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**Subject:** Implications of Bill 108: *More Homes, More Choice Act, 2019*

**Report to:** Planning and Economic Development Committee

**Report date:** Wednesday, June 12, 2019

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## Recommendations

1. That Report PDS 26-2019 **BE RECEIVED** for information;
2. That staff **BE DIRECTED** to continue to provide detailed comments on Bill 108 and any associated matters, as needed;
3. That a copy of Report PDS 26-2019 **BE CIRCULATED** to local area municipal Planning Directors, Area Treasurers, CAOs, and MPPs; and
4. That staff **REPORT** any further material legislative changes in Bill 108 that may arise in the future to Council.

## Key Facts

- The purpose of this report is to provide a synopsis of the proposed amendments in *Bill 108 – More Homes, More Choice Act, 2019*.
- On May 2, 2019, Ministry of Municipal Affairs and Housing (MMAH) announced its 'Housing Supply Action Plan' and concurrently introduced *Bill 108: More Homes, More Choice Act, 2019*.
- Bill 108 proposes to amend 13 pieces of legislation, overlapping a number of Provincial Ministries. It will have a significant impact on the Region's land use planning function and administration of development charges.
- Commenting periods on Bill 108 matters were limited, and concluded June 1, 2019.
- Regional staff applied Corporate's One Team approach to review Bill 108, including regular correspondence with internal departments, local area municipal planners, and drafting submissions to the Province in a timely manner.
- Regional staff comments submitted to the Province through the Environmental Registry of Ontario (ERO) are included as appendices to this report. Also included is a May 29, 2019 letter from the Region's development charge consultant, Watson and Associates Economists Ltd. The Watson letter was submitted to the ERO on behalf of many municipal clients and is provided here for information.

## Financial Considerations

There are no financial considerations directly linked to this report.

Proposed amendments in Bill 108 may reduce the amount of development-related charges collected by Niagara Region and its local municipalities. This could result in less available funding for Regional programs and initiatives and may result in deferral of growth-related capital infrastructure.

The changes identified may have significant financial impact for the Region. The full cost and administrative burden cannot be determined without additional details that will be found in the regulations which have not been released.

## Analysis

On May 2, 2019, the MMAH announced the 'Housing Supply Action Plan' (<https://www.ontario.ca/page/more-homes-more-choice-ontarios-housing-supply-action-plan>).

The stated intent of the Plan is to cut red tape and make housing more affordable. The Plan includes amendments to 13 Acts (in Bill 108) as well as changes to the Building Code and the introduction of the 2019 Growth Plan (in effect May 16, 2019). The Building Code changes and Growth Plan are not the subject of this report.

Bill 108 would reverse several of the *Planning Act, 1990*, and *Ontario Municipal Board Act, 1990*, (now *Local Planning Appeal Board Act, 2017*) changes made by the previous Government through *Bill 139: Building Better Communities and Conserving Watersheds Act, 2017*. The Bill 139 changes have been in effect since April 2018. A description of the Bill 108 changes are provided in this report.

A significant change is the proposed new method for collecting fees for parkland and other soft services. Regional staff is note that the new method will not lead to appropriate parkland contribution or adequate recovery of growth-related soft costs.

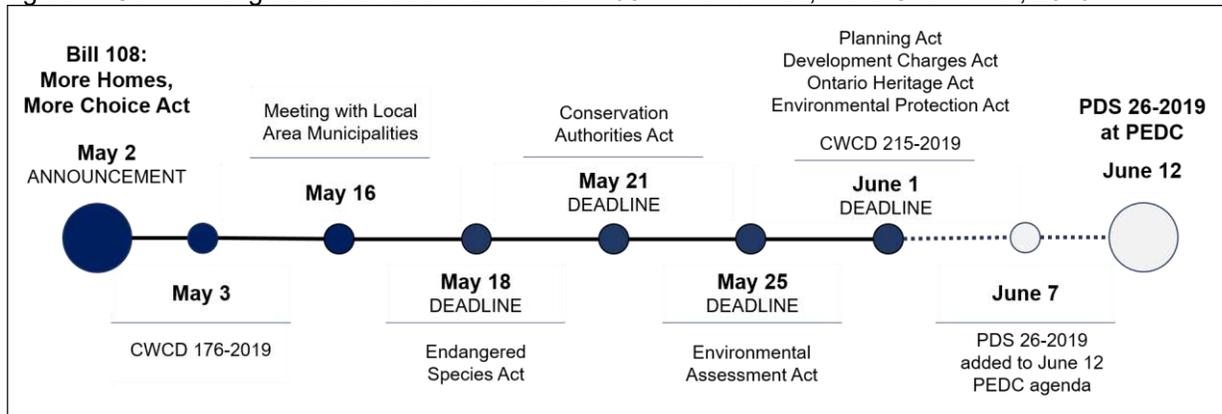
Not all legislation in Bill 108 was open for comment to the Province. The Environmental Registry (ERO) had seven postings for comment, relating to the following Acts:

- *Conservation Authorities Act, 1990*
- *Development Charges Act, 1997*
- *Endangered Species Act, 2007*
- *Environmental Assessment Act, 1990*
- *Environmental Protection Act, 1990*
- *Ontario Heritage Act, 1990*
- *Planning Act, 1990*

Submissions on the above-noted Acts were staggered, with the last ending on June 1, 2019.

Figure 1 illustrates the Bill 108 commenting deadlines and Regional/local municipality consultation.

Figure 1: Commenting deadlines associated to Bill 108: More Homes, More Choice Act, 2019



Regional staff's comments are attached to this Report.

Regional staff deployed a One Team approach to assemble internal comments, as well as liaise with local area planning directors through hosting a roundtable discussion.

The following sections provide an overview of the Bill 108 key changes.

### ***Conservation Authorities Act, 1990***

Bill 108 proposes a new function and responsibility for Conservation Authorities (CAs).

Presently, CAs primarily provide technical and advisory services to municipalities relating to watersheds, floodplains, and environmental practices.

The new function would include mandatory programs and services administered by CAs, including:

- Programs and services related to the risk of natural hazards.
- Programs and services related to the conservation and management of lands owned or controlled by the authority, including any interest in land registered on title.

- Programs and services related to the authority's duties, functions and responsibilities as a source protection authority under the *Clean Water Act, 2006*.
- Programs and services related to the authority's duties, functions and responsibilities under an Act prescribed by the regulations.

These responsibilities may not significantly alter the role and function of the Niagara Region Conservation Authority; however, it could affect the agency's budget forecasts and allocations. Therefore, responsibilities outlined within the Environmental Protocol between the NPCA and Niagara Region may have to be revisited.

Another proposed change is the exemption of low-risk development activities from CA review. Regional staff support this revision, as it should improve the timeliness for municipal review of simple applications, and allow the NPCA to dedicate its effort on more complex applications.

There were two separate ERO postings relating to the *Conservation Authorities Act, 1990*, amendments:

- The Ministry of Natural Resources and Forestry (MNRF) "Focusing conservation authority development permits on the protection of people and property" (<https://ero.ontario.ca/notice/013-4992>); and
- The Ministry of the Environment, Conservation, and Parks (MECP) "Modernizing conservation authority operations - Conservation Authorities Act" (<https://ero.ontario.ca/notice/013-5018>).

Those comments are included as **Appendix 1 and 2**.

### ***Environmental Protections Act, 1990, regulation***

The MECP is proposing to introduce a new regulation under the *Environmental Protection Act, 1990*, titled, "Environmental Compliance Approval in respect of Sewage Works Regulation" (<https://ero.ontario.ca/index.php/notice/019-0005>) to enable prescribed persons to alter sanitary collection and stormwater systems.

Currently, the *Environmental Protection Act, 1990*, permits prescribed persons to undertake alterations to sanitary and stormwater systems within the terms and conditions in Environmental Compliance Approvals (ECAs).

The proposed regulation would permit developers who enter into an agreement with the municipality to construct sewage works that the municipality may own under the municipality's ECA.

The regulation would apply to municipalities who have ECAs with pre-authorizations, if specific conditions are met. Developers must enter into an agreement with the municipality, and the work must meet the conditions of the municipality's ECA.

Municipalities who do not have pre-authorization conditions in their existing ECAs will be required to amend their ECA if they wish to take advantage of this proposed regulation. Until a municipality has an ECA with pre-authorizations, developers are required to obtain separate ECAs for sewage collection works.

The proposed regulation may have limitations in the Region's two-tier wastewater system. Niagara Region has ECAs for its infrastructure, including the sewage pumping stations (SPS), and the local municipalities have separate ECAs for its sanitary sewers and infrastructure. The proposed pre-authorized system would be more effective in municipalities where all related infrastructure is controlled by one level of government.

Staff have sought clarification from the MECP regarding how the term "prescribed persons" will be applied in cases, such as Niagara's, where there may be joint ownership for a new system-wide ECA with pre-authorizations.

Regional staff's comments on the *Environmental Protection Act, 1990*, regulation is included as **Appendix 3**.

### ***Endangered Species Act, 2007***

Proposed amendments to the *Endangered Species Act, 2007* follow the transfer of provincial administration from the MNRF to the MECP, which came in to effect in October 2018.

In January 2019, MECP published a discussion paper to gather feedback on challenges associated with the *Endangered Species Act, 2007* and provide insight and direction for future revisions. The commenting period for this paper concluded in March 2019 and the Region submitted a response prior to that date.

In April 2019, MECP opened for comment its "10<sup>th</sup> Year Review of Ontario's Endangered Species Act: Proposed changes" (<https://ero.ontario.ca/notice/013-5033>). The MECP stated that these proposed changes are based on feedback collected through the MECP's earlier discussion paper exercise.

A significant proposed change is the introduction of a "Species at Risk Conservation Fund", which will be administered by a newly established Crown agency called the "Species at Risk Conservation Trust". The fund allows proponents to pay towards practices or other activities that help to protect a specie prescribed on the Conservation Fund Species list. At the time of writing this report, the MECP has not yet prescribed the Conservation Fund species list.

While conceptually this has merit, providing proponents with the option to pay into a fund in lieu of fulfilling species protection requirements could however reduce accountability and make it easier to proceed with activities that harm vulnerable species. Staff recommend the establishment of an effective mitigation hierarchy at the time of Conservation Fund application should the MECP proceed with a fund.

Staff further suggest that MECP undertake a bona fide analysis of staffing and resourcing requirements associated with the *Endangered Species Act, 2007* changes. As written, it is unclear whether amendments will help address common complaints in Niagara relating to the Ministry's timely review and comment on information requests submitted to local district offices.

Staff's submissions on the *Endangered Species Act, 2007* are included as **Appendix 4**.

#### ***Environmental Assessment Act, 1990***

In April 2019, the MECP posted two EROs in relation to modernizing Ontario's Environmental Assessment Program:

- ERO #013-5101 titled, "Discussion paper: modernizing Ontario's environmental assessment program" (<https://ero.ontario.ca/notice/013-5101>); and
- ERO #013-5102 titled, "Modernizing Ontario's environmental assessment program – Environmental Assessment Act" (<https://ero.ontario.ca/notice/013-5102>).

The discussion paper (ERO #013-5101) explains key features of the Environmental Assessment Program and MECP's immediate and long-term vision.

The second posting (ERO #013-5102) initiates immediate changes to the *Environmental Assessment Act* identified in the discussion.

Niagara Region's Public Works and Planning and Development Services departments collaborated closely in submitting comments, which are enclosed as **Appendix 5**.

A key change proposed through Bill 108 is the exemption of low-risk Class Environmental Assessments (EAs) from the *Environmental Assessment Act, 1990*. Delegated exemption authority would belong to certain Crown entities and provincial ministries who are lead proponents of the Class EA. Eligibility for exemption would be determined during EAs' pre-screening process.

Bill 108 also proposes new restrictions on the application of Part II Orders for Class EAs. Proposed amendments limit the eligibility for a Part II Order considered by the Minister, except if the Minister may prevent, mitigate, or remedy adverse impacts

towards Aboriginals or treaty rights, or other matters of provincial significance as prescribed by regulation.

The regulation has not yet been released; thus it is unknown what may be considered matters of provincial significance that warrant a Part II Order.

***Planning Act, 1990, Development Charges Act, 1997, and Local Planning Appeals Tribunal Act***

Bill 108 proposes a series of interrelated amendments to the *Planning Act, 1990, Local Planning Appeal Tribunal Act, 2017, Development Charges Act, 1997, and Ontario Heritage Act, 1990*.

ERO comments on the *Planning Act, 1990* and *Development Charges Act, 1997* were made to <https://ero.ontario.ca/notice/019-0016> and <https://ero.ontario.ca/notice/019-0017>, respectively. The Province did not seek comments on the amendments to the *Local Planning Appeal Tribunal Act, 2017*.

Key changes by theme are set out in the following subsections.

Reduced time to review and decide planning matters

The proposed amendments would reduce planning application review and approval periods, as illustrated in Table 1 below.

Table 1: Proposed changes to planning application review and approval periods.

	Pre-Bill 139	Bill 139 (current)	Bill 108 (proposed)	Proposed change
Official Plan / Official Plan Amendment	180 days	210 days	<b>120 days</b>	<b>- 90 days</b> (3 months)
Zoning By-law Amendment	120 days	150 days	<b>90 days</b>	<b>- 60 days</b> (2 months)
Plan of Subdivision	180 days	180 days	<b>120 days</b>	<b>- 60 days</b> (2 months)

Niagara Region and local area municipalities strive to meet current planning application timelines. However, in some cases, it can be difficult to meet these timelines, particularly in recent years when Niagara Region has experienced a greater number of applications.

The compressed timelines will strain internal operation deadlines. For example, in order to meet the Region's reporting requirements, staff recommendation reports are circulated internally 30 days before Regional Standing Committee meetings. Thus, staff review is shortened by an additional 30 days. This would result in Regional staff having an effective total of 60 days to review and provide comment on a complex zoning by-law amendment, or 90 days to review and provide recommendation on an entirely new lower-tier official plan.

The reduction in application review time will challenge the ability for Niagara Region and local municipalities to complete a comprehensive review and conduct meaningful consultation and co-ordination.

Staff caution that these reduced timeframes could result in a lower quality of work, or the need for additional staffing.

The ability to appeal non-decisions at an earlier date, combined with the changes to Local Planning Appeal Tribunal (described further below), may lead to the need to dedicate more staff resources to addressing appeals in lieu of other priorities. If the shortened review dates remain as proposed, the Region seeks an additional amendment that would permit a pause in review time in cases where there are outstanding municipal requests of developers for revised or supporting documents needed as part of the development application.

#### Revisions to notice requirements for Plan of Subdivisions

The proposed amendments to the *Planning Act, 1990* would eliminate the requirement for an approval authority (i.e. the local municipality, in most cases) to give notice to prescribed persons or bodies prior to making a decision on a Plan of Subdivision application.

Currently, notice given to prescribed persons or bodies prior to a decision on this type of application is required through either (1) providing notice of the application, or (2) hosting a statutory public meeting.

The proposed amendment would merge these processes and have notice through notice of statutory meeting as required by regulation, which has not yet been released.

The Region requested that the forthcoming revised regulation continue to require approval authorities to provide notice to prescribed persons or bodies both prior to and following a decision. This requirement is good practice since it improves fairness and transparency for interested stakeholders.

### Revisions to the Local Planning Appeal Tribunal (LPAT) and appeal process

Bill 108 proposes amendments to rules relating to how hearings are conducted, how evidence may be presented, and permissions for examination and cross-examination of witnesses. These changes return to a practice similar to what existed with the Ontario Municipal Board (OMB) prior to Bill 139.

The changes would return to evidence-based hearings. Under the present version of the *Planning Act, 1990*, appeals to the LPAT could be made only on grounds of non-conformity or non-consistency with Provincial policies or official plans. Proposed changes would allow appellants to set the reasons for appeal based on planning principles.

New restrictions would limit third party appeals of Plans of Subdivisions and certain official plan and official plan amendments. This change is supported by Staff; it will give greater autonomy to municipal decision-making and lead to faster approvals for Plans of Subdivision. For the same reason, the Region supports the retention of limitations on appeals of certain Official Plan Amendments that require Minister approval.

The restriction to adduce evidence and call and cross-examine witnesses would be removed. However, the new rules would allow the LPAT to limit both evidence and expert witnesses prior to a hearing at its discretion. There would be rules on non-parties (participants) to allow them to make submissions in writing only.

Bill 108 places additional emphasis on mediation – the Tribunal can now direct parties to participate. Additionally, for most appeals, Case Management Conferences must include a discussion of resolving issues through mediation or other dispute resolution process.

Some elements of the Bill 139-era LPAT process would be retained. For example, Case Management Conferences are still required for parties prior to a hearing, unless a settlement is reached. Additionally, Official Plan Amendments undertaken by a municipality as a conformity exercise to provincial policy and approved by the Minister are ineligible for appeal. This is particularly important for Niagara Region as it is undertaking a new comprehensive Official Plan.

### Adjustments to Development Charges (DCs)

Bill 108 proposes a restructuring of the collection and use of soft-service DCs through amendments to the *Development Charges Act, 1997* and *Planning Act, 1990*.

Currently, funds obtained through DCs are used to pay for growth-related costs associated with most new or upgraded public services and infrastructure. Bill 108 would change that for “soft services” – they would no longer be eligible for collection through

DCs, and instead would be collected through a different funding mechanism – a Community Benefits Charge By-law (described further in the next section).

The Region currently collects soft service development charges in the following categories (which would no longer be eligible for DC collection under the proposed scheme):

- General Government
- Emergency Medical Service
- Long Term Care
- Provincial Offences Act
- Health
- Social Housing

DCs could be charged only for hard services. Below are the categories in which the Region can charge DCs:

- Water and wastewater services
- Stormwater (the Region does not provide this service and thus does not charge a related DC)
- Roads
- Electrical power (the Region does not provide this service and thus does not charge a related DC)
- Police and Fire (the Region does not provide a Fire service and thus does not charge a related DC. It has a Police service charge)
- Transit (the Region currently does not charge a related DC for this service)
- Waste Diversion
- Other prescribed services (none have been named at this time)

Under the existing system, the Region collects DCs from developers and allocates these funds to relevant projects during the annual budget process. Based on the 2019 approved budget and current revenue projections, the Region is projecting \$538M in DCs collected for the 2019-2028 period, as shown in Table 2 below.

Table 2: Projected forecast of annually collected Regional DCs.

Summary of Regional Development Charge Collections (\$Ms)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
DCs Collected - Hard Service	41.03	42.73	43.59	44.46	45.35	46.26	47.18	48.13	49.09	50.07	457.88
DCs Collected - Soft Service	3.33	7.95	8.11	8.27	8.44	8.61	8.78	8.96	9.13	9.32	80.90
<b>Total</b>	<b>44.36</b>	<b>50.69</b>	<b>51.70</b>	<b>52.73</b>	<b>53.79</b>	<b>54.86</b>	<b>55.96</b>	<b>57.08</b>	<b>58.22</b>	<b>59.39</b>	<b>538.79</b>

The 2019-2028 capital program planned to be funded from these revenue sources (including funding already in reserve funds) is shown in Table 3 below.

Table 3: Projected DC fund allocation towards Regional Capital Programs.

Summary of Capital Programs Funded from Development Charges (\$Ms)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
DCs Collected - Hard Service	56.36	31.40	31.91	44.96	62.07	62.34	36.44	51.35	19.42	17.94	414.19
DCs Collected - Soft Service	29.32	0.93	-	-	-	-	-	-	-	-	30.25
<b>Total</b>	<b>85.67</b>	<b>32.33</b>	<b>31.91</b>	<b>44.96</b>	<b>62.07</b>	<b>62.34</b>	<b>36.44</b>	<b>51.35</b>	<b>19.42</b>	<b>17.94</b>	<b>444.44</b>

The DC collection process for hard services would change too. Instead of collecting DCs at the time of building permit (which is generally done), DCs would be calculated and collected at the time an applicant submits a Site Plan (or rezoning application, if a Site Plan is not required). The charge would be fixed at that rate, with municipalities limited to charging a prescribed interest rate, until issuance of a building permit or occupancy (depending on type of development).

Site plan approval can occur considerably earlier than building permit approval; the DCs collected by the Region at that time would not benefit from indexing between these two points in time. Thus, there may be a mismatch between the need for services and the funds received to pay for them.

DCs payable for rental, industrial, institutional, commercial and non-profit housing units would be payable over six installments, with prescribed interest. Instead of collecting the entire fee at the time of building permit, one-sixth of the fee would be collected at first occupancy and the balance would be collected in one-sixth increments for the next five years on the anniversary of the initial collection.

In addition to the increased administrative burden, there will be an impact on cash flow. It is estimated that the Region collects DCs on over 100 of these property types each year. The delayed cash flow may result in either a delay in the implementation of capital projects, increased debt requirements (which could result in downward pressure on the Region's credit rating) and associated cost to accommodate the loss of cash flow, or an increased pressure on the taxpayer.

### Community Benefits Charge

As noted above, Bill 108 proposes a new mechanism, a “Community Benefits Charge”, (CBC) for municipalities to collect funds relating to soft services. In the current *Development Charges Act, 1997*, these form part of the development charge and are collected in full at the time of building permit.

In addition to replacing the DC soft services, a CBC By-law will replace the bonusing provisions for increased density contained in section 37 of the *Planning Act, 1990*, and the “alternative” parkland dedication rate based on number of units set out in sections 41 and 51.1 of the *Planning Act, 1990*.

Municipalities would still be able to collect “traditional” parkland dedication or fees for 5% or 2% of the land under 42(1) of the *Planning Act, 1990* if it has not passed a CBC By-law.

Regional staff note that municipalities may not be able to collect sufficient parkland dedication regardless of whether it implements a CBC By-law or keeps a traditional parkland by-law (since a traditional rate is insufficient, particularly for multi-storey projects).

The financial impacts of implementing a CBC is unknown; the Province has not released its regulations that would allow municipalities to understand the impact.

Until a municipality implements a CBC, existing section 37 and parkland dedication fees as prescribed in the *Planning Act, 1990*, continue to apply. Prior to implementing a CBC, a municipality must pass a CBC By-law that is informed by a CBC Strategy. The contents of a CBC Strategy are unknown and will be prescribed at a future date.

The amount that a municipality can collect from a single property-specific CBC is capped at a percentage of the properties’ current market value. The CBC cap percentage is unknown and will be prescribed at a future date.

In regards to determining a property’s value, the municipality is responsible for conducting the initial appraisal. Property owners can object to an appraisal if they disagree with its outcome. If an objection occurs, additional appraisals are undertaken by the property owner and municipality to determine a value. Disputes over appraisals are common in other planning cases; Staff note that the CBC appraisal process may be the same, leading to substantial costs and time burden to municipalities.

Staff also caution using land value as a method of assessing soft servicing costs since providing services may be unrelated to appraised value. For example, the cost of playground equipment needed in a new neighbourhood is the same, regardless of

whether the value of property is high or low. Land values across Niagara vary drastically and are not always linked to population or employment within that geography.

The Bill 108 changes would also allow municipalities to accept “in-kind contributions” towards the payment of a CBC; qualifications for eligible in-kind contributions will be identified by regulation at a later date.

Further, the proposed changes will require a municipality to either spend or allocate at least 60% of its total collected CBC within one year of its collection. This may be challenging depending on how areas are built-out, or where a CBC is collected through a mix of monetary and in-kind contributions.

Staff are unsure how a revised DC system, CBC By-laws and parkland dedication by-laws will work in a two-tier system. This may add complexity to the development fee structure, rather than simplify it as intended by the Province.

The legislation allows only one CBC By-law to be in effect at a time. It is unclear whether different rates may be applied to different areas or classes of development. If not, inequities would likely result between different communities.

The changes identified may have significant financial impact for the Region. The full cost and administrative burden cannot be determined without additional details that will be found in the regulations which have not been released.

### Development Permit Systems

A development permit system (DPS) is a development application tool that would replace other application processes (i.e. zoning, minor variance, and site plan). The intended purpose is to use a DPS to make the application process simpler and quicker. DPS are optional, and have not been widely used in the Province since their introduction in 2007.

Bill 108 proposes to expand the Minister’s powers to *require* a municipality to implement a DPS within a specified area and within a specified amount of time. For example, the Minister may require a municipality to implement a DPS within a Major Transit Station Area (MTSA).

### Scoped implementation to implement “inclusionary zoning”

Inclusionary zoning is a set of policies introduced in April 2018 through Bill 139 and proposed for modifications in Bill 108.

Instead of voluntarily implementing inclusionary zoning (which has not been done in Niagara), inclusionary zoning would be restricted to those areas that are MTSAs, within a DPS area, or in response to an order made by the Minister.

### Additional Residential Units

Bill 108 proposes a new set of policies required for official plans to authorize second units in detached, semi-detached and row houses and in ancillary structures.

### ***Ontario Heritage Act, 1990***

Amendments to matters relating to Part IV of the *Ontario Heritage Act, 1990*, (<https://ero.ontario.ca/notice/019-0021>) dramatically shift the role and authority for lower-tier municipal Councils to designate and permit alterations to heritage properties.

In the current *Ontario Heritage Act, 1990*, the Conservation Review Board (CRB) would hear an objection to a Council's decisions on heritage matters. The CRB's role is to provide Council with a recommendation to uphold or reverse its decision on the objected subject matter.

Through Bill 108, an objection by the property owner would be heard by the LPAT instead of the CRB. The LPAT would make a final decision on the matter, in contrast to the current CRB process of sending a recommendation to Council for further determination.

In Bill 108, heritage matters eligible for appeal to the LPAT include decisions on:

- applications to alter/demolish heritage buildings, structures, or attributes;
- designating by-law; and
- applications to repeal a designating by-law.

Staff advise that the LPAT hearing process will be more complex. As well, Staff recommends that the LPAT commit to resourcing its adjudicators with heritage expertise to hear these cases, particularly since these matters have not traditionally been before the LPAT or OMB.

Niagara Region's Enterprise and Resource Management Services and Planning and Development Services departments collaborated closely in submitting *Ontario Heritage Act, 1990*, comments, which are enclosed as **Appendix 6**.

## **Watson and Associates Economists Ltd. Comments**

Watson is a consulting firm that undertakes a significant amount of municipal development charge work, including for the Niagara Region. Watson provided the Region a copy of their May 29, 2019 ERO submission outlining their view on the proposed changes to the *Development Charges Act, 1997*. The Watson submission is enclosed as **Appendix 7**.

## **Alternatives Reviewed**

The purpose of this report is to provide a summary on implications associated to proposed amendments through Bill 108. There are no other alternatives for Regional Council to consider at this time.

Staff will update Council on Bill 108-related matters as they occur.

## **Relationship to Council Strategic Priorities**

### Doing Business Differently

Proposed amendments through Bill 108 will impact the way Niagara Region conducts its core functions and daily business operations.

Specifically, amendments to the *Planning Act, 1990* and *Development Charges Act, 1997* will expedite planning-related decisions, as well as modify the collection development-related costs through DCs and CBCs.

Further, proposed revisions to the *Conservation Authorities Act, 1990*, *Endangered Species Act, 2007*, and *Environmental Protection Act, 1990*, could potentially influence the roles and responsibilities of program service delivery between Niagara Region, its local area municipalities, and external stakeholders.

## **Other Pertinent Reports**

- CWCD 176-2019
- CWCD 215-2019

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### **Prepared by:**

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### **Recommended by:**

Rino Mostacci, MCIP, RPP  
Commissioner  
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**Submitted by:**

Ron Tripp, P.Eng.  
Acting Chief Administrative Officer

*This report was prepared in consultation with Alexander Morrison, Planner, Margaret Murphy, Associate Director of Budget Planning and Strategy, Robert Fleming, Senior Tax and Revenue Analyst, and reviewed by Diana Morreale, MCIP, RPP, Director of Development Approvals.*

**Appendices**

Appendix 1	Niagara Region comments - Focusing conservation authority development permits on the protection of people and property (ERO #013-4992)	Pages 17 - 20
Appendix 2	Niagara Region comments – Modernizing conservation authority operations – Conservation Authorities Act (ERO #013-5018)	Pages 21 - 23
Appendix 3	Niagara Region comments - Environmental Compliance Approval in respect of Sewage Works Regulation (ERO #019-0005)	Pages 24 - 25
Appendix 4	Niagara Region comments – 10 <sup>th</sup> Year Review of Ontario’s Endangered Species Act (ERO #013-5033)	Pages 26 - 35
Appendix 5	Niagara Region comments – “Discussion Paper: Modernizing Ontario’s Environmental Assessment Program” (ERO #013-5101) and “Modernizing Ontario’s Environmental Assessment Program - Environmental Assessment Act” (ERO #013-5102)	Pages 36 - 49
Appendix 6	Niagara’s comments: Bill 108 – More Homes, More Choice Act, 2019 regarding the <i>Planning Act, 1990</i> (ERO 019-0016), <i>Development Charges Act, 1997</i> (ERO 019-0017); and <i>Ontario Heritage Act, 1990</i> (ERO 019-0021)	Pages 50 - 63
Appendix 7	Watson and Associates Economists Ltd. letter Re: Bill 108: Potential Changes to the Development Charges Act	Pages 64 - 72



**Planning and Development Services**  
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May 21, 2019

Mr. Alex McLeod  
Natural Resources Conservation Policy Branch  
300 Water Street  
Peterborough, ON  
K9J 8M5  
Canada

Dear Mr. McLeod,

**Re: ERO Registry Number 013-4992**

Thank you for the opportunity to provide input on regulation changes to the *Conservation Authorities Act, R.S.O.1990* as posted by the Ministry of Natural Resources and Forestry. The following are Niagara Region staff comments on the proposed changes.

Niagara Region staff are generally supportive of the updates being made to update definitions, consolidating the existing regulations into one, exempting low-risk developments from permitting requirements, and reporting on service delivery. Niagara Region staff are cautious of reducing regulatory restrictions between a wetland and where a hydrological connection has been severed, as there have been increases of flooding due to climate change impacting communities across Ontario over the past several years.

Staff are also aware of the opportunity to comment on the proposal to modernize the *Conservation Authorities Act, R.S.O.1990* and will be providing comments to the Ministry of the Environment, Conservation and Parks on this matter under a separate cover.

If you have any questions please don't hesitate to contact me at ([erik.acs@niagararegion.ca](mailto:erik.acs@niagararegion.ca)) or 905-980-6000 ext.3610.

Respectfully submitted,

Erik Acs  
Manager of Community Planning



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**Focusing conservation authority development permits on the protection of people and property**

**ERO number: 013-4992**

<b>Draft Document Proposed Changes</b>	<b>Niagara Region Staff Comments</b>
<p>Prohibited activities set out in Section 28 of the <i>Conservation Authorities Act</i> as amended by Schedule 4 of the <i>Building Better Communities and Conserving Watersheds Act</i>, 2017 include:</p> <ul style="list-style-type: none"> <li>• Development in areas related to natural hazards such as floodplains, shorelines, wetlands and hazardous lands (i.e. lands that could be unsafe for development because of naturally occurring processes associated with flooding, erosion, dynamic beaches or unstable soil or bedrock); and</li> <li>• Interference with or alterations to a watercourse or wetland.</li> </ul> <p>The Ministry is proposing to create a regulation further defining the ability of a conservation authority to regulate prohibited development and other activities for impacts to the control of flooding and other natural hazards.</p> <p>This regulation would replace <i>Ontario Regulation 97/04</i>, which governs the content of conservation authority regulations under the Section 28(1) of the Act, as well as existing conservation authority regulations (<i>O.Reg. 42/06</i>, <i>O.Reg. 146-148</i>, <i>O.Reg. 150-153</i>, <i>O.Reg. 155-172</i>, <i>O.Reg. 174-182</i>, and <i>O.Reg. 319/09</i>) to ensure consistency in requirements across all conservation authorities.</p>	<p>Niagara Region staff supports this approach, and would agree that a singular regulation for the 36 conservation authorities across the province would be appropriate to ensure consistency.</p> <p>Further information on how local flexibility will be accounted for needs to be addressed by the Province, as each watershed across the Province is unique.</p>
<p>Update definitions for key regulatory terms to better align with other provincial policy, including: “wetland”, “watercourse” and “pollution”</p>	<p>Niagara Region staff supports the update of key regulatory terms and suggests that where applicable existing PPS definitions be used to help ensure consistency between projects under the <i>Planning Act</i> and projects under the <i>Conservation Authorities Act</i>.</p>

<p>Defining undefined terms including: “interference” and “conservation of land” as consistent with the natural hazard management intent of the regulation</p>	<p>Niagara Region staff supports this suggestion and suggests the following definitions be considered:</p> <p>Conservation of Land - The protection, management or restoration of lands within the watershed ecosystem for the purpose of maintaining or enhancing the natural features and ecological functions and hydrological functions, within the watershed.        (Conservation Ontario, 2008) Conservation of land includes all aspects of the physical environment, be it terrestrial, aquatic, biological, botanic or air and the relationship between them (611428 Ontario Ltd. vs. Metropolitan Toronto and Region Conservation Authority).</p> <p>Interference - Any anthropogenic act or instance which hinders, disrupts, degrades or impedes in any way the natural features or hydrologic and ecologic functions of a wetland or watercourse. (Conservation Ontario, 2008)</p>
<p>Reduce regulatory restrictions between 30m and 120m of a wetland and where a hydrological connection has been severed</p>	<p>With increased risk of flooding due to climate change, the importance of wetland protection is crucial. Reducing the regulatory restrictions for development near a wetland will increase risks for new structures and therefore should remain as they are.</p>
<p>Exempt low-risk development activities from requiring a permit including certain alterations and repairs to existing municipal drains subject to the <i>Drainage Act</i> provided they are undertaken in accordance with the <i>Drainage Act</i> and <i>Conservation Authorities Act</i> Protocol</p>	<p>Niagara Region staff supports this proposal and would further suggest that additional agricultural activities, including agricultural buildings be exempted from these permitting requirements.</p>
<p>Allow conservation authorities to further exempt low-risk development activities from requiring a permit provided in accordance with conservation authority policies</p>	<p>Niagara Region staff supports this suggestion (see above).</p>
<p>Require conservation authorities to develop, consult on, make publicly available and periodically review internal policies that guide permitting decisions</p>	<p>Niagara Region staff supports this suggestion. In order to be transparent to the public, making publicly available the policies that guide permitting decisions is important.</p>

	<p>However, rather than using “periodically” with respect to timelines associated with reviewing these policies, they should be reviewed every 10 years.</p>
<p>Require conservation authorities to establish, monitor and report on service delivery standards including requirements and timelines for determination of complete applications and timelines for permit decisions</p>	<p>Niagara Region staff supports this suggestion, and finds that reporting on service delivery, in addition to transparency, also assists with tracking and projecting growth. Timelines for complete applications and permit decisions should be made publically available.</p>

May 21, 2019

Ms. Carolyn O'Neill  
Great Lakes Office  
40 St Clair Avenue West  
Floor 10  
Toronto, ON  
M4V1M2  
Canada

Dear Ms. O'Neill

**Re: ERO Registry Number 013-5018**

Thank you for the opportunity to provide input on the *Conservation Authorities Act, R.S.O. 1990* changes posted by the Ministry of the Environment, Conservation, and Parks. The following are Niagara Region staff comments on the proposed changes.

Niagara Region staff are generally supportive of the updates being made to defining the mandatory programs and services, increasing transparency, establishing transition periods, enabling the Minister to investigate a conservation authority, and clarifying board members responsibilities.

Staff are also aware of the opportunity to comment on the proposal to streamline and focus conservation authorities development permitting and role in municipal review and will be providing comments to the Ministry of Natural Resource and Forestry on this matter under a separate cover.

We are hopeful these comments can be addressed prior to the release of the final *Bill 108, More Homes, More Choice Act, 2019*. If you have any questions please don't hesitate to contact me at ([erik.acs@niagararegion.ca](mailto:erik.acs@niagararegion.ca)) or 905-980-6000 ext.3610.

Respectfully submitted,

Erik Acs  
Manager of Community Planning

**Modernizing the conservation authorities operations-Conservation Authorities Act**  
**ERO number: 013-5018**

<b>Draft Document Proposed Changes</b>	<b>Niagara Region Staff Comments</b>
<p>Clearly define the core mandatory programs and services provided by conservation authorities to be, natural hazard protection and management, conservation and management of conservation authority lands, drinking water source protection (as prescribed under the <i>Clean Water Act</i>), and protection of the Lake Simcoe watershed (as prescribed under the <i>Lake Simcoe Protection Act</i>)</p>	<p>Niagara Region staff supports this suggestion.</p> <p>Clearly defining the core mandatory programs and services is recommended to eliminate differences in program and service delivery. This proposed change would create consistency across the province and provide certainty on what services are provided on a mandatory basis, and what services can be provided through a memorandum of understanding.</p> <p>In addition to the above proposed changes, clearly defined funding mechanisms for core programs should also be established.</p>
<p>Increase transparency in how conservation authorities levy municipalities for mandatory and non-mandatory programs and services. Update the <i>Conservation Authorities Act</i>, an Act introduced in 1946, to conform with modern transparency standards by ensuring that municipalities and conservation authorities review levies for non-core programs after a certain period of time (e.g. 4-8 years)</p>	<p>Provincial funding to conservation authorities varies across the provinces 36 conservation authorities. Some authorities have budgets which are provincially funded by as much as 58% of total cost. Based on 2017 data, in Niagara the Niagara Peninsula Conservation Authority budget is funded 3% by the Province and 71% by municipal levies.</p> <p>Therefore it is important that programs and services operating are beneficial to the conservation mandate and reviewed periodically. With an increase in cost for the mandatory programs (drinking water source protection and management of natural hazards) it is unlikely non-mandatory programs will be able to run due to budget constraints. It is recommended that the Province encourage conservation authorities to explore opportunities to generate revenue using existing conservation authority assets.</p>
<p>Establish a transition period (e.g. 18-24 months) and process for conservation authorities and municipalities to enter into agreements for the delivery of non-mandatory</p>	<p>Niagara Region staff supports this suggestion, and would further add that the transition period apply to both entering agreements as well as exiting existing or future agreements.</p>

<p>programs and services and meet these transparency standards</p>	
<p>Enable the Minister to appoint an investigator to investigate or undertake an audit and report on a conservation authority</p>	<p>Niagara Region staff supports this suggestion.</p>
<p>Clarify that the duty of conservation authority board members is to act in the best interest of the conservation authority, similar to not-for profit organizations.</p>	<p>Niagara Region staff supports this suggestion.</p> <p>Ensuring greater clarity of board members duty is an important objective raised in the Auditor General’s Special Audit Report of the Niagara Peninsula Conservation Authority (2018). It is important for the Province to clarify and provide guidance to conservation authority board members on how to balance their roles and effectively deliver programs and services.</p>
<p>Proposing to proclaim un-proclaimed provisions of the <i>Conservation Authorities Act</i> related to:</p> <ul style="list-style-type: none"> <li>• fees for programs and services</li> <li>• transparency and accountability</li> <li>• approval of projects with provincial grants</li> <li>• recovery of capital costs and operating expenses from municipalities (municipal levies)</li> <li>• regulation of areas over which conservation authorities have jurisdiction (e.g., development permitting)</li> <li>• enforcement and offences</li> <li>• additional regulations.</li> </ul>	<p>Niagara Region staff supports the proposal to proclaim portions of Section 21 of the Conservation Authorities Act, but has concerns with respect to the Minister regulating maximum fee amounts.</p> <p>As the geography of the conservation authorities varies according to each watershed, the delivery of programs incurs a different cost across the 36 conservation authorities in Ontario. Fees need to reflect local realities.</p>

**Delivered electronically**

**Subject:** Niagara Region comments – Environmental Compliance Approval in respect of Sewage Works Regulation (ERO #019-0005)

**Date:** May 28, 2019

**To:** Eugenia Chalambalacis, Business Transformation Branch  
Ministry of the Environment, Conservation and Parks

**From:** Phill Lambert, Director  
Infrastructure Planning and Development Engineering, Niagara Region

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Kindly accept this letter as Niagara Region's comments in response to Ministry of the Environment, Conservation and Parks (MECP) Environmental Registry of Ontario (ERO) posting "Environmental Compliance Approval in respect of Sewage Works Regulation" (<https://ero.ontario.ca/notice/019-0005>).

### **Niagara Region's comments**

In it's current state, Niagara Region has a two-tier water and wastewater system. There are approximately 112 Sewage Pumping Station and 11 Wastewater Treatment Plants (WWTP) owned and operated by the Niagara Region which each have separate individual Environmental Compliance Approvals (ECAs). None of these ECAs have pre-authorizations.

Niagara Region's local area municipalities own and operate the wastewater collection systems/sewers. Older sewers may not have ECAs as they pre-date this approval process. Newer sewers will typically have specific ECAs that are associated with development applications like Draft Plan of Subdivision Applications for new housing and commercial developments.

The proposed regulation does not translate well for a two-tier wastewater system, as Niagara Region has separate ECAs for the sewage pumping stations (SPS) and the local municipalities have ECAs for their separate pieces of the sanitary sewers.

These would need to be combined to be effectively assessed and evaluated with a new ECA for the SPS including all the upstream sewers as well as consideration for the entire sewer system for each WWTP. However, these combined assets have two separate ownership parties, being Niagara Region and the local municipalities. It is not clear how the "prescribed persons" will be applied in this case when there could be joint ownership for a new system-wide ECA with pre-authorizations.

Niagara Region currently completes the technical engineering review and recommends approval for draft ECAs for both new sanitary sewers and storm sewers for all the local municipalities through an agreement with the MECP known as the Transfer of Review Program. The MECP provides the formal approval with an ECA for the new storm and/or sanitary sewers, but the majority, if not all of the engineering review is completed by the Niagara Region. This approval process generally takes on average 5 weeks from draft ECA submittal to MECP to receipt of the hard copy of the final approved ECA.

Regional staff have been informed by the development industry that a direct submission to the MECP for an ECA (not using the Transfer of Review Program) can take up to 6 months to 1 year for receipt of the hard copy of the final approved ECA.

It is regional staff's understanding that this Transfer of Review process will continue until Niagara's municipalities have new ECA with pre-authorization conditions for the sanitary collection system. At this point in time, it is unclear how to achieve this future state, as the standards do not exist yet, nor does the applicable legislation.

Niagara Region recognizes that the MECP will have to undertake additional work on this initiative in order to resolve details and determine additional regulations. Regional staff looks forward to future opportunities to consult with the MECP on these related matters.

Respectfully submitted and signed by



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**Phill Lambert, P. Eng.**  
Director, Infrastructure Planning and Development Engineering  
Niagara Region

cc.

Catherine Habermehl, Acting Commissioner, Public Works, Niagara Region  
Joseph Tonellato, Director of Water and Wastewater Services, Public Works, Niagara Region  
Jason Oatley, Manager of Wastewater Quality and Compliance, Public Works, Niagara Region

**Delivered electronically**

**Subject: Niagara Region Comments – 10<sup>th</sup> Year Review of Ontario’s Endangered Species Act (ERO 013-5033)**

**Date: May 17, 2019**

**To: Public Input Coordinator, Species Conservation Policy Branch  
Ministry of the Environment, Conservation and Parks**

**From: Diana Morreale, MCIP, RPP  
Director, Development Approvals, Niagara Region**

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Thank you for the opportunity to comment on the proposed changes to the *Endangered Species Act* (ESA). Please accept this submission in response to Environmental Registry of Ontario (ERO) posting #013-5033. This submission contains two parts:

- 1) This cover letter highlighting key comments provided by Niagara Region Environmental Planning staff; and
- 2) A table containing staff’s policy-specific comments and/or recommendations.

Staff suggest that updates to the legislation could include a robust analysis of staffing and resourcing requirements. Currently, one of the most frequently received complaints is the time it takes for developers or their agents to receive feedback from the Ministry of Environment, Conservation and Parks (MECP), and formerly the Ministry of Natural Resources and Forestry (MNR), on information requests submitted to local district offices. This is especially problematic for those species requiring further study within specific timing windows.

The proposed establishment of a “Species at Risk Conservation Fund” should require a mitigation hierarchy. Staff caution that providing proponents with the option to pay into a fund in lieu of fulfilling species protection requirements may reduce accountability and make it easier to proceed with activities that harm vulnerable species. A mitigation hierarchy, based in science, is recommended if a “conservation fund” is established.

Additional comments are provided for your consideration in the attached table. Regional staff appreciate the opportunity to provide these comments. Please contact me if you have any questions or require additional information.

ERO # 013-5033  
Niagara Region Staff Comments  
May 17, 2019

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Respectfully submitted and signed by



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Diana Morreale, MCIP, RPP  
Director of Development Approvals  
Niagara Region

Attachments:        Comment Table (ERO 013-5033)

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**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
 Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <u>Text</u> = Province removed <u>Text</u> = Province added	Niagara's comments
<b>CLASSIFICATION OF SPECIES</b>		
<b>3 Committee of the Status of Species at Risk in Ontario</b>		
3(4)	<b>Qualifications</b>  A person may be appointed to COSSARO only if the Minister considers that the person has relevant expertise that is drawn from, a) a scientific discipline such as conservation biology, <u>ecology, genetics, population dynamics, taxonomy, systematics or <del>genetics</del> wildlife management</u> ; or b) <u>community knowledge or</u> aboriginal traditional knowledge. <del>2007, c. 6, s. 3 (4).</del>	A member of the Committee on the Status of Species at Risk in Ontario (COSSARO) to include individuals with "community knowledge" could open COSSARO to those that do not have adequate scientific expertise. Species protections should be informed by science and/or aboriginal traditional knowledge alone.
<b>5 Rules for Classification</b>		
5(4)	<u>Criteria for classification</u>  <u>The criteria for assessing and classifying species as endangered, threatened or special concern species under paragraph 1 of subsection 4 (1) shall include considerations of,</u> a) <u>the species' geographic range in Ontario; and</u> b) <u>the condition of the species across the broader biologically relevant geographic range in which it exists both inside and outside of Ontario.</u>	Consideration of climate change on species habitat should also be incorporated into the <i>Endangered Species Act</i> update, as should consideration of cumulative impacts.
5(5)	<u>Same</u>  <u>If consideration of the condition of the species both inside and outside of Ontario under clause (4) (b) would result in a species classification indicating a lower level of risk to the survival of the species than would result if COSSARO considered the condition of the species inside Ontario only, COSSARO's classification of a species shall reflect the lower level of risk to the survival of the species.</u>	Many of the species listed on the Species at Risk in Ontario (SARO) list are at the northern extent of their range, especially species identified in the Niagara Region. This proposed change may lessen their protection or provide them no protection moving forward. This is especially problematic in the face of climate change because healthy populations at the northern extent of their range will help species adapt.
<b>7 Species at Risk in Ontario List</b>		
7(4.1)	<u>Same</u>  <u>The 12-month period referred to in subsection (4) applies with respect to any report from COSSARO received by the Minister in 2019 before the day</u>	The Act currently provides that a regulation must be made under section 7 to list species on the SARO list within three months of the Minister receiving a report from COSSARO classifying the species. The changes as

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
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Section #	Proposed Endangered Species Act revisions <u>Text</u> = Province removed <u>Text</u> = Province added	Niagara's comments
	<a href="#">subsection 5 (1) of Schedule 5 of the <i>More Homes, More Choice Act, 2019</i> comes into force.</a>	proposed will extend this timeframe from three to 12 months. There is concern that this delay could cause negative impacts to the species and the habitat it requires to fulfill its life processes. Staff caution that three months, as opposed to 12 months, is an appropriate timeframe for creation of the required protection regulation(s) and should continue to be implemented as-is.
<b>8 Risk of Imminent Extinction or Extirpation</b>		
8(3)	<p><b>Same</b></p> <p><a href="#">If COSSARO has reported to the Minister its classification of a species as an extirpated, endangered, threatened or special concern species but the Species at Risk in Ontario List has not yet been amended in accordance with section 7 to reflect the classification, the Minister, if of the opinion that credible scientific information indicates that the classification may not be appropriate, may require COSSARO to,</a></p> <ul style="list-style-type: none"> <li><a href="#">a) reconsider the classification; and</a></li> <li><a href="#">b) not later than the date specified by the Minister, submit a second report to the Minister under section 6 which shall either confirm the classification of the species in the first report or reclassify the species.</a></li> </ul> <p><del>Subsection (2) applies, with necessary modifications, if COSSARO has reported to the Minister its classification of a species as an extirpated, endangered, threatened or special concern species but the Species at Risk in Ontario List has not yet been amended in accordance with subsection 7 (4) to reflect the classification. 2007, c. 6, s. 8 (3).</del></p>	Decisions about species protections should be supported by adequate science.
8(4.2)	<p><b><u>Timing of amendments to regulation</u></b></p> <p><a href="#">If the Minister requires under subsection (3) that COSSARO reconsider its classification of a species set out in a first report made under section 6,</a></p> <ul style="list-style-type: none"> <li><a href="#">a) the requirement under subsection 7 (4) for the Ministry official to make and file an amendment to the Species at Risk in Ontario List within 12 months after the day the first report is received no longer applies with respect to the species; and</a></li> <li><a href="#">b) the Ministry official shall, not later than 12 months after the day the second report is received from COSSARO in accordance with clause (3) (b), make and file an amendment to the Species at Risk in Ontario</a></li> </ul>	For species that are not yet on the SARO list, or are listed as special concern, the proposed changes provide that the species would not be added to the SARO list, or listed to a more sensitive status, during COSSARO's reassessment. This could potentially suspend all or some of the species-specific prohibitions in section 9 (individual species protections) and section 10 (habitat protections) for a period of up to three years. Meanwhile, negative impacts to the species and its habitat could occur. Three months, as opposed to 12 months, is an appropriate timeframe for

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**

Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <u>Text</u> = Province removed <u>Text</u> = Province added	Niagara's comments
	<p><a href="#">List so that it accurately reflects information relating to the species contained in the second report.</a></p>	<p>creation of the required protection regulation(s) and should continue to be implemented as-is.</p> <p>Staff further opine that maintaining a consistent approach provides a level of certainty to stakeholders and such long, open-ended timeframes may also create tension for municipal planning staff and other stakeholders.</p>
<p><b>8.1 Temporary Suspension of Protections Upon Initial Listing</b></p>		
<p>8.1(1)</p>	<p><a href="#">Subject to subsections (2) and (3), the Minister may, by regulation, order that, as of the day a species is listed on the Species at Risk in Ontario List as an endangered or threatened species for the first time, the application to the species of all or some of the prohibitions in subsections 9 (1) and 10 (1) shall be temporarily suspended.</a></p>	<p>The proposed changes give the Minister the power to make regulations limiting the application of protections to a species. Staff recommend leaving this function with COSSARO. At a minimum, the requirement to post any proposals on the Environmental Bill of Rights (EBR), or alternative government website as noted in section 11(5), for public consultation should be maintained.</p>
<p>8.1(3)</p>	<p><b>Criteria</b></p> <p><a href="#">The Minister may make an order under subsection (1) only if,</a></p> <ul style="list-style-type: none"> <li>a) <a href="#">before the report was submitted by COSSARO under section 6, the species was not listed as an endangered or threatened species on the Species at Risk in Ontario List;</a></li> <li>b) <a href="#">the Minister is of the opinion that,</a> <ul style="list-style-type: none"> <li>i. <a href="#">the application of the prohibitions would likely have significant social or economic implications for all or parts of Ontario and, as a result, additional time is required to determine the best approach to protecting the species and its habitat, and</a></li> <li>ii. <a href="#">the temporary suspension will not jeopardize the survival of the species in Ontario; and</a></li> </ul> </li> <li>c) <a href="#">the Minister is of the opinion that the species meets at least one of the following criteria:</a> <ul style="list-style-type: none"> <li>i. <a href="#">the species is broadly distributed in the wild in Ontario,</a></li> <li>ii. <a href="#">the amount, quality and availability of the species' habitat in Ontario is not currently limiting its survival or recovery in Ontario,</a></li> <li>iii. <a href="#">addressing the primary threats to the species is not currently possible or feasible and additional time is needed to assess the best approach to addressing those threats,</a></li> </ul> </li> </ul>	<p>What constitutes "social or economic implications" should be defined, perhaps within the codes of practice, standards or guidelines referred to in Section 48.1.</p>

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
 Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <u>Text</u> = Province removed <u>Text</u> = Province added	Niagara's comments
	<p><u>iv. successfully reducing the primary threats to the species requires the cooperation of other jurisdictions and additional</u>  <u>v. any other criteria prescribed by the regulations made by the Lieutenant Governor in Council.</u></p>	
8.1(5)	<p><u>Period of suspension</u>  <u>An order under subsection (1) shall provide that the period of suspension,</u>  <u>a) begins immediately upon the species being listed on the Species at Risk in Ontario List as endangered or threatened, as the case may be;</u>  <u>and</u>  <u>b) ends on the date set out in the order which shall be no later than three years after the day on which the species....</u> <b>policy to insert missing piece</b></p>	<p>It is staff's opinion that suspension of all or some of the species-specific prohibitions for a period of up to three years not acceptable. Staff opine that the required protection regulation(s) should continue to be implemented as-is.</p>
<b>PROTECTION AND RECOVERY OF SPECIES</b>		
<b>11 Recovery Strategies</b>		
11(5)	<p><b>Same</b>                      Subsection (4) does not apply to a strategy if, before the time limit set out in subsection (4) expires, the Minister publishes a notice on the <del>environmental registry established under the Environmental Bill of Rights, 1993</del> <u>a website maintained by the Government of Ontario</u> that,                      a) states that the Minister is of the opinion that additional time is required to prepare the strategy because of,                          i. the complexity of the issues,                          ii. the desire to prepare the strategy in co-operation with one or more other jurisdictions, or                          iii. the desire to give priority to the preparation of recovery strategies for other species;                      b) sets out the Minister's reasons for the opinion referred to in clause (a); and                      c) provides an estimate of when the preparation of the strategy will be completed. 2007, c. 6, s. 11 (5).</p>	<p>Staff are concerned that the important function of public consultation will be removed if the Minister will no longer be required to notify the public on the environmental registry established under the Environmental Bill of Rights. It is important that the public is given the ability to provide comments. Staff recommend reverting back to the original process.</p>
11(11)	<b>Five-year review of progress</b>	<p>Five year review us a best practice for a variety of Acts. The five-year review process is essential to ensure the</p>

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
 Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <u>Text</u> = Province removed <u>Text</u> = Province added	Niagara's comments
	<del>Not later than five years after a statement is published under subsection (8), the Minister shall ensure that a review is conducted of progress towards the protection and recovery of the species. 2007, c. 6, s. 11 (11).</del>	action plan established by the government is effectively making progress towards the protection and recovery of listed species. Staff recommend maintaining this requirement. The five-year review should be consistent with other Ontario legislation (i.e Planning Act requires 5 year review of OP).
<b>12.1 Government Response Statements</b>		
12.1(3)	<u><b>Time limit</b></u>  <u>A government response statement shall be published within nine months after the recovery strategy or management plan is made available to the public, subject to subsection (4).</u>	The current time requirements prescribed by the <i>Endangered Species Act</i> related to developing Government Response Statements is reasonable. Any further delay could create uncertainty for stakeholders. If additional time is authorized, the process for doing so should be well documented, transparent and based in science.
12.1(6)	<u><b>Priorities</b></u>  <u>If government response statements have been published under this section in respect of more than one species, the Minister may, in implementing actions under subsection (5), determine the relative priority to be given to the implementation of actions referred to in those statements.</u>	Staff recommend that criteria be set out in regulation as to how priorities will be determined.
<b>AGREEMENTS, PERMITS AND OTHER INSTRUMENTS</b>		
<b>16.1 Landscape Agreements</b>		
16.1(1)	<u><b>Landscape Agreements</b></u>  <u>An agreement entered into under this section shall meet the following requirements:</u> <ol style="list-style-type: none"> <li><u>1. The agreement authorizes a party to the agreement to carry out multiple activities throughout a geographic area of the Province identified in the agreement.</u></li> <li><u>2. The authorized activities would otherwise be prohibited under section 9 or 10 with respect to one or more species specified in the agreement (the impacted species) and listed on the Species at Risk in Ontario List as an endangered or threatened species.</u></li> </ol>	From our understanding the proposed changes will allow the Minister to enter into landscape agreements with persons undertaking multiple activities. Such an approach does not lend itself to addressing site-specific concerns and therefore, staff recommend omitting this proposed change from the updated Act.  It is unclear how these landscape agreements will impact or work with the Municipalities current development approval process.

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
 Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <b>Text</b> = Province removed <b>Text</b> = Province added	Niagara's comments
	<p><u>3. The agreement requires that the authorized party execute specified beneficial actions that will assist with the protection or recovery of one or more species specified in the agreement (the benefiting species) that exist within the identified geographic area and are listed on the Species at Risk in Ontario List as an endangered, threatened or special concern species.</u></p>	
<b>FUND</b>		
<b>20.1 Species at Risk Conservation Fund</b>		
20.1(1)	<p><b><u>Species at Risk Conservation Fund</u></b>  <u>A fund is hereby established under the name Species at Risk Conservation Fund in English and Fonds pour la conservation des espèces en péril in French, subject to any conditions that may be prescribed by the regulations.</u></p>	<p>Staff caution creating a Risk Conservation Fund will be problematic without a “mitigation hierarchy”. A mitigation hierarchy based in science, is recommended if a “conservation fund” is put in place.</p>
20.1(3)	<p><b><u>Designation of conservation fund species</u></b>  <u>The Minister may by regulation designate species that are listed on the Species at Risk in Ontario List as conservation fund species for the purpose of the Fund.</u></p>	<p>The process for determining which species are eligible to be designated as conservation fund species should be transparent and based in science.</p>
<b>ENFORCEMENT</b>		
<b>21 Enforcement Officers</b>		
21(1)	<p><b>Enforcement officers</b>  <u>The Minister may appoint persons or classes of persons as enforcement officers for the purposes of this Act.</u>  <del>The following persons are enforcement officers for the purposes of this Act:</del> <ol style="list-style-type: none"> <li><del>1.—Every person who is a conservation officer for the purposes of the Fish and Wildlife Conservation Act, 1997.</del></li> <li><del>2.—Every person designated by the Minister as a park warden for a provincial park.</del></li> <li><del>3.—Such other persons or classes of persons as may be appointed or designated by the Minister as enforcement officers for the purposes of this Act. 2007, c. 6, s. 21 (1).</del></li> </ol> </p>	<p>Staff recommend clarifying who will be given responsibility for enforcing the <i>Endangered Species Act</i>.</p>

**Proposed revisions to the Endangered Species Act  
 Niagara Comments to ERO #013-5033**  
 Prepared by: Niagara Region, Planning & Development Services



Section #	Proposed Endangered Species Act revisions <del>Text</del> = Province removed <u>Text</u> = Province added	Niagara's comments
<b>MISCELLANEOUS</b>		
<b>55 Exemption by Regulation</b>		
55(3)	<p><u>Transitional regulations</u> <del>Description of habitat</del></p> <p><u>The Lieutenant Governor in Council may make regulations with respect to any transitional matters resulting from the enactment of Schedule 5 to the <i>More Homes, More Choice Act, 2019</i>.</u></p> <p><del>Without limiting the generality of clause (1) (a), a regulation under that clause prescribing an area as the habitat of a species,</del></p> <ul style="list-style-type: none"> <li><del>a) — may describe the area by,</del> <ul style="list-style-type: none"> <li><del>i. — describing specific boundaries for the area,</del></li> <li><del>ii. — describing features of the area, or</del></li> <li><del>iii. — describing the area in any other manner;</del></li> </ul> </li> <li><del>b) — may prescribe areas where the species lives, used to live or is believed to be capable of living; and</del></li> <li><del>c) — may prescribe an area that is larger or smaller than the area described by clause (b) of the definition of “habitat” in subsection 2 (1), 2007, c. 6, s. 55 (3).</del></li> </ul>	<p>Consideration of applications currently underway through the <i>Endangered Species Act</i> process is recommended. Training of municipal planning staff with respect to the changes should also be prioritized.</p>

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**Delivered electronically**

**Subject:** Niagara Region comments – Modernizing Ontario’s Environmental Assessment Program – Discussion Paper and Environmental Assessment Act amendments (ERO #013-5101 and #013-5102)

**Date:** May 24, 2019

**To:** Sharifa Wyndham-Nguyen, Client Services and Permissions Branch

**From:** Catherine Habermehl, Acting Commissioner  
Public Works, Niagara Region

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Thank you for the opportunity to comment on the proposed changes to the *Environmental Assessment Act*. Please accept this submission in response to Environmental Registry of Ontario (ERO) postings on matters regarding the “Discussion Paper: Modernizing Ontario’s Environmental Assessment Program” (ERO #013-5101) and “Modernizing Ontario’s Environmental Assessment Program - Environmental Assessment Act” (ERO #013-5102).

Niagara Region’s Public Works and Planning and Development Services staff have undertaken a joint review of proposed materials contained in these postings.

This cover letter is accompanied by three (3) attachments. Each attachment contains comments offered by respective review teams as listed below:

Attachment 1 – response to ERO #013-5101

Public Works - Transportation Services Division comments towards the Ministry of Environment, Conservation and Parks (MECP) Discussion Paper: Modernizing Ontario’s Environmental Assessment Program.

Attachment 2 – response to ERO #013-5101

Public Works – Waste Management Services and Water Wastewater Services comments towards MECP’s Discussion Paper: Modernizing Ontario’s Environmental Assessment Program.

Attachment 3 – response to ERO #013-5102

Planning and Development Services comments towards MECP’s Modernizing Ontario’s Environmental Assessment Program – Environmental Assessment Act.

In general, regional staff is supportive of the MECP’s efforts to modernize the Ontario Environmental Assessment Program and sees significant value in streamlining the process to reduce burdens associated to time, effort, and cost. The creation of project lists and the relaxation of capital cost methodology for determining project schedules

should simplify the process to plan for and deliver capital improvement projects; cost is not always a precursor to the magnitude of the impacts present.

Further, a defined Terms of Reference for major transportation projects should aid coordination efforts amongst the various tiers of government while undertaking of large-scale cross-jurisdictional capital work projects. Regional staff agree that a clearly defined Terms of Reference is an effective tool that can be utilized to ensure that all necessary studies are completed and required duties to consult are fulfilled.

Additional comments for your consideration are provided in the attachments. Regional staff appreciate the opportunity to provide these comments. Please contact me if you have any questions or require additional information.

Respectfully submitted and signed,



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**Catherine Habermehl**  
Acting Commissioner, Public Works  
Niagara Region

Attachments:

1. Public Works – Transportation Services Division comments  
(ERO #013-5101)
2. Public Works – Waste Management and Water Wastewater Services comments  
(ERO #013-5101)
3. Planning and Development Services comments  
(ERO #013-5102)

**ATTACHMENT 1 - ERO #013-5101**  
**Discussion Paper: Modernizing Ontario's**  
**Environmental Assessment Program**



Prepared by: Transportation Services Division, Public Works

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## **Introduction**

The Ministry of the Environment, Conservation and Parks' (MECP) *Discussion Paper* opens with the overall context that Environmental Assessment (EA) process in Ontario has not fundamentally changed in almost 50 years; instead, it has only been the subject of infrequent updates. Overall, it is generally accepted there is an identifiable need to revisit the EA process to ensure it aligns with contemporary thinking and more importantly includes future-proofing for years to come.

## **Noted Takeaways**

While the Municipal Class EA process provides a tried-and-tested framework, some of its key principles need revision and below are some of the noted takeaway items through reviewing the *Discussion Paper*.

### **Capital Cost Threshold and Schedule Application**

The application of a capital cost threshold to determine the appropriate level of assessment for road projects; a threshold that neither reflects the scale of potential environmental effects nor has been updated consistently to account for multiple fluctuations contributing to those costs. The periodic amendments to the Municipal Class EA document have sought to tweak the process, but have not significantly addressed certain key structural issues such as the ways in which Schedules are applied to different undertakings.

Niagara Region therefore supports a movement to revisit the Provincial EA program; however, any changes should be deeply rooted in the desire to facilitate a more nuanced evaluation of potential environmental effects in an ever-changing context, improve engagement among all parties involved, and ultimately lead to better decisions. Cost should not be a qualifier for determining the level of engagement or analyses required.

### **Process Improvement Beneficiaries and Leading Statements**

The rationale immediately presented in the *Discussion Paper* highlights a perception that the process is "discouraging job-creators from coming to Ontario to do business". This statement at once focuses on a specific beneficiary, while the *Discussion Paper* does not seem to provide concrete evidence to support this. Further statements used in the introduction to the *Discussion Paper* such as "reduce red tape and burden" and "find efficiencies" are also terms likely to gain a heightened level of attention among EA practitioners.

Niagara Region understands the perception stated within the *Discussion Paper* but does not believe that this should be the sole beneficiary stated. The EA process has encumbered Regional and Municipal staff through comprehensive and time-consuming processes to gain approval for needed capital projects and ultimately costing the public/tax-payers more. Niagara Region supports reducing "red tape" and "finding efficiencies" but state that it should be to support more than just job-creators; it should benefit the public through efficient delivery of capital projects currently delivered under the EA process.

### **Early Actions and Low-Risk Projects**

The *Discussion Paper* presents some "early actions" to address elements perceived to be "in critical need of attention". One of these is the required level of assessment attributed to "low-

**ATTACHMENT 1 - ERO #013-5101**  
**Discussion Paper: Modernizing Ontario's**  
**Environmental Assessment Program**



Prepared by: Transportation Services Division, Public Works

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risk" projects, which are specifically defined by their likelihood to create negative environmental effects.

The paper proposes to immediately exempt low-risk projects from requiring an EA, citing the examples of routine activities such as snow-plowing and de-icing operations. These particular examples and similar routine or emergency maintenance activities are specifically identified in the Municipal Class EA document as Schedule A (or at best A+) undertakings, meaning they are likely to have minimal adverse environmental effects and may proceed to implementation without following the EA process in its entirety.

Niagara Region supports the relaxation of requirements for low-risk projects and the introduction of low-risk project definition.

The Region as well supports the development of a project list to determine which projects require the rigors of a comprehensive EA. The concept of increasing the rigors for private developments and the need to undertake an EA is also supported given the potential array of impacts in which private developments may have.

### **Part II Orders/Bump-Up Requests**

An early identified is a modernization of the Part II Order request process, namely the mechanism by which formal objections are made. There is evidence provided in the *Discussion Paper* that the average time for a decision has been 266 days. This timeframe leads to long delays created by requests either unrelated to the project or unsubstantiated in many cases. The *Discussion Paper* suggests a move towards prioritizing concerns related to "matters of provincial importance or a constitutionally protected Aboriginal or treaty right", which is in keeping with the threshold used by the streamlined provincial Transit Project Assessment Process. It is also suggested that very low-risk activities be exempted from Part II Order requests, with a need to provide more clarity on defining which matters are eligible and confirming deadlines for requests and decisions.

It is Niagara Region's stance that these objectives are generally supported, but it remains to be seen how this is applied in practice and the extent to which it appropriately limits public participation by exempting certain projects. It remains vital that adequate opportunities are provided to allow those truly affected by projects to provide meaningful input and know that their feedback will be used to inform decision-making.

One notable action suggested in the Province's discussion paper is that Ontarians are given priority by limiting Part II Order requests to only those that live in Ontario. This seems like a very complex issue to tackle and one that could prove extremely difficult to enforce – it is also unclear whether this is really a priority issue that requires direct intervention or this action may result in a case whereby the expert entity does not participate in the process by providing comments.

### **Modernization Objectives**

**Overall Vision:** The "Vision for a Modern Environmental Assessment Program" is focused on four key objectives laid out in the following subsections:

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Prepared by: Transportation Services Division, Public Works

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Objective A) Ensure better alignment between the level of assessment and the level of environmental risk associated with a project.

Regarding the first objective, the key action suggested is to move to a "project list" similar to other jurisdictions and indeed the framework used for federal EA. The intent here is to scale the level of assessment for a project to the likelihood and nature of its potential environmental effects.

From Niagara Region's perspective, this move makes sense; however, the detail will be in the types of projects that make the list. One of the concerns broadly levelled at changes under the Canadian Environmental Assessment Act (CEAA 2012) was the significant reduction in eligible projects. Consideration should be given to categorizing the projects as follows:

**Subject to EA:**

- Construction of a new roadway within a new right-of-way.
- Construction of an existing roadway with a new alignment within a new right-of-way.
- Construction of an existing roadway resulting in a change of classification/designation.
- Construction of a new or existing roadway requiring improvements to a stormwater drainage channel or outlet.
- A tiered approach could be applied to the projects subject to EA starting from screening to a full EA depending on the level of risk identified during the screening.

**Not Subject to EA:**

- Rehabilitation of an existing roadway.
- Reconstruction of an existing roadway within an existing right-of-way.
- Reconstruction of an existing roadway with a new alignment within an existing right-of-way.
- Intersection improvements.
- Construction of a new or existing roadway not requiring improvements to a stormwater drainage channel or outlet.

Objective B) Eliminate duplication between environmental assessments and other planning and approvals processes.

On the second objective, the desire is to reduce duplication between the Federal and Provincial EA processes to create a "one-project-one-review" framework. This also has merit providing that the various legislative requirements can be aligned under one process, as it reduces the need to consult and produce documentation on the same project twice. In this case, much remains to be seen on the outcome of Bill C-69 to implement a new Federal Impact Assessment Act; however, it is hoped that federal and provincial agencies can effectively collaborate to develop a framework that respects the interests of all affected parties. An interesting point is also raised that duplication with other provincial processes should be phased out, with reference to certain Planning Act requirements among others.

Niagara Region supports the concept of developing a one-project-one-review process for provincial and federal requirements and recommends further that the municipal and provincial requirements for EA processes be combined to extend the one-project-one-review concept.

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Prepared by: Transportation Services Division, Public Works

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Objective C) Find efficiencies in the environmental assessment process and related planning, and approvals processes to shorten timelines from start to finish.

Regarding the third objective, the suggested action is to create a "one window" system that combines planning and permitting requirements to reduce the overall timeframes to get to implementation. This presents somewhat of a logistical challenge based on the level of detail typically associated with the planning and permitting phases. One of the key purposes of an EA is essentially to gain consent at the strategic planning level, based on a preliminary understanding of the project and its anticipated environmental effects, mitigation and monitoring requirements. This level of detail is often insufficient to obtain permits and approvals, because there are certain design details sought by review agencies that necessarily require further refinement during detail design. If the required level of design to obtain those permits and approvals was rolled into the EA process, it could serve to make the completion of EA studies more complex and time-consuming, with a potential delay on strategic planning decisions. That being said, if sufficient information is reasonably available at the EA stage for certain permits or approvals, then increased opportunities for discussing and obtaining those during the process should be explored.

One action Niagara Region supports is the proposal to create clearer documentation on provincial requirements for EA documentation and consultation. Any actions that help to clarify expectations and create a better EA process for proponent and public alike can only be a positive step. The idea of creating sector-relevant Terms of Reference for certain types of EAs with commonalities is an interesting one, providing that it includes sufficient flexibility to account for the specific context of each project within those frameworks. Some level of standardization across similar studies may be worthwhile for Class EA studies for example, where the self-assessment nature of the study can lead to differing interpretations across Ontario in how requirements are met beyond minimum specified requirements.

Furthermore, the alignment of the site plan application process and the EA process should be better defined. Niagara Region recommends to update and streamline the planning act and similar acts that may be involved in the EA process or to develop a policy that allows the EA process to override the site plan application process given that a site plan application may sit dormant for many years without expiration and could contradict the findings of an EA which was undertaken afterwards.

The Region also supports an update to the requirements of various government agencies that are involved in the EA process including Ministry of Natural Resources and Forestry, Ministry of Tourism, Culture and Sport for better understanding and effective and early engagement to support cost and time savings.

Objective D) Go digital by permitting online submissions.

Lastly, the fourth objective to "go digital" by creating a centralized registry is perhaps secondary to more fundamental principles, but nonetheless potentially welcome. In keeping with wider societal trends, there is an increasing need (and some would say environmental obligation) to reconsider providing hard copies of EA studies in the context of widespread internet access, established use of project websites and other forms of social media. Digital transmission of project materials potentially allows for a wider audience to be reached and is already well-utilized by proponents and even expected by the public. Notwithstanding, there is a need to consider

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Prepared by: Transportation Services Division, Public Works

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inclusive accessibility to materials and respect that certain groups or communities may prefer (or even require) different forms of consumption. While there may be a shift towards full digitization, it therefore remains to be seen if physical materials may be completely phased out.

In addition, Niagara Region supports the move to digital submissions for consultation on EA projects as well. A general stakeholder registry in which the Ministry holds for all consultation and not just the indigenous peoples could streamline this process. This registry could be the responsibility of the stakeholders to provide updated contact information as roles change at the various stakeholders. This should ensure that all stakeholders have the onus put on them to be consulted with and it will also greatly reduce the efforts of those complete EAs to compile and confirm that each stakeholder list for each assignment is accurate and complete.

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario’s Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



Reference in Discussion Paper	Niagara’s comments
<b><i>Ensure better alignment between the level of assessment and the level of environmental risk associated with a project.</i></b>	
<p>In order to focus on higher risk activities, the province is proposing to modernize the Environmental Assessment (EA) program to immediately exempt these low risk projects. (p. 10)</p>	<p>Niagara Region requests MECP to clarify who has the authority to determine which projects are considered ‘low risk’.</p>
<p>Ontario is considering moving to a project list, identifying which projects are subject to an EA. (p.15)</p>	<p>Niagara Region supports moving to a project list model as a means of improving clarity and predictability in the EA process.</p> <p>The process of developing the project list must be transparent and include clear criteria. Stakeholder input should be sought early and throughout the development of this list. It is recommended to include a requirement for periodic reviews of the list to ensure it is working effectively.</p>
<p>What kind of projects should require EA in Ontario? (p.16)</p>	<p>An EA (EA) should be required for all projects that pose known or potentially significant environmental risks or where there is uncertainty about potential impacts.</p> <p>Niagara Region recommends the Ministry of Environment, Conservation, and Parks (MECP) develop a screening process or ranking/scoring matrix to determine sensitivities and potential threats/AOCs to determine whether an EA is necessary/required.</p> <p>With respect to waste management projects, there should be differentiation between stabilized landfills and the traditional landfilling sites, considering the more benign environmental impacts associated with stabilized waste. Waste management projects with demonstrated controlled, mitigated or low risk environmental impacts should be considered for exemption from individual EAs.</p>

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario's Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



<b>Reference in Discussion Paper</b>	<b>Niagara's comments</b>
<p>Are there some types of projects where a streamlined assessment process is appropriate?</p>	<p>The streamlined assessment process can be appropriate for routine projects with known, predictable and manageable impacts. Implementing appropriate thresholds for effects is critical in determining the types of projects that require individual or streamlined assessment to ensure that the process is proportional to a project's impacts.</p>
<p><b><i>Eliminate duplication between EAs and other planning and approvals processes.</i></b></p>	
<p>Ontario will work with the federal government to ensure one-project, one review, in order to eliminate duplication and provide applicants with more predictable and consistent timelines. (p.18)</p>	<p>Niagara Region supports of the elimination of redundant EA requirements and encourages a streamlined process that consolidates EA-related consultation, reporting, and meetings.</p>
<p>What could a one-project-one-review process look like for projects in Ontario subject to both provincial and federal requirements? (p.18)</p>	<p>A one-project-one-review process will require a review of the requirements for both levels of government to identify opportunities for integration. The end result should be a process that allows for one set of documentation that integrates the substantive considerations of relevant approval processes and satisfies the requirements for all relevant agencies.</p> <p>An online system may facilitate this by allowing a guided step-by-step process that addresses applicable approvals for each project.</p>
<p>Can you identify any other examples of provincial processes that could be better integrated?</p>	<p>Other opportunities for integration include coordinating timelines for all government review processes and public input to create clarity and increase predictability for both proponents and the public.</p>
<p>What other actions can the ministry take to eliminate duplicative or redundant processes or approvals?</p>	<p>The ministry may consider looking for opportunities to delegate responsibility to another jurisdiction or find equivalencies in other approval processes. In the elimination of similar, duplicative processes, the more comprehensive, rigorous process should take precedence.</p>

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario's Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



Reference in Discussion Paper	Niagara's comments
<p><b><i>Find efficiencies in the EA process and related planning, and approvals process to shorten the timelines from start to finish.</i></b></p>	
<p>What could a coordinated one-window approach look like for Ontario projects? (p.24)</p>	<p>A coordinated one-window approach could take the form of step-by-step, online process, where each piece of documentation or technical report is submitted to all relevant agencies for approval at each stage of the process.</p>
<p>Can you identify any areas in the EA process that could be better streamlined with the municipal planning process or with other provincial processes? (p.24)</p>	<p>Niagara Region supports efforts by the Province to streamline the environmental approval and other approval processes. Under existing circumstances, a single permit delays the entire EA process. An updated approval process could mitigate delays to EA timelines and reduce complexity for project proponents and stakeholders.</p> <p>All projects, whether municipal or provincial, that focus entirely on efficiency upgrades should be considered for reduced timelines to facilitate undisrupted service to residents.</p>
<p>What advantages and disadvantages do you see with the ministry's EA process being the one-window for other approval/permit processes? (p.24)</p>	<p>A potential advantage to the one-window approach would be having consistent reviewers throughout the EA and subsequent review processes.</p>
<p>Inadequate consultation activities may result in significant concerns being identified by interested parties at later stages in the process, triggering the need for further information/studies or changes to the proposal. Inadequate consideration of concerns raised through consultation may also increase the likelihood of a Part II Order request for a project. (p. 25)</p>	<p>Niagara Region suggests mandatory engagement with MECP/EC early in the EA process to demonstrate appropriate project scope and requirements.</p> <p>Further, Niagara Region requests clarification in regards to MECPs expectations on what is considered to be 'adequate' or 'inadequate' consultation.</p>

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario's Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



Reference in Discussion Paper	Niagara's comments
<p>To improve the timelines related to EA and reduce uncertainty, we could consider clarifying our expectations with respect to complete and accurate documentation through guidance. (p.25)</p>	<p>For proponents and stakeholders that do not routinely engage in the EA process, the provision of accessible guidance documents and well-articulated procedures would be beneficial and is encouraged.</p>
<p>What areas of the EA program could benefit from clearer guidance from the ministry? (p. 25)</p>	<p>Niagara Region requests MECP clarify or provide a list of agencies required to be included during consultation. Through previous experiences, staff note that each EA project varies and up to discretion of proponent. This could result in inadvertently excluding agencies from the EA consultation process.</p>
<p>What other actions can we take to reduce delays and provide certainty on timelines for environmental assessment? (p. 25)</p>	<p>Niagara Region suggests MECP to explore means to better incorporate social media and digital technologies into the consultation process, in favour of newspaper advertisements which have a limited outreach and can be costly.</p>
<p>Ontario could consider developing template Terms of Reference for various sectors. (p. 26)</p>	<p>Niagara Region supports the development of templates for Terms of Reference for various sectors to increase efficiency and reduce process complexity; however, cautions that this Terms of Reference may not be a 'one-size-fits-all' practice.</p>
<p>What are the advantages and disadvantages of using sector-based terms of reference? (p.26)</p>	<p>Using sector-based terms of reference will expedite review by the MECP and other agencies, as all proponents' submissions will be similarly structured. It will also increase consistency, as projects with similar benefits and risks should be treated the same way. Templates should be developed in close consultation with the relevant sectors.</p>
<p>We could consider implementing a review service standard (p.27)</p>	<p>Niagara Region is supportive of the implementation of a review service standard, as a means of providing greater clarity about project requirements and timelines.</p>
<p>Are there other ways we could improve our review timelines? (p.27)</p>	<p>Niagara Region recommends providing a guaranteed turnaround timeline, or outline of service level, to facilitate project scheduling. Clearly defined start and end dates for all phases would reduce uncertainty.</p> <p>Further, Niagara Region suggests MECP assign personnel as a 'touchpoint contact' throughout life of an EA project.</p>

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario's Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



Reference in Discussion Paper	Niagara's comments
<b><i>Go digital by permitting online submissions.</i></b>	
Potential opportunities involve creating a new electronic registry specific to the EA program or integrating EA into existing online platforms. (p.29)	Providing an online EA registry would improve transparency and accessibility for proponents and members of the public. As with the Canadian EA Registry, the resulting searchable database of completed and ongoing projects is a valuable resource.
How would you like to be consulted on EA projects? (p.29)	<p>Niagara Region welcomes the opportunity to be consulted on relevant EA projects. Early notification of projects that are initiated within the Niagara region, through email or existing bulletin systems, is preferable. Municipal governments are key stakeholders in projects within their boundaries and should be included in each key stage of the EA process.</p> <p>Other potential avenues for consultation include the development of sector-specific working groups, consisting of government representatives, proponents and stakeholders, to consult on sector-specific policies and the establishment of an advisory group to solicit and coordinate public, industry and government input.</p>
Would an online EA registry be helpful for you in submitting an EA or accessing EA information? (p.29)	<p>Niagara Region supports moving to an online registry system for submitting and accessing EAs. This would provide a consistent, centralized system for documenting, storing and organizing EAs. An online approach can also facilitate increased efficiency and decreased response times.</p> <p>As an organization, Niagara Region is continually seeking ways to reduce waste. Moving to an online registry could significantly reduce paper consumption and waste.</p>
What type(s) of EA project information would you like to access online? (p.29)	<p>Niagara Region recommends that the provincial EA website include the following information:</p> <ul style="list-style-type: none"> <li>• A searchable database of projects in all stages (i.e. in process, completed, cancelled, etc.)</li> <li>• A project page with a summary of project details (i.e. brief description, reference number, project status, etc.)</li> </ul>

**ATTACHMENT 2 - ERO #013-5101**

**Discussion Paper: Modernizing Ontario's Environmental Assessment Program**

Prepared by: Waste Management Services & Water Wastewater Services, Public Works



Reference in Discussion Paper	Niagara's comments
	<ul style="list-style-type: none"> <li>• Links to project documents, including notices of public hearings, terms of reference and other relevant records.</li> <li>• Links to relevant legislation and explanations of the EA process</li> <li>• A mechanism for tracking a project's progress.</li> </ul>
<p>Are there any existing online tools that would be appropriate to use for EA information? (p.29)</p>	<p>Integrating online mapping tools into the environmental process may assist proponents and interested stakeholder in identifying potential effects and appropriately characterizing sites.</p> <p>Drawing on existing resources, such as the Land Information Ontario Metadata Management tool, the Ontario Natural Heritage mapping tool and the Ontario Well Records map, the Province could bring relevant mapping tools to the EA process. Working towards creating a comprehensive mapping resource that provides information about topography, geologic and soil characteristics, the location of water resources and other key natural and heritage features could increase efficiency and improve the quality of EAs.</p>

**ATTACHMENT 3 - ERO #013-5102**  
**Modernizing Ontario’s Environmental Assessment Program –**  
**Environmental Assessment Act**  
 Prepared by: Planning and Development Services



Section #	Proposed Environmental Assessment Act revisions Text = Province removed      Text = Province added	Niagara’s comments
<b>PART II.1 CLASS ENVIRONMENTAL ASSESSMENTS</b>		
<b>15.3 Non-application of Act, certain undertakings</b>		
15.3 (1)	<p><u><a href="#">Non-application of Act, certain undertakings</a></u></p> <p><u><a href="#">A class environmental assessment as it is approved or amended may provide that this Act does not apply with respect to one or more undertakings within the class, including as a result of the evaluation of screening criteria specified within the class environmental assessment.</a></u></p>	Who determines the screening criteria? Is it the proponent or will it be included in the MCEA document?
<b>15.4 Amendment of an approved class environmental assessment</b>		
15.4 (1)	<p><u><a href="#">Amendment of an approved class environmental assessment</a></u></p> <p><u><a href="#">The Minister may amend an approved class environmental assessment in accordance with this section.</a></u></p>	If an Environmental assessment has been approved what criteria will the Minister be using to determine justifying an amendment to the approval?
<b>16 Order to comply with Part II</b>		
16 (4.1)	<p><u><a href="#">Grounds for order</a></u></p> <p><u><a href="#">After considering the matters set out in subsection (4), the Minister may issue an order under subsection (1) or (3) only if the Minister is of the opinion that the order may prevent, mitigate or remedy adverse impacts on,</a></u></p> <ul style="list-style-type: none"> <li><u><a href="#">a) the existing aboriginal and treaty rights of the aboriginal peoples of Canada as recognized and affirmed in section 35 of the Constitution Act, 1982; or</a></u></li> <li><u><a href="#">b) a prescribed matter of provincial importance.</a></u></li> </ul>	Will the Act include a definition of “provincial importance”?

Delivered electronically

**Subject:** Niagara's comments: **Bill 108 – More Homes, More Choice Act, 2019** regarding the *Planning Act, 1990* (ERO 019-0016), *Development Charges Act, 1997* (ERO 019-0017); and *Ontario Heritage Act, 1990* (ERO 019-0021)

**Date:** **May 31, 2019**

**To:** **John Ballantine**  
Municipal Finance Policy Branch, Ministry of Municipal Affairs and Housing

**Lorraine Dooley**  
Ministry of Tourism, Culture and Sport

**Planning Act Review**  
Provincial Planning Policy Branch

**From:** **Rino Mostacci, MCIP, RPP**  
Commissioner of Planning and Development Services, Niagara Region

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Kindly accept this letter on behalf of the Commissioner of Planning and Development Services of the Regional Municipality of Niagara (the "Region") in response to proposed amendments to the *Development Charges Act, 1997*, *Ontario Heritage Act, 1990*, and *Planning Act, 1990*, through the Ministry of Municipal Affairs and Housing (MMAH) *Bill 108: More Homes, More Choice Act, 2019* (referred to as "Bill 108").

Some comments in this letter reflect feedback shared by staff at the Region's local area municipalities; however, views expressed in this letter are only those of the Region's Commissioner of Planning and Development Services.

Comments in this letter are submitted collectively in response to the following Environmental Registry of Ontario ("ERO") postings:

- ERO #019-0016: "*Bill 108 - (Schedule 12) – the proposed More Homes, More Choice Act: Amendments to the Planning Act*"
- ERO #019-0017: "*Bill 108 - (Schedule 3) – the proposed More Homes, More Choice Act: Amendments to the Development Charges Act, 1997*"
- ERO #019-0021: "*Bill 108 - (Schedule 11) – the proposed More Homes, More Choice Act: Amendments to the Ontario Heritage Act*"

This submission contains two parts:

- 1) This cover letter highlighting key areas of interest.
- 2) A table containing specific comments and recommendations on the *Development Charges Act, 1997* amendments (ERO #019-0017).

## **The Region supports some of the proposed changes**

The Region supports the objective of creating more housing, a greater mix of housing and the effort to improve housing affordability for homeowners and tenants.

The Region supports the following amendments in Bill 108:

- Limiting third-party appeals on certain planning applications, such as Plans of Subdivision, as it enables greater autonomy in municipal decision-making and faster approvals.
- Retaining limitations on appeals of Minister-approved official plan amendments, for the same reasons.
- Retaining mandatory Case Management Conferences prior to a LPAT hearing.
- Granting the LPAT authority to require parties to participate in mediation or dispute resolution prior to scheduling a hearing.
- Enabling the LPAT to set and charge different fees for different classes of persons and types of proceedings, as long as this is used to improve access to justice.
- Requiring notice to property owners of Council's decision to list their property as heritage.

## **Recommendations that are *Not* in Bill 108**

### **Single-window planning system for Niagara Region**

In the Commissioner's view, the best way to get planning approvals done faster would be through some form of a single-window planning service in Niagara Region. This model could follow a similar structure to that in the County of Oxford, set out in section 77 of the *Planning Act, 1990*.

This structure should retain the local municipal planning function, with the same or similar roles between the Region and local municipalities. The difference would be in the organization's structure, the sharing of information, and how service is delivered.

This would be consistent with the governments' objective to eliminate red tape and expedite the planning review and approval process.

### **MMAH should be better resourced**

In the past, MMAH and other Ministries have delayed planning approvals. The Region has experienced inconsistent and unpredictable service delivery when working with Ministry staff.

The Region suggests MMAH improve its internal resourcing and staff complement to assist with review of files circulated to it for Ministry review.

Bill 108 contains reduced timelines for municipal staff to review various planning applications (a concern that is noted further below).

A similar effort for reduced Ministerial review time should be made. As a starting point, it would be helpful for MMAH to have a public set of service delivery expectations for planning application review.

Municipalities and the development community would significantly benefit from improved service delivery and transparency from MMAH. This would improve municipal staff's ability to advance recommendations to its Council.

### **Establish a “sunset clause” for inactive planning applications**

The *Planning Act, 1990*, should be amended to introduce a “sunset clause” for previously approved and long-inactive Plan of Subdivisions and Site Plans.

The Region and its local area municipalities have several applications that were approved 10 or more years ago that have had little or no activity since that time. Plans approved many years ago often do not reflect current planning policy or best planning practice.

The introduction of a sunset clause would allow municipalities to better manage and implement good planning practice by reviewing lapsed applications under current policy.

Likewise, removing long-standing, inactive applications would assist capital works planning. It does not make sense to hold services for an approved but inactive plan. A sunset clause would have the effect of freeing capacity of these services for use by other development that is proceeding.

### **Establish a “review pause” for outstanding municipal requests on planning applications**

The *Planning Act, 1990*, should be amended to permit a pause in review time in cases where there are outstanding municipal requests of developers for revised or supporting documents needed as part of the development application.

Municipalities should not bear the consequence of a lapsed review time period due to an applicant's inability to provide sufficient information. Municipalities rely on supporting documents during application review to produce evidence-based recommendations to Council.

### **Concern with shortened timelines for planning approval and notice**

Niagara strongly opposes proposed *Planning Act, 1990* amendments to shorten review and approval timelines.

The reduced time will strain the ability for municipal staff to complete a comprehensive review and conduct meaningful consultation and co-ordination.

These reduced timeframes could result in a lower quality of work or the need for additional staffing. This change, combined with the revisions to Local Planning Appeal Tribunal, will require municipalities to dedicate more staff time and resourcing towards addressing appeals, rather than traditional business priorities.

### **Retain notice requirements for Plan of Subdivision**

Proposed amendments to subsection 51(20) of the *Planning Act, 1990* eliminates the requirement for an approval authority to give notice to prescribed persons or bodies prior to making a decision on a Plan of Subdivision application.

We ask that the forthcoming revised regulation continue to require approval authorities to provide notice to prescribed persons or bodies both prior to and following a decision. This requirement is good practice since it improves fairness and transparency for interested stakeholders.

## **Changes to Development Charge (DC) process**

### **Concern with administration and collection of DCs in proposed process**

The Region has significant concerns with the proposed six-year phase-in of hard service development charges for rental and non-profit housing, and non-residential development.

The Region and its local area municipalities do not have the staffing or technological resources in place to support these proposed changes. The Region strongly recommends the government delay this amendment to allow for proper planning and consultation in order to better implement these major transitions and set up new processes.

Under the current DC administrative framework, there is frequently one point in the process where municipalities must engage the applicant in relation to collecting development-related costs. Under the proposed incremental system, municipalities will need to engage the developer/applicant up to 10 points in the process, as well as organize and potentially fund a land appraisal under the community benefit charge by-law. The Region requests that the current administrative framework be maintained.

Niagara Region and its local area municipalities will need to transform current business processes if the proposed amendments to the *Development Charges Act, 1997*, and *Planning Act, 1990*, are implemented. It will be a major administrative burden to collect DC payments through 6 installments, as well as keep track of interest owed to the municipality. This may require the use of additional agreements registered on title, which will incur further costs and administration to municipalities.

Niagara Region and its local municipalities will be challenged to track applicants/businesses over many years, particularly during instances where a business goes bankrupt, is sold or moves. This would inadvertently force municipalities to allocate additional staffing and resources towards responsibilities to administer and enforce the collection of these payments.

### **Considerable financial impacts of new DC regime**

The *Development Charge Act, 1997* changes are likely to have significant financial impact for the Region. The full cost and administrative burden cannot be determined without the regulations. The following analysis is based on information currently available.

At this time, the Region collects funds through DCs and allocates these funds to relevant projects during the annual budget process. Based on the 2019 approved budget and current

revenue projects, the Region is projecting \$538M in DCs collected for the 2019-2028 period, as shown in Table 1 below.

Table 1: Projected forecast of annually collected Regional DCs.

Summary of Regional Development Charge Collections (\$Ms)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
DCs Collected - Hard Service	41.03	42.73	43.59	44.46	45.35	46.26	47.18	48.13	49.09	50.07	457.88
DCs Collected - Soft Service	3.33	7.95	8.11	8.27	8.44	8.61	8.78	8.96	9.13	9.32	80.90
<b>Total</b>	<b>44.36</b>	<b>50.69</b>	<b>51.70</b>	<b>52.73</b>	<b>53.79</b>	<b>54.86</b>	<b>55.96</b>	<b>57.08</b>	<b>58.22</b>	<b>59.39</b>	<b>538.79</b>

The 2019-2028 capital program planned to be funded from these revenue sources (including funding already in reserve funds) is shown in Table 2 below.

Table 2: Projected DC fund allocation towards Regional Capital Programs.

Summary of Capital Programs Funded from Development Charges (\$Ms)											
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
DCs Collected - Hard Service	56.36	31.40	31.91	44.96	62.07	62.34	36.44	51.35	19.42	17.94	414.19
DCs Collected - Soft Service	29.32	0.93	-	-	-	-	-	-	-	-	30.25
<b>Total</b>	<b>85.67</b>	<b>32.33</b>	<b>31.91</b>	<b>44.96</b>	<b>62.07</b>	<b>62.34</b>	<b>36.44</b>	<b>51.35</b>	<b>19.42</b>	<b>17.94</b>	<b>444.44</b>

The impact on cash flow that the proposed DC calculation and collection will have on municipalities will be significant. It is estimated that the Region collects DCs on over 100 of these property types each year. The delayed cash flow will result in either a delay in the implementation of capital projects, increased debt and associated cost to accommodate the loss of cash flow, or increased pressure on the taxpayer.

**Establish criteria for “rental” applications eligible for 6-year incremental DC payments.**

MMAH should establish specific criteria for “rental housing development” applications that would qualify for incremental DC payments under section 26.1 of the *Development Charges Act, 1997*.

Changes proposed in Bill 108 do not identify a specified threshold or amount of rental units that would qualify a proposed application as a “rental housing development”. The Region is concerned that a predominantly privately-owned development, with few or even one rental unit, would qualify, which would not uphold the legislative intent.

**Community Benefits Charge (CBC)**

**Concern with the calculation and application of a CBC**

Many key details and components related to the implementation of a CBC have not been provided by the Province. The true financial impacts of this tool, and the Region’s ability to recover soft service costs and parkland will be unknown until these are released.

The Region requests that MMAH consult with municipalities and allow comment on draft regulations associated with Bill 108. This would allow municipalities to analyze and determine impacts of a CBC and try to address anticipated budgeting and other issues prior to implementation.

### **Land value appraisal process is illogical**

We anticipate problems with the proposed CBC land value appraisal process for determining soft servicing costs.

First, the value of the property may not necessary reflect its required servicing needs. Therefore, a CBC will not adjust based on an applications proposed intensity or scale. This could create a void between the soft service funds spent by a municipality and the amount collected.

Second, Niagara Region and its local area municipalities are concerned about using land value as a method of assessing soft servicing costs since providing services is not usually related to its appraised value. For example, the cost of playground equipment needed in a new neighbourhood is the same, regardless of whether the value of the property is high or low. Land values across Niagara vary drastically and are not always linked to population or employment within that geography.

Third, land value is subjective and appraisals are often contested. Land values can be unpredictable, volatile, and significantly influenced by external factors. Land appraisals can become outdated quickly and are easily subjected to scrutiny and contention. Niagara cautions that conflict around appraisals in other planning cases are common and that this process may result in substantial incurred costs and undue burden to municipalities.

### **Establish criteria for eligible CBC “in-kind contributions”**

The MMAH should establish eligibility requirements for “in-kind contributions” in lieu of cash on a remaining CBC balance.

Further, the Region requests clarification on whether in-kind contributions collected by municipalities count towards its 60% annual spending/allocation requirement, or if this requirement pertains solely to cash.

### **Clarification needed on the contents and expectation of a CBC Strategy**

The Region requests clarification on the contents, requirements, and expectations of a CBC Strategy. The Region suggests that a CBC Strategy could be structured similar to a DC Background Study.

### **Clarification needed on the CBC cap and its interest rates**

The Region will better understand the true financial impacts of a CBC once the CBC cap percentage and its associated interest rate is set out by regulation. Niagara requests that MMAH consult further with municipalities before prescribing the CBC cap and interest rate, as the cap must support a municipality's ability to attain revenue neutrality.

Niagara recommends that the prescribed CBC cap be equal to or greater than 5%; if the CBC cap were less than 5%, a CBC would be a less favourable tool for implementation than the parkland dedication amount currently permitted in the *Planning Act, 1990*.

### **Relationship between DCs and CBCs in a two-tier municipal structure**

Niagara requests clarification in regards to the relationship between the implementation of CBC and DC collection within a two-tier government structure. For example, if a lower-tier municipality implements a CBC, how this will influence the ability for the upper-tier municipality to collect its applicable DC.

As proposed, it is unclear whether these tools are able to co-exist if implemented by separate municipal bodies in the same geography.

### **Unfavourable restrictions on parkland fee collection**

Niagara does not support revisions to the calculation of a parkland dedication fee through restricting a municipality's ability to request an alternative fee beyond the traditional 5% / 2% amount of land calculation.

The traditional parkland dedication rate does not work for developments of higher density since the site area is fixed regardless of the proposed use or development intensity. Therefore, the same 5% area (fee) would apply to a site regardless of whether it is approved with a 3 storey or 20 storey building, notwithstanding that the needs for service is greater with a 20 storey building.

Municipalities should have the ability to request an alternative fee dependent on the proposed scale/intensity of the application in relation to the site.

The Region has concern that municipalities will not be able to collect sufficient parkland dedication regardless of whether it keeps a traditional parkland by-law (since a traditional rate is insufficient, particularly for multi-storey projects) or implements a CBC By-law.

## **Revisions to decisions and objections to Part IV heritage matters**

### **Council should retain authority over heritage, not the LPAT**

Proposed amendments grant authority to the LPAT to manage and decide on heritage matters.

Niagara has serious concern with proposed amendments that reduce municipal Council's decision-making authority. Niagara recommends that municipal Council's retain this authority on all Part IV heritage matters.

Further, the Region does not support broadening the scope and type of hearings managed by the LPAT. The inclusion of heritage matters under the LPATs authority will add complexity to the heritage process, as well as incur additional staff resources and costs to both municipalities and applicants.

### **LPAT adjudicators should have heritage expertise**

The LPAT should commit to resourcing its adjudicators with expertise to hear heritage-related cases since these matters have not traditionally been before the LPAT or OMB.

## Conclusion

Additional comments on proposed amendments to the *Development Charges Act, 1997*, is provided in the enclosed tables.

The Region appreciates the opportunity to provide these comments. Please contact myself if you have questions or require additional information.

Respectfully submitted and signed by



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**Rino Mostacci**, MCIP, RPP  
Commissioner of Planning and Development Services  
Niagara Region

Attachment:

Comment table: Niagara Region's comments towards proposed amendments to the *Development Charges Act, 1997* (ERO #019-0017)

**ATTACHMENT**

**Bill 108: proposed amendments to the *Development Charges Act, 1997* (ERO #019-0017)  
 Commissioner of Planning and Development Services of the Regional Municipality of Niagara**



Section #	Proposed <i>Development Charges Act, 1997</i> revision <del>Text</del> = Province removed <u>Text</u> = Province added	Niagara Region's comments
<b>PART II: DEVELOPMENT CHARGES</b>		
<b>2 Development charges</b>		
2(3)	<p><b>Same</b></p> <p>An action mentioned in clauses (2) (a) to (g) does not satisfy the requirements of subsection (2) if the only effect of the action is to,</p> <ul style="list-style-type: none"> <li>a) permit the enlargement of an existing dwelling unit; or</li> <li>b) permit the creation of <del>up to two</del> additional dwelling units as prescribed, subject to the prescribed restrictions, in prescribed classes of existing residential buildings. <del>1997, c. 27, s. 2 (3), or prescribed structures ancillary to existing residential buildings.</del></li> </ul> <p><del>Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 2 (3) of the Act is amended by striking out "or" at the end of clause (a), by adding "or" at the end of clause (b) and by adding the following clause: (See: 2016, c. 25, Sched. 1, s. 1)</del></p> <p><del>c) permit the creation of a second dwelling unit, subject to the prescribed restrictions, in prescribed classes of proposed new residential buildings.</del></p>	Expanding this exemption would increase the cost of growth-related infrastructure passed on to the existing tax base.
2(3.1)	<p><u>Exemption for second dwelling units in new residential buildings</u></p> <p><u>The creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings, is, subject to the prescribed restrictions, exempt from development charges.</u></p>	
2(4)	<p><del>Ineligible services</del> <u>What services can be charged for</u></p> <p>A development charge by-law may <del>not</del> impose development charges to pay for increased capital costs required because of increased needs <del>for a service that is prescribed as an ineligible service for the purposes of this subsection. 2015, c. 26, s. 2 (2).</del> <u>only for the following services:</u></p> <ol style="list-style-type: none"> <li>1. <u>Water supply services, including distribution and treatment services.</u></li> </ol>	<p>The Province has not provided sufficient information to determine the true impact to existing DC By-laws.</p> <p>Regional staff do not support this revision, as it will create significant administrative inefficiencies for municipalities. Municipalities will be required to pass a separate Community Benefit Charge By-law under the <i>Planning Act, 1990</i> to recover growth-related costs associated to soft services.</p>

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	<ol style="list-style-type: none"> <li>2. <a href="#">Waste water services, including sewers and treatment services.</a></li> <li>3. <a href="#">Storm water drainage and control services.</a></li> <li>4. <a href="#">Services related to a highway as defined in subsection 1 (1) of the <i>Municipal Act, 2001</i> or subsection 3 (1) of the <i>City of Toronto Act, 2006</i>, as the case may be.</a></li> <li>5. <a href="#">Electrical power services.</a></li> <li>6. <a href="#">Policing services.</a></li> <li>7. <a href="#">Fire protection services.</a></li> <li>8. <a href="#">Toronto-York subway extension, as defined in subsection 5.1 (1).</a></li> <li>9. <a href="#">Transit services other than the Toronto-York subway extension.</a></li> <li>10. <a href="#">Waste diversion services.</a></li> <li>11. <a href="#">Other services as prescribed.</a></li> </ol>	<p>Further, municipalities would have to maintain two separate by-laws in order to recover growth related-costs previously included under the <i>Development Charge Act, 1997</i>.</p>
<b>5 Determination of development charges</b>		
5(3)	<p><b>Capital costs, inclusions</b></p> <p>The following are capital costs for the purposes of paragraph 7 of subsection (1) if they are incurred or proposed to be incurred by a municipality or a local board directly or by others on behalf of, and as authorized by, a municipality or local board:</p> <ol style="list-style-type: none"> <li>1. Costs to acquire land or an interest in land, including a leasehold interest.</li> <li>2. Costs to improve land.</li> <li>3. Costs to acquire, lease, construct or improve buildings and structures.</li> <li>4. Costs to acquire, lease, construct or improve facilities including,                             <ol style="list-style-type: none"> <li>i. rolling stock with an estimated useful life of seven years or more, and</li> <li>ii. furniture and equipment, other than computer equipment, and</li> <li>iii. <del>materials acquired for circulation, reference or information purposes by a library board as defined in the <i>Public Libraries Act</i>.</del></li> </ol> </li> </ol>	<p>Although the Region is not responsible for library services, removal of library materials from eligible costs may result in reduced services levels or increase in growth-related costs passed on to the existing tax base.</p>

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	5. Costs to undertake studies in connection with any of the matters referred to in paragraphs 1 to 4. 6. Costs of the development charge background study required under section 10. 7. Interest on money borrowed to pay for costs described in paragraphs 1 to 4. 1997, c. 27, s. 5 (3).	
5(5)	<p><b><del>Services with no percentage reduction</del></b></p> <p><del>The services referred to in paragraph 8 of subsection (1), for which there is no percentage reduction, are the following:</del></p> <ol style="list-style-type: none"> <li><del>1. Water supply services, including distribution and treatment services.</del></li> <li><del>2. Waste water services, including sewers and treatment services.</del></li> <li><del>3. Storm water drainage and control services.</del></li> <li><del>4. Services related to a highway as defined in subsection 1 (1) of the <i>Municipal Act, 2001</i> or subsection 3 (1) of the <i>City of Toronto Act, 2006</i>, as the case may be.</del></li> <li><del>5. Electrical power services.</del></li> <li><del>6. Police services.</del></li> </ol> <p><b><del>Note: On a day to be named by proclamation of the Lieutenant Governor, the English version of paragraph 6 of subsection 5 (5) of the Act is repealed and the following substituted: (See: 2019, c. 1, Sched. 4, s. 14)</del></b></p> <ol style="list-style-type: none"> <li><del>6. Policing.</del></li> <li><del>7. Fire protection services.</del></li> <li><del>—7.1 Toronto-York subway extension, as defined in subsection 5.1 (1).</del></li> <li><del>—7.2 Transit services other than the Toronto-York subway extension.</del></li> <li><del>—8. Other services as prescribed. 1997, c. 27,</del></li> </ol>	<p>Establishing a prescribed reduction for hard service costs would increase the cost of growth-related infrastructure passed on to the existing tax base.</p> <p>The Region notes that current DC background calculations already factor a reduction for benefit to existing development.</p>
<b>9.1 Transitional matters respecting community benefits under <i>Planning Act</i></b>		
9.1(1)	<p><u><a href="#">Transitional matters respecting community benefits under <i>Planning Act</i></a></u></p> <p><u><a href="#">By-law remains in force</a></u></p> <p><u><a href="#">Despite subsection 9 (1), a development charge by-law that would expire on or after May 2, 2019 and before the prescribed date shall</a></u></p>	<p>The Province has not provided sufficient information to determine the true impact to existing DC By-laws.</p> <p>The Region suggests the Province prescribe a date 5 years after May 2, 2019 to allow for municipalities that have recently passed a by-law after May 2, 2019 to be transitioned accordingly.</p>

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	<p><u>remain in force as it relates to the services described in subsection (3) until the earlier of,</u></p> <ul style="list-style-type: none"> <li>a) <u>the day it is repealed;</u></li> <li>b) <u>the day the municipality passes a by-law under subsection 37 (2) of the <i>Planning Act</i> as re-enacted by section 9 of Schedule 12 to the <i>More Homes, More Choice Act, 2019</i>;</u></li> <li>and</li> <li>c) <u>the prescribed date.</u></li> </ul>	<p>Further, the absence of an adequate transition policy will create additional confusion and red tape for developers (i.e., multiple DC by-laws with multiple policies, specifically in a two-tier municipal structure).</p>
9.1(2)	<p><b><u>By-law deemed to expire</u></b></p> <p><u>Unless it is repealed earlier, a development charge by-law that would expire on or after the prescribed date is deemed to have expired as it relates to the services described in subsection (3) on the earlier of,</u></p> <ul style="list-style-type: none"> <li>a) <u>the day the municipality passes a by-law under subsection 37 (2) of the <i>Planning Act</i> as re-enacted by section 9 of Schedule 12 to the <i>More Homes, More Choice Act, 2019</i>;</u></li> <li>and</li> <li>b) <u>the prescribed date.</u></li> </ul>	
<b>26.1 Certain types of development, when charge payable</b>		
26.1(2)	<p><b><u>Same</u></b></p> <p><u>The types of development referred to in subsection (1) are the following:</u></p> <ul style="list-style-type: none"> <li>1. <u>Rental housing development.</u></li> <li>2. <u>Institutional development.</u></li> <li>3. <u>Industrial development.</u></li> <li>4. <u>Commercial development.</u></li> <li>5. <u>Non-profit housing development.</u></li> </ul>	<p>As proposed, it is unclear how the inclusion of (2) institutional; (3) industrial; and (4) commercial developments in this section will create additional affordable housing supply.</p>
26.1(3)	<p><b><u>Six annual instalments</u></b></p> <p><u>A development charge referred to in subsection (1) shall be paid in equal annual instalments beginning on the earlier of the date of the issuance of a permit under the <i>Building Code Act, 1992</i> authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.</u></p>	<p>This new process will significantly increase municipal administration burden to maintain payment schedules and engage with applicants.</p> <p>Proposed revisions will require the Region to develop an entirely new payment installment tracking system. The Region will be required to maintain hundreds of new payment schedules each year.</p>

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		<p>The Region requests the Province to provide insight in regards to how municipalities will fund these new payment installment tracking systems, and whether provincial funding will be provided to assist with implementation.</p> <p>The Province should clarify instances where municipalities are expected to enter into agreements with installment payees to ensure sufficient financial security.</p>
26.1(5)	<p><b><u>Notice of occupation</u></b></p> <p><u>A person required to pay a development charge referred to in subsection (1) shall, unless the occupation of the building in respect of which the development charge is required is authorized by a permit under the <i>Building Code Act, 1992</i>, notify the municipality within five business days of the building first being occupied.</u></p>	<p>This change will significantly increase municipal administrative burden, as it requires municipalities to monitor occupancy dates to ensure compliance with this section.</p>
26.1(7)	<p><b><u>Interest</u></b></p> <p><u>A municipality may charge interest on the instalments required by subsection (3) from the date the development charge would have been payable in accordance with section 26 to the date the instalment is paid, at a rate not exceeding the prescribed maximum interest rate.</u></p>	<p>Interest alone will likely not sufficiently offset the financial impact experienced by municipalities caused by delayed payments.</p> <p>Additionally, this revision will further compound the municipal administrative burden, as municipalities are responsible to maintain payment schedules.</p>
26.1(8)	<p><b><u>Unpaid amounts added to taxes</u></b></p> <p><u>Section 32 applies to instalments required by subsection (3) and interest charged in accordance with subsection (7), with necessary modifications.</u></p>	<p>The Region cautions that during instances of default DC payment, the responsibility of payment would transfers from the developer to subsequent property owner/purchaser.</p> <p>During instances of default on payments, upper-tier municipalities would need to coordinate with lower-tiers to have amounts added to tax. This coordination will require additional municipal staffing and resourcing.</p>
26.1(9)	<p><b><u>Change in type of development</u></b></p> <p><u>If any part of a development to which this section applies is changed so that it no longer consists of a type of development set out in subsection (2), the development charge, including any interest</u></p>	<p>Municipalities will be responsible to monitor changes in development uses to ensure collection compliance as described in this section. This will inevitably increase municipal administrative burden on staffing and resourcing.</p>

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	<u>payable, but excluding any instalments already paid in accordance with subsection (3), is payable immediately.</u>	
<b>26.2 When the amount of development charge is determined</b>		
26.2(1)	<p><b><u>When amount of development charge is determined</u></b></p> <p><u>The total amount of a development charge is the amount of the development charge that would be determined under the by-law on,</u></p> <ul style="list-style-type: none"> <li><u>a) the day an application for an approval of development in a site plan control area under subsection 41 (4) of the <i>Planning Act</i> was made in respect of the development that is the subject of the development charge;</u></li> <li><u>b) if clause (a) does not apply, the day an application for an amendment to a by-law passed under section 34 of the <i>Planning Act</i> was made in respect of the development that is the subject of the development charge; or</u></li> <li><u>c) if neither clause (a) nor clause (b) applies,</u> <ul style="list-style-type: none"> <li><u>i. in the case of a development charge in respect of a development to which section 26.1 applies, the day the development charge would be payable in accordance with section 26 if section 26.1 did not apply, or</u></li> <li><u>ii. in the case of a development charge in respect of a development to which section 26.1 does not apply, the day the development charge is payable in accordance with section 26.</u></li> </ul> </li> </ul>	<p>The Region notes that municipalities will be responsible to track planning application dates in order to verify applicable DCs. This will increase municipal administrative burden.</p> <p>The Region cautions that changing the DC calculation date effectively reduces the amount collected by the municipality through the charge. This will inadvertently increase the cost of growth-related infrastructure passed on to the existing tax base, or limit municipal fiscal capacity to deliver growth-related infrastructure.</p>
26.2(5)	<p><b><u>Exception, prescribed amount of time elapsed</u></b></p> <p><u>Clauses (1) (a) and (b) do not apply in respect of,</u></p> <ul style="list-style-type: none"> <li><u>a) any part of a development to which section 26.1 applies if, on the date the first building permit is issued for the development, more than the prescribed amount of time has elapsed since the application referred to in clause (1) (a) or (b) was approved; or</u></li> <li><u>b) any part of a development to which section 26.1 does not apply if, on the date the development charge is payable, more than the prescribed amount of time has elapsed since the application referred to in clause (1) (a) or (b) was approved.</u></li> </ul>	<p>The Region recommends the Province consider including a specific time elapsed clause.</p> <p>Should a time elapsed clause be introduced, the Region requests the Province to consult with municipalities to determine an appropriate timeframe.</p>

May 29, 2019

Mr. John Ballantine  
Manager, Municipal Finance Policy Branch  
Ministry of Municipal Affairs and Housing  
13th Floor, 777 Bay Street  
Toronto, Ontario  
M5G 2E5

Dear Mr. Ballantine:

Re: Bill 108: Potential Changes to the Development Charges Act

On behalf of our many municipal clients, by way of this letter we are summarizing our perspectives on the changes to the *Development Charges Act* (D.C.A.) as proposed by Bill 108.

### **Watson & Associates Economists Ltd.**

Watson & Associates Economists Ltd. is a firm of municipal economists, planners and accountants, which has been in operation since 1982. With a municipal client base of more than 250 Ontario municipalities and utility commissions, the firm is recognized as a leader in the municipal finance/local government field. The firm's Directors have participated extensively as expert witnesses on development charge (D.C.) and municipal finance matters at the Local Planning Appeal Tribunal (formerly known as the Ontario Municipal Board) for over 37 years.

Our background in D.C.s is unprecedented including:

- carrying out over one-half of the consulting work completed in Ontario in the D.C. field during the past decade; and
- providing submissions and participating in discussions with the Province when the D.C.A. was first introduced in 1989 and with each of the amendments undertaken in 1997 and 2015.

### **Changes to Eligible Services**

*The Bill proposes to remove “soft services” from the D.C.A. These services will be considered as part of a new “community benefits charge” (discussed below) imposed under the Planning Act. Eligible services that will remain under the D.C.A. include water, wastewater, stormwater, services related to a highway, policing, fire, transit and waste diversion.*



As provided below (a detailed summary is provided in Appendix A), Province-wide this change would remove 20% of annual collections from the D.C.A.

**Table 1 - Development Charge Collections - 2013 to 2017**

Service Category	Total Collections 2013 to 2017	Annual Average Collections	Percentage of Total
Services Continued Within D.C.A.	\$ 8,069,285,661	\$ 1,613,857,132	80%
Services to be Moved to Community Benefits Charge	1,967,192,671	393,438,534	20%
<b>Total</b>	<b>\$ 10,036,478,333</b>	<b>\$ 2,007,295,667</b>	<b>100%</b>

Since it is unclear as to the potential ability to replace these revenues with the proposed community benefits charge, a number of concerns are raised:

- Many municipalities have constructed facilities for these various services, and the ability to recoup the annual debt charges is in question. This lost revenue may shift the burden directly onto existing taxpayers.
- A number of municipalities enter into agreements to have the developing landowner fund certain services (e.g. parkland development) and provide D.C. credits at the time of building permit issuance. It is unclear how a municipality is to honour these commitments given the new revenue structure.
- Many municipalities have projects for these services in progress. The lost funding may put these projects in jeopardy.
- Many municipalities have borrowed D.C. revenues from another D.C. service to fund these expenditures. Once again, it is unclear how to fund these balances.
- Municipalities have concerns with the potential of the Minister to limit the scope of eligible services for which community benefits charges could be imposed through regulation, particularly as this might relate to future funding plans based on this revenue source.

## **Waste Diversion**

*The Bill would remove the mandatory 10% deduction for this service.*

This change will be helpful to municipalities in funding this service. Moreover, the ability to forecast the increase in needs over a period longer than 10 years will allow municipalities to better determine the long-term average increase in needs.



## Payment in Installments Over Six Years

*The Bill proposes that rental housing, non-profit housing and commercial/industrial/institutional developments pay their development charges in six equal annual payments commencing the earlier of the date of issuance of a building permit or occupancy. If payments are not made, interest may be charged (at a prescribed rate) and may be added to the property and collected as taxes.*

As the proposed changes to the D.C.A. are to facilitate the Province’s affordable housing agenda, it is unclear why these installment payments are to be provided to commercial, industrial and institutional developments. Table 2 presents the number of non-residential building permits issued annually by Ontario municipalities over the period 2012 to 2017. Based on the past six years, municipalities would be managing installment collections on almost half a million building permits.

**Table 2 - Non-residential Building Permits Issued - 2012 to 2017**

Service	2012	2013	2014	2015	2016	2017	Total
Permits Issued	67,795	75,182	76,189	79,070	86,158	82,640	<b>467,034</b>

Source: Financial Information Returns - 2012 to 2017

Based on the above:

- Administration of this process to undertake annual collections, follow up on delayed payments, and pursue defaulting properties would increase administrative staffing needs significantly. If an ability to recover these administrative costs is not provided, then this would be a direct impact on property taxes.
- It is unclear what security requirements the municipality may impose. As the building permit is most often taken out by the builder, there is a disconnect with the potential owner of the building. We would recommend that the D.C.A. provide the ability to either receive securities or be able to register the outstanding collections on title to the property.
- The delay in receiving the D.C. revenue will impact the D.C. cashflow. As most of these “hard services” must be provided in advance of development occurring, it will require increased debt and borrowing costs. Added interest costs will place upward pressure on the D.C. quantum.

## When the D.C. Amount is Determined

*The Bill proposes that the D.C. amount for developments proceeding by site plan approval or requiring a zoning by-law amendment, shall be determined based on the D.C. charge in effect on the day of the application for site plan approval or zoning by-law amendment. If the development is not proceeding via these planning approvals,*



*then the amount is determined the earlier of the date of issuance of a building permit or occupancy.*

Based on the above:

- We perceive the potential for abuse with respect to the zoning change requirement. A minor change in a zoning would activate this section of the D.C.A. and lock-in the rates. This would give rise to enhancing the land value of the property as it has potentially lower D.C. payments.
- D.C.s tend to increase in subsequent five-year reviews, because the underlying D.C.A. index does not accurately reflect the actual costs incurred by municipalities. Locking-in the D.C. rates well in advance of the building permit issuance would produce a shortfall in D.C. revenue, as the chargeable rates will not reflect the current rate (and therefore current costs) as of the time the development proceeds to be built. If municipalities are being required to maintain these charges, then the D.C.A. should provide for adjustment to reflect changes in actual costs, allow for ease of amendment between review periods, and index charges based on actual cost experience.
- There should be a time limit established in the D.C.A. as to how long the development takes to move from site plan application, or zoning application, to the issuance of a building permit. There is no financial incentive for the development to move quickly to building permit if this is not provided. Although the D.C.A. indicates that the Minister may regulate this, if no regulation is provided then the rates would be set in perpetuity.

### **Second Dwelling Units in New Residential Developments or Ancillary to an Existing Dwelling Unit are to be Exempt from Paying Development Charges**

We perceive that imposing an immediate exemption for a second unit in a new home will cause considerable problems for existing agreements with developers. Potential impacts could include:

- For existing agreements and in certain circumstances, the developer may not recover the full amount of the agreed-to funding.
- Alternatively, the municipality may have to recognize the potential funding loss. The municipality then must generate the funding even though these expenditures were not planned. This may cause direct impacts on debt levels, tax/use rates or delays in future funding given the added net costs to build the infrastructure.
- The potential arises for the conditions within these agreements to now be challenged in court in light of the provincial regulation changes, giving rise to considerable legal expense, delays in development (given the uncertainty of the outcome) and loss of confidence in negotiating future agreements.



- Note also that, with respect to allocation of capacity for water and wastewater servicing, there may be further impacts given Environmental Assessment approvals for targeted development levels.
- Increasing the number of statutory exemptions also results in a revenue loss for municipalities that have to be funded from non-D.C. funding sources, thus increasing the obligation on property taxes.

### **Soft Services to be Included in a New Community Benefits Charge Under the Planning Act**

*It is proposed that a municipality may, by by-law, impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. These services may not include those authorized by the D.C.A. Various provisions are proposed as follows:*

- *Before passing a community benefits charge by-law, the municipality shall prepare a community benefits charge strategy that, (a) identifies the facilities, services and matters that will be funded with community benefits charges; and (b) complies with any prescribed requirements.*
- *Land for parkland purposes will be included in this charge.*
- *The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date.*
- *The valuation date is the day before building permit issuance.*
- *Valuations will be based on the appraised value of land. Various requirements are set out in this regard.*
- *All money received by the municipality under a community benefits charge by-law shall be paid into a special account.*
- *In each calendar year, a municipality shall spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year.*
- *Requirements for annual reporting shall be prescribed.*
- *Transitional provisions are set out regarding the D.C. reserve funds and D.C. credits.*

The proposed changes are limited, in that the details are left to be defined by Regulation. As such:

- More information is needed, as there are several key items to be included as part of the regulations; i.e. what items are to be included in community benefits charge strategy and what percentage of the “value of land” is to be eligible for collection.
- Depending on what is to be included in the community benefits charge strategy, this may be undertaken at a similar time as the D.C. background study. As



noted, however, it is unclear as to the prescribed items to be included along with the process required to adopt the strategy and the by-law.

- The potential for future parkland is minimized by including it as part of the charge along with all other “soft services.”
- Concern is raised regarding what prescribed percentage of the land value will be allocated for the charge. If the same percentage is provided for all of Ontario, then a single family lot in Toronto valued at \$2 million will yield 20 times the revenue of a \$100,000 lot in eastern Ontario. Given that building costs for the same facilities may only vary by, say, 15%, the community benefits charge will yield nominal funds to pay for required services for most of Ontario. As such, if prescribed rates are imposed, these should recognize regional, in not area-municipal, distinctions in land values.
- It is unclear how the community benefits charge will be implemented in a two-tier municipal system. Given that both the upper and lower tiers will have needs, there is no guidance on how the percentage of the land value will be allocated or how the process for allocating this would occur. Obviously, land values will vary significantly in urban versus semi-urban communities (e.g. in York Region, land value in Markham is significantly higher than in Georgina), so that the upper tier needs may only take, say, 30% of the allotted value in the urban areas but 75% to 90% of the allotted semi-urban or rural values.
- Given the need for appraisals and the ability of the applicant to challenge the appraisal, a charging system based on land values will be extremely cumbersome and expensive. It is unclear how appraisal costs are recovered and the appraisals may become significant costs on each individual property.

## **By-laws That Expire After May 2, 2019**

*The Bill provides in subsection 9.1 (1) that a development charge by-law expiring on or after May 2, 2019 and before the prescribed date shall remain in force as it relates to the soft services being moved to community benefits charges.*

Confusion is produced by this section of the Bill. There are many municipal D.C. by-laws (over 70) currently set to expire between May and August of this year. Until the Bill is passed into law, these D.C. by-laws will need to be replaced by new ones. This section of the Bill should be amended to reflect that the new D.C. rates in effect at the time of the new legislation coming into force will continue so as to not present confusion over rates as of May 2, 2019 versus rates passed under these new D.C. by-laws.

## **Conclusions/Observations**

In late 2018/early 2019, the Province invited many sectors to participate in the Province’s Housing Supply Action Plan. This process included specialized Development Charges and Housing Affordability Technical Consultations undertaken to provide input to this Action Plan. From those discussion sessions undertaken with members of the development/building community, it was acknowledged that there are



challenges for the development/building community to address the housing needs for certain sectors of the housing market. Rental housing is one example of an area where the low profit margins and high risks may limit participation by developer/builders; however, there clearly does not appear to be a Province-wide concern with D.C. rates that would warrant a wholesale reduction/elimination of D.C.s for any particular service. Arising from those discussions it was expected that these matters would be the focus of the legislated changes; however, Bill 108 has varied significantly from that target:

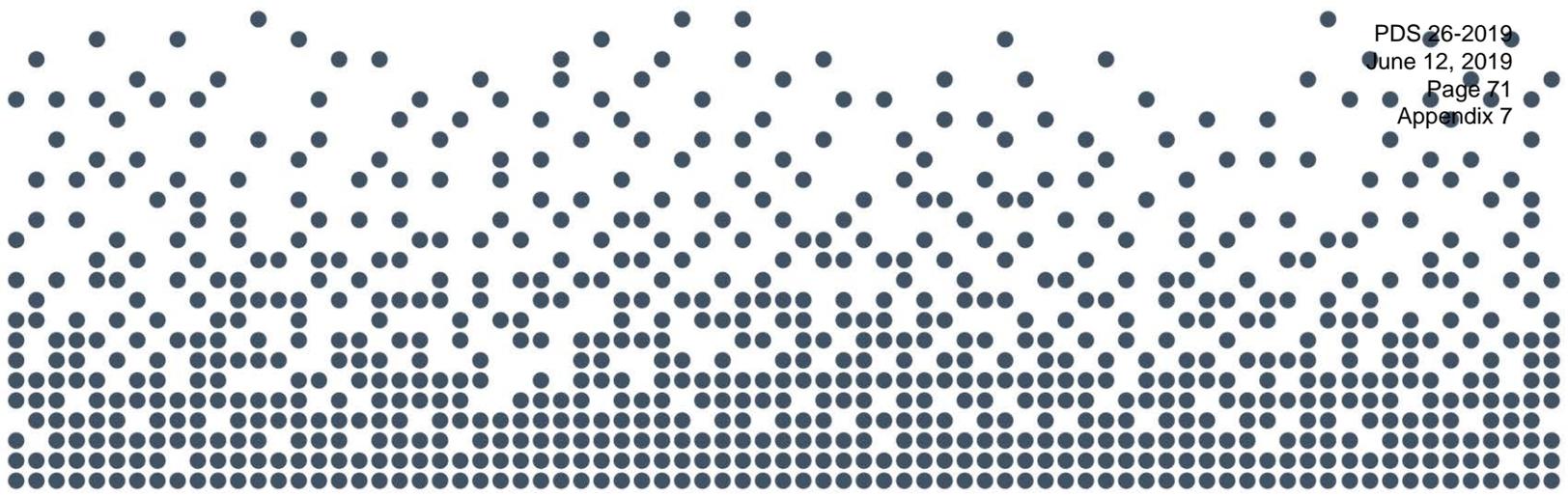
- The Bill makes wholesale changes to the D.C.A. which will restrict revenues collected from all forms (and all prices) of housing. Hence, the target is no longer rental or affordable housing focused. Where municipalities have been developing D.C. policies and programs to address affordable housing needs directly, the loss of D.C. funding will make these programs unaffordable due to the overall revenue lost.
- The Bill has introduced changes to collections and locking in rates, which directly benefit commercial, industrial and institutional developments, that were not part of the Province's Housing Supply Action Plan. It is unclear why this has been introduced. The six-payment plan for this sector is expected to be expensive and cumbersome to administrate.
- Many transitional items have not been addressed and it is unclear whether the developing land owner is responsible for potential revenue losses or whether that will be the responsibility of the municipality. These matters need to be addressed, otherwise time and money will be spent clarifying these matters in the courts.
- The Regulations to define the new community benefits charges have not been circulated with the Bill; hence, the magnitude of the impact cannot be calculated. It is anticipated, however, that a significant amount of revenue will be lost along with additional lands for park purposes. This either places a direct burden onto taxpayers or will reduce service levels significantly for the future.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

Gary D. Scandlan, B.A., PLE  
Director

Andrew Grunda, MBA, CPA, CMA  
Principal



# Appendix A

## Development Charge Collections 2013 to 2017



# Appendix A: Development Charge Collections 2013 to 2017

Development Charge Collections - 2013 to 2017

Service	2013	2014	2015	2016	2017	Total	Average Annual
<b>Services Continued Within D.C.A.</b>							
Development Studies	\$ 6,785,229	\$ 7,539,525	\$ 9,634,244	\$ 9,536,538	\$ 11,607,836	\$ 45,103,372	\$ 9,020,674
Fire Protection	19,100,753	23,624,512	24,765,253	27,313,942	26,978,473	121,782,933	24,356,587
Police Protection	16,473,155	18,511,592	20,652,998	18,378,613	20,548,089	94,564,447	18,912,889
Roads and Structures	459,358,776	612,034,803	690,333,195	779,050,973	719,779,061	3,260,556,808	652,111,362
Transit	76,809,022	132,348,600	130,908,057	132,489,696	136,970,102	609,525,477	121,905,095
Wastewater	226,276,592	326,853,930	366,627,394	442,003,774	377,008,100	1,738,769,790	347,753,958
Stormwater	35,407,598	37,192,646	36,127,040	52,679,456	53,577,620	214,984,360	42,996,872
Water	249,052,732	324,843,966	373,922,202	474,822,033	513,942,477	1,936,583,410	387,316,682
GO Transit	7,594,651	9,005,572	10,515,931	9,837,550	10,461,361	47,415,065	9,483,013
<b>D.C.A. Continued Services</b>	<b>\$ 1,096,858,508</b>	<b>\$ 1,491,955,146</b>	<b>\$ 1,663,486,314</b>	<b>\$ 1,946,112,574</b>	<b>\$ 1,870,873,119</b>	<b>\$ 8,069,285,661</b>	<b>\$ 1,613,857,132</b>
<b>Services to Be Included Within New Section 37 Community Benefits Charge</b>							
Emergency Medical Services	\$ 3,112,736	\$ 4,765,936	\$ 5,128,696	\$ 4,840,840	\$ 5,773,536	\$ 23,621,744	\$ 4,724,349
Homes for the Aged	3,073,247	2,939,550	3,743,039	3,595,331	4,297,427	17,648,594	3,529,719
Daycare	2,499,810	3,301,019	3,088,376	1,760,689	2,473,840	13,123,734	2,624,747
Housing	17,947,287	18,658,790	19,786,738	16,116,747	21,684,247	94,193,809	18,838,762
Parkland Development	64,269,835	88,966,081	84,900,635	73,762,908	87,751,688	399,651,147	79,930,229
Library	28,579,595	33,673,639	32,963,569	33,161,869	34,690,844	163,069,516	32,613,903
Recreation	113,885,296	139,822,233	162,878,471	165,794,581	160,313,825	742,694,406	148,538,881
General Government	12,050,045	12,270,754	12,829,713	21,443,520	8,654,142	67,248,174	13,449,635
Parking	1,906,154	3,594,036	4,821,705	3,986,887	3,947,438	18,256,220	3,651,244
Animal Control	18,224	16,511	44,952	23,839	15,205	118,731	23,746
Municipal Cemeteries	38,942	69,614	55,007	170,736	108,145	442,444	88,489
Other	100,284,812	88,219,453	84,354,637	82,829,254	71,435,996	427,124,152	85,424,830
<b>Services to be Moved to Community Benefits Charge</b>	<b>\$ 347,665,983</b>	<b>\$ 396,297,616</b>	<b>\$ 414,595,538</b>	<b>\$ 407,487,201</b>	<b>\$ 401,146,333</b>	<b>\$ 1,967,192,671</b>	<b>\$ 393,438,534</b>
<b>Total</b>	<b>\$ 1,444,524,491</b>	<b>\$ 1,888,252,762</b>	<b>\$ 2,078,081,852</b>	<b>\$ 2,353,599,776</b>	<b>\$ 2,272,019,452</b>	<b>\$10,036,478,333</b>	<b>\$ 2,007,295,667</b>

Source: Financial Information Returns - 2013 to 2017