

Committee Report

То:	Warden Hicks and Members of Grey County Council
Committee Date:	November 10, 2022
Subject / Report No:	Comments on Bill 23 / PDR-CW-37-22
Title:	Bill 23 – More Homes Built Faster Act and associated consultations
Prepared by:	Grey County Staff
Reviewed by:	Kim Wingrove and Randy Scherzer
Lower Tier(s) Affected:	All Municipalities
Status:	

Recommendation

- 1. That report PDR-CW-37-22 regarding an overview of the 'Bill 23: More Homes Built Faster Act, 2022' be received; and
- 2. That report PDR-CW-37-22 be forwarded onto the Province of Ontario as the County of Grey's comments on *Bill 23 More Homes Built Faster Act, 2022* and the associated consultations posted on the Environmental Registry and Ontario Regulatory Registry through postings # 019-2927, 019-6141, 019-6160, 019-6162, 019-6163, 019-6172, 019-6173, 019-6197, 019-6211, 22-MAG011, 22-MMAH017, and 22-MMAH018; and
- 3. That report PDR-CW-37-22 be forwarded onto the Standing Committee on Heritage, Infrastructure and Cultural Policy as the County of Grey's comments on *Bill 23, More Homes Built Faster Act, 2022; and*
- 4. That the County request that the province extend the commenting period on *Bill* 23 More Homes Built Faster Act, 2022 to allow for additional review and consultation time; and
- 5. That the report be shared with member municipalities and conservation authorities having jurisdiction within Grey County; and
- 6. That staff be authorized to proceed prior to County Council approval as per Section 25.6(b) of Procedural By-law 5003-18.

Executive Summary

The province recently released proposed legislative and regulatory changes under 'Bill 23: More Homes Built Faster Act' and are seeking comments by November 24, 2022, for a number of the

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proposed changes. Bill 23 proposes several amendments to the *Planning Act*, the *Development Charges Act*, the *Conservation Authorities Act*, the *Ontario Land Tribunal Act*, as well as several other pieces of legislation. While there are some positive changes in Bill 23, there are other changes that may impact Grey County, member municipalities, and conservation authorities in an adverse fashion. Within the report County staff have flagged policies that could negatively impact County and municipal revenues, changes to the planning process, and changes which would have a major impact on conservation authorities, both in their operations and the services they provide to the County and member municipalities. This report, including Appendix 1, provides a summary of Bill 23 and some recommended comments regarding the legislative and regulatory changes and the associated consultations.

Background and Discussion

The province established the Provincial Housing Affordability Task Force in 2021 to recommend measures to increase the supply of market housing in Ontario. The Provincial Affordable Housing Task Force released their report earlier this year (linked to in the Attachments section of this report) and made a number of recommendations for the province to consider. In response to those recommendations, the province passed some initial legislative changes through Bill 109 earlier this year. Municipalities across the province are still trying to implement the changes made through Bill 109 to the planning process, with key elements of Bill 109 set to take effect on January 1, 2023

Bill 23 proposes additional changes which could positively and negatively impact municipalities and conservation authorities further. Bill 23 has made several proposed amendments to the *Planning Act*, the *Development Charges Act*, the *Conservation Authorities Act*, the *Ontario Land Tribunal Act*, as well as several other pieces of legislation. There are a series of Environmental Registry and Ontario Regulatory Registry postings which the province is seeking feedback on. Links to each of these postings have been included in the Attachments section of this report. In many of these postings the deadline to provide comments is November 24, 2022.

Given that the legislation and proposed regulatory changes were released on October 25, 2022, the day after the municipal elections, this comment deadline provides very little time for municipalities to review the changes and submit comments through their respective municipal councils, or in the case of other public authorities such as conservation authorities, through their boards. In some cases, based on the changeover in municipal councils, there are no further municipal council meetings between the date the legislation was released and the comment deadline. Staff request that the province consider extending these commenting deadlines into 2023 to allow for more fulsome consultation on the proposed changes.

A housing-oriented review of the Provincial Policy Statement 2020 has also been announced. The deadline for comments is a little further out (December 30th, 2022), so staff are planning a future staff report on this topic.

This report provides a summary of the key changes made to the *Development Charges Act*, the *Planning Act*, the *Conservation Authorities Act*, the *Ontario Land Tribunal Act*, as well as some of the other consultations. The report provides some comments/feedback on the matters the province is seeking feedback on.

For the purposes of this report the use of the term 'municipalities' is meant to apply in a broad sense to upper, lower, and single tier municipalities, and is not meant to apply to just lower or single tier municipalities.

In preparing this report, County staff discussed the proposed changes with municipal and conservation authority staff, which has helped inform the opinions in the report. Additional meetings are scheduled with municipal and conservation authority staff to discuss matters further.

The effect of new legislative changes can sometimes be tough to predict at this early stage, as some of the future changes will be implemented through further guidelines or regulation changes. Some of the changes are welcomed by the County, however there are changes that cause concern and staff recommend that the province reconsider.

Grey County welcomes the opportunity to provide feedback on these proposed changes and thanks the province for the ability to do so.

Summary of Comments on Bill 23 and Associated Consultations

A detailed summary of the proposed legislative and regulatory changes has been provided in Tables 1-5 in Appendix 1 to this report. For the sake of brevity, staff will not summarize the changes directly in this report, but rather will focus on a summary of the recommended comments to be shared with the province. The below summary will focus on those items where staff are recommending change or clarification, rather than highlighting those items staff are in support of or have no comment on.

General

1. Staff request that the province consider extending these commenting deadlines into 2023 to allow for more fulsome consultation on the proposed changes.

Development Charges Act (See Appendix 1: Table 1 for more details)

- 2. Conditionally exempting development charges (DCs) for a number of set projects will impact (a) municipal DC revenue, and (b) will require additional staff time and resources to manage the agreement process. Municipalities will be required to recoup these lost DC revenues through general tax levy, which will result in tax increases. Some lenders may be reluctant to lend development capital to developers while DCs may still be payable on the project, due to the prospect of a lien arising. A standardized process for title registrations involving a document simpler than an agreement, such as a notice of exempt DCs, may simplify both administration for municipalities and interaction with the land title system for owners, lenders, and transaction parties.
- 3. The definition of 'affordable' (rental and ownership) needs to be adjusted, as 80% of market value is still unaffordable to many Ontarians. It would also be helpful to know if the Provincial Policy Statement (PPS) will also be amending the definition of affordable in the same manner, as this would trigger the need to update municipal official plans.
- 4. A definition for 'attainable' should be provided prior to any legislative changes so that municipalities can understand the impacts.
- 5. Municipalities should have more autonomy regarding discounting DCs for purpose-built rental units that are priced at market rental rates (i.e., not 'affordable' as per the

- definition noted above). Criteria may be appropriate which links such discounts to municipal rental vacancy rates.
- 6. A mandatory phase in of new DC by-laws and charges could have the effect of charging less in the early years of a new DC by-law than the previous by-law charged, negatively impacting long term capital plans.
- 7. Housing services and background studies should still be eligible for DC funding. Eliminating housing services and background studies appears contrary to Bill 23's objective of seeing additional housing created, and the generally accepted DC philosophy of 'development pays for development'.
- 8. Extending DC by-laws from five to ten years is supportable, but many municipalities have specific lapsing dates in their current by-laws and so will need to amend them and will need to undertake new background studies in order to do so. If there is any legislative ability to permit extensions of lapsing dates and continuation of established DC amounts within the ten-year period without requiring a new background study that would help those municipalities interested in extending their by-laws.
- 9. Clarification is needed on 'spending' versus 'allocating' 60% of DC reserve funds each year for water, wastewater, and roads purposes. Depending on how this is defined, allocating may be feasible, but spending would not. If municipalities are required to spend 60% of DC Reserve funds each year for growth-related infrastructure projects, this would be practically impossible as many DC eligible infrastructure projects come with significant costs and require years to accumulate the funds and significant time to complete various studies and approvals needed to undertake the project, including in some case provincial approvals. Additional staff time will be needed for either process and municipalities may be required to debenture the up-front costs associated with growth-related infrastructure projects if sufficient DC funds have not been collected yet prior to when the DC reserves will need to be spent/allocated.

Planning Act (See Appendix 1: Table 2 for more details)

- 10. Limits on third-party appeals may reduce the overall number of appeals and 'speed up' some development processes. It may however place more pressure on approval authorities and/or erode confidence in local governments if adequate discussion and consensus building is not achieved.
- 11. As-of-right permissions for ARUs in serviced settlement areas are generally supportable but may come with some operational challenges at the local level. It should also be made clear that municipalities can still permit ARUs in privately serviced settlement areas and rural areas.
- 12. Optional public meetings for subdivisions are difficult to grasp given that many other more minor planning applications will still require a public meeting or public hearing. Municipalities should be encouraged to develop criteria for where subdivision public meetings are required and where they may not be.
- 13. Removal of upper tier planning responsibilities does not directly impact Grey County at this stage but could have negative impacts on general coordination between municipalities, workloads, and ability to absorb this change at the lower tier level (both short and long-term). Such changes may also result in the duplication of efforts at the lower tier level, on matters previously captured in an upper tier's official plan updates. Should the province look to add additional upper tiers to the list of those without planning

- responsibilities, further consultation should be undertaken given the variety of planning service delivery models in upper tiers across the province.
- 14. Site plan changes should be clarified or reconsidered as to how they apply to mixed use developments containing 10 or less residential units. The ability for municipalities to address sustainability matters and to implement green development standards, often implemented via the Site Plan Control process, should also be considered. Excluding sustainability and climate from site plan consideration, could leave new housing exposed to spiraling energy costs and carbon prices, and necessitate costly future retrofit costs. Upper tiers without planning responsibilities should still be eligible to require road widening on a site plan where the development abuts an upper-tier road.
- 15. Similar to item # 9 above, clarification is needed on 'spending' versus 'allocating' as it applies to parkland dedication. It should also be made clear that developers seeking to dedicate parkland, or challenge a municipal refusal of parkland dedication, still need to conform to municipal official plan policies on the type of land acceptable for parkland.
- 16. Inclusionary zoning should be made further applicable to municipalities without protected major transit stations and development permit systems.

Conservation Authorities Act (See Appendix 1: Table 3 for more details)

- 17. The proposed changes to conservation authorities should be considered by the multistakeholder working group with the province and the conservation authorities.
- 18. Exempting conservation authority permits where a planning application has been approved could lead to issues where a planning application has been approved which the conservation authority did not support.
- 19. The requirement to process permits in a shorter time period can only be completed if conservation authorities are adequately staffed and funded. Some of the changes being proposed will make appropriate funding and staffing levels difficult to achieve.
- 20. Limiting conservation authority roles in the development process to just natural hazard, will have a negative impact on planning services at the County and municipal levels, where municipalities rely on conservation authorities for such services. Additional staff and financial resources will be needed at the municipal level based on these proposed changes. Natural hazard and natural heritage matters are in many cases not mutually exclusive e.g., a wetland, and therefore it does not make sense to have two separate review bodies assessing each of these elements individually. The province should reconsider this change and should continue to allow for service agreements between municipalities and conservation authorities for non-mandatory services.
- 21. Freezing conservation authority fees could either drive municipal levy rates up or drive service levels down, creating delays in the development process. Given the changing climate, and more extreme weather events, conservation authorities are more important than ever.
- 22. Considering conservation authority lands for housing development may not be feasible in most cases due to natural hazard/heritage concerns, and proximity to hard and soft services. If such lands are being considered for development, criteria should be provided at the provincial level in consultation with conservation authorities and municipalities.

Ontario Land Tribunal Act (See Appendix 1: Table 4 for more details)

23. Further criteria should be provided for when the OLT may award costs against a losing party, and it should be made clear that costs are not automatically awarded against any losing parties.

Other Proposed Legislative and Regulatory Changes (See Appendix 1: Table 5 for more details)

- 24. Regarding the review of the Ontario Wetland Evaluation System:
 - a. The deletion of conservation authority roles, given their 'boots on the ground' role in regulating wetlands and flooding hazards is concerning.
 - b. The deletion of many provisions around 'wetland complexes' is also concerning as it would appear to give more credence to individual assessments of wetlands without looking at a systems-based approach. Staff fear that evaluating a wetland in isolation could lead to more wetland loss.
 - c. Wetlands are crucial for our natural environment and mitigating against the impacts of climate change. Staff support greater emphasis on protection and recognition of the role of wetlands in this regard.
- 25. Regarding the changes to the *Municipal Act* to impose limitations on rental conversions or demolishing rental units, County staff would not want to see restrictions on municipal abilities to limit rentals from being converted to short term accommodations or condominiums. Staff also question how such limitations may interact with rental housing that was conditionally exempted from DCs.
- 26. Regarding the potential further review of the Building Code, staff encourage consideration of the latest technologies as it applies to both sewage systems and energy efficiency. Based on direction from the County's Going Green in Grey Climate Change Action Plan, the County supports changes to the Code that enable higher standards for sustainable building, energy efficiency and which promote climate change adaptability.

Legal and Legislated Requirements

None with this report.

Financial and Resource Implications

Based on the changes proposed, particularly the *Development Charges Act* and *Conservation Authorities Act* changes, Bill 23 has potential to significantly impact County and municipal finances, for those municipalities that collect development charges or rely on conservation authority review services. At this stage the exact financial impact is not known, but it will likely mean the need to increase property taxes at the County and municipal levels to recoup the lost development charge revenues and/or require additional staff to be hired. Staff will continue to monitor Bill 23 and work in collaboration with local municipal and conservation authority staff, on ways to address Bill 23's proposed changes and will keep County Council up to date on the status and impact.

Relevant Consultation

☐ Internal: CAO, Community Services, Finance, Legal Services, Planning, and Transportation Services

External: Member municipalities within Grey and Conservation Authorities having jurisdiction in Grey

Appendices and Attachments

Appendix 1: Detailed Summaries and Comments on Bill 23 and Associated Consultations

Bill 23, More Homes Built Faster Act, 2022

Provincial Affordable Housing Task Force Report

<u>019-2927 Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario</u>

<u>019-6141 Legislative and regulatory proposals affecting conservation authorities to support the Housing Supply Action Plan 3.0</u>

019-6160 Proposed Updates to the Ontario Wetland Evaluation System

<u>019-6162 Consultations on More Homes Built Faster: Ontario's Housing Supply Action Plan</u> <u>2022-2023</u>

<u>019-6163 Proposed Planning Act and City of Toronto Act Changes (Schedules 9 and 1 of Bill 23</u> - the proposed More Homes Built Faster Act, 2022)

<u>019-6172 Proposed Planning Act and Development Charges Act, 1997 Changes: Providing Greater Cost Certainty for Municipal Development-related Charges</u>

019-6173 Proposed Amendment to O. Reg 232/18: Inclusionary Zoning

<u>019-6211 Proposed Changes to Sewage Systems and Energy Efficiency for the Next Edition of Ontario's Building Code</u>

019-6197 Proposed Changes to Ontario Regulation 299/19: Additional Residential Unit

22-MAG011 Proposed Amendments to the Ontario Land Tribunal Act

22-MMAH017 Seeking Feedback on Municipal Rental Replacement By-laws

22-MMAH018 Seeking Input on Rent-to-Own Arrangements

Appendix 1: Detailed Summaries and Comments on Bill 23 and Associated Consultations

Proposed Changes to the Development Charges Act

The province is proposing to make a number of changes to the *Development Charges Act* summarized in Table 1 below.

Table 1: Development Charges Changes and Staff Comment

Item #	Proposed Change	Staff Comment
1	Exempting development charges (DCs) for affordable residential units and attainable residential units, not-for-profit housing developments, and inclusionary zoning residential units.	Staff see some merit in this approach, and it aligns with the County's current conditional exemption program. Staff would however note that this change will be onerous for municipalities and counties to apply, as it requires agreements to be registered on title for these exemptions. This change could require municipalities to take on additional staffing resources to manage this agreement process. It is further noted that such exemptions will result in a loss of DC revenue which may be substantial. Recent similar offerings from the County of Grey and the City of Owen Sound on purpose built rental housing have been well utilized, but resulted in significant revenue loss at the County and City levels. It is further noted that the County has experienced some issues with lenders and the ability for proponents to finance development based on these agreements on title, as outlined in recent staff report CAOR-CW-11-22. In addition to increased municipal workloads to manage the agreement process, the use of agreements may complicate purchase and sale transactions for properties, as well mortgage lending processes. If municipalities are to administer a unified system for deferred / exempted development charges, and they will create some form of encumbrance on title similar to deferred
		DCs, it may be simpler to create a specific type of lien or similar interest that could be registered directly on title through the land titles system (and the land registry system, where still applicable) that would set out the express terms of any conditions applicable to the property with the deferred / exempted DCs, such as the amounts necessary to be repaid, who can advise if the amounts are repayable (e.g. the appropriate local municipality), and the conditions triggering any repayment.
		In the case of such liens or interests that extend past the original sale of the property (e.g., a property to be maintained as an affordable unit for 25 years), the responsibility of enforcement could be shared with solicitors acting on ownership transfers through the "law statements" mechanism provided for in the title registration system. Those solicitors could confirm compliance with appropriate conditions applying to transactions with the property; this would be similar to the statements they make currently regarding compliance with s. 50 of the Planning Act, a mechanism well understood by real estate lawyers.

Item #	Proposed Change	Staff Comment
2	New definitions for affordable rental and owned housing where affordable equals rent or purchase prices at no greater than 80% average market value or purchase	Staff have significant concerns with the proposed definitions for affordable rental and owned housing. Setting the rate at no greater than 80% of market value would appear to conflict with the affordable definitions in the Provincial Policy Statement, and therefore in most official plans. If these changes are a signal of future PPS changes with respect to how 'affordable' is defined, it will require municipalities across the province to update their official plans.
	price. A price threshold has not been provided for attainable owned	Staff would further note that in communities with high average rents or home values, it may not have the desired effect, e.g., if the average home price is \$1,000,000, then that means anything at \$800,000 or less would be considered affordable. In many municipalities this would mean developers would get DC exemptions for development that is still unaffordable to large portions of the population. This will also result in a significant loss of municipal income from DCs, which would mean that taxes would need
	housing.	to increase for all taxpayers to pay for growth-related capital infrastructure. The province has noted that these values for determining the 80% market value will be identified in the 'Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin", as amended from time to time. At this point it is not clear how often this bulletin would be updated and whether these values would be set by county/region or if the values would be set by municipality. County staff would note that even within Grey County there is high housing price variability from municipality to municipality.
		It appears the exemptions for attainable housing would only apply to home ownership and not rental housing. It's tough for staff to estimate what the impact of this change would be, without understanding what values are assigned to attainable housing but would create similar administrative burden for municipalities to administer and monitor these exemptions. Based on the definition provided in the proposed legislative changes, it notes an attainable unit is a residential unit that is not an affordable residential unit. This would lead staff to believe that an attainable unit would be a unit somewhere between 81% and 100% of market value. Based on these proposed changes, the administrative burden it would create, and the lack of DC revenue generated; Development Charges become less viable and therefore growth-related costs are borne by taxpayers. Staff request that the province share a definition for attainable prior to the legislative changes being made, so that municipalities can understand the impact of this proposed change.
3	Discounts on DCs for purpose built rental housing, where rental housing is defined as 4+ units. The discounts are graduated for the	Staff note that the County and some member municipalities have recently been conditionally exempting DCs for purpose built rental units. That said, given that affordable units are already proposed to be exempted as per item # 1 above, it means that the rental units receiving these discounts would be outside of the affordable range. Staff believe this change, coupled with item # 1 above, could have a major impact on DC revenues recouped by municipalities. The perception of having automatic DC discounts

Item #	Proposed Change	Staff Comment
	types of rental units i.e., a one- bedroom receives less discount than a three-bedroom rental unit.	for rental units that are outside of the affordable range could also be challenging. Staff would recommend some municipal discretion in applying this discount program, or possibly tying it to a performance measure (i.e., discounts are only available when a municipal rental vacancy rate drop below 'x' %) and that the units remain as rentals for a period of time and that they cannot be used for short-term accommodation.
4	Limits (prime + 1%) on the amount of interest charged on DCs by municipalities for rental, institutional, and non-profit housing.	This change affects both DC rate freezes and developments that currently benefit from a multi-year payment structure under the DC Act. Under the current Development Charge Interest Policy, the County does not charge interest for developments benefitting from a multi-year payment structure, but does charge a 3.5% interest rate for DC rate freezes. If this change were to take effect the County may be limited to charging a lower interest rate, and may need to update the policy accordingly. Interest could be imposed on multi-year payment structures, but it would be subject to the same statutory limit. Staff note that it may have the effect of further limiting DC revenues on rental housing, which are already reduced based on the proposed DC discounts for purpose-built rentals.
5	Reduction in DCs via a mandatory phase-in of DCs when a new DC by-law is passed. DCs charged during the first, second, third and fourth years of a new DC by-law can be no more than 80%, 85%, 90%, and 95% respectively, of the maximum DC that could have otherwise been charged.	Staff note that phasing in of DCs is a common municipal practise when a new DC by-law is passed. Staff do not have significant concerns with this change; however, recommend that municipalities be given discretion to choose whether they wish to phase-in the increases to their development charges versus applying a mandatory phase-in. It is worth noting that if a municipality completes a new DC background study and by-law, where increased charges are not being proposed, this proposed change will mean that a municipality is recouping less in the first four years of the new by-law than they were in the final year(s) of the former by-law.
6	Exclusions to what can be recovered through DCs including housing services and the cost of background studies.	Staff have significant concerns with the exclusion of housing services and believe it will impact the County's ability to provide county-owned housing. This change would appear to be counter to many of the other changes in Bill 23 which incent new housing creation. Staff would request that this exclusion be deleted from the proposed legislation. Excluding background studies, including DC background studies, would also impact municipal revenues and would require such studies to be paid for from the levy and general tax base, as opposed to being paid for by development. This change appears 'out of line' with the general DC philosophy of development pays for growth-related capital costs. Other limitations on background studies would impact engineering studies needed for construction projects. It is not clear how this limitation on

Item #	Proposed Change	Staff Comment
		engineering studies may be accounted for when such studies are built into the overall cost of the project (e.g., it will cost \$3 million to re-design a road including construction and all engineering costs).
7	Extension of the duration of DC by- laws from five years to ten years. By-laws can still be reviewed and updated earlier than the ten-year horizon if a municipality so chooses.	Staff would generally support this change, but note that for the County, and many municipalities with current by-laws it would require updates to the by-law and DC background study before being able to take advantage of the ten-year timeframe. Staff further note that in times of high inflation municipalities may choose to review their DC by-laws more frequently than every ten years. If there is any legislative ability to permit extensions of lapsing dates and continuation of established DC amounts in current DC-bylaws within the ten-year period without requiring a new background study that would help those municipalities interested in extending their by-laws.
8	Requirements for municipalities to spend or allocate at least 60% of the monies in a DC reserve fund at the beginning of the year for water supply services, wastewater services, and roads.	This change could have significant impacts on municipalities depending on how it is interpreted. If municipalities can allocate 60% of DC reserve revenues through their municipal budget each year, without needing to spend it each year, then that may be okay (e.g. allocated through 10 year capital budget). However, if there is increased onus on municipalities to spend 60% each year, then that would have significant impact on municipalities. Many DC eligible projects related to water, wastewater, or roads come with significant costs, and require years to accumulate the funds needed to undertake the project (e.g. upgrading a wastewater treatment plant). Studies and approvals, including environmental assessments, can take significant lengths of time and are not always feasible to complete in a year. If there was increased onus to spend at least 60% of DC reserves, then it would make it very difficult to accumulate the funds needed to complete these projects. Regardless of if the change is interpreted as 'spend' or 'allocate' it will require additional work from finance and other staff at municipalities to account for these requirements. Staff request that the province revise the legislation to add clarity on what constitutes "allocation".
9	An extension of the historical service levels from 10 to 15 years for DC eligible capital costs, with the exception of transit.	Staff do not have concerns with this proposed change.
10	New regulatory authority to set services for which land costs would not be eligible for DC recovery.	This change would impact municipal revenues depending on future regulation changes to define such services. At this stage it's difficult to predict the level of impact this could have, without knowing what regulations may change in the future. For example, if the County was looking to build a new ambulance station or long-term care home and needed to acquire land, it may mean that the land costs would not be eligible for funding from DC reserves.

Proposed Changes to the Planning Act and Regulations

The province is proposing to make a number of changes to the *Planning Act* and associated regulations summarized in Table 2 below.

Table 2: Planning Changes and Staff Comment

Item #	Proposed Change	Staff Comment
1	New limits on third-party appeals to the Ontario Land Tribunal (OLT) for official plans, official plan amendments (OPAs), zoning by- laws, zoning by-law amendments (ZBLAs), consents, and minor variances.	The proposed changes significantly limit the ability for the public or others to appeal a planning decision, unless the proposed appellant falls under the defined list of a "specified person". These changes are like the changes made to plans of subdivision, wherein the "specified persons" are generally only utility providers or public authorities including municipalities. Proponents will still have the ability to appeal a decision (i.e. a refusal, non-decision, or conditions on an approval). This proposed change applies retroactively to any existing third-party appeal where no hearing date has been scheduled as of October 25, 2022. Case management conferences and mediation do not count as a hearing date being scheduled, for the purposes of the October 25 th , 2022, deadline.
		This proposed change would be significant to the public, municipalities, and developers. The proposed changes should result in less time and money being spent at the OLT in instances where a third-party appeal may have been lodged under the current planning regime. However, the 'flip-side' is that once members of the public become aware of these changes they may place additional social pressure on councils, committees of adjustment, and staff to refuse applications, knowing that no further appeal rights exist. Through this change, it may pivot in 'how we plan' at municipalities. It may be appropriate to 'front-end' technical considerations, and better equip councillors in their role as it relates to the public good and how that gets operationalized in the decision-making process. Both staff and councillors will need to be very effective in frank communication around the social/economic needs of our community and how and why that balances out the unequal 'costs' or 'perceived impacts' that go with the change. Collectively community buy-in is still important and it may require additional emphasis on staff in identifying or mediating changes/compromises/solutions through the application review process. Neighbours, for example, will have legitimate concerns that need to be addressed within applications, and now will not have further recourse via appeal. If we do not prioritize finding/negotiating workable solutions, staff are worried that this will further erode public trust in local government. While NIMBY [Not in My Backyard] can be bad for our communities, a lack of public trust or participation could also have unintended negative impacts.
		Changes are also being proposed which would limit conservation authorities from appealing a planning matter, except in the case of a natural hazard issue (i.e., a matter under section 3.1 of the PPS). For the four conservation authorities within Grey, it

Item #	Proposed Change	Staff Comment
		has been very rare that a conservation authority would appeal a planning decision or policy. In County staff's experience this had generally been limited to natural hazard, whereas matters of natural heritage were generally limited to advisory roles.
2	As-of-right permissions for permissions for up to three residential units per property in a settlement area that is serviced by municipal water and sewer services, with no minimum unit sizes and no zoning by-law	The province has introduced a new definition for "parcel of urban residential land" which is generally defined to mean a residential lot in a settlement area that is serviced by municipal water and sewer services. This proposed change is essentially 'ramping up' earlier changes to the <i>Planning Act</i> which allowed for a dwelling as well as two additional residential units (ARUs) per property. The province is clear that through these changes no official plan can contain any policy that has the effect of prohibiting a main dwelling and two ARUs per property in a serviced settlement area. No minimum unit sizes can be required by municipalities and no more than one parking space per unit can be required. Existing official plans that are in effect that contravene these changes are deemed to be of no effect.
	amendments.	County staff see merit in the proposed changes, provided they are not interpreted to limit municipalities from also allowing ARUs in settlement areas on private individual services, partial services, or in rural areas. Staff would note that this policy may create additional difficulty at the municipal level as it pertains to tracking servicing allocations and capacity, and/or other operational challenges on existing residential parcels such as snow storage. Some municipalities and members of the public may be concerned with the proposed changes as they would limit municipal abilities with respect to addressing the character of a neighbourhood, as it relates to exterior building changes to facilitate ARUs. County staff have mixed feelings on this matter, as often 'character' has been weaponized in the past to fight against legitimate infill or ARU developments, however staff do recognize that the character of our communities is important to residents, visitors, and businesses alike. Allowing additional ARUs as-of-right may also cause concern that such units will be used for short-term accommodation purposes. Some municipalities may need to further update their short-term accommodation policy or licensing regimes.
		It is further noted, that although there have been permissive ARU policies in effect for a number of years now, not every homeowner is going to want to utilize such permissions. While there have been a number of ARUs built across the County in recent years, it is still a relatively minor number of landowners that seek to own and operate an ARU.
		Overall, staff are generally supportive of this proposed change and see ARUs as a key component to the spectrum of housing needed in our communities.

Item #	Proposed Change	Staff Comment
3	Public meetings are now optional prior to the draft approval of a plan of subdivision.	Staff have mixed feelings about this proposed change, particularly when coupled with the new limits on third-party appeals. It's curious that the province has made this change specific to subdivisions whereas other more minor planning applications would still require a public meeting or public hearing. Municipalities may choose to adopt a policy or criteria for when public meetings may be required for subdivisions versus when they may be exempted (if municipalities choose to exempt such meetings). At the Grey County level, staff would note that the County has delegated the hosting of a public meeting to our member municipalities, to make the process more streamlined and efficient. Grey County staff would be happy to work with our member municipalities to draft a policy for when subdivision public meetings may be recommended. In many cases subdivision applications also require a zoning by-law amendment application at the municipal level, which would still require a public meeting even if Bill 23 passes. In most cases where zoning amendments and subdivisions are required, a single public meeting is held by the municipality to address both applications. More recently however, as a result of Bill 109, municipal staff are now recommending that the zoning amendment application not be processed simultaneously with the subdivision application, for fear of having to return zoning amendment application fees, should the subdivision take longer to process.
4	Removal of upper tier planning responsibilities for the Regions of Durham, Halton, Niagara, Peel, Waterloo, and York, as well as the County of Simcoe and any other upper-tier municipality that is prescribed.	Through the proposed changes the province now sets out two classes on upper tiers, those with and those without planning responsibilities. At this time, Grey County is not listed or prescribed as an upper tier without planning responsibilities, and therefore Grey's status has not changed. Grey County's status could change in the future if prescribed under section 6 by the Minister. For those upper tiers without planning responsibilities; • they no longer have any planning approval responsibilities, • they are no longer able to appeal decisions to the OLT, • they are no longer able to request road widening on a site plan, • their official plans are deemed to constitute an official plan of the lower tier until the municipality revokes it or amends it to provide otherwise, • they are no longer able to establish official plans, even with respect to specific upper-tier infrastructure, such as roads. Applications that were in process, for which the upper tier was the approval authority, would be forwarded to the lower tier municipality for their review and potential approval. County staff have some concerns with this approach based on;

Item #	Proposed Change	Staff Comment
		 a) the workload and readiness of lower tier municipalities to absorb these added responsibilities, both in the short and long term, b) the amount of work the regions and Simcoe County have done in recent years on their municipal comprehensive reviews (MCRs) for growth plan conformity, c) long term this could mean duplication of efforts at each lower tier level, for matters that were previously completed by the upper tier as part of a planning exercise or regional/county official plan update, and d) the need for some level of coordination at the upper tier level.
		County staff are not intimately familiar with the structures of all of these upper tier planning departments, but have dealt extensively with Simcoe County. In the case of Simcoe, many of the planning approvals have already been delegated to lower tier municipalities. Simcoe has also put extensive work into a MCR for their County Official Plan. It is surprising timing to now have that work somewhat disregarded by the potential removal of planning responsibilities. Furthermore, upper-tiers play a significant role in coordinating cross-boundary matters (e.g., roads, environmental features, etc.) and growth matters between municipalities, which may be lost if these changes take effect. This 'work' would then need to be absorbed by those lower-tier municipalities within the regions, Simcoe, and any further prescribed upper tiers. It is quite likely that affected lower tiers would need to up-staff to meet these additional workload demands. Several upper tiers are also the owners and operators of water and wastewater treatment plants across the province. To remove these responsibilities, as well as any potential OLT appeal rights, could have a very negative effect on not only the planning but also the coordination between municipalities within the same upper tier.
		County staff further note that should the province consider prescribing additional upper tiers, that there are a variety of planning models across the province, including some where planning is solely done at the upper tier level, or where planning is a hybrid function between upper and lower tiers. Not all lower tier municipalities have planning departments or planners on staff. Changes to this model could severely impact municipal abilities to plan for growth and to efficiently process the development applications before them. These changes could have the unintended side effect of slowing down development approvals (at least in the short-term) versus making the process more efficient.
		For those upper tiers that retain planning responsibilities, they are able to have lower tier planning functions delegated to them, should that be the desired model between upper and lower tiers.

Item #	Proposed Change	Staff Comment
Item # 5	Changes to site plan control including; • exempting developments of 10 residential units or less, • making land lease developments of any size subject to site plan control, • revised wording on road widening, and • no longer being able to apply site plan control to architectural or landscape design details.	These proposed changes will impact municipalities in Grey, as many would have previously applied site plan control to blocks of land that contained multi-unit townhouse developments (e.g. 8 rental townhomes on a block of land). It will make it harder to regulate operational matters on site such as snow storage. For multi-unit residential development that does not proceed via a plan of subdivision or condominium (wherein a subdivision agreement could apply), municipalities will have limited tools beyond the zoning by-law to regulate development on-site. Staff request that the province also clarify how this change could impact mixed-use developments i.e., a commercial development with 9 residential apartments above, would this be exempt from site plan control, or would site plan still be applied here. Staff take no issue with the changes that require site plan control to be applied to a land lease development of any number of units. This appears to be a practical reflection of how many municipalities currently treat current land lease developments. Where road widening is required with a site plan application, it can only be requested where it has been shown or described in an official plan. The revisions to this section make it clearer that an upper tier with planning responsibilities is eligible to request and receive such a road widening. While staff appreciate the clarification here, staff believe that it should also apply to upper tiers without planning responsibilities, to the extent at least that the lower tier must require the widening of an upper tier road if requested by the upper tier, and giving the upper tier municipality appeal rights if the widening is not provided (i.e., why should it be much harder for the County of Simcoe to obtain a road widening, when other upper tiers can more easily require the provision of such a widening). Such an impact may result in an affected upper tier municipality moving to requiring road widenings through expropriation, which will come at a higher cost for all invo
		Some municipalities have raised concerns that this would limit their ability to address community character, aside from zoning by-law setbacks, and height limitations. Similar to the comments above on ARUs, staff acknowledge that character can be a 'double-edged sword' in that there are benefits and drawbacks to how a community could interpret such policies.

Item #	Proposed Change	Staff Comment
		The proposed changes also limit municipal abilities to create site-plan implemented green development standards to support sustainable development. Municipal energy and sustainability standards are well established parts of the planning process across many Ontario municipalities that happen concurrently with other review and approvals. The process does not delay development, and energy efficiency rather improves affordability by ensuring quality homes with lower operating costs. New housing built to municipal green standards also qualifies for financial incentives including the Canadian Mortgage and Housing Corporation (CMHC) Eco Plus mortgage insurance rebate.
		Staff request that the province reconsider removing this provision, at a minimum as it applies to the sustainable design elements, to preserve municipalities' ability to implement green development standards through site plan, thereby ensuring future housing stock is affordable and efficient for residents.
6	Changes to parkland dedication including; changes to the maximum alterative dedication rates, freezing parkland rates at the time of zoning or site plan for two years, parkland dedication will apply to new units only and not to ARUs, park plans will be required prior to the passing of future parkland dedication by-laws, encumbered parkland as well as privately operated public spaces is eligible for parkland credits, municipalities are required to spend or allocated 60% of	Grey County staff defer to detailed comments from municipal staff on these proposed changes. Several of the proposed changes staff take no issue with, but note that some matters could impose additional work and resource implications on municipalities. Staff note that like the discussion on allocating DC reserve funds in Table 1 above, the difference between 'allocating' and 'spending' is very significant in this case. Similar to DC funded projects, there are many park projects that require years of funding contributions before they can be completed. If the province were intending for municipalities to spend 60% of the reserves each year, it could pose a significant impediment to municipalities. County staff would request that the province clarify this distinction between spending and allocating in this regard. With respect to developers being able to identify lands to convey for parkland purposes, County staff could support this in principle, provided it is clear official plan policies would still apply as to which lands a municipality will accept for parkland dedication. County staff worry that short of having detailed municipal official plan policies in effect here, it could leave municipalities being forced to accept lands that are not suitable for parkland or face costly OLT hearings to 'fight' being given unsuitable lands.

Item #	Proposed Change	Staff Comment
	parkland reserve funds at the start of each year, and developers can identify land they intend to convey for parkland purposes and if the municipality refuses to accept the developer may appeal to the OLT.	
7	Changes to exempt aggregate resources applications from the two-year freeze after a new zoning by-law or official plan is approved.	County staff support this proposed change.
8	Exempt affordable and attainable housing from DC, Community Benefit Charges, and Parkland dedication.	County staff are supportive in principle, but only conditional upon changes to the proposed definition of 'affordable' and seeing a definition for the term 'attainable', as outlined in Table 1 above.
9	Inclusionary zoning regulations to set an upper limit of 5% of the total number of units to be affordable for a maximum period of 25 years.	County staff have no concerns with this proposed change. County staff would however request that the province consider allowing for a broader use of inclusionary zoning across the province, rather than the current limitations which restrict use to protected major transit station areas and areas within a development permit system. Most municipalities in Ontario have no protected major transit station areas. Furthermore, a development permit system requires a major overhaul of the planning approvals process and is therefore an impediment to many municipalities. Allowing for broader use of inclusionary zoning would 'level the playing field' for smaller and rural municipalities that want to utilize inclusionary zoning.

Proposed Changes to the Conservation Authorities Act and Regulations

The province is proposing to make a number of changes to the Conservation Authorities Act and associated regulations summarized in Table 3 below.

Table 3: Conservation Authorities Changes and Staff Comment

Item #	Proposed Change	Staff Comment
1	Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario.	 exempt the need for a permit from the conservation authority where an approval has been issued under the <i>Planning Act</i>, add restrictions on the matters to be considered in permit decisions, including removing "conservation of land" and "pollution", while adding in the term "unstable soils and bedrock", allow for appeals of a non-decision of a permit after 90 days versus the previous 120 days, require conservation authorities to issue permits for projects subject to a Community Infrastructure and Housing Accelerator order, extend the regulation making authority of the Minister where there is a Minister's Zoning Order, and propose a single regulation for all 36 conservation authorities in Ontario. County staff would generally defer to detailed comments from conservation authorities on the above matters. However, of a general nature would note that conservation authority roles appear to be more important than ever, given the impacts of climate change. Conservation authorities were first established in the 1940's in Ontario, but their role was shaped in large part due to Hurricane Hazel in 1954. With climate change, and as Ontario experiences more extreme weather events, their evolving role is crucial to not only protecting public health and safety, but also ensuring the long-term health of our natural environment. Some of the above-noted changes would appear to limit conservation authority permitting powers, and/or exempt a permit when a planning application has been approved. While staff understand the need to streamline processes, these changes could have negative impacts where a municipality has approved an application that is not supported by a conservation authority for reasons of natural hazard. While the conservation authority would retain the ability to appeal to the OLT, if it was a matter of natural hazard. While the conservation authority would retain the ability to appeal to the OLT, if it was a matter of natural hazard. Some of t

2 Focusing conservation authorities' role in reviewing development related proposals and applications to natural hazards.

Staff have significant concerns with this proposed change. Conservation authority staff would be limited to commenting on natural hazard matters for development proposals and applications under the *Planning Act, Niagara Escarpment Planning and Development Act, Condominium Act, Endangered Species Act, Environmental Assessment Act, Aggregate Resources Act,* and a number of other pieces of provincial legislation. As such, conservation authorities will no longer be able to provide comments or collect fees on natural heritage matters as part of the development review process. Previously conservation authorities were mandated to comment on natural hazard matters, and many municipalities had agreements with conservation authorities to also provide comments on natural heritage matters. Prior to Bill 23, changes to the *Conservation Authorities Act* had previously set out mandatory programs and non-mandatory programs. For non-mandatory programs, municipalities could request conservation authorities to provide those services via agreement. Particularly for rural and smaller municipalities, including Grey County, having conservation authorities provide these services is essential to the overall planning and development review process. Grey County staff are currently in the process of negotiating a memorandum of understanding (MOU) with Grey's four conservation authorities to define their role in providing these non-mandatory programs that the County's planning system relies on.

This change would have a significant impact on planning in Grey County, both at the County and municipal levels. Without having these services through the conservation authorities, it would require the County and/or member municipalities to either hire new staff with this expertise, and/or contract out these services to a third-party consultant. In either instance it could result in impacts to municipal budgets and the ability to process development applications. The need for these services has been exasperated over the years based on changes at the province. It used to be that some of these natural heritage review functions were captured by staff at the Ministry of Natural Resources and Forestry (MNRF) and/or the Ministry of the Environment, Conservation, and Parks (MECP). However, the roles of those two ministries in the development review process has been reduced, and therefore the County relies more heavily on conservation authority staff. Should these changes be approved, it will require additional budget be allocated at the County and/or municipal levels.

County staff would further note that matters of natural hazard and natural heritage are not mutually exclusive. Staff believe that having one public body reviewing the two matters as a system is more efficient than having separate reviews of natural hazard and natural heritage.

County staff ask that the province reconsider this change as it relates to removing the conservation authority role for review under the above-noted pieces of legislation. Staff request that municipalities still be able to enter into non-mandatory service agreements with conservation authorities.

3	Enabling the Minister to freeze conservation authority fees at current levels.	According to Conservation Ontario, a typical breakdown of conservation authority income is as follows: Municipal levies – 53% Self-generated revenue – 35% Provincial grants & Special Projects – 8% Federal Grants or Contracts – 4% The stated purpose of this change is as follows: "The Ministry anticipates this proposal would enable a reduction to the financial burden on developers and other landowners making development related applications and/or seeking permits from conservation authorities, further accelerating housing in Ontario to make life more affordable." County staff have concerns that a freeze would not have the desired outcome of making housing more affordable to any significant degree. It could however have outcomes of either; 1. limiting a conservation authority's ability to maintain an appropriate staff complement and protect public safety, or 2. requiring additional municipal tax levy and therefore additional property taxes on all landowners. In speaking with local conservation authority staff, they have noted that such a freeze could either drive municipal levy rates up or drive service levels down. Given the changing climate, and more extreme weather events, County staff fail to see the justification for such a fee freeze. Staff would further note that a number of conservation authorities are in the process of reviewing their fees. These reviews could be radically different should some of the above-noted changes be passed. Should (a) conservation authority roles be limited to commenting on natural hazard, and (b) fee increases be frozen, it would have a major impact on conservation authorities being
		able to carry out even their mandatory review services.
4	Identifying conservation authority lands suitable for housing and streamlining conservation authority severance and disposition	Within this proposed change the province has noted the following: "The Mandatory Programs and Services regulation (O. Reg. 686/21) requires conservation authorities to complete a conservation area strategy and land inventory of all lands they own or control by December 31, 2024. We are proposing to amend the regulation to require the land inventory to also identify conservation authority owned or controlled lands that could support housing development. In identifying these lands, the authority would consider the current zoning, and the

processes that facilitate faster development.	extent to which the parcel or portions of the parcel may augment natural heritage land or integrate with provincially or municipally owned land or publicly accessible lands and trails."
dovelopinent.	County staff understand the rationale behind this proposed change and would note that it could be similar to the current surplus lands investigation for affordable housing being undertaken by County staff. While staff do not have concerns in principle, County staff would note that most of the conservation authority owned land in Grey County would not be suitable for housing development purposes based on reasons of;
	 natural hazard, natural heritage, and proximity to hard and soft services.
	In consulting with conservation authority staff in Grey, it was also noted that blanket statements about using conservation authority lands for development is highly inappropriate and could serve to erode public confidence in government or the conservation authorities.
	If the province is seeking conservation authorities to undertake this review, County staff would recommend that the province provide criteria on what type of lands may be suitable for housing development and recommend consultation with municipalities. Expectations should also be tempered as to the amount of conservation authority land that would even be feasible for development purposes.

Proposed Changes to the Ontario Land Tribunal Act

The province is proposing to make a number of changes to the Ontario Land Tribunal Act and associated regulations summarized in Table 4 below.

Table 4: Ontario Land Tribunal Changes and Staff Comment

Item #	Proposed Change	Staff Comment
4	T. O.T. ''	T I'' II II OLT LII CALLANDA LA
1	The OLT will have increased	Traditionally the OLT and the previous Ontario Municipal Board (OMB) and Local Planning Appeal Tribunal (LPAT) were very
	abilities to order costs against a	reluctant to reward costs. Costs orders were limited to areas where "the conduct or course of conduct of a party has been
	party who loses a hearing at the	unreasonable, frivolous or vexatious or if the party has acted in bad faith." Staff understood that previously the Tribunal did not
	Tribunal.	want the threat of costs to be an impediment to someone lodging an appeal or being a party to a hearing. Given the proposed

Item #	Proposed Change	Staff Comment
		Planning Act changes outlined in Table 2 above that limit third-party appeals, the majority of appeals will be between a municipality and a proponent, with some other public bodies or utilities.
		This change would have the ability to impact municipal costs, should they be found to be the 'losing party.' Staff request that further criteria be provided for when the OLT may award costs against a losing party, and that it be made clear that costs are not automatically awarded against any losing parties.
2	The OLT can dismiss an appeal where;	Staff generally support this change.
	 the appellant has contributed to an undue delay, or if a party fails to comply with a Tribunal order. 	
3	Regulations can be made to establish a priority for the scheduling of certain appeal matters.	Staff generally support this change.
4	The Attorney General will be able to make regulations with respect to service delivery standards for scheduling hearings and making decisions.	Staff generally support this change.

Other Proposed Legislative and Regulatory Changes

The province is proposing to make a number of changes to the other legislation and associated regulations summarized in Table 5 below.

Table 5: Other Proposed Changes and Staff Comment

Item #	Proposed Legislation or Change	Staff Comment
1	Ontario Heritage Act	There are several changes to the <i>Ontario Heritage Act</i> which include how properties get listed on a municipal heritage register, criteria for listing a property, process and timeline for de-listing a property, changes to heritage conservation districts, and a freeze on a designation process in response to a prescribed event. County staff do not work directly with the <i>Ontario Heritage Act</i> and would generally defer to any comments from municipalities
		who work more directly with this legislation.
2	Municipal Act	Under the proposed changes the Minister is given the authority to enact regulations to impose limitations on the replacement of rental housing when it is proposed to be demolished or converted as part of a proposed development.
		County staff would not want to see restrictions on municipal abilities to limit rentals from being converted to short term accommodations or condominiums. Staff also question how such limitations may interact with rental housing that was conditionally exempted from DCs.
3	Ontario Wetland Evaluation System	The province has released a proposed updated version of Ontario's Wetland Evaluation System. The document is highly technical and over 60 pages in length. The province has summed up their changes as follows:
		 "add new guidance related to re-evaluation of wetlands and updates to mapping of evaluated wetland boundaries make changes to better recognize the professional opinion of wetland evaluators and the role of local decision makers (e.g. municipalities) other housekeeping edits to ensure consistency with the above changes throughout the manual"
		Based on a review of the document staff would note the following:
		 Staff do not have expertise on this subject matter and would generally defer to the experts on this matter. The deletion of conservation authority roles, given their 'boots on the ground' role in regulating wetlands and flooding hazards is concerning.
		3. The deletion of many provisions around 'wetland complexes' is also concerning as it would appear to give more credence to individual assessments of wetlands without looking at a systems-based approach. Staff fear that evaluating a wetland in isolation could lead to more wetland loss.

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Item #	Proposed Legislation or Change	Staff Comment
		4. Wetlands are crucial to our natural environment and mitigating against the impacts of climate change. Staff support greater emphasis on protection and recognition of the role of wetlands in this regard.
4	Rent-to-Own Arrangements	Through this proposal the province is exploring the following:
		"Ontario is interested in exploring the role that the "rent-to-own" home financing model may have in supporting housing attainability in the province.
		Rent-to-own arrangements generally involve a client entering into an agreement with a housing provider (e.g. homeowner/landlord, rent-to-own company, etc.) with the intention that the client will rent the home for period of time and eventually purchase it at the end of the rental term.
		Although rent-to-own arrangements can vary based on a range of factors, they typically require clients to pay a monthly rental fee, plus an additional amount to be applied towards a down payment of the property. At the end of the rental term, if the client wishes to buy the property, they can leverage the accumulated down payment to try to secure mortgage approval."
		County staff are supportive in principle of this change and would appreciate seeing further details on how the rent-to-own agreements can be implemented.
5	Sewage Systems, Energy Efficiency and Building Code	The province is consulting in Fall 2022 on Phase 3 of potential changes to Ontario's Building Code regarding sewage systems and energy efficiency.
		County staff have limited expertise on this topic, but would encourage consideration of the latest technologies as it applies to both sewage systems and energy efficiency. Based on direction from the County's Going Green in Grey Climate Change Action Plan, the County supports changes to the Code that enable higher standards for sustainable building and energy efficiency.