsetting, in lieu of finding creative solutions such as developing stronger environmental policies and focusing on redeveloping areas that are already disturbed.

Additional staff resources will be required to update the Official Plan, Zoning By-Law and related planning processes. Ongoing amendments may continue to be required, dependent on the amount of legislation and regulatory changes. Expertise may be required on wetland evaluations and environmental offsetting. Continued education and learning will be required for all staff and the public on changes to legislation and policies, including the refined roles of conservation authorities.

With respect to policy changes proposed on provincial land use planning, natural heritage and natural hazards, more time is required to digest and discuss such significant changes that will have a long-term impact on communities. While the County supports a streamlined planning process, comprehensive consultation should be undertaken to ensure the interests of all stakeholders are taken into consideration.

Policy planning has conducted a high-level review of the proposed policy changes and it is recommended that the responses attached to this report be forwarded to the province as the County's feedback on the applicable ERO postings.

Given the implications to the County, it is further recommended that the County of Brant requests that the province commit to an enhanced municipal consultation process, such as by establishing technical working groups with municipalities, Indigenous communities, and other stakeholders on proposed policy changes as part of *Bill 23*.

Next Steps

County of Brant staff will continue to provide updates to Council on proposed changes resulting from *Bill 23* that impact County resources accordingly.

The policy team will continue to analyze and implement planning tools necessary to respond to approved changes that are in-force, such as new exemptions on Site Plan Control for residential use and as-of-right permissions for three residential units per property.

It is unclear at this time how the proposed changes will impact the County's Draft New Official Plan. Staff have not yet received an update from the Ministry of Municipal Affair's and Housing (MMAH) on the County's Draft New Official Plan. Staff continue to connect with MMAH London to receive updates. Continued emphasis will be placed on incorporating legislative changes as the New Official Plan project moves forward.

Attachments

- 1. Bill 23 as approved through Royal Assent
- 2. Summary of Changes Approved and Implications of Bill 23
- 3. Watson and Associates Supporting Information, Nov. 29, 2022
- 4. County Response on A Place to Grow and Provincial Policy Statement
- 5. County Response on Conserving Ontario's Natural Heritage
- 6. County Response on Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario.

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Reviewed By

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Copied To

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- 2. Darryl Lee, Interim Chief Administrative Officer
- 3. Senior Management Team (General Managers all)
- 4. Alyssa Seitz, Planning Administrative Assistant/ Secretary Treasurer to the Committee of Adjustment
- 5. Mat Vaughan, Director of Development Planning
- 6. Stacey Ellins, Director of Parks and Recreation
- 7. Meghan Hunter, Manager of Parks and Forestry

By-law and/or Agreement

By-law Required No
Agreement(s) or other documents to be signed by Mayor and /or Clerk No