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DATE: May 31, 2019

TO: The Honourable Steve Clark, Minister of Municipal Affairs and Housing

RE: **Proposed Bill 108 (More Homes, More Choice Act, 2019)
and the Proposed Housing Supply Action Plan –
Preliminary Comments**

ERO No.. 019-0016
<https://ero.ontario.ca/notice/019-0016>

Dear Minister Clark,

On behalf of Municipality of Port Hope (MPH) and at the direction of Council, I am submitting preliminary comments to the Proposed Bill 108 (More Homes, More Choice Act, 2019) and the Proposed Housing Supply Action Plan, which is currently at first reading in the legislative process.

As you know, this legislation proposes significant amendments to a broad range of existing legal statutes including:

- Development Charges Act
- Local Planning Appeal Tribunal Act
- Planning Act
- Conservation Authorities Act
- Environmental Assessment Act
- Ontario Heritage Act
- Endangered Species Act
- Cannabis Control Act.

A number will require of changes to regulations.

Earlier this month, Port Hope's Community Development Department staff advised Council that there was insufficient time for municipal staff: to become adequately familiar with these significant legislative changes; to effectively assess its implications on the community; and, to provide appropriate advice to Council. Staff's very preliminary assessment of potential municipal impacts and outcomes from Bill 108 appear to be far more extensive than simply addressing provincial needs.

The 30 day public comment period for this legislation, which ended on June 1, 2019, was inadequate - given the order of magnitude of the potential impacts resulting from the proposed amendments on Ontario communities.

The Municipality requests the Government of Ontario delay the legislative process for Bill 108, properly engage and consult with Municipalities and other stakeholders, before there is further consideration of this legislation.

It is unknown when the second reading of Bill 108 and debates will occur. The full impact of many of the proposed Bill 108 amendments may only be properly assessed when implementation details and draft regulations, associated with the Bill, become available. As such, municipalities like Port Hope find it difficult to determine whether the proposed legislative changes offer net benefits, improve desired outcomes or are problematic for their jurisdiction.

Other jurisdictions and public interest groups in the Province have also expressed concerns both about their ability to assess potential impacts and to understand the full implications of this legislation. There appears to be a growing consensus among municipalities and other stakeholders that a public consultation and engagement for Bill 108, similar to what has been undertaken for other Provincial legislation like the Growth Plan, is a necessity.

In fact, in the absence of a robust public consultation and engagement process, the risk of Bill 108 being problematic for all stakeholders, including this government, is high.

Port Hope anticipates that comments from smaller municipalities on this legislation may be quite limited - simply because they lack the capacity and time to undertake a proper evaluation, and not fully unaware of its implications. Larger Ontario municipalities are expressing similar concerns.

Port Hope supports and encourages the government to carefully consider the assessment of the following organizations, who have been able to do some analysis of the legislative impacts. Please refer to **Appendix A** for details.

Based on the above and the review of the Bill 108 information currently made available by MMAH, please consider the following preliminary comments.

The Province:


- Extend the June 1, 2019 timeline on the Environmental Registry of Ontario for comments on proposed Bill 108 to least August 1, 2019, thereby providing additional time for municipalities to comment on the proposed legislation and the opportunity for Provincial staff to implement a public consultation and engagement process.

- Consult with the Ontario municipalities, prior to issuing any draft regulations associated with proposed Bill 108, and prior to the regulations coming into force. Municipalities want to be in a position to understand, assess and comment on legislation and regulation's impact, including the cumulative financial impacts, prior to receiving Provincial approval.
- Provide a transparent and thorough stakeholder engagement/consultation process in the development of all regulations associated with proposed Bill 108.
- Hold fulsome standing committee meetings to enable stakeholders to make both deputations and submissions on the proposed regulations.
- Develop appropriate plans, strategies and training to enable municipalities to effectively implement and comply with these regulations.

The Municipality of Port Hope would be pleased to work with the government and consult further on this legislation. It welcomes the opportunity to meet with provincial staff to discuss this submission and respond to any questions you may have.

We thank the Ministry for the opportunity to comment on this important legislation and appreciate this government's efforts to address the shortage of affordable housing across the province by finding faster ways of making available a greater mix of housing supply.

Sincerely,



Tom Dodds
Director of Community Development

cc: Port Hope Municipal Council and Department Heads
David Piccini, MPP, Northumberland - Peterborough South

Appendix A – Bill 108 Analysis and Comments

1. Watson and Associates Economists Ltd.
May 29, 2019 to the Ministry of Affairs and Housing
Bill 108: Potential Changes to the Development Charges Act
(Appendix B)

2. Municipal Financial Officer's Association of Ontario (MFOA)
 - [MFOA's Line By Line Review of Bill 108 \(19.05.22\)](#)
(Adobe PDF File)
 - [MFOA's Submission on Bill 108 \(May 31,2019\)](#)
(Adobe PDF File)
 - [Weirfoulds LLP - *Development Charges Act, 1997* redlined with amendments from Bill 108 \(First Reading\)](#)
 - [Weirfoulds LLP - *Planning Act, 1990* redlined with amendments from Bill 108 \(First Reading\)](#)
 - [City of Toronto - Proposed Bill 108 \(*More Homes, More Choice Act, 2019*\) and the Housing Supply Action Plan - Preliminary City Comments](#)
 - [City of Mississauga - Corporate Report on Ontario's Housing Supply Action Plan and Implications for Mississauga \(May 22, 2019\)](#)
 - [City of Toronto - Bill 108: Changes to Ontario's Planning System](#)
 - [Hemson Consulting Ltd - Bill 108 Submission \(May 30, 2019\)](#)
 - [City of Mississauga - Council Presentation on Bill 108 \(May 22, 2019\)](#)

3. AMO's initial review of Bill 108, the More Homes, More Choices Act, 2019
(Appendix C)

May 29, 2019

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

Dear Mr. Ballantine:

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

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

Watson & Associates Economists Ltd.

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

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

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

Changes to Eligible Services

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



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

Table 1 - Development Charge Collections - 2013 to 2017

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

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

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

Waste Diversion

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

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



Payment in Installments Over Six Years

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

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

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

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

Source: Financial Information Returns - 2012 to 2017

Based on the above:

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

When the D.C. Amount is Determined

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



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

Based on the above:

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

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

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

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



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

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

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

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

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

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



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

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

By-laws That Expire After May 2, 2019

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

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

Conclusions/Observations

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



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

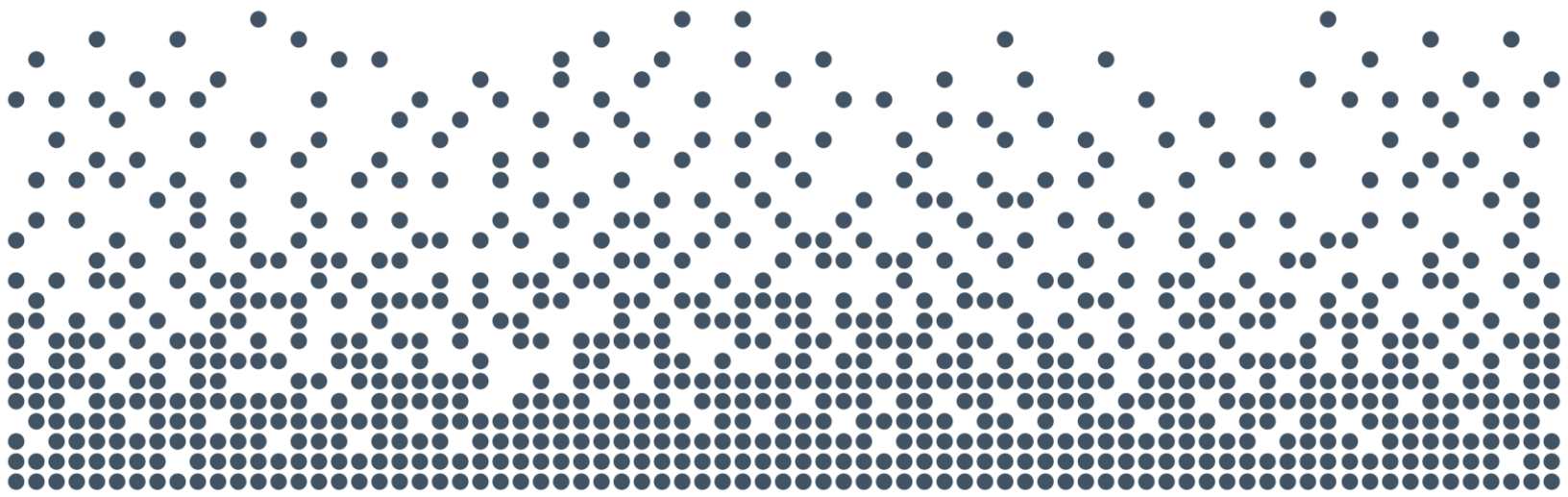
- The Bill makes wholesale changes to the D.C.A. which will restrict revenues collected from all forms (and all prices) of housing. Hence, the target is no longer rental or affordable housing focused. Where municipalities have been developing D.C. policies and programs to address affordable housing needs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

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

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

Andrew Grunda, MBA, CPA, CMA
Principal



Appendix A

Development Charge Collections 2013 to 2017



Appendix A: Development Charge Collections 2013 to 2017

Development Charge Collections - 2013 to 2017

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

Source: Financial Information Returns - 2013 to 2017

Appendix C

AMO'S INITIAL REVIEW OF BILL 108, THE MORE HOMES, MORE CHOICES ACT, 2019

On May 2nd, 2019, two Bills of key interest to municipal governments were introduced. *Bill 108, the More Homes, More Choices Act, 2019* addresses the shortage of affordable housing across the province by finding faster ways of getting a greater mix of housing supply on the ground. *Bill 107, the Getting Ontario Moving Act, 2019* updates numerous road safety rules and allows the province to assume ownership over Toronto's subway infrastructure.

This update will focus on schedules of primary importance to municipal governments. We will continue to analyze the legislation and keep you updated as further information becomes available. A number of changes will require regulations.

Bill 108, The More Homes, More Choices Act, 2019

The Bill contains numerous amendments to many pieces of legislation. Considering the pressure on the Ontario government, Bill 108 contains some positives for municipal governments. Other aspects of the Bill may result in financial and service impacts that need to be determined. We have put the Schedules in order of primary importance.

Schedule 3 – Amendments to the *Development Charges Act*

The Housing Supply Action Plan reflects the long-standing idea that growth should pay for growth but brings some changes that will alter Development Charges (DCs). These include:

- The separation of DCs and a new Community Benefits Charge (CBC) regime to pay for as yet unspecified municipal services. Greater clarity is needed and will be provided through anticipated regulations. CBCs are discussed under Schedule 12.
- Municipal governments may now charge the full capital costs of waste diversion services in the calculation of development charges (not including landfill sites, landfill services, or incineration). This is a positive development.
- Proposed changes also affect rules on when development charge are payable if the development is rental housing, institutional, commercial, industrial or non-profit housing. In these cases, development charge payments to the municipality will now be made as six annual instalments commencing upon occupancy. Municipal governments may charge interest from the time of building permit issue and the interest rate will be determined by regulation. Notably, front-ending payment agreements reached prior to the Act coming into force will be preserved.
- Against municipal advice, second dwellings or dwelling units will be exempt from development charges.
- Public library material (for reference or circulation) will also be excluded from development charge calculations.

A deeper analysis of Schedule 3 and its potential impacts is underway. Once completed, we will provide members with this information.

Schedule 9 – Amendments to the *Local Planning Appeal Tribunal Act*

The LPAT remains but will no longer evaluate appeals based on compliance with official plans and consistency with provincial plans and policy. Instead, it will return to a "best planning outcome" approach. This means a return to *de novo* hearings. This is very disappointing for municipal governments as it will again take final planning decisions out of elected councils' hands. Historically, the use of a *de novo* approach to appeals has drawn out hearings. It is unclear how this reversal will

speed up housing development.

On the positive side, the Bill proposes limits to third party appeals of subdivisions and promotes increased mediation to resolve appeals. There will also be new limits on the extent of testimony. As well, the province has committed to hiring additional staff to help deal with the existing LPAT case backlog that arose from the OMB process and transition. It may be that current land use applications at Council tables are withdrawn to come in after Bill 108 rules take effect. AMO will consult with the Ministry as transition rules and accompanying regulations are considered.

Schedule 12 – Amendments to the *Planning Act*

The proposed Bill touches on numerous land use planning policies. Overall, these changes may have the desired effect of increasing the mix of housing and speeding up the process.

To facilitate housing mix, the Bill would allow the creation of second units in ancillary buildings. It also reduces timelines for making decisions related to official plans from 210 to 120 days and from 150 to 90 days for zoning by-law amendments. It also proposes to shelter plans of subdivision from third party appeals.

The schedule also proposes to change the conditions under which municipal governments can establish inclusionary zoning by-laws and policies to facilitate affordable housing development. Inclusionary zoning would be limited to areas around protected major transit stations or areas with a development permit system in place. The Bill would also allow the Minister of Municipal Affairs and Housing to exercise authority to order an area to be subject to inclusionary zoning. These proposed changes will continue to allow municipal governments the ability to enact inclusionary zoning but will restrict the application of this affordable housing tool.

Another change is that either the municipality or the Minister can initiate the use of a Community Planning Permit System (CPPS) in areas strategic for housing growth.

The proposed legislation also introduces a new Community Benefits Charge (CBC) regime to address the costs of providing services to new residents as a result of growth. This is a change to Section 37 allowing a municipality, through a by-law defining an area, to impose community benefits charges against land to pay for capital costs of facilities, services and matters required because of development or redevelopment in the area. Notably, costs of growth eligible for development charges are excluded from the new Community Benefits framework.

The CBC by-law will be based on a strategy produced by the municipality which identifies the costs of growth not covered by development charges. As well, the Ministry of Municipal Affairs and Housing will be preparing a list of eligible items for the charge, methodology for calculating the charge and any caps they may deem necessary. AMO has discussed with the province the need for a transparent transition to this new means of recuperating the cost of growth.

It should be noted that the CBC will be held in a special account and these funds must be spent in keeping with the Act and regulations. Specifically, each year a municipality will have to spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year. Certain lands (i.e. hospitals) will be exempted from the new Community Benefits

regime. These exemptions will be listed in a future regulation.

Another proposed change relates to parkland. Parkland costs can be included in the Community Benefits Charge or they can be charged under subsection 42 (1). However, there will be changes to the methodology.

AMO will continue to monitor additional details as they become available. If Bill 108 becomes law, many regulations would be required for implementation.

Schedule 2 – Amendments to the *Conservation Authorities Act*

Schedule 2 introduces a new concept of Conservation Authority (CA) ‘core services.’ Core services’ includes programs and services related to natural hazard risks, land management and conservation of lands owned or controlled by the authority, source water protection under the *Clear Water Act, 2006*, and other CA responsibilities under legislation as prescribed in regulations. As well, the Lake Simcoe Conservation Authority has specific responsibilities related to the *Lake Simcoe Act*. Expectations on the standards and expectations for these core services will be set out in regulations.

The draft amendments will also require CAs to enter into memoranda of understanding with municipal governments on service delivery to avoid duplication, especially where planning and development are concerned. Knowing what CAs are required to do, what is discretionary and how this impacts the levy as part of a municipal agreement is welcomed.

This schedule also includes governance and oversight-related provisions such as CA board member training and Minister oversight. Assurances that Conservation Authority Board members have training about their responsibilities is good governance.

AMO will participate in discussions with the Ministry of Natural Resources and Forestry and the Ministry of Environment, Conservation and Parks on the implementation of these changes, including draft regulations, in the months ahead.

Schedule 6 – Amendments to the *Environmental Assessment Act*

The province is proposing to increase the exemptions for low risk activities within the municipal class EA. These could include speed bumps, de-icing, and streetscaping. As well, the province has exempted itself from a number of EA requirements related to transit, mines, parks and real estate. A consultation paper has been released and AMO will be providing comment.

While greater information around Duty to Consult, the sale of provincial brownfields and the bump up process is being sought by AMO, these proposed changes reflect long term requests from the municipal sector.

Schedule 5 – Amendments to the *Endangered Species Act*

The suite of changes contained in this schedule is intended to streamline development while protecting endangered species. The proposals remain science-based and seek to balance both species-at-risk protections and human endeavours in a new way.

The proposed changes would require that species at risk be considered in the broader geographic

context (both inside and outside Ontario) when determining species' status. The role of the Committee on the Status of Species at Risk in Ontario (COSSARO) will remain the same. However, to increase predictability, their reports will now be due each year in January. Bill 108 also creates more realistic timelines, enables the phasing in of protection implementation and gives the Minister discretion to consider social and economic realities when determining a government response to species at risk.

A key change is that the Minister will be able to enter into 'landscape agreements.' A landscape agreement authorizes activities that would otherwise be prohibited with respect to one or more listed species. Agreements will include requirements to execute specified beneficial actions that will assist in the protection or recovery of species.

Bill 108 also establishes a Species at Risk Conservation Fund and an agency to manage and administer the Fund. The purpose of the Fund is to provide funding for activities that are reasonably likely to protect or recover species at risk. Where a municipal work or a development damages a habitat, a charge in lieu of meeting certain imposed conditions would be possible with a permit. The municipality or developer would still have to minimize impacts and seek alternatives. This creates an alternative path for development where protection of onsite habitat is problematic.

AMO continues to work with the Ministry as they formulate policy, draft regulations and programming to implement these proposed changes.

Schedule 11 – Amendments to the *Ontario Heritage Act*

The Bill proposes changes that would improve heritage register maintenance and transparency. The legislative amendments would require a municipal council to notify the property owner if the property is not formally designated but has been included in the register due to cultural heritage value or interest.

The proposed legislation also includes new timelines for a number of notices and decisions that are currently open-ended under the existing regime. The amendments also provide additional clarity to the meaning of 'alteration' and 'demolition.' All of these changes should add more certainty to the process and make it more transparent and efficient.

Schedule 1- Amendments to the *Cannabis Control Act*

Schedule 1 clarifies provisions for interim closure orders for illegal dispensaries and creates exemptions allowing police and other emergency responders to enter the premises for 'exigent circumstances.' The schedule also repeals a provision that exempted residences from interim closure orders. This is to deal with the tactic of putting a residency within an illegal dispensary.