

The Regional Municipality of Durham Report

To: Regional Council

From: Commissioner of Finance, Commissioner of Planning and Economic

Development and Commissioner of Works

Report: #2024-COW-18 Date: May 29, 2024

Subject:

The Region of Durham's comments on Bill 185, the new Provincial Planning Statement, and the Affordable Residential Units Bulletin

Recommendation:

That the comments contained in the recent letters from the Chief Administrative Officer to the province in Attachment #1, Attachment #2, Attachment #3, and Attachment #4 be endorsed as the Region of Durham's response to the Affordable Residential Units Bulletin and ERO postings related to Bill 185, Cutting Red Tape to Build More Homes Act, and the new Provincial Planning Statement.

Report:

1. Purpose

- 1.1 On April 10, 2024, the province posted <u>ERO 0198366</u> <u>ERO 019-8368</u>, <u>ERO 019-8370</u>, and <u>ERO 019-8371</u>, under Bill 185, Cutting Red Tape to Build More Homes Act. Additionally, the province posted <u>ERO 019-8462</u> a proposed new Provincial Planning Statement (PPS). Comments were open for a period of 30 days and 32 days respectively.
- 1.2 In addition to proposed policy and legislative changes that were posted to the Environmental Registry of Ontario, the province also released an Affordable Residential Units Bulletin that will come into effect June 1, 2024. While outside the scope of Bill 185 and the PPS, staff provided comments to the province on the bulletin.
- 1.3 The purpose of this report is to seek Council endorsement of Regional staff comments contained in the letters in Attachment #1, Attachment #2, Attachment #3 and Attachment #4. Regional staff will advise the province of any changes made to the comments by Council.

2. Background

Provincial Planning Statement (PPS)

- 2.1 The current Provincial Policy Statement (PPS) was last updated in 2020. The PPS applies province-wide and provides that land-use planning in Ontario operates on the basis of a policy-led system.
- 2.2 The PPS generally provides policy direction on land use planning matters including:
 - a. growth management, intensification, efficient use of land and infrastructure, housing and economic development;
 - b. infrastructure planning, including sewage, water, and stormwater management services, transportation, transit, energy supply and corridor protection;
 - c. protection and management of resources, including prime agricultural areas, aggregates, natural heritage, water, and cultural heritage; and
 - d. protection of public health and safety, such as mitigating potential risks due to natural and human-made hazards.
- 2.3 The province released a new Provincial Planning Statement (new PPS) for comment in April 2023. The Region submitted comments which were included in Report #2023-P-19 and endorsed by the Planning and Economic Development Committee on June 6, 2023. The report was later ratified by Regional Council on June 28, 2023.
- 2.4 On April 10, 2024, the province re-released the proposed new PPS, with additional refinements based on feedback received during the 2023 consultation, which was open for comment for 32 days. Given the short posting period, staff submitted comments on the new PPS and indicated that Council endorsement would be sought.

Bill 185 and the Affordable Residential Units Bulletin

- 2.5 On April 10, the province introduced Bill 185, Cutting Red Tape to Build More Homes Act, its most recent omnibus housing bill. Bill 185 notably proposes changes to planning processes and if passed would reverse the phase-in portion of development charges introduced through Bill 23, More Homes Built Faster Act, 2022. Given the short posting period of 30 days, staff submitted comments and indicated that Council endorsement would be sought.
- 2.6 While not part of the Bill 185 ERO postings, staff also commented on the province's Affordable Residential Units Bulletin that will come into effect June 1, 2024. This bulletin sets out the market-based (that is, average purchase prices and market rents) and income-based thresholds that are to be used to determine

the eligibility of a residential unit for an exemption from development charges and exclusions from the maximum community benefits charge and parkland dedication.

a. Bill 23 introduced development charge exemptions for affordable housing units in 2022 with 'affordable housing units' to be defined at a later date.

3. Regional Comments on the Provincial Planning Statement

- 3.1 Staff comments on the new PPS can be found in Attachment #1. Key staff comments include:
 - a. Ministry of Finance projections have been significantly different from Growth Plan forecasts for many municipalities, including Durham and are insufficient for planning purposes as they do not include jobs projections. The Ministry of Municipal Affairs and Housing should consider transit and infrastructure investments, employment and jobs forecasts and supply, and constraints to growth when prescribing targets for municipalities, instead of simply basing them on historical trends.
 - b. The removal of a requirement for watershed planning prior to the consideration of an urban area boundary expansion would remove the ability to fully understand the impacts of development on the natural environment and water resources.
 - c. The reintroduction of the requirement for planning authorities to use an agricultural system approach, based on provincial guidance, is appreciated, and is reflected in Durham's submitted Regional Official Plan.
 - d. Proposed private appeal limitations for Settlement Area Boundary Expansion into protected Greenbelt Areas may be impossible to enforce in the absence of an accompanying policy framework that includes for example an ability to review proposed amendments to the Greenbelt Plan.
- 3.2 As noted in Report 2023-P-19, the introduction of the new PPS also triggers the elimination of the Growth Plan for the Greater Golden Horseshoe and with it, virtually all of the growth management provisions that have been in place for nearly 20 years to ensure growth takes place in an orderly fashion with an emphasis on the efficient use of municipal infrastructure. In staff's view, questions remain as to whether these proposed planning-related changes and the new PPS will result in better planning outcomes, get housing built more quickly, or make housing more affordable.

4. Regional Comments on Bill 185

- 4.1 In responding to the multiple ERO postings under Bill 185, feedback was provided under three identical covering letters (included as Attachment #2, Attachment #3 and Attachment #4 to this report).
- 4.2 Key staff comments included:

- a. The Region continues to express deep concerns with the proposal to remove its upper-tier planning authority through the Regional Official Plan. If this approach is to be implemented, then as a minimum, the province is urged to introduce a new provision into the Planning Act to allow Durham, as an upper-tier municipality, to prepare and maintain a statutory planning document to guide the financing and delivery of regional infrastructure and services.
- b. Include upper-tier municipalities as specified persons with appeal rights in alignment with the treatment of utility providers that have a direct interest in infrastructure and servicing planning.
- c. Maintain settlement area boundary expansions consideration with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing.
- d. Include upper-tier municipalities in Minister's Zoning Orders (MZO) consultations because of the Region's role in the provision of municipal infrastructure.
- e. Ensure Regions are consulted on additional dwelling unit enhancements to ensure appropriate servicing and infrastructure.
- f. Mandatory pre-application consultations are a good planning practice that is in the best interest of the applicant, municipality and residents; these preconsultations ultimately expedite the approval process and should be maintained to minimize risk to all parties. Allowing challenging "complete" application requirements to be appealed to the Ontario Land Tribunal would result in a less transparent and comprehensive public review process.
- g. The proposed elimination of the phase-in of development charges and the proposed inclusion of studies as an eligible expense are supported and will improve the Region's ability to fund growth-related capital costs and reduce funding requirements from property taxes and water and sewer user rates.

5. Regional Comments on the Affordable Residential Units Bulletin

- 5.1 Comments on the Affordable Residential Units Bulletin were included in comments on Bill 185 covering letters (included in Attachment #2, Attachment #3 and Attachment #4 to this report).
- 5.2 Key staff comments on the Affordable Residential Units Bulletin included:
 - a. Regional staff support:
 - That the affordability criteria for rental and ownership units varies across unit types (i.e., single, semi-detached, townhomes, and apartments by number of bedrooms), except for the Income-based purchase price criteria which is consistent across unit types; and
 - That the affordable purchase price and rental rate thresholds are established specific to geographic regions to reflect the respective housing and rental market conditions.
 - b. Regional staff recommend:

- Measures should be put in place to ensure that the exemption from municipal development-related charges is passed onto homeowners and renters to preserve the integrity of the Province's proposed definition of affordable residential unit;
- The Province provide a template for the 25-year agreement between the developer and the area municipality (as required under the DCA); and
- The Province provide support regarding the challenges municipalities will face in the collection of development charges at building permit and / or at subdivision stage which is far in advance of knowing the final purchase price or rental rate. A refund and/or later payment collection mechanism that would allow municipalities to verify the final purchase price or rental rate should be added to the allowable DC collection process. In addition, the process will require an annual verification process to ensure that affordability is maintained, and if not, then a DC payment is required.
- The income-based approach for affordable ownership units could be improved by taking into account household size for each unit type instead of applying a consistent value across all unit types. This would provide incentive to build a range of housing options.
- The Province confirm the timelines for when the Bulletin will be updated (e.g. updated June 1 every year).

6. Previous Reports and Decisions

- 6.1 Council endorsed staff comments on the province's previous proposed Provincial Planning Statement in report #2023-P-19 in June 2023.
- 6.2 Staff comments and direction to request the province pass further legislation to revise Bill 23 in report #2022-COW-33 in December 2022.

7. Relationship to Strategic Plan

- 7.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
 - a. Objective 1.3, protect, preserve, and restore the natural environment, including greenspaces, waterways, parks, trails, and farmlands;
 - b. Objective 2.5 Build a healthy, inclusive, age-friendly community where everyone feels a sense of belonging
 - c. Objective 5.1 Optimize resources and partnerships to deliver exceptional quality services and value

8. Conclusion

8.1 On April 10, the province posted <u>ERO 0198366</u> <u>ERO 019-8368</u>, <u>ERO 019-8369</u>, ERO 019-8370, ERO 019-8371, under Bill 185, The Cutting Red Tape to Build More Homes Act and also <u>ERO 019-8462</u> a proposed new Provincial Planning Statement (PPS). The province also recently released an Affordable Residential Units Bulletin to define 'affordable housing' under Bill 23.

- 8.2 Regional staff are seeking Council endorsement of the comments sent to the province to meet the May 10, and May 12, 2024 commenting deadlines (Attachment #1, Attachment #2, Attachment #3 and Attachment #4). Staff will communicate any changes from Council to the province.
- 8.3 Staff will continue to keep Council informed of new developments on the PPS and Bill 185 as well as implementation and financial impacts of the Affordable Residential Units Bulletin.
- 8.4 This report was prepared in consultation with Planning and Economic Development, Works, and Finance departments with staff providing comments on the ERO posting and the Bulletin as appropriate.

9. Attachments

Attachment #1: Region of Durham staff comments on the Provincial Planning

Statement

Attachment #2: Region of Durham staff comments on ERO 019-8366, 019-8369,

and 019-8370 under Bill 185

Attachment #3: Region of Durham staff comments on ERO 019-8368 under Bill

185

Attachment #4: Region of Durham staff comments on ERO 019-8371 under Bill

185

Respectfully submitted,

Original signed by

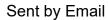
Nancy Taylor Commissioner of Finance and Acting Chief Administrative Officer

Original signed by

Brian Bridgeman Commissioner of Planning and Economic Development

Original signed by

Ramesh Jagannathan Commissioner of Works





The Regional Municipality of Durham

605 Rossland Rd. E. Level 4 PO Box 623 Whitby, ON L1N 6A3 Canada 905-668-7711 1-800-372-1102

planning@durham.ca

durham.ca

Brian Bridgeman, MCIP, RPP, PLE Commissioner of Planning and Economic Development May 10, 2024

Provincial Land Use Plans Branch 13th Flr, 777 Bay St Toronto, ON M7A 2J3 growthplanning@ontario.ca

Re: Region of Durham staff comments on the proposed policies for a new provincial planning policy instrument.

On April 10, an updated proposed Provincial Planning Statement that incorporates feedback received through the previous consultation on the proposed Provincial Planning Statement was posted for comment on the Environmental Registry of Ontario.

Thank you for the opportunity to comment on the proposed changes. Given the limited posting period of 32 days, please note that the following comments are those of Durham Regional staff, which will be provided to Regional Council for endorsement at an upcoming Council meeting. Regional staff will advise the province of any changes made to these comments by Council following the meeting.

The Council endorsed comments that Durham provided during the first round of consultation are attached and remain as Durham Region's position on the proposed PPS.

Appendix 1 provides further detailed comments on the various amendments being considered. We offer the following key recommendations and considerations:

 Ministry of Finance projections have been significantly different from Growth Plan forecasts for many municipalities, including Durham and are insufficient for planning purposes as they do not include jobs projections. The Ministry of Municipal Affairs and Housing should consider transit and infrastructure investments, employment and jobs

If you require this information in an accessible format, please contact Planning Division at 1-800-372-1102, ext. 2548.

forecasts and supply, and constraints to growth when prescribing targets for municipalities, instead of simply basing them on historical trends.

- The removal of a requirement for watershed planning prior to the consideration of an urban area boundary expansion would remove the ability to fully understand the impacts of development on the natural environment and water resources.
- The reintroduction of the requirement for planning authorities to use an agricultural system approach, based on provincial guidance, is appreciated, and is reflected in Durham's submitted Regional Official Plan.
- Proposed private appeal limitations for Settlement Area Boundary Expansion into protected Greenbelt Areas may be impossible to enforce in the absence of an accompanying policy framework that includes for example an ability to review proposed amendments to the Greenbelt Plan.

Yours truly,

Original signed by

Brian Bridgeman, MCIP, RPP, PLE Commissioner of Planning and Economic Development, Region of Durham

CC: Elaine Baxter-Trahair, Chief Administrative Officer, Region of Durham

Attachment 1: Region of Durham Submission on the Proposed Provincial Planning Statement

Policy Update	Comment
Planning for People and Homes	
Require municipalities to base growth forecasts on MOF population/employment projections, with transition for municipalities within the GGH to continue to use Growth Plan forecasts until more current forecasts are available to 2051.	The Region previously requested the province base population/employment forecasts on a standard methodology. Despite the province amending policy to require the use of MOF projections, the need for the Region to have a key role in this process, regardless of planning approval authority, remains the same because of our role in the provision of infrastructure, namely roads, transit, water and wastewater. Involvement of the upper tier municipality should be achieved through the maintenance of the Regional Official Plan. An alternative could be a scoping of the Regional Official Plan to focus on integrated growth management and to facilitate the provision of services provided by the upper-tier. This model would eliminate the perception of duplication that exists between upper and lower tier official plans and would serve as an integrated growth management tool to guide Regional spending on Regional infrastructure and services. If the Region is not involved early, a significant risk, in addition to compromising orderly/efficient infrastructure provision, is the ability of the area municipalities to allocate forecasts in a balanced way. MOF projections have been significantly different from Growth Plan forecasts for many municipalities, including Durham. MMAH should consider transit and infrastructure investments, land supply, and constraints to growth when prescribing targets for municipalities, instead of simply basing them on historical trends.
Housing	
Require municipalities to provide a range and mix of housing	The addition of direction to explicitly plan for affordable housing

Policy Update	Comment
options with an expanded definition to include multi-unit types (laneway, garden suites, low and mid-rise apartments) and typologies (affordable, multi-generational, seniors, student housing)	is appreciated.
Updated policy does not outline affordable housing targets. It does, however, enable planning authorities to establish their own.	As the Region becomes a municipality without planning responsibilities, it remains unclear how these policies will be implemented through the Region's role as a Housing Service Manager to facilitate coordinated delivery of affordable housing.
Definitions for "affordable" and "low- and moderate-income household" have been added. The definitions are largely the same as those within the 2020 PPS, however the area measurement for each definition has changed from "regional market area" to "municipality".	It is appropriate to base housing affordability thresholds at the municipal level. This is in line with how the Region's 10 Year Housing and Homelessness Plan is set up.
Settlement Areas and Settlement Area Boundary Expansions	
Require municipalities to support general intensification (e.g., through the redevelopment of plazas and shopping malls for mixed-use residential development, and encourage municipalities to establish and implement minimum targets for intensification in built-up areas	Direction for the establishment of minimum intensification targets and general strengthening of intensification policies is appreciated. However, maintaining the Growth Plan's 50% intensification target is preferred.
Encourage large and fast-growing municipalities to plan for 50 people and jobs per hectare in designated growth areas.	Density targets for large and fast-growing municipalities should be higher than other municipalities in the province to support transit and reflect market demand for housing in the GGH.
Encourage municipalities to establish phasing strategies to align growth with infrastructure needs in designated growth areas and only identify new settlement areas where infrastructure is planned or available.	It should be more clearly established how upper tier municipalities, as the supplier of a lot of this infrastructure, are involved.
Settlement area boundary changes permitted at any time, with requirements for municipalities to consider additional criteria related to need for the expansion to accommodate growth, infrastructure capacity, phasing of growth, achievement of	The Region previously requested that the province reconsider allowing requests for SABEs to happen outside of a municipal comprehensive review.
housing objectives, consideration of alternative locations to prime ag. areas, and impacts on agricultural systems.	Concern remains with the piecemeal approach, outside of a municipal comprehensive review. While review criteria are being expanded, notably absent is consideration for the natural

Policy Update	Comment
	heritage system and water resources system. It is recommended that this be added.
	Further exacerbating the issue, watershed planning is not proposed to be required prior to consideration of an urban area boundary expansion, outside of a municipal comprehensive review. This removes the ability to fully understand impacts of development on the natural environment and water resources.
Strategic Growth Areas	
Encourage all municipalities to focus growth and development in strategic growth areas to achieve higher density outcomes.	Noted. No comment.
Removal of requirement for large and fast-growing municipalities to identify and set out density targets within SGAs.	Seek clarification on why this requirement was removed. Combined with the removal of the Growth Plan's 50% intensification target and relatively low target for DGAs within large and fast-growing municipalities, will likely continue with low density greenfield areas.
Removal of direction for planning for urban growth centres (Growth Plan), with simplified direction to plan for downtowns as strategic growth areas.	The Region supports continued planning for urban growth centres as SGAs with a prescribed density target. Envision Durham, the Region's Council adopted Regional Official Plan, includes UGCs (Pickering/Oshawa) as SGAs with a prescribed density target.
Encourage municipalities to promote supportive land uses and built forms, including affordable, accessible and equitable housing within major transit station areas to achieve minimum density targets.	It is requested that the province provide a definition and guidance on what is meant by "equitable housing" to support municipalities in achieving this goal.
Require municipalities to plan for intensification on lands that are adjacent to existing and planned frequent transit corridors.	The addition of this policy is consistent with the High Frequency Transit Network that is in the Council Adopted Regional Official Plan and what Durham Region Transit considers "frequent transit routes" in their network currently. Durham has SGAs in the form of Regional Centres that are on this network

Policy Update	Comment
	(Brock/Taunton in Whitby, Baldwin/Winchester in Whitby,
	Downtown Ajax, etc.). These SGAs are not on the Rapid Transit
	Spines that are sections of Highway 2 and Simcoe Street, but
	are located on one or more frequent routes where, for certain
	roads, there are planned HOV lanes and where transit signal
	priority is supported.
Rural Lands in Municipalities	
Removal of permissions for multi-lot residential development on rural lands.	This change is appreciated.
Employment	
Require municipalities to address transition and land use	Noted. The province should provide the Region with direction
compatibility between employment areas and sensitive land	as to whether Durham will continue with its provincial review
uses.	responsibilities, which include land use compatibility.
Update to specify that employment area conversions must	More guidance is needed to understand what the province
demonstrate that sufficient employment land is available to	believes is "sufficient" employment land. Flexibility to remove
accommodate employment growth.	employment lands and allow residential development may
	compromise future economic opportunities.
Require municipalities to protect airports from land uses that	Noted. No comment.
may cause a potential aviation safety hazard.	
Sewage, Water and Stormwater	Comments
Require all municipalities to consider allocation or potentially	Re-allocation of capacity is rarely/never an issue in Durham
reallocation of unused servicing capacity to accommodate	because we allocate at the time of signing a development
projected needs for housing.	agreement, which is much later in the process than other municipalities.
Provide flexibility for municipalities to service residential	Communal systems are not preferred, but issues have been
development in rural settlement areas by permitting partial	addressed through "responsibility agreements" in the past. It
services where new development will be serviced by on-site	would be reasonable from a financial and environmental
water services in combination with municipal sewage services	perspective for the province to include stronger policy
or private communal sewage services.	safeguards for if/when these systems fail.
Water	Comments
Encourage municipalities, and require large and fast-growing	It is unclear if the intention of this policy is to remove the Region

Policy Update	Comment
municipalities, to undertake watershed planning to inform sewage and water services, among other things.	from watershed planning, leaving it solely the responsibility of the area municipalities. If so, it is difficult to see how the Region can be divested because we provide sewage and water services and are the primary funders of watershed planning, and conservation authorities as a whole. Additionally, watersheds cross area municipal boundaries, so there remains a regional interest. In the absence of a Regional role, at minimum, coordination across municipalities within the watershed should be required.
Agriculture	Comments
The province has reintroduced the requirement for planning authorities to use an agricultural system approach, based on provincial guidance.	This change is appreciated based on the extensive work undertaken by OMAFRA to establish a provincial agricultural system and its implementation into the new Regional Official Plan, through Envision Durham.
Not carry forward proposed policies permitting lot creation in prime agricultural areas.	This change is appreciated.
Permit up to two additional residential units on farms to support farmers, farm families and farm workers, without creating new lots.	There is potential that property owners will build these additional residential units and apply for severances in the future, resulting in agricultural system fragmentation. It would be helpful to gather feedback from the Durham Agricultural Advisory Committee, however the tight consultation deadline does not afford this opportunity.
Support local food and facilitate near-urban and urban agriculture.	While proposed policy defines "urban agriculture", there is no definition for "near urban agriculture". It is recommended that the provide a definition and guidance material on what is meant by "near urban agriculture" to allow municipalities to fully understand property tax and land use compatibility implications of facilitating such uses.
Other	Comments
Require municipalities to collaborate with publicly supported post-secondary institutions on early and integrated planning for student housing and encourage collaboration on the development of student housing strategies.	Supportive of this approach. Provincial guidance is requested for the development of a student housing strategy.
30-day commenting timeline.	This short window for providing comments on such sweeping

Policy Update	Comment
	legislation is inadequate.
A consequential administrative amendment to the Greenbelt Plan would maintain existing Greenbelt Plan standards and clarify that existing policy connections in the Greenbelt Plan to the Provincial Policy Statement, 2020 and Growth Plan remain in effect.	While it was indicated that subsequent changes to the Greenbelt Plan would be necessary to maintain policy connections, it would be beneficial for stakeholders to review proposed amendments to the Greenbelt Plan in concert with the new PPS (i.e., to help identify any potential policy conflicts or concerns, particularly given the proposed repeal of the Growth Plan).
	For example, policies restricting SABEs within the Protected Countryside of the Greenbelt Area are currently embedded within the Growth Plan (Policy 2.2.8.3 k). However, the proposed new PPS does not carry-over the Growth Plan policies that restrict SABEs into the Greenbelt.
	Given that the new PPS is intended to subsume the Growth Plan, unless the Greenbelt Plan is amended to fully consider how SABEs will be restricted within the Greenbelt Area, there will be no policies regulating the scope and scale of a SABE into the Greenbelt Area.
	Bill 185 proposes amendments that would permit an appeal by private applicants for an official plan amendment or zoning bylaw amendment that facilitates a SABE, unless the SABE includes expansion into the protected Greenbelt Area. However, without the ability to review proposed amendments to the Greenbelt Plan, while considering changes to the PPS and the repeal of the Growth Plan, it is unclear what policy framework will be in place to regulate potential SABEs in the Greenbelt (i.e., notwithstanding limits on private appeal rights, an absence of policies has the potential to create a policy "loophole".

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2564



The Regional Municipality of Durham Report

To: Planning and Economic Development Committee

From: Commissioner of Planning and Economic Development

Report: #2023-P-19 Date: June 6, 2023

Subject:

Durham Region's response to provincial consultation on Bill 97 – the Helping Homeowners, Protecting Tenants Act, 2023, the proposed Provincial Planning Statement, and related ERO Postings #019-6821, #019-6822, #019-6813.

Recommendation:

That the Planning and Economic Development Committee recommends to Regional Council:

- A) That the letter dated May 5, 2023 (see Attachment #1) from the Commissioner of Planning and Economic Development to the Minister of Municipal Affairs and Housing be endorsed as Durham Region's comments on Bill 97;
- B) That the following recommendations form the Region's comments on the proposed Provincial Planning Statement, namely that the province:
 - i) make stable and predictable funding available to Indigenous communities to facilitate their fulsome participation in the planning process.
 - ii) require municipalities to develop population and employment forecasts to a common 25 to 30-year time horizon based on a standard methodology provided by the province.

- iii) continue to require that settlement area boundary expansions be permitted only through municipal comprehensive reviews, informed by a standardized methodology. Within a regional context, the implications of infrastructure and servicing on settlement area boundary expansions collectively should continue to rest with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing, regardless of planning approval responsibility.
- iv) continue to consult on the implementation framework so that municipalities within the Greenbelt Plan area can understand how they will be affected by the proposed policy changes.
- v) permit municipalities to designate Strategic Growth Areas (SGAs) in their official plans and clarify if the Highway-2 BRT in Durham would be captured as a higher order transit corridor following repeal of the Growth Plan.
- vi) continue to support intensification targets and approaches to calculation within municipal official plans.
- vii) continue to consult with upper-tier municipalities that may no longer have planning approval authority under Bill 23 on how the proposed new PPS can be implemented through their role as a Housing Service Manager to facilitate the coordinated delivery of affordable housing.
- viii) provide definitions (e.g. affordable and attainable) and establish clear policy that enables the delivery of affordable housing and include targets, definitions and policies in the proposed new PPS.
 - ix) uphold agricultural systems planning and strengthen language in the proposed new PPS to require municipalities to use an agricultural systems approach.
- x) allow the ability for limited lot creation on rural lands, but only if it is locally appropriate while discouraging residential lot creation in prime agricultural areas, aside from those created through surplus farm dwellings.
- xi) not permit light industrial, manufacturing and small-scale warehousing within SGAs as it would undermine the ability for sensitive uses, particularly residential uses, to locate within SGAs.
- xii) include policy language that will strengthen a municipalities' ability to require mixed use developments in SGAs, and not solely residential developments, which could undermine the province's objectives related to complete communities.

- xiii) clarify the general intent of the proposed policy that requires municipalities to "leverage the capacity of development proponents" in planning for infrastructure and public service facilities as it may be interpreted to mean that municipalities will be compelled to enter into agreements with proponents for the provision of infrastructure and public service facilities;
- xiv) release proposed natural heritage policies and definitions as soon as possible and in turn allow stakeholders time to comment on the proposed new PPS holistically;
- xv) develop policy approaches to intensification and settlement area boundary expansions within the context of a changing climate;
- xvi) include a policy framework for natural hazards within the final proposed new PPS to support municipalities in their efforts to ensure public health and safety, protect property, and avoid the creation of new or aggravate existing natural hazards;
- xvii) retain policy direction for on-site and local reuse of excess soil, and provide planning authorities with guidance on how to accommodate expected increases in excess soil generated as residential development accelerates; and
- C) That a copy of this report be forwarded to Durham's area municipalities, conservation authorities, and neighbouring municipalities for information.

Report:

1. Purpose and Background

1.1 On April 6, 2023, the province released Bill 97, the "Helping Homebuyers, Protecting Tenants Act", as well as a proposed new Provincial Planning Statement (referred to in this report as the proposed new PPS) to replace the existing Provincial Policy Statement (referred to in this report as the existing or current PPS). It is proposed that the existing PPS and the document commonly known as the Growth Plan (formally titled "A Place to Grow: Growth Plan for the Greater Golden Horseshoe") will be consolidated. As proposed, the existing Growth Plan would be eliminated. Together, Bill 97 and the new PPS represent a major shift in the land use planning regime in Ontario, especially in the Greater Golden Horseshoe.

- 1.2 The deadline for comments on Bill 97 was May 6, 2023 (a 30-day commenting period). On May 5, 2023, the Commissioner of Planning and Economic Development (the Commissioner), on behalf of Durham Region, provided preliminary comments to the province on Bill 97, stating they had not yet been endorsed by Regional Council (see Attachment #1). The purpose of this report is two-fold, the first one being to recommend that Council endorse the comments on Bill 97 previously provided to the province by the Commissioner.
- 1.3 The deadline for comments on the new PPS is August 4, 2023, (a 120-day commenting period The second purpose of this report, therefore, is to recommend that Council endorse the comments provided herein on the new PPS.
- 1.4 It is expected that the proposed new PPS will come into force in the fall 2023. While decisions on planning matters will need to be consistent with the new PPS as of its effective date, Bill 97 would allow for the Minister to make regulations which could address different transition rules.
- 1.5 The release of the proposed new PPS follows a provincially initiated housing-focused policy review of the current PPS and Growth Plan that occurred in the fall 2022 that sought input on how to integrate the two policy documents (ERO #019-6177).
- 1.6 The current PPS first came into effect in 1997. It has been updated several times. It was updated in 2017 and most recently in 2020. It applies province-wide and provides that land-use planning in Ontario operates on the basis of a policy-led system.
- 1.7 The current Growth Plan first came into effect on June 16, 2006. It was updated in 2017, again in 2019, and once again in 2020.
- 1.8 The Region's new Official Plan ("Envision Durham") which was adopted by Council on May 17, 2023, is based on the directions provided under the existing PPS and Growth Plan as well as other relevant provincial plans and policies. Envision Durham enables the coordination of high-level service and infrastructure investment, and guides decision-making on growth management. Envision Durham is intended to achieve complete communities, prioritize intensification in strategic growth areas, and support a range and mix of housing options. Land needs have been informed by the Growth Plan's population and employment forecasts to 2051, and the land needs analysis was prepared using a standard methodology involving intensification and density targets, and feasibility criteria.

1.9 Report #2023-INFO-29 dated April 21, 2023 provides a detailed summary of Bill 97 and the changes proposed under the proposed new PPS. In brief, all the directive policies of the current Growth Plan, (e.g. forecasts, intensification and density targets) are proposed to be eliminated except for those requiring minimum densities around major transit station areas (MTSAs).

2. Previous Reports

- 2.1 An overview of Bill 97 The Helping Homebuyers, Protecting Tenants Act, 2023 and the Proposed Provincial Planning Statement was provided in Report #2023-INFO-29 in April 2023.
- 2.2 Initial preliminary comments from the Chief Administrative Officer on Bill 23 were presented in Report #2022-INFO-93 in November 2022.
- 2.3 Implications of Bill 23 on the Region of Durham were presented in Report #2022-COW-33 in December 2022 with FAQs on the impacts of Bill 23 provided to residents through www.durham.ca/Bill23.
- 2.4 Durham Region's response to the provincial consultation on Proposed Amendments to the Greenbelt Plan, including the removal of lands from the Greenbelt, were presented in Report #2022-COW-31 in December 2022.
- 2.5 Comments from the Region of Durham on the Report of the Provincial Housing Affordability Task Force were presented in Report #2022-INFO-12 in February 2022.

3. Regional Comments on the Proposed Provincial Planning Statement

- 3.1 The current PPS and Growth Plan both generally provide policy direction on land use planning matters including:
 - a. growth management, intensification, efficient use of land and infrastructure, housing and economic development;
 - b. infrastructure planning, including sewage, water, and stormwater; management services, transportation, transit, energy supply and corridor protection;
 - c. protection and management of resources, including prime agricultural areas, aggregates, natural heritage, water, and cultural heritage; and
 - d. protection of public health and safety, such as mitigating potential risks due to natural and human-made hazards.

3.2 The proposed new PPS can be described as a re-write of a significant amount of provincial policy guiding land use planning particularly for lands the Greater Golden Horseshoe. The intent of the exercise is to combine the existing PPS and the Growth Plan into a single document while introducing a number of foundational policy shifts. The proposed new PPS includes a set of policies that would only apply to 29 municipalities considered to be the largest and fastest growing, with the greatest need for housing. Within Durham Region, Pickering, Ajax, Whitby, Oshawa and Clarington are included in the list of large and fast-growing municipalities.

Indigenous Engagement

3.3 The proposed new PPS would require planning authorities to undertake early engagement with Indigenous communities and coordinate on land use planning matters to facilitate knowledge-sharing, support consideration of Indigenous interests in land use decision-making and support the identification of potential impacts of decisions on the exercise of Aboriginal or treaty rights. The province's Duty to Consult would benefit from regular engagement. The Region has been working diligently to foster good working relationships with the Williams Treaty communities over the past several years. To support ongoing engagement, it is recommended that the province make stable and predictable funding available to Indigenous communities to facilitate their fulsome participation in the planning process.

Growth Management

- 3.4 The current Growth Plan requires municipalities to plan for population and employment forecasts to 2051 and includes density and intensification targets. The proposed repeal of the Growth Plan will remove these forecasts and targets except for density around Major Transit Station Areas (MTSAs). However, the coordination of population and employment forecasts, as well as density and intensification targets to enable service and infrastructure planning is guided by upper tier plans. A provincial role on a standardized methodology is suggested to assist municipalities in developing subsequent official plans along with direction on developing forecasts to a common 25 or 30-year timeframe based on a common methodology provided by the province. A common forecast period shared between jurisdictions will:
 - a. enable better infrastructure planning for projects that cross municipal boundaries;
 - b. facilitate coordinated and efficient transportation and infrastructure modelling; and

- reduce duplication and delay by not requiring a calibration of forecasts across municipalities back to a common time horizon to inform infrastructure planning.
- 3.5 Although forecasts and targets for MTSAs would not be affected, within Durham these locations only account for a relatively small share of overall forecasted growth. Planning for transit-oriented communities in all other Strategic Growth Areas (SGAs) could be affected, since approval authorities could no longer require development to be implemented based on densities that optimize the use of transit. It is recommended that the province require municipalities to develop population and employment forecasts to a common 25 or 30-year time horizon based on a standard methodology provided by the province.
- 3.6 The proposed new PPS removes the requirement that settlement area boundary expansions only be considered through a municipal comprehensive review, and there would be no limitation or guidance on when landowners could apply for an expansion. A standard methodology for the conduct of settlement area boundary expansions should be maintained to ensure the land use and fiscal impacts from ad hoc urban boundary expansions are properly understood. Additionally, requirements for consideration of settlement area boundary expansions have been softened since the demonstration of land need would no longer have to be undertaken when applying for an expansion.
- 3.7 The fundamental shift being proposed regarding settlement area boundary expansion requests could invite speculation and ad-hoc submissions which could destabilize the agricultural land base. A clearer evaluation approach would reduce the likelihood of lengthy appeals to the OLT where methodology could be at issue. If unneeded expansions are allowed, a further expectation for extending municipal services to these areas is likely to ensue. This approach creates unnecessary challenges to long term servicing and infrastructure planning. It is recommended that the province continue to require that settlement area boundary expansions be permitted only through municipal comprehensive reviews, informed by a standardized methodology. Within a regional context, the implications of infrastructure and servicing on settlement area boundary expansions collectively, should continue to rest with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing, regardless of planning approval responsibility.

- 3.8 There are various instances where the Greenbelt Plan defers to the Growth Plan and the current PPS. For example, the Growth Plan allows settlement area boundary expansions up to a 5 percent increase in size to a maximum of 10 hectares for urban areas within the Greenbelt Plan area. This 10-hectare cap policy does not form part of the proposed new PPS and, therefore, appears to enable further development in the Greenbelt Plan area. Although the implementation framework provided with the consultation materials on the proposed new PPS appears to indicate that an amendment is being proposed to the Greenbelt Plan to have the policies of the Growth Plan and current PPS related to rural settlement growth (including Urban Areas within the Greenbelt and restrictions on Hamlet expansion) continue to be applied within the Greenbelt Plan area, these materials have not yet been provided. It is recommended that the province continue to consult on the implementation framework so that municipalities within the Greenbelt Plan area can understand how they will be affected by the proposed policy changes.
- 3.9 The Growth Plan introduced the concept of Strategic Growth Areas (SGAs), which includes MTSAs, which now form part of the proposed new PPS. The Growth Plan requires the delineation of SGAs and the application of minimum density targets along identified priority transit corridors. Within Durham, eight MTSAs were identified along the Lakeshore East GO line, four surrounding existing GO Stations and four surrounding planned stations. The proposed policies indicate that SGAs are not a land use designation but are still to be delineated at the discretion of the municipality. The proposed 2023 PPS would require the delineation of MTSAs along higher order transit corridors, which includes the Highway-2 Bus Rapid Transit Corridor (BRT) and Regional Centres along the BRT. It is recommended that the province permit municipalities to designate SGAs in their official plans and clarify if the Highway-2 BRT in Durham would be captured as a higher order transit corridor following repeal of the Growth Plan.
- 3.10 The 50 percent intensification target under the Growth Plan, requiring municipalities to plan for this target within a prescribed Built Boundary would be removed under the proposed new PPS. The removal is likely to contribute to an increase in urban expansion pressures and could detract from other goals of creating complete communities or efficient use of planned infrastructure and public service facilities. In addition, the ability to measure intensification consistently over time based on consistent benchmarks to inform long term service planning would be removed. It is recommended that the province continue to support intensification targets and approaches to calculation within municipal official plans.

Housing

- 3.11 The requirement that planning authorities establish and implement minimum targets for affordable to low- and- moderate income households has been removed in the 2023 PPS. It has been replaced with a requirement to co-ordinate land use planning and planning for housing with Service Managers to address the full range of housing options including housing affordability needs. Although this may align with the 2016 Service Manager Housing and Homelessness Plans Policy Statement, which provides policy direction to reflect a coordinated approach within Ontario's land use planning framework, it is unclear how this is to be achieved from a practical perspective, given pending changes under Bill 23 to remove upper-tier planning approval authority, and the absence of clear direction on affordable housing within the proposed new PPS.
- 3.12 As a Housing Services Manager, the Region's familiarity with local conditions make it well-equipped to inform the development of municipal housing policies and action plans. However, the ability to require the inclusion of any policies pertaining to housing affordability through an upper-tier official plan would be lost. It is recommended that the province continue to consult with upper-tier municipalities that may no longer have planning approval authority under Bill 23 on how the proposed 2023 PPS can be implemented through their role as a Service Manager to facilitate the coordinated delivery of affordable housing.
- 3.13 The term "low- and- moderate income households" is proposed to be removed within the 2023 PPS and a definition for affordable housing has not been carried over from the existing Growth Plan or PPS. Although it is a provincial objective to increase housing supply, ostensibly to improve housing affordability, the absence of any definition or clarity on how affordable housing is identified or defined will make it difficult for municipalities to achieve meaningful or commonly understood affordable housing goals. Further, with housing affordability being an issue of ever-growing concern, it is suggested that the province also provide affordable housing targets within the proposed new PPS in consultation with municipalities. It is recommended that the province provide definitions (e.g. affordable and attainable) and establish clear policy that enables the delivery of affordable housing and include definitions, policies and targets in the proposed new PPS.

¹ low- and- moderate income households, as defined within the current PPS, means:

a) in the case of ownership housing, households with incomes in the lowest 60 percent of the income distribution for the *regional market area*; or

b) in the case of rental housing, households with incomes in the lowest 60 percent of the income distribution for renter households for the *regional market area*.

Agriculture and Rural Lands

- 3.14 The agri-food industry is a key economic driver in the Region. With over 12,000 hectares of Durham in production, agriculture is one of the largest primary goods producing sectors within the region. Rural lot creation is a complex matter where the economic needs of the agricultural community are balanced with the preservation of agricultural land to ensure the viability of the Rural System. In southern Ontario where prime agricultural soils predominate, it is necessary to take steps to protect the agricultural land base by minimizing fragmentation and minimize the introduction of uses that are incompatible with efficient farming practices.
- 3.15 The Growth Plan identifies a Provincial Agricultural System that municipalities are required to implement. The proposed new PPS does not include this requirement, and instead "encourages" municipalities to use an agricultural systems approach. The Region has implemented the Provincial Agricultural System through its recently adopted ROP by completing a combination desktop exercise and on-the-ground assessment of the region's rural area. This process validated many provincial determinations of additional prime agricultural areas and supported the retention of Major Open Space Areas to provide flexibility for some non-farming uses (Report #2022-P-16).
- 3.16 The proposed departure from Provincial Agricultural System mapping will result in less protection for prime agricultural areas and would make mapping in municipal official plans and protection of agricultural land in the long term more difficult. It is recommended that the province uphold agricultural systems planning strengthen language in the proposed new PPS to require municipalities to use an agricultural systems approach.
- 3.17 The proposed 2023 PPS would introduce a new policy framework allowing residential lot creation on rural lands and prime agricultural areas, including multi-lot residential development on rural lands and up to three new lots within prime agricultural areas. The ability to support the long-term stability and viability of agricultural lands would be eroded, due to increased conflict between sensitive uses and normal farm operations. The maintenance of rural character would also be at risk under this policy framework. It is recommended that the proposed new PPS should allow the ability for limited lot creation on rural lands, but only if it is locally appropriate while discouraging residential lot creation in prime agricultural areas, aside from those created through surplus farm dwellings.

Employment Areas

- 3.18 The proposed new PPS would permit the introduction of light industrial, manufacturing, and small-scale warehousing in SGAs, subject to them not having adverse effects near sensitive land uses. It does not address the impacts of having potentially higher volumes of truck traffic to/from and within SGAs. Allowing these employment uses within SGAs increases the potential for more conflicts between goods movement-focused traffic and transit. Introducing these uses outside of employment areas works against the benefits of transit investments and intensification in SGAs. It is recommended that the province not permit light industrial, manufacturing and small-scale warehousing within SGAs as it would undermine the ability for sensitive uses, particularly residential uses, to locate within SGAs.
- 3.19 It is recognized that the province views the introduction of housing into employment areas that do not need to be set aside for heavier industrial uses as a mechanism to increase housing supply and create mixed use, complete communities. However, it is recommended that the province include policy language that will strengthen a municipalities' ability to require mixed use developments in these areas, and not solely residential developments, which could undermine the province's objectives related to complete communities.

Infrastructure and Public Service Facilities

3.20 The proposed new PPS retains policy direction that requires that planning for infrastructure and public service facilities to be coordinated and integrated with land use planning and growth management. The retention of these policies are key to the delivery of growth-related infrastructure. Additional direction has been introduced that requires leveraging the capacity of development proponents when planning for infrastructure and public service facilities. It is unclear what the term "leverage the capacity of development proponents" means. The Region ensures a sustainable network of transportation, water and wastewater infrastructure, and public service facilities such as paramedic and police stations. These are provided in the appropriate locations and in an efficient and cost-effective manner to achieve Council's goal through the ROP of supporting orderly, sequential and phased development in Durham. There is inherent risk to introducing proponent-led projects to this process. It is recommended that the province clarify the general intent of this proposed policy as it may be interpreted to mean that municipalities will be compelled to enter into agreements with proponents for the provision of infrastructure and public service facilities.

Natural Heritage, Climate Change and Natural and Human-Made Hazards

- 3.21 According to the posted materials, natural heritage policies have not been included within the proposed new PPS as they are still under consideration by the province. Further, once proposed policies and definitions are ready for review and input, they will be made available through a separate posting on the ERO. It is concerning that natural heritage policies have been left out of the proposed new PPS because they are fundamentally linked to all other policy areas. Without them, the full impact of the proposed policy changes is unknown. It is recommended that the province release proposed natural heritage policies and definitions as soon as possible and in turn allow stakeholders time to comment on the proposed new PPS holistically.
- 3.22 Policies requiring municipalities to plan for climate change remain in the proposed 2023 PPS. However, language has been softened from "planning authorities shall" to "planning authorities shall plan to" address the impacts of a changing climate. Additionally, the proposed 2023 PPS is less prescriptive in how planning authorities can implement this direction. Reducing the importance of intensification to achieve complete communities, being more permissive related to settlement area boundary expansions, and providing less climate change specific direction for planning authorities, does not support the goals of achieving greenhouse gas emission reductions and preparing for the impacts of a changing climate.
- 3.23 In January 2020 Durham Regional Council declared a climate emergency that recognizes environmental sustainability and climate change as strategic priorities in Durham Region's Strategic Plan and as a factor in the decisions of Regional Council. The Region is implementing programs to build more resilient infrastructure, communities and natural systems and reduce greenhouse gas emissions. The Region's brand new Official Plan adopted May 17, 2023 includes policies to support these goals, but without directive policies within the proposed new PPS, they may be challenging to defend. It is recommended that the province develop policy approaches to intensification and settlement area boundary expansions within the context of a changing climate.
- 3.24 Proposed policies within the 2023 PPS related to natural hazards are consistent with those in the current PPS. The Region is supportive of this approach and will continue to work closely with our partner conservation authorities to direct development away from natural hazard lands. It is recommended that the province include a policy framework for natural hazards within the final 2023 PPS to support municipalities in ensuring public health and safety, protecting property, and avoiding the creation of new or aggravation of existing natural hazards.

- 3.25 The current PPS requires planning authorities to support, where feasible, on-site and local reuse of excess soil through planning and development approvals, while protecting human health and the environment. This policy direction has not been carried over into the proposed new PPS. It is recommended that the province retain policy direction for on-site and local reuse of excess soil and provide planning authorities with guidance on how to accommodate expected increases in excess soil generated as residential development accelerates.
- 4. Regional Comments on Bill 97 the Helping Homebuyers, Protecting Tenants Act, 2023
- 4.1 Comments from the Commissioner of Planning and Economic Development dated May 5, 2023, are provided within Attachment 1 to this report. It is recommended that these comments be endorsed as the Region's comments on Bill 97.

5. Other Comments

- 5.1 Bill 23 made changes to the Planning Act that, upon proclamation, would remove statutory approval authority under the Planning Act for the Region of Durham, along with six other upper-tier municipalities. The proposed approach to implementing the proposed new PPS indicates that this change will not take effect until "winter 2024 at the earliest". The lack of certainty associated with this timeline is a challenge. It is recommended that the province provide more definitive information about how and when legislation changes not yet proclaimed under Bill 23 are to be expected.
- 5.2 The Region has submitted the new ROP that was adopted by Council on May 17, 2023, to the Minister of Municipal Affairs and Housing for approval. It is recommended that the Minister approve the Region's new ROP prior to bringing the proposed new PPS into effect, or alternatively, include specific mention within any transition provision regulations that the current PPS and Growth Plan continue to apply to Durham's new ROP until such time that area municipal official plans are adopted.

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
 - a. Objective 1.3, protect, preserve and restore the natural environment, including greenspaces, waterways, parks, trails and farmland;
 - b. Objective 1.4, demonstrate leadership in sustainability and addressing climate change;

- c. Objective 2.1, revitalize existing neighbourhoods and build complete communities that are walkable, well-connected, and have a mix of attainable housing;
- d. Objective 3.5, provide a supportive environment for agriculture and agri-food industries; and
- e. Objective 4.1, revitalize community housing and improve housing choice, affordability and sustainability.

7. Conclusion

- 7.1 The province has released a suite of legislative and policy proposals through Bill 97 and the proposed new PPS that reflect a fundamental change to the Ontario planning framework. The underlying intent to get more homes built is understood, but questions remain as to whether these changes will result in better planning outcomes or make housing more affordable.
- 7.2 While efforts to streamline the current PPS and the Growth Plan, introduced through these proposals, are appreciated, staff have concerns surrounding how fundamentally growth planning, in particular is proposed to change. Key concerns include:
 - a. removal of population and employment forecasts;
 - b. relaxed requirements for settlement area boundary expansions;
 - c. increased permissions for rural residential development;
 - d. changing policy framework for employment areas; and
 - e. absence of natural heritage policies and definitions.
- 7.3 It is recommended that this report and its recommendations be endorsed and submitted to the Ministry of Municipal Affairs and Housing as Durham Region's formal response to the proposals.
- 7.4 Regional staff will keep Committee and Council appraised when Bill 97 receives Royal Assent and the 2023 PPS is finalized, and what changes are made.
- 7.5 This report has been prepared in consultation with the Regional Works Department, Corporate Services Legal Services, Social Services Housing Services, Durham Region Transit, and the CAO's Office.

Report #2023-P-19

Page 15 of 15

8. Attachments

Attachment #1: Letter to the Ministry of Municipal Affairs and Housing – Durham

Region Staff Comments on Environmental Registry of Ontario Postings #019-6821 and #019-6822, Proposed Bill 97 – the

Helping Homebuyers, Protecting Tenants Act, 2023.

Respectfully submitted,

Original signed by

Brian Bridgeman, MCIP, RPP, PLE Commissioner of Planning and Economic Development

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair Chief Administrative Officer



Sent Via Email

May 5, 2023

The Regional Municipality of Durham

Planning and Economic Development Department

Planning Division

605 Rossland Road East Level 4 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 Fax: 905-666-6208 Email: planning@durham.ca

durham.ca

Brian Bridgeman, MCIP, RPP, PLE

Commissioner of Planning and Economic Development

The Honourable Steve Clark
Ministry of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, Ontario
M7A 2J3

Dear Minister Clark:

RE: Region of Durham Staff Response to Environmental Registry of Ontario Postings #019-6821 and #019-6822 related to proposed Bill 97 – the Helping Homebuyers, Protecting Tenants Act, 2023

On April 6, 2023, the Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97) was released for comment on the Environmental Registry of Ontario (Postings #019-6821 and #019-6822). At the date of sending this letter, the Bill reached Second Reading (April 20, 2023). Bill 97 would make changes to the following pieces of legislation:

- Building Code Act, 1992
- City of Toronto Act, 2006
- Development Charges Act, 1997
- Ministry of Municipal Affairs and Housing Act
- Municipal Act
- Planning Act
- Residential Tenancies Act, 2006

The key changes proposed by this legislation include:

 various amendments to support the implementation of the More Homes Built Faster Act, 2022 (Bill 23);

If this information is required in an accessible format, please contact Planning Reception at 1-800-372-1102, ext. 2548.

- new fee refund provisions;
- new regulation-making authority for site plan control for 10 or less residential units;
- changes to rules surrounding appeals of interim control bylaws;
- new authority for Minister's Zoning Orders (MZOs);
- ministerial authority to require development agreements;
- changes to support the review of provincial policies and regulationmaking authority for a new provincial policy document; and
- changes to employment area protections.

The comment period for this legislation closes prior to our next Council meeting. Please accept the following staff comments, which will be presented to the Regional Planning and Economic Development Committee at its June 6, 2023 meeting.

- Bill 97 proposes changes pertaining to the conversions of residential rental properties and site plan control. These changes are applicable to the City of Toronto and local municipalities only. Regional staff have no comment.
- 2) Bill 97 proposes that the Minister of Municipal Affairs and Housing be provided the authority to exempt lands that are the subject of MZOs from complying with provincial policies and official plans, when other planning approvals are applied for, such as plans of subdivision. It is our understanding that this would give the Minister the ability to address circumstances where an MZO permits residential uses in an area where the official plan does not.

The Region previously provided recommendations to the province that, if implemented, would provide greater clarity as to how and when the MZO tool would be used (Report #2020-P-30).

With the increasing frequency of MZO requests, the Bill 97 proposal introduces further uncertainty related to ensuring future land use decisions made by way of an MZO represent good planning and in the public interest. It is recommended that the province not proceed with proposed expansions to Ministerial authority for MZOs and clarify what safeguards are in place to ensure that the aforementioned principles continue to be protected.

3) Bill 23 introduced exclusions to site plan control for developments consisting of less than 10 residential units. It is proposed through Bill 97 that site plan control may still be applied where these developments are proposed within 120 metres of a shoreline or 300 metres of a railway line. These measures will allow the approval authorities to include measures within a site plan agreement pertaining to noise and vibration from rail facilities, or flood risks in proximity to shorelines.

Although Regional staff are supportive of expanding the conditions under which site plan control may be applied, there are other factors that should be included. For example, in the case of small developments less than 10 units along existing arterial roads, a right-of-way widening may be required in favour of the municipality having jurisdiction (and in the case of higher order arterials, the upper-tier municipality, or where a development fronts a provincial highway, the Ministry of Transportation). Developments along arterial roads may also be susceptible to road noise, and requirements for mitigation of noise to achieve Ministry of Environment noise criteria are normally implemented through site plan agreements. It is recommended that the province either expand the criteria as noted above or continue to leave the application of site plan control to the discretion of the area municipalities. Other opportunities, including green infrastructure or low impact development approaches may also be provided in consultation with municipalities.

4) In April 2022, under Bill 109 – the More Homes for Everyone Act, 2022 a requirement was introduced that, as of January 1, 2023, municipalities were required to refund application fees if they failed to meet statutory deadlines for decisions on zoning bylaw amendments or site plan applications. The Region previously recommended that the province not proceed with the requirement to refund planning application fees (Report #2022-P-9). Bill 97 proposes to delay the commencement of these refund provisions to July 1, 2023.

Although Regional staff generally support a six-month extension to these provisions, staff recommend that the province reconsider this requirement entirely. The notion of the refund imposed through Bill 109 can lead to other unintended consequences, including adding to a backlog of cases at the Ontario Land

Tribunal (OLT), extending timelines through litigation, forcing decisions on applications without the benefit of considering the best information, adversely affecting the ability to negotiate better outcomes, and potentially undermining good working relationships between applicants and stakeholders.

5) Bill 97 would narrow the scope of "areas of employment" under the Planning Act to mean lands designated in an official plan for clusters of business and economic uses including (but not limited to) manufacturing uses, warehousing uses, but excluding institutional uses and commercial uses (which includes retail and office uses not associated with primary industrial uses). Although the Bill would allow lands within areas of employment that are used for other purposes to continue, there are instances where larger scale institutional uses are appropriate within Employment Areas. For example, college campuses (e.g., Durham College-Whitby Campus) and hospitals are land extensive and high employment generators. Other types of land extensive land uses may also be appropriate.

Regional staff are not supportive of this approach. It is recommended that the province continue to consult with the affected municipalities to arrive at a policy suite for areas of employment that better reflects the range of uses attributed to these areas. Further, it is recommended that transition provision regulations indicate that privately initiated employment area conversions not be permitted until such time as municipalities, in consultation with the province, are able to identify and assess how these core employment areas are to be protected.

6) Bill 97 proposes to make changes to section 38 of the Planning Act pertaining to ability to appeal the passing of an interim control by-law enacted by a local municipality. The Region was previously not able to appeal such a by-law due to the prior enactment of Bill 139, resulting in the delay of a needed supportive housing project. Although Bill 23 would, upon proclamation of Planning Act related provisions, restrict the ability of Durham to appeal such a decision, the removal of the appeal restrictions in Bill 23 for upper-tier municipalities together with the changes proposed through Bill 97 could help remove barriers to the delivery of Regional housing projects or facilities.

7) Amendments to the Municipal Act grant the Minister authority to make regulations governing certain powers of a local municipality, including regulations that would impose restrictions, limits and conditions on the power of a local municipality to prohibit and regulate the demolition and conversion of residential rental properties. The province should limit the scope of this authority to developments where there is a net benefit to the community including impacts to housing affordability and additional needs housing.

Thank you for the opportunity to provide input into Bill 97. Following the June 28, 2023 Regional Council meeting, staff will advise of any changes to the above noted comments.

Staff comments on the related proposed Provincial Planning Statement will be provided prior to the June 5, 2023 commenting deadline.

Sincerely,

Brían Brídgeman

Brian Bridgeman, MCIP, RPP, PLE Commissioner of Planning and Economic Development



The Regional Municipality of Durham

Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 <u>elaine.baxter-</u> trahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Sent by Email

May 10, 2024

Provincial Planning Policy Branch 777 Bay Street, 13th Floor Toronto, ON M7A 2J3

PlanningConsultation@ontario.ca

Re: Region of Durham staff comments on ERO 019-8366, 019-8369, and 019-8370 pertaining to Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)

On April 10, proposed amendments to the Planning Act, Ontario Regulation 73/23: Municipal Planning Data Reporting, Municipal Act, 2001 and Development Charges Act were posted to the Environmental Registry of Ontario as part of the proposed Cutting Red Tape to Build More Homes Act.

Thank you for the opportunity to comment on the proposed changes. The majority of the proposed changes are welcomed, however there remains some outstanding questions related to implementation. Given the limited posting period of 30 days, please note that the following comments are those of Durham Regional staff, which will be provided to Regional Council for endorsement at an upcoming Council meeting. Regional staff will advise the province of any changes made to these comments by Council following the meeting.

The attached appendix provides detailed comments on the various amendments being considered. We offer the following key recommendations and considerations:

 Durham is an upper-tier municipality that provides water and wastewater services across 8 municipalities in addition to other cross boundary Regional infrastructure and services. In order to deliver on Regional service objectives and facilitate a coordinated and integrated approach to growth management, the following is recommended:

If you require this information in an accessible format, please contact Communications and Engagement at CorporateCommunications@durham.ca or 311, extension 3743.



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

- The Region continues to express deep concerns with the proposal to remove the Regional Official Plan from the Region's jurisdiction. If this approach is to be implemented, then as a minimum, the province is urged to introduce a new provision into the Planning Act to allow Durham, as an upper-tier municipality, to prepare and maintain a statutory planning document to guide the financing and delivery of regional infrastructure and services.
- Include upper-tier municipalities as specified persons with appear rights in alignment with the treatment of utility providers that have a direct interest in infrastructure and servicing planning.
- Maintain settlement area boundary expansions consideration with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing.
- Include upper-tier municipalities in MZO consultations because of Regions' role in the provision of municipal infrastructure.
- Ensure Regions are consulted on additional dwelling unit enhancements to ensure appropriate servicing and infrastructure.
- Mandatory pre-application consultations are a good planning practice that is in the best interest of the applicant, municipality and residents; these pre-consultations ultimately expedite the approval process and should be maintained to minimize risk to all parties.
 Allowing challenging "complete" application requirements to be appealed to the Ontario Land Tribunal would result in a less transparent and comprehensive public review process.
- The proposed elimination of the phase-in of development charges and the proposed inclusion of studies as an eligible expense are supported and will improve the Region's ability to fund growthrelated capital costs and reduce funding requirements from property taxes and water and sewer user rates.

Although the proposed implementation of municipal development-related charge exemptions for affordable residential units (rental and ownership) is not part of Bill 185, Regional staff have reviewed the Affordable Residential Units Bulletin (in effect as of June 1, 2024) that provide the rental / price thresholds to determine if a unit meets the affordable definition and offer the following comments:



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Regional staff support:

- That the affordability criteria for rental and ownership units varies across unit types (i.e., single, semi-detached, townhomes, and apartments by number of bedrooms), except for the Income-based purchase price criteria which is consistent across unit types; and
- That the affordable purchase price and rental rate thresholds are established specific to geographic regions to reflect the respective housing and rental market conditions.

• Regional staff recommend:

- Measures should be put in place to ensure that the exemption from municipal development-related charges is passed onto homeowners and renters to preserve the integrity of the Province's proposed definition of affordable residential unit;
- The Province provide a template for the 25-year agreement between the developer and the area municipality (as required under the DCA); and
- The Province provide support regarding the challenges municipalities will face in the collection of development charges at building permit and / or at subdivision stage which is far in advance of knowing the final purchase price or rental rate. A refund and/or later payment collection mechanism that would allow municipalities to verify the final purchase price or rental rate should be added to the allowable DC collection process. In addition, the process will require an annual verification process to ensure that affordability is maintained, and if not, then a DC payment is required.
- The income-based approach for affordable ownership units could be improved by taking into account household size for each unit type instead of applying a consistent value across all units types. This would provide incentive to build a range of housing options.
- The Province confirm the timelines for when the Bulletin will be updated (e.g. updated June 1 every year).



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Sincerely,

Original signed by

Elaine Baxter-Trahair Chief Administrative Officer

CC: Brian Bridgeman, Commissioner of Planning and Economic Development
Ramesh Jagannathan, Commissioner of Works
Nancy Taylor, Commissioner of Finance

Attachment 1 - Region of Durham Submission on Bill 185

Summary and comments regarding Bill 185 (Cutting Red Tape to Build More Homes Act, 2024)

ERO Posting	Region of Durham Comment
019-8366 Seeking feedback on zoning by-law barriers to the creation of	Bill 185 proposes to widen the scope of the Minister's authority in subsection 35.1(2) of the Planning Act to regulate not only a second or third residential unit, but any ARU within a house, as well as the land on which such ARUs are located and the building or structure within which such ARUs are located.
additional residential units	The Region recognizes that ARUs are an important tool in contributing to the supply of private sector affordable, rental housing options. This housing form contributes to affordability by optimizing the use of the existing housing stock and infrastructure, while also providing an income stream for homeowners, including younger and older homeowners, who may respectively have a greater need for income to help finance and/or remain in their homes.
	 Through Envision Durham, the Region introduced a broad suite of policies that encourage area municipalities (AMs) to reduce barriers and support provisions that would: Require AMs to adopt policies and zoning provisions that permit the use of up to three ARUs in detached, semi-detached and/or townhouse units (inclusive of an ARU within an ancillary building to that unit); Increase opportunities for ARUs by not applying minimum unit sizes and not requiring more than one parking space per unit; and Encourage the removal of parking requirements for ARUs in areas intended to support existing and planned higher order transit service (i.e. MTSAs).
	Given that the new ROP has yet to receive Ministerial approval, and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes and/or identify additional barriers to developing ARUs at this time.
O19-8368 Proposed amendments to O. Reg. 73/23: Municipal Planning	The availability of good data and analytics are a critical resource for understanding housing supply in Durham Region. The Region is presently exploring a comprehensive growth model for data collection and analysis, and have the following comments:
Data Reporting	Consistency and completeness of data sources, reporting frequency, and broad acceptance of interpretation among data users are continued challenges, and hinder the ability to obtain buy-in from all of our eight area municipalities. It will continue to pose as

ERO Posting	Region of Durham Comment
	a challenge until, or unless a transparent set of Guiding Principles are established. A good example of these challenges were recently demonstrated in Clarington wherein the municipality stated in Staff Report CAO-002-24 that it has been deemed ineligible for approximately \$4 million in "Building Faster Funding (BFF)" from the province due to a calculation error by the CMHC on the municipality's housing starts, based on differing interpretations of what constitutes a "housing start".
	 In late 2022, as part of Bill 23, the province indicated it would develop and publish a centralized data collection initiative as part of the Minister's (MAH) Bulletin which sets out the average market rents and average purchase prices by locale. This was a welcome announcement for establishing data and source consistency, and the Region anticipates its release. Furthermore, the Region recommends a phased-in approach, starting with a focus on housing supply by type and approval status, with future expansion of other types of data collection.
	 The province is proposing that geospatial data addressing designated serviced land supply will be required from municipalities, including the lakeshore municipalities in Durham.
	It is unclear what the term "serviced" is meant to encompass. Is it water/wastewater? Or, will it take into account electricity, natural gas, and other utilities.
	 In Durham, the water/wastewater infrastructure is owned/operated by the Region from the lake to the lot line/house. The sanitary sewer and water supply systems have also been constructed without regard for individual lower tier municipal boundaries. Rather, the systems have been designed with the wider Region in mind, with piping crossing municipal boundaries, interconnecting municipalities, to provide very robust and efficient systems.
	Determining if a lot is "serviced" is complicated. "Serviced" cannot be defined by geography alone. For instance, lands in Oshawa Water Pressure Zone 4 and Brooklin Water Pressure Zone 4 can proceed up to a certain number of units before a second pumping station is required. These units can be located anywhere in Zone 4, but the entirety of Zone 4 cannot be shown as serviced at this time.

ERO Posting	Region of Durham Comment
	 A phased approach to the province's centralized data collection initiative should be used. It should start with a focus on housing supply by type and approval status, with future expansion of other types of data collection. The definition of a "serviced lot" should be broader than geography and consider capacity.
019-8369	Schedule 9: Section 86.1
Schedule 9 – Proposed changes to the Municipal Act 2001	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham is unique in that it, with the exception of Seaton, does not assign servicing until a development agreement is signed or a connection permit is issued (where there is no agreement), so there are no stranded servicing allocations in Durham. As such, the Region does not intend to change its procedures for allocating capacity using the new Servicing Management Tool proposed in Bill 185.
	A recognition that all municipalities do not assign allocation the same way should be included in the policy.
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft plan conditions, Subdivision and Servicing agreements, and connection permits to include a timeline for when the capacity must be used; along with considerations for Front-Ending Agreements where capacity is allocated for larger areas.
	Recommendation The policy providing for the allocation of water supply and sewage capacity should recognize that not all municipalities assign allocation the same way.
	Schedule 9: Section 106

ERO Posting	Region of Durham Comment
	If the province is going to introduce this new provision, care must be taken to ensure that it does not pit once municipality against another. Further details are needed before Regional support can be provided.
019-8369	12.1 Upper-tier Planning Responsibilities
010 0000	12.1 Oppor tior Flamming Reopenoismittes
Schedule 12 – Proposed changes to the Planning Act 2001	While the Region appreciates the flexibility granted to Durham, Waterloo, Simcoe, and Niagara, to bring changes to the removal of planning responsibilities at a future date, clarity is required regarding the statement that "the government intends to move forward with bringing the changes into effect for the remaining upper-tier municipalities by the end of 2024." Does this imply that a proclamation date will be identified by the province (i.e. January 1, 2025), or will the effective date be dependant upon the individual ability of each of the four upper tier regions to transition responsibilities to their respective lower-tiers?
	Lower-tier municipalities are currently using Durham's Council-adopted Regional Official Plan (ROP), "Envision Durham", as they commence their municipal comprehensive review processes. It is imperative that the Region receive ministerial approval of its new ROP, in advance of the effective date of the new Provincial Policy Statement and upper-tier planning changes, to allow the lower-tier municipalities a higher degree of confidence to rely on this body of work as they update their own official plans.
	Furthermore, in preparation for becoming an "upper-tier municipality without planning responsibilities", additional clarity is sought regarding the future role of the Region as it relates to the planning review responsibilities currently undertaken on behalf of the province. Specifically, the Region is seeking clarity around the province's expectations for Regional Planning to continue its provincial plan review responsibilities post-Bill 23. It is understood that the Region will be able to continue to provide comments on local development application; however, without a statutory planning document to guide the comments, it is unclear what weight Regional comments would have on development activity. At present, Regional Planning coordinates comments provided, not just by the Regional Planning Division, but by other Regional departments such as Works, Health, Emergency Services, and Transit (i.e. a one-window approach). To manage the demands for Regional infrastructure, the Region anticipates continuing with development application commenting post-Bill 23; however, it cautions that a

ERO Posting	Region of Durham Comment
	commenting role is not a replacement for having a Planning Act-approved land use policy document that sets out the Region's objectives for its services and facilitates a coordinated and integrated approach to growth management in the region where it can direct area municipalities accordingly.
	Recommendation Introduce a statutory planning document that sets out the Region's objectives for its services and facilities a coordinated and integrated approach to growth management. Such a statutory document would clarify the Regional planning role in commenting on development proposals.
	12.2 Parking Requirements in MTSAs
	The Region recognizes that the provision of alternative development standards to support transit-oriented development, including reduced minimum parking requirements, be encouraged in SGAs and tailored to the level of transit service proposed.
	Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced a suite of policies that encourage area municipalities (AMs) to: • remove parking space requirements for ARUs in areas intended to support existing and planned higher order transit service;
	 prepare detailed policies for MTSAs that support the efficient use of land, including requirements for structured parking, shared parking and/or reduced parking as part of new development; and adopt provisions within SGAs to reduce minimum parking requirements and encourage potential redevelopment of existing surface parking.
	Given that the new ROP has yet to receive Ministerial approval, and parking and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes at this time.
	12.3 Limit Third Party Appeals for Official Plans, OPAs, ZBs, and ZBAs
	The Region generally supports the added limitation on some appeals; however there is concern that, once Durham is proclaimed to be "without planning responsibilities", the municipality could

ERO Posting	Region of Durham Comment
	lose its ability to appeal and/or meaningfully participate in major land use planning decisions, despite being a key stakeholder with direct interests in growth management, infrastructure and service planning and delivery. Furthermore, there appears to be an inconsistency wherein utility providers are included as a "specified person" as introduced in Bill 185 who has appeal rights, while the Region, who is also a utility provider for water and sewer, is not. As such, utility providers will have stronger tools (including appeal rights) to protect their infrastructure compared to upper-tier municipalities.
	This issue is further exacerbated by the proposed changes allowing privately requested settlement area boundary expansions (SABEs) outside of a municipal comprehensive review, while also allowing applicants to appeal a municipality's refusal or failure to make a decision on the SABE request.
	Recommendation Given their direct interests in growth management, infrastructure and service planning; include upper-tier municipalities as "specified persons" with appeal rights in alignment with the appeal rights granted to other utility providers.
	12.4 Voluntary Pre-application Consultation and 12.5 Removing timelines for OLT appeals
	Removing the requirement for a pre-consultation introduces unnecessary risk into the planning process, as does allowing applicants to challenge "complete" application requirements to the Ontario Land Tribunal at any time. Pre-consultations should be viewed not only as good planning practice, but in the best interests of the applicant, municipality, and residents while ultimately expediting the development approval process.
	Furthermore, the provision for complete applications were introduced in Bill 51 in 2007 to preclude applicants from submitting a "bare bones" application with no supporting studies, and subsequently appealing the matter to the Ontario Land Tribunal (then Ontario Municipal Board) for a hearing. The purpose of complete applications are to ensure that a fulsome, transparent, and public process occurs as part of the development process.
	Recommendation

ERO Posting	Region of Durham Comment
	Keep the requirement for pre-consultations to minimize risk and do not allow challenging "complete" application requirements to be appealed to the OLT to ensure a transparent and comprehensive public review process.
	12.6 Allow individual SABE appeals
	Bill 185 proposes to allow a private applicant to appeal an approval authority's refusal of non-decision to the Ontario Land Tribunal, so long as the proposed boundary expansion does not include any lands within the Greenbelt Area.
	Permitting individual appeals on settlement area boundary expansions (SABEs) through the OLT results in a piecemeal approach that could result in more land being designated beyond what was identified by municipalities in their municipal comprehensive review (MCR), undermining the Region's overall growth management objectives.
	Recommendation The Region, in its initial comments on the proposed Planning Statement in June 2023 through Report #2023-P-19 recommended that SABEs continue to be permitted only through a municipal comprehensive review informed by standardized methodology. Furthermore, within a regional context, the implications of infrastructure and servicing on settlement area boundary expansions collectively should continue to rest with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing, regardless of planning approval responsibility.
	12.8 Remove CIHA from the Planning Act and permit transition rules for CIHA orders already made
	In a December 2023 <u>news release</u> , the province announced it would be launching consultations on a go-forward framework for how MZOs would be received and considered and that no new MZOs would be considered until the completion of that consultation. However, it does not appear that the province is accepting comments on the MZO Framework.
	Generally, this MZO Framework returns us to a pre-CHIA environment, but provides a more transparent framework for how requests for MZOs are submitted and considered. The CHIA tool is removed to avoid duplication.

ERO Posting	Region of Durham Comment
	A key difference between the CHIA tool and MZO Framework is that the CHIA tool only permitted requests from municipalities, while anyone can submit an MZO request.
	The Region previously provided feedback to the province on how the MZO process could be improved (Report #2020-P-30). While the province has listed out submission expectations, the specifics of how MZOs will be evaluated are still unclear. It should also be noted that, the new framework for MZOs excludes the requirement for input and/or support from upper-tier municipal councils. This could result in discrepancies between servicing allocations.
	Recommendation It is recommended that, where applicable, upper-tier municipalities should be consulted on MZOs because of Regions' role in the provision of infrastructure.
	12.9 Enhancing framework for ARUs
	While there is general support for this framework, the Region should be consulted to ensure appropriate servicing and infrastructure to support additional residential units is monitored and achieved.
	12.10-12.12 Use it or Lose it Tools
	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham's practice is unique in that, with certain exceptions like Seaton, it does not allocate servicing until a development agreement is signed or a connection permit is issued (where there is no agreement). With the developer by then having to commit to significant investment including paying 50% of the hard Development Charges, the risk of stranded servicing allocations in Durham remains minimal. As such, the new Servicing Management Tool proposed in Bill 185 will not benefit the Region given its current diligent practice for allocating capacity. To this effect, a recognition that all municipalities do not assign allocation the same way should be included in the policy.

ERO Posting	Region of Durham Comment
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft plan conditions, Subdivision and Servicing agreements, and connection permits to include a
	timeline for when the capacity must be used; along with considerations for Front-Ending Agreements where capacity is allocated for larger areas.
	12.13 Exempting universities from the Planning Act for student housing
	The Region should be consulted to ensure appropriate servicing and infrastructure to support student housing projects is monitored and achieved. Moreover, in cases where a university or college campus is located on lands designated for employment purposes, there is a concern that allowing student accommodation has the potential to adversely impact existing industrial uses and future employment opportunities due to the introduction of sensitive uses into an employment area. Exempting universities from the Planning Act for student housing should not be permitted where the lands are designated for employment purposes.
	12.14 Expedited approval for community facilities
	The Region is in general support of expediting the approval process for community service facilities contributing to complete and walkable communities.
Negulatory changes to modernize public notice requirements under Planning	This a welcome and positive update for parameters around providing public notice, and modernizes the planning process with current technology, especially as local Durham newspapers have begun to phase out the printing of physical newspapers towards an online model.
Act and DC Act	The Region recognizes that public consultation is a central and mandatory element of Ontario's land use planning system. Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced policy that would ensure, wherever possible, that efforts be made to promote broad community awareness of planning issues and provide enhanced opportunities for input through both traditional (i.e. in-person) and innovative methods, which may include electronic media or other emerging technologies.
019-8371 Changes to the DC Act	Regional Staff support the proposed elimination of the phase-in of DCs and the re-introduction of studies being an eligible capital cost to be funded by DCs. These measures will have a significant impact on the Region's ability to fund growth-related capital costs from DCs and
Enhance Municipalities'	reduce funding requirements from property taxes and water and sewer user rates.

ERO Posting	Region of Durham Comment
Ability to Invest in Housing-	
Enabling Infrastructure	 Impact on Regional DC By-laws DC By-law #42-2023 (Roads, water, sewer and other services) – amending by-law required through the streamlined process to: Remove the phase-in provisions Include the cost of studies
	 Transit DC By-law #39-2022 - No amending by-law required: Existing By-law does not include phase-in provisions By-law includes the cost of studies since By-law was approved prior to November 28, 2022 (When Bill 23 came into effect)
	 New Seaton By-law to be presented to Regional Council on May 29, 2024 for approval: Given the uncertainty to the effective date of Bill 185, the by-law and final report are written to provide flexibility to implement the by-law under the following two scenarios:
	Go Transit DC By-law #86-2001 – no action required. By-law was not impacted by Bill 23.
	 Assuming Bill 185 is in effect by July 1, 2024, this will result in the following: The full rates under the Transit DC By-law (Transit services) will be implemented two years ahead of the current schedule; The full rates under Regional DC By-law #42-2023 (i.e. water, sewer, roads, police, paramedic etc.) will be implemented three years ahead of the current schedule; The full rates for the Seaton Water and Sewer Area Specific DCs will be implemented on July 1, 2024 and will not be subject to any phase in Will avoid approximately \$205 million in lost revenue over the next four years related to the phase-in requirements



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO Sent by Email

May 10, 2024

Scott Sterling
Provincial Planning Policy Branch
777 Bay Street, 13th Floor
Toronto, ON, M7A 2J3
scott.sterling@ontario.ca

Re: Region of Durham staff comments ERO 019-8368 pertaining to Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)

On April 10, proposed amendments to the Planning Act, Ontario Regulation 73/23: Municipal Planning Data Reporting, Municipal Act, 2001 and Development Charges Act were posted to the Environmental Registry of Ontario as part of the proposed Cutting Red Tape to Build More Homes Act.

Thank you for the opportunity to comment on the proposed changes. The majority of the proposed changes are welcomed, however there remains some outstanding questions related to implementation. Given the limited posting period of 30 days, please note that the following comments are those of Durham Regional staff, which will be provided to Regional Council for endorsement at an upcoming Council meeting. Regional staff will advise the province of any changes made to these comments by Council following the meeting.

The attached appendix provides detailed comments on the various amendments being considered. We offer the following key recommendations and considerations:

 Durham is an upper-tier municipality that provides water and wastewater services across 8 municipalities in addition to other cross boundary Regional infrastructure and services. In order to deliver on Regional service objectives and facilitate a coordinated and integrated approach to growth management, the following is recommended:



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

- The Region continues to express deep concerns with the proposal to remove the Regional Official Plan from the Region's jurisdiction. If this approach is to be implemented, then as a minimum, the province is urged to introduce a new provision into the Planning Act to allow Durham, as an upper-tier municipality, to prepare and maintain a statutory planning document to guide the financing and delivery of regional infrastructure and services.
- Include upper-tier municipalities as specified persons with appear rights in alignment with the treatment of utility providers that have a direct interest in infrastructure and servicing planning.
- Maintain settlement area boundary expansions consideration with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing.
- Include upper-tier municipalities in MZO consultations because of Regions' role in the provision of municipal infrastructure.
- Ensure Regions are consulted on additional dwelling unit enhancements to ensure appropriate servicing and infrastructure.
- Mandatory pre-application consultations are a good planning practice that is in the best interest of the applicant, municipality and residents; these pre-consultations ultimately expedite the approval process and should be maintained to minimize risk to all parties.
 Allowing challenging "complete" application requirements to be appealed to the Ontario Land Tribunal would result in a less transparent and comprehensive public review process.
- The proposed elimination of the phase-in of development charges and the proposed inclusion of studies as an eligible expense are supported and will improve the Region's ability to fund growthrelated capital costs and reduce funding requirements from property taxes and water and sewer user rates.

Although the proposed implementation of municipal development-related charge exemptions for affordable residential units (rental and ownership) is not part of Bill 185, Regional staff have reviewed the Affordable Residential Units Bulletin (in effect as of June 1, 2024) that provide the rental / price thresholds to determine if a unit meets the affordable definition and offer the following comments:



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 <u>elaine.baxter-</u> trahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Regional staff support:

- That the affordability criteria for rental and ownership units varies across unit types (i.e., single, semi-detached, townhomes, and apartments by number of bedrooms), except for the Income-based purchase price criteria which is consistent across unit types; and
- That the affordable purchase price and rental rate thresholds are established specific to geographic regions to reflect the respective housing and rental market conditions.

• Regional staff recommend:

- Measures should be put in place to ensure that the exemption from municipal development-related charges is passed onto homeowners and renters to preserve the integrity of the Province's proposed definition of affordable residential unit;
- The Province provide a template for the 25-year agreement between the developer and the area municipality (as required under the DCA); and
- The Province provide support regarding the challenges municipalities will face in the collection of development charges at building permit and / or at subdivision stage which is far in advance of knowing the final purchase price or rental rate. A refund and/or later payment collection mechanism that would allow municipalities to verify the final purchase price or rental rate should be added to the allowable DC collection process. In addition, the process will require an annual verification process to ensure that affordability is maintained, and if not, then a DC payment is required.
- The income-based approach for affordable ownership units could be improved by taking into account household size for each unit type instead of applying a consistent value across all units types. This would provide incentive to build a range of housing options.
- The Province confirm the timelines for when the Bulletin will be updated (e.g. updated June 1 every year).



Sincerely,

Original signed by

Elaine Baxter-Trahair

Chief Administrative Officer

The Regional Municipality of Durham

Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO CC: Brian Bridgeman, Commissioner of Planning and Economic

Development

Ramesh Jagannathan, Commissioner of Works

Nancy Taylor, Commissioner of Finance

Attachment 1 - Region of Durham Submission on Bill 185

Summary and comments regarding Bill 185 (Cutting Red Tape to Build More Homes Act, 2024)

ERO Posting	Region of Durham Comment
019-8366 Seeking feedback on zoning by-	Bill 185 proposes to widen the scope of the Minister's authority in subsection 35.1(2) of the Planning Act to regulate not only a second or third residential unit, but any ARU within a house, as well as the land on which such ARUs are located and the building or structure within which such ARUs are located.
law barriers to the creation of	Such Artos are located.
additional residential units	The Region recognizes that ARUs are an important tool in contributing to the supply of private sector affordable, rental housing options. This housing form contributes to affordability by optimizing the use of the existing housing stock and infrastructure, while also providing an income stream for homeowners, including younger and older homeowners, who may respectively have a greater need for income to help finance and/or remain in their homes.
	Through Envision Durham, the Region introduced a broad suite of policies that encourage area municipalities (AMs) to reduce barriers and support provisions that would:
	 Require AMs to adopt policies and zoning provisions that permit the use of up to three ARUs in detached, semi-detached and/or townhouse units (inclusive of an ARU within an ancillary building to that unit);
	 Increase opportunities for ARUs by not applying minimum unit sizes and not requiring more than one parking space per unit; and
	 Encourage the removal of parking requirements for ARUs in areas intended to support existing and planned higher order transit service (i.e. MTSAs).
	Given that the new ROP has yet to receive Ministerial approval, and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes and/or identify additional barriers to developing ARUs at this time.
019-8368	The availability of good data and analytics are a critical resource for understanding housing
Proposed amendments to O. Reg. 73/23: Municipal Planning	supply in Durham Region. The Region is presently exploring a comprehensive growth model for data collection and analysis, and have the following comments:
Data Reporting	 Consistency and completeness of data sources, reporting frequency, and broad acceptance of interpretation among data users are continued challenges, and hinder the ability to obtain buy-in from all of our eight area municipalities. It will continue to pose as

ERO Posting	Region of Durham Comment
	a challenge until, or unless a transparent set of Guiding Principles are established. A good example of these challenges were recently demonstrated in Clarington wherein the municipality stated in Staff Report CAO-002-24 that it has been deemed ineligible for approximately \$4 million in "Building Faster Funding (BFF)" from the province due to a calculation error by the CMHC on the municipality's housing starts, based on differing interpretations of what constitutes a "housing start".
	• In late 2022, as part of Bill 23, the province indicated it would develop and publish a centralized data collection initiative as part of the Minister's (MAH) Bulletin which sets out the average market rents and average purchase prices by locale. This was a welcome announcement for establishing data and source consistency, and the Region anticipates its release. Furthermore, the Region recommends a phased-in approach, starting with a focus on housing supply by type and approval status, with future expansion of other types of data collection.
	 The province is proposing that geospatial data addressing designated serviced land supply will be required from municipalities, including the lakeshore municipalities in Durham.
	It is unclear what the term "serviced" is meant to encompass. Is it water/wastewater? Or, will it take into account electricity, natural gas, and other utilities.
	 In Durham, the water/wastewater infrastructure is owned/operated by the Region from the lake to the lot line/house. The sanitary sewer and water supply systems have also been constructed without regard for individual lower tier municipal boundaries. Rather, the systems have been designed with the wider Region in mind, with piping crossing municipal boundaries, interconnecting municipalities, to provide very robust and efficient systems.
	Determining if a lot is "serviced" is complicated. "Serviced" cannot be defined by geography alone. For instance, lands in Oshawa Water Pressure Zone 4 and Brooklin Water Pressure Zone 4 can proceed up to a certain number of units before a second pumping station is required. These units can be located anywhere in Zone 4, but the entirety of Zone 4 cannot be shown as serviced at this time.

ERO Posting	Region of Durham Comment
	 Recommendation A phased approach to the province's centralized data collection initiative should be used. It should start with a focus on housing supply by type and approval status, with future expansion of other types of data collection. The definition of a "serviced lot" should be broader than geography and consider
	capacity.
019-8369	Schedule 9: Section 86.1
Schedule 9 – Proposed changes to the Municipal Act 2001	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham is unique in that it, with the exception of Seaton, does not assign servicing until a development agreement is signed or a connection permit is issued (where there is no agreement), so there are no stranded servicing allocations in Durham. As such, the Region does not intend to change its procedures for allocating capacity using the new Servicing Management Tool proposed in Bill 185.
	A recognition that all municipalities do not assign allocation the same way should be included in the policy.
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft plan conditions, Subdivision and Servicing agreements, and connection permits to include a timeline for when the capacity must be used; along with considerations for Front-Ending Agreements where capacity is allocated for larger areas.
	Recommendation The policy providing for the allocation of water supply and sewage capacity should recognize that not all municipalities assign allocation the same way.
	Schedule 9: Section 106

ERO Posting	Region of Durham Comment
	If the province is going to introduce this new provision, care must be taken to ensure that it does not pit once municipality against another. Further details are needed before Regional support can be provided.
019-8369	12.1 Upper-tier Planning Responsibilities
Schedule 12 – Proposed changes to the Planning Act 2001	While the Region appreciates the flexibility granted to Durham, Waterloo, Simcoe, and Niagara, to bring changes to the removal of planning responsibilities at a future date, clarity is required regarding the statement that "the government intends to move forward with bringing the changes into effect for the remaining upper-tier municipalities by the end of 2024." Does this imply that a proclamation date will be identified by the province (i.e. January 1, 2025), or will the effective date be dependant upon the individual ability of each of the four upper tier regions to transition responsibilities to their respective lower-tiers?
	Lower-tier municipalities are currently using Durham's Council-adopted Regional Official Plan (ROP), "Envision Durham", as they commence their municipal comprehensive review processes. It is imperative that the Region receive ministerial approval of its new ROP, in advance of the effective date of the new Provincial Policy Statement and upper-tier planning changes, to allow the lower-tier municipalities a higher degree of confidence to rely on this body of work as they update their own official plans.
	Furthermore, in preparation for becoming an "upper-tier municipality without planning responsibilities", additional clarity is sought regarding the future role of the Region as it relates to the planning review responsibilities currently undertaken on behalf of the province. Specifically, the Region is seeking clarity around the province's expectations for Regional Planning to continue its provincial plan review responsibilities post-Bill 23. It is understood that the Region will be able to continue to provide comments on local development application; however, without a statutory planning document to guide the comments, it is unclear what weight Regional comments would have on development activity. At present, Regional Planning coordinates comments provided, not just by the Regional Planning Division, but by other Regional departments such as Works, Health, Emergency Services, and Transit (i.e. a one-window approach). To manage the demands for Regional infrastructure, the Region anticipates continuing with development application commenting post-Bill 23; however, it cautions that a

ERO Posting	Region of Durham Comment
	commenting role is not a replacement for having a Planning Act-approved land use policy document that sets out the Region's objectives for its services and facilitates a coordinated and integrated approach to growth management in the region where it can direct area municipalities accordingly.
	Recommendation Introduce a statutory planning document that sets out the Region's objectives for its services and facilities a coordinated and integrated approach to growth management. Such a statutory document would clarify the Regional planning role in commenting on development proposals.
	12.2 Parking Requirements in MTSAs
	The Region recognizes that the provision of alternative development standards to support transit-oriented development, including reduced minimum parking requirements, be encouraged in SGAs and tailored to the level of transit service proposed.
	Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced a suite of policies that encourage area municipalities (AMs) to: • remove parking space requirements for ARUs in areas intended to support existing and planned higher order transit service;
	 prepare detailed policies for MTSAs that support the efficient use of land, including requirements for structured parking, shared parking and/or reduced parking as part of new development; and adopt provisions within SGAs to reduce minimum parking requirements and encourage potential redevelopment of existing surface parking.
	Given that the new ROP has yet to receive Ministerial approval, and parking and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes at this time.
	12.3 Limit Third Party Appeals for Official Plans, OPAs, ZBs, and ZBAs
	The Region generally supports the added limitation on some appeals; however there is concern that, once Durham is proclaimed to be "without planning responsibilities", the municipality could

ERO Posting	Region of Durham Comment
	lose its ability to appeal and/or meaningfully participate in major land use planning decisions, despite being a key stakeholder with direct interests in growth management, infrastructure and service planning and delivery. Furthermore, there appears to be an inconsistency wherein utility providers are included as a "specified person" as introduced in Bill 185 who has appeal rights, while the Region, who is also a utility provider for water and sewer, is not. As such, utility providers will have stronger tools (including appeal rights) to protect their infrastructure compared to upper-tier municipalities.
	This issue is further exacerbated by the proposed changes allowing privately requested settlement area boundary expansions (SABEs) outside of a municipal comprehensive review, while also allowing applicants to appeal a municipality's refusal or failure to make a decision on the SABE request.
	Recommendation Given their direct interests in growth management, infrastructure and service planning; include upper-tier municipalities as "specified persons" with appeal rights in alignment with the appeal rights granted to other utility providers.
	12.4 Voluntary Pre-application Consultation and 12.5 Removing timelines for OLT appeals
	Removing the requirement for a pre-consultation introduces unnecessary risk into the planning process, as does allowing applicants to challenge "complete" application requirements to the Ontario Land Tribunal at any time. Pre-consultations should be viewed not only as good planning practice, but in the best interests of the applicant, municipality, and residents while ultimately expediting the development approval process.
	Furthermore, the provision for complete applications were introduced in Bill 51 in 2007 to preclude applicants from submitting a "bare bones" application with no supporting studies, and subsequently appealing the matter to the Ontario Land Tribunal (then Ontario Municipal Board) for a hearing. The purpose of complete applications are to ensure that a fulsome, transparent, and public process occurs as part of the development process.
	Recommendation

ERO Posting	Region of Durham Comment
	Keep the requirement for pre-consultations to minimize risk and do not allow challenging "complete" application requirements to be appealed to the OLT to ensure a transparent and comprehensive public review process.
	12.6 Allow individual SABE appeals
	Bill 185 proposes to allow a private applicant to appeal an approval authority's refusal of non-decision to the Ontario Land Tribunal, so long as the proposed boundary expansion does not include any lands within the Greenbelt Area.
	Permitting individual appeals on settlement area boundary expansions (SABEs) through the OLT results in a piecemeal approach that could result in more land being designated beyond what was identified by municipalities in their municipal comprehensive review (MCR), undermining the Region's overall growth management objectives.
	Recommendation The Region, in its initial comments on the proposed Planning Statement in June 2023 through Report #2023-P-19 recommended that SABEs continue to be permitted only through a municipal comprehensive review informed by standardized methodology. Furthermore, within a regional context, the implications of infrastructure and servicing on settlement area boundary expansions collectively should continue to rest with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing, regardless of planning approval responsibility.
	12.8 Remove CIHA from the Planning Act and permit transition rules for CIHA orders already made
	In a December 2023 news release , the province announced it would be launching consultations on a go-forward framework for how MZOs would be received and considered and that no new MZOs would be considered until the completion of that consultation. However, it does not appear that the province is accepting comments on the MZO Framework.
	Generally, this MZO Framework returns us to a pre-CHIA environment, but provides a more transparent framework for how requests for MZOs are submitted and considered. The CHIA tool is removed to avoid duplication.

ERO Posting	Region of Durham Comment
	A key difference between the CHIA tool and MZO Framework is that the CHIA tool only permitted requests from municipalities, while anyone can submit an MZO request.
	The Region previously provided feedback to the province on how the MZO process could be improved (Report #2020-P-30). While the province has listed out submission expectations, the specifics of how MZOs will be evaluated are still unclear. It should also be noted that, the new framework for MZOs excludes the requirement for input and/or support from upper-tier municipal councils. This could result in discrepancies between servicing allocations.
	Recommendation It is recommended that, where applicable, upper-tier municipalities should be consulted on MZOs because of Regions' role in the provision of infrastructure.
	12.9 Enhancing framework for ARUs
	While there is general support for this framework, the Region should be consulted to ensure appropriate servicing and infrastructure to support additional residential units is monitored and achieved.
	12.10-12.12 Use it or Lose it Tools
	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham's practice is unique in that, with certain exceptions like Seaton, it does not allocate servicing until a development agreement is signed or a connection permit is issued (where there is no agreement). With the developer by then having to commit to significant investment including paying 50% of the hard Development Charges, the risk of stranded servicing allocations in Durham remains minimal. As such, the new Servicing Management Tool proposed in Bill 185 will not benefit the Region given its current diligent practice for allocating capacity. To this effect, a recognition that all municipalities do not assign allocation the same way should be included in the policy.

ERO Posting	Region of Durham Comment
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft
	plan conditions, Subdivision and Servicing agreements, and connection permits to include a
	timeline for when the capacity must be used; along with considerations for Front-Ending
	Agreements where capacity is allocated for larger areas.
	12.13 Exempting universities from the Planning Act for student housing
	The Region should be consulted to ensure appropriate servicing and infrastructure to support student housing projects is monitored and achieved. Moreover, in cases where a university or college campus is located on lands designated for employment purposes, there is a concern that allowing student accommodation has the potential to adversely impact existing industrial uses and future employment opportunities due to the introduction of sensitive uses into an employment area. Exempting universities from the Planning Act for student housing should not be permitted where the lands are designated for employment purposes.
	12.14 Expedited approval for community facilities
	The Region is in general support of expediting the approval process for community service facilities contributing to complete and walkable communities.
019-8370	This a welcome and positive update for parameters around providing public notice, and modernizes the planning process with current technology, especially as local Durham
Regulatory changes to modernize public notice	newspapers have begun to phase out the printing of physical newspapers towards an online model.
requirements under Planning	model.
Act and DC Act	The Region recognizes that public consultation is a central and mandatory element of Ontario's land use planning system. Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced policy that would ensure, wherever possible, that efforts be made to promote broad community awareness of planning issues and provide enhanced opportunities for input through both traditional (i.e. in-person) and innovative
	methods, which may include electronic media or other emerging technologies.
<u>019-8371</u>	Regional Staff support the proposed elimination of the phase-in of DCs and the re-introduction
Observed to the DO Ast	of studies being an eligible capital cost to be funded by DCs. These measures will have a
Changes to the DC Act	significant impact on the Region's ability to fund growth-related capital costs from DCs and
Enhance Municipalities'	reduce funding requirements from property taxes and water and sewer user rates.

ERO Posting	Region of Durham Comment
Ability to Invest in Housing-	
Enabling Infrastructure	 Impact on Regional DC By-laws DC By-law #42-2023 (Roads, water, sewer and other services) – amending by-law required through the streamlined process to: Remove the phase-in provisions Include the cost of studies
	 Transit DC By-law #39-2022 - No amending by-law required: Existing By-law does not include phase-in provisions By-law includes the cost of studies since By-law was approved prior to November 28, 2022 (When Bill 23 came into effect)
	 New Seaton By-law to be presented to Regional Council on May 29, 2024 for approval: Given the uncertainty to the effective date of Bill 185, the by-law and final report are written to provide flexibility to implement the by-law under the following two scenarios:
	Go Transit DC By-law #86-2001 – no action required. By-law was not impacted by Bill 23.
	 Assuming Bill 185 is in effect by July 1, 2024, this will result in the following: The full rates under the Transit DC By-law (Transit services) will be implemented two years ahead of the current schedule; The full rates under Regional DC By-law #42-2023 (i.e. water, sewer, roads, police, paramedic etc.) will be implemented three years ahead of the current schedule; The full rates for the Seaton Water and Sewer Area Specific DCs will be implemented on July 1, 2024 and will not be subject to any phase in Will avoid approximately \$205 million in lost revenue over the next four years related to the phase-in requirements





May 10, 2024

MFPB@ontario.ca

The Regional Municipality of Durham

Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Re: Region of Durham staff comments on ERO 019-8371 pertaing to Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)

On April 10, proposed amendments to the Planning Act, Ontario

Regulation 73/23: Municipal Planning Data Reporting, Municipal Act, 2001 and Development Charges Act were posted to the Environmental Registry of Ontario as part of the proposed Cutting Red Tape to Build More Homes Act.

Thank you for the opportunity to comment on the proposed changes. The majority of the proposed changes are welcomed, however there remains some outstanding questions related to implementation. Given the limited posting period of 30 days, please note that the following comments are those of Durham Regional staff, which will be provided to Regional Council for endorsement at an upcoming Council meeting. Regional staff will advise the province of any changes made to these comments by Council following the meeting.

The attached appendix provides detailed comments on the various amendments being considered. We offer the following key recommendations and considerations:

 Durham is an upper-tier municipality that provides water and wastewater services across 8 municipalities in addition to other cross boundary Regional infrastructure and services. In order to deliver on Regional service objectives and facilitate a coordinated and integrated approach to growth management, the following is recommended:



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO

- The Region continues to express deep concerns with the proposal to remove the Regional Official Plan from the Region's jurisdiction. If this approach is to be implemented, then as a minimum, the province is urged to introduce a new provision into the Planning Act to allow Durham, as an upper-tier municipality, to prepare and maintain a statutory planning document to guide the financing and delivery of regional infrastructure and services.
- Include upper-tier municipalities as specified persons with appear rights in alignment with the treatment of utility providers that have a direct interest in infrastructure and servicing planning.
- Maintain settlement area boundary expansions consideration with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing.
- Include upper-tier municipalities in MZO consultations because of Regions' role in the provision of municipal infrastructure.
- Ensure Regions are consulted on additional dwelling unit enhancements to ensure appropriate servicing and infrastructure.
- Mandatory pre-application consultations are a good planning practice that is in the best interest of the applicant, municipality and residents; these pre-consultations ultimately expedite the approval process and should be maintained to minimize risk to all parties.
 Allowing challenging "complete" application requirements to be appealed to the Ontario Land Tribunal would result in a less transparent and comprehensive public review process.
- The proposed elimination of the phase-in of development charges and the proposed inclusion of studies as an eligible expense are supported and will improve the Region's ability to fund growthrelated capital costs and reduce funding requirements from property taxes and water and sewer user rates.

Although the proposed implementation of municipal development-related charge exemptions for affordable residential units (rental and ownership) is not part of Bill 185, Regional staff have reviewed the Affordable Residential Units Bulletin (in effect as of June 1, 2024) that provide the rental / price thresholds to determine if a unit meets the affordable definition and offer the following comments:



Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 <u>elaine.baxter-</u> trahair@durham.ca

Elaine Baxter-Trahair Regional CAO

Regional staff support:

- That the affordability criteria for rental and ownership units varies across unit types (i.e., single, semi-detached, townhomes, and apartments by number of bedrooms), except for the Income-based purchase price criteria which is consistent across unit types; and
- That the affordable purchase price and rental rate thresholds are established specific to geographic regions to reflect the respective housing and rental market conditions.

• Regional staff recommend:

- Measures should be put in place to ensure that the exemption from municipal development-related charges is passed onto homeowners and renters to preserve the integrity of the Province's proposed definition of affordable residential unit;
- The Province provide a template for the 25-year agreement between the developer and the area municipality (as required under the DCA); and
- The Province provide support regarding the challenges municipalities will face in the collection of development charges at building permit and / or at subdivision stage which is far in advance of knowing the final purchase price or rental rate. A refund and/or later payment collection mechanism that would allow municipalities to verify the final purchase price or rental rate should be added to the allowable DC collection process. In addition, the process will require an annual verification process to ensure that affordability is maintained, and if not, then a DC payment is required.
- The income-based approach for affordable ownership units could be improved by taking into account household size for each unit type instead of applying a consistent value across all units types. This would provide incentive to build a range of housing options.
- The Province confirm the timelines for when the Bulletin will be updated (e.g. updated June 1 every year).



Sincerely,

Original signed by

Elaine Baxter-Trahair
Chief Administrative Officer

The Regional Municipality of Durham

Office of the Chief Administrative Officer

605 Rossland Rd. E. Level 5 PO Box 623 Whitby, ON L1N 6A3 Canada

905-668-7711 1-800-372-1102 elaine.baxtertrahair@durham.ca

Elaine Baxter-Trahair Regional CAO CC: Brian Bridgeman, Commissioner of Planning and Economic Development
Ramesh Jagannathan, Commissioner of Works
Nancy Taylor, Commissioner of Finance

Attachment 1 - Region of Durham Submission on Bill 185

Summary and comments regarding Bill 185 (Cutting Red Tape to Build More Homes Act, 2024)

ERO Posting	Region of Durham Comment
019-8366 Seeking feedback on zoning by-	Bill 185 proposes to widen the scope of the Minister's authority in subsection 35.1(2) of the Planning Act to regulate not only a second or third residential unit, but any ARU within a house, as well as the land on which such ARUs are located and the building or structure within which such ARUs are located.
law barriers to the creation of	
additional residential units	The Region recognizes that ARUs are an important tool in contributing to the supply of private sector affordable, rental housing options. This housing form contributes to affordability by optimizing the use of the existing housing stock and infrastructure, while also providing an income stream for homeowners, including younger and older homeowners, who may respectively have a greater need for income to help finance and/or remain in their homes.
	Through Envision Durham, the Region introduced a broad suite of policies that encourage area municipalities (AMs) to reduce barriers and support provisions that would:
	 Require AMs to adopt policies and zoning provisions that permit the use of up to three ARUs in detached, semi-detached and/or townhouse units (inclusive of an ARU within an ancillary building to that unit);
	 Increase opportunities for ARUs by not applying minimum unit sizes and not requiring more than one parking space per unit; and
	 Encourage the removal of parking requirements for ARUs in areas intended to support existing and planned higher order transit service (i.e. MTSAs).
	Given that the new ROP has yet to receive Ministerial approval, and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes and/or identify additional barriers to developing ARUs at this time.
019-8368	The availability of good data and analytics are a critical resource for understanding housing
Proposed amendments to O. Reg. 73/23: Municipal Planning	supply in Durham Region. The Region is presently exploring a comprehensive growth model for data collection and analysis, and have the following comments:
Data Reporting	 Consistency and completeness of data sources, reporting frequency, and broad acceptance of interpretation among data users are continued challenges, and hinder the ability to obtain buy-in from all of our eight area municipalities. It will continue to pose as

ERO Posting	Region of Durham Comment
	a challenge until, or unless a transparent set of Guiding Principles are established. A good example of these challenges were recently demonstrated in Clarington wherein the municipality stated in Staff Report CAO-002-24 that it has been deemed ineligible for approximately \$4 million in "Building Faster Funding (BFF)" from the province due to a calculation error by the CMHC on the municipality's housing starts, based on differing interpretations of what constitutes a "housing start".
	• In late 2022, as part of Bill 23, the province indicated it would develop and publish a centralized data collection initiative as part of the Minister's (MAH) Bulletin which sets out the average market rents and average purchase prices by locale. This was a welcome announcement for establishing data and source consistency, and the Region anticipates its release. Furthermore, the Region recommends a phased-in approach, starting with a focus on housing supply by type and approval status, with future expansion of other types of data collection.
	 The province is proposing that geospatial data addressing designated serviced land supply will be required from municipalities, including the lakeshore municipalities in Durham.
	It is unclear what the term "serviced" is meant to encompass. Is it water/wastewater? Or, will it take into account electricity, natural gas, and other utilities.
	 In Durham, the water/wastewater infrastructure is owned/operated by the Region from the lake to the lot line/house. The sanitary sewer and water supply systems have also been constructed without regard for individual lower tier municipal boundaries. Rather, the systems have been designed with the wider Region in mind, with piping crossing municipal boundaries, interconnecting municipalities, to provide very robust and efficient systems.
	Determining if a lot is "serviced" is complicated. "Serviced" cannot be defined by geography alone. For instance, lands in Oshawa Water Pressure Zone 4 and Brooklin Water Pressure Zone 4 can proceed up to a certain number of units before a second pumping station is required. These units can be located anywhere in Zone 4, but the entirety of Zone 4 cannot be shown as serviced at this time.

ERO Posting	Region of Durham Comment
	 Recommendation A phased approach to the province's centralized data collection initiative should be used. It should start with a focus on housing supply by type and approval status, with future expansion of other types of data collection. The definition of a "serviced lot" should be broader than geography and consider capacity.
<u>019-8369</u>	Schedule 9: Section 86.1
Schedule 9 – Proposed changes to the Municipal Act 2001	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham is unique in that it, with the exception of Seaton, does not assign servicing until a development agreement is signed or a connection permit is issued (where there is no agreement), so there are no stranded servicing allocations in Durham. As such, the Region does not intend to change its procedures for allocating capacity using the new Servicing Management Tool proposed in Bill 185.
	A recognition that all municipalities do not assign allocation the same way should be included in the policy.
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft plan conditions, Subdivision and Servicing agreements, and connection permits to include a timeline for when the capacity must be used; along with considerations for Front-Ending Agreements where capacity is allocated for larger areas.
	Recommendation The policy providing for the allocation of water supply and sewage capacity should recognize that not all municipalities assign allocation the same way.
	Schedule 9: Section 106

ERO Posting	Region of Durham Comment
	If the province is going to introduce this new provision, care must be taken to ensure that it does not pit once municipality against another. Further details are needed before Regional support can be provided.
0.40,0000	
019-8369	12.1 Upper-tier Planning Responsibilities
Schedule 12 – Proposed changes to the Planning Act 2001	While the Region appreciates the flexibility granted to Durham, Waterloo, Simcoe, and Niagara, to bring changes to the removal of planning responsibilities at a future date, clarity is required regarding the statement that "the government intends to move forward with bringing the changes into effect for the remaining upper-tier municipalities by the end of 2024." Does this imply that a proclamation date will be identified by the province (i.e. January 1, 2025), or will the effective date be dependant upon the individual ability of each of the four upper tier regions to transition responsibilities to their respective lower-tiers?
	Lower-tier municipalities are currently using Durham's Council-adopted Regional Official Plan (ROP), "Envision Durham", as they commence their municipal comprehensive review processes. It is imperative that the Region receive ministerial approval of its new ROP, in advance of the effective date of the new Provincial Policy Statement and upper-tier planning changes, to allow the lower-tier municipalities a higher degree of confidence to rely on this body of work as they update their own official plans.
	Furthermore, in preparation for becoming an "upper-tier municipality without planning responsibilities", additional clarity is sought regarding the future role of the Region as it relates to the planning review responsibilities currently undertaken on behalf of the province. Specifically, the Region is seeking clarity around the province's expectations for Regional Planning to continue its provincial plan review responsibilities post-Bill 23. It is understood that the Region will be able to continue to provide comments on local development application; however, without a statutory planning document to guide the comments, it is unclear what weight Regional comments would have on development activity. At present, Regional Planning coordinates comments provided, not just by the Regional Planning Division, but by other Regional departments such as Works, Health, Emergency Services, and Transit (i.e. a one-window approach). To manage the demands for Regional infrastructure, the Region anticipates continuing with development application commenting post-Bill 23; however, it cautions that a

ERO Posting	Region of Durham Comment
	commenting role is not a replacement for having a Planning Act-approved land use policy document that sets out the Region's objectives for its services and facilitates a coordinated and integrated approach to growth management in the region where it can direct area municipalities accordingly.
	Recommendation Introduce a statutory planning document that sets out the Region's objectives for its services and facilities a coordinated and integrated approach to growth management. Such a statutory document would clarify the Regional planning role in commenting on development proposals.
	12.2 Parking Requirements in MTSAs
	The Region recognizes that the provision of alternative development standards to support transit-oriented development, including reduced minimum parking requirements, be encouraged in SGAs and tailored to the level of transit service proposed.
	Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced a suite of policies that encourage area municipalities (AMs) to: • remove parking space requirements for ARUs in areas intended to support existing and planned higher order transit service;
	 prepare detailed policies for MTSAs that support the efficient use of land, including requirements for structured parking, shared parking and/or reduced parking as part of new development; and adopt provisions within SGAs to reduce minimum parking requirements and encourage potential redevelopment of existing surface parking.
	Given that the new ROP has yet to receive Ministerial approval, and parking and zoning by-law provisions are the responsibility of the AMs, Regional Planning staff are unable to measure the effectiveness of the already adopted policy changes at this time.
	12.3 Limit Third Party Appeals for Official Plans, OPAs, ZBs, and ZBAs
	The Region generally supports the added limitation on some appeals; however there is concern that, once Durham is proclaimed to be "without planning responsibilities", the municipality could

ERO Posting	Region of Durham Comment
	lose its ability to appeal and/or meaningfully participate in major land use planning decisions, despite being a key stakeholder with direct interests in growth management, infrastructure and service planning and delivery. Furthermore, there appears to be an inconsistency wherein utility providers are included as a "specified person" as introduced in Bill 185 who has appeal rights, while the Region, who is also a utility provider for water and sewer, is not. As such, utility providers will have stronger tools (including appeal rights) to protect their infrastructure compared to upper-tier municipalities.
	This issue is further exacerbated by the proposed changes allowing privately requested settlement area boundary expansions (SABEs) outside of a municipal comprehensive review, while also allowing applicants to appeal a municipality's refusal or failure to make a decision on the SABE request.
	Recommendation Given their direct interests in growth management, infrastructure and service planning; include upper-tier municipalities as "specified persons" with appeal rights in alignment with the appeal rights granted to other utility providers.
	12.4 Voluntary Pre-application Consultation and 12.5 Removing timelines for OLT appeals
	Removing the requirement for a pre-consultation introduces unnecessary risk into the planning process, as does allowing applicants to challenge "complete" application requirements to the Ontario Land Tribunal at any time. Pre-consultations should be viewed not only as good planning practice, but in the best interests of the applicant, municipality, and residents while ultimately expediting the development approval process.
	Furthermore, the provision for complete applications were introduced in Bill 51 in 2007 to preclude applicants from submitting a "bare bones" application with no supporting studies, and subsequently appealing the matter to the Ontario Land Tribunal (then Ontario Municipal Board) for a hearing. The purpose of complete applications are to ensure that a fulsome, transparent, and public process occurs as part of the development process.
	Recommendation

ERO Posting	Region of Durham Comment
	Keep the requirement for pre-consultations to minimize risk and do not allow challenging "complete" application requirements to be appealed to the OLT to ensure a transparent and comprehensive public review process.
	12.6 Allow individual SABE appeals
	Bill 185 proposes to allow a private applicant to appeal an approval authority's refusal of non-decision to the Ontario Land Tribunal, so long as the proposed boundary expansion does not include any lands within the Greenbelt Area.
	Permitting individual appeals on settlement area boundary expansions (SABEs) through the OLT results in a piecemeal approach that could result in more land being designated beyond what was identified by municipalities in their municipal comprehensive review (MCR), undermining the Region's overall growth management objectives.
	Recommendation The Region, in its initial comments on the proposed Planning Statement in June 2023 through Report #2023-P-19 recommended that SABEs continue to be permitted only through a municipal comprehensive review informed by standardized methodology. Furthermore, within a regional context, the implications of infrastructure and servicing on settlement area boundary expansions collectively should continue to rest with upper-tier municipalities as the jurisdiction responsible for the infrastructure and servicing, regardless of planning approval responsibility.
	12.8 Remove CIHA from the Planning Act and permit transition rules for CIHA orders already made
	In a December 2023 news release , the province announced it would be launching consultations on a go-forward framework for how MZOs would be received and considered and that no new MZOs would be considered until the completion of that consultation. However, it does not appear that the province is accepting comments on the MZO Framework.
	Generally, this MZO Framework returns us to a pre-CHIA environment, but provides a more transparent framework for how requests for MZOs are submitted and considered. The CHIA tool is removed to avoid duplication.

ERO Posting	Region of Durham Comment
	A key difference between the CHIA tool and MZO Framework is that the CHIA tool only permitted requests from municipalities, while anyone can submit an MZO request.
	The Region previously provided feedback to the province on how the MZO process could be improved (Report #2020-P-30). While the province has listed out submission expectations, the specifics of how MZOs will be evaluated are still unclear. It should also be noted that, the new framework for MZOs excludes the requirement for input and/or support from upper-tier municipal councils. This could result in discrepancies between servicing allocations.
	Recommendation It is recommended that, where applicable, upper-tier municipalities should be consulted on MZOs because of Regions' role in the provision of infrastructure.
	12.9 Enhancing framework for ARUs
	While there is general support for this framework, the Region should be consulted to ensure appropriate servicing and infrastructure to support additional residential units is monitored and achieved.
	12.10-12.12 Use it or Lose it Tools
	From a growth management perspective, there is general support for these policies as an incentive for builders and developers to move forward with approved applications, resulting in greater certainty when determining housing and land supply.
	However, Durham's practice is unique in that, with certain exceptions like Seaton, it does not allocate servicing until a development agreement is signed or a connection permit is issued (where there is no agreement). With the developer by then having to commit to significant investment including paying 50% of the hard Development Charges, the risk of stranded servicing allocations in Durham remains minimal. As such, the new Servicing Management Tool proposed in Bill 185 will not benefit the Region given its current diligent practice for allocating capacity. To this effect, a recognition that all municipalities do not assign allocation the same way should be included in the policy.

ERO Posting	Region of Durham Comment
	Additionally, in regard to draft plans of subdivision, updates will be required to the Region's draft plan conditions, Subdivision and Servicing agreements, and connection permits to include a timeline for when the capacity must be used; along with considerations for Front-Ending Agreements where capacity is allocated for larger areas.
	12.13 Exempting universities from the Planning Act for student housing
	The Region should be consulted to ensure appropriate servicing and infrastructure to support student housing projects is monitored and achieved. Moreover, in cases where a university or college campus is located on lands designated for employment purposes, there is a concern that allowing student accommodation has the potential to adversely impact existing industrial uses and future employment opportunities due to the introduction of sensitive uses into an employment area. Exempting universities from the Planning Act for student housing should not be permitted where the lands are designated for employment purposes.
	12.14 Expedited approval for community facilities
	The Region is in general support of expediting the approval process for community service facilities contributing to complete and walkable communities.
Regulatory changes to modernize public notice	This a welcome and positive update for parameters around providing public notice, and modernizes the planning process with current technology, especially as local Durham newspapers have begun to phase out the printing of physical newspapers towards an online model.
requirements under Planning Act and DC Act	The Region recognizes that public consultation is a central and mandatory element of Ontario's land use planning system. Through Envision Durham, the Region's Council adopted Regional Official Plan (ROP), the Region introduced policy that would ensure, wherever possible, that efforts be made to promote broad community awareness of planning issues and provide enhanced opportunities for input through both traditional (i.e. in-person) and innovative methods, which may include electronic media or other emerging technologies.
019-8371 Changes to the DC Act Enhance Municipalities'	Regional Staff support the proposed elimination of the phase-in of DCs and the re-introduction of studies being an eligible capital cost to be funded by DCs. These measures will have a significant impact on the Region's ability to fund growth-related capital costs from DCs and reduce funding requirements from property taxes and water and sewer user rates.

ERO Posting	Region of Durham Comment
Ability to Invest in Housing-	
Enabling Infrastructure	 Impact on Regional DC By-laws DC By-law #42-2023 (Roads, water, sewer and other services) – amending by-law required through the streamlined process to: ○ Remove the phase-in provisions ○ Include the cost of studies
	 Transit DC By-law #39-2022 - No amending by-law required: Existing By-law does not include phase-in provisions By-law includes the cost of studies since By-law was approved prior to November 28, 2022 (When Bill 23 came into effect)
	 New Seaton By-law to be presented to Regional Council on May 29, 2024 for approval: Given the uncertainty to the effective date of Bill 185, the by-law and final report are written to provide flexibility to implement the by-law under the following two scenarios:
	Go Transit DC By-law #86-2001 – no action required. By-law was not impacted by Bill 23.
	 Assuming Bill 185 is in effect by July 1, 2024, this will result in the following: The full rates under the Transit DC By-law (Transit services) will be implemented two years ahead of the current schedule; The full rates under Regional DC By-law #42-2023 (i.e. water, sewer, roads, police, paramedic etc.) will be implemented three years ahead of the current schedule; The full rates for the Seaton Water and Sewer Area Specific DCs will be implemented on July 1, 2024 and will not be subject to any phase in Will avoid approximately \$205 million in lost revenue over the next four years related to the phase-in requirements