Item 10.4

Item for the Information of the Regional Watershed Alliance

- TO: Chair and Members of the Regional Watershed Alliance Wednesday, March 22, 2023 Meeting
- **FROM:** Laurie Nelson, Director, Policy Planning

RE: SUMMARY OF TRCA ERO SUBMISSIONS ON RECENT LEGISLATIVE, REGULATORY AND POLICY INITIATIVES IN SUPPORT OF ONTARIO'S MORE HOMES BUILT FASTER: ONTARIO'S HOUSING SUPPLY ACTION PLAN: 2022-2023

KEY ISSUE

Summary of Toronto and Region Conservation Authority's (TRCA) policy consultation submissions in November and December 2022 on provincial legislative, regulatory and policy initiatives relevant to TRCA interests.

RECOMMENDATION:

IT IS RECOMMENDED THAT the summary of TRCA's submissions on recent legislative, regulatory and policy initiatives in support of Ontario's More Homes Built Faster: Ontario's Housing Supply Action Plan: 2022-2023, be received as information.

BACKGROUND

On October 25, 2022, the Province introduced <u>Bill 23, More Homes Built Faster Act, 2022</u> to support More Homes Built Faster: Ontario's Housing Supply Action Plan: 2022-2023. In addition, related legislative, regulatory, policy proposals and initiatives to help the government achieve its goal of building 1.5 million homes over the next ten years were posted for comment on the Environmental Registry of Ontario (ERO). In a <u>report</u> to the Board of Directors on November 10, 2022, staff provided an analysis of the impact of Bill 23 and a summary and preliminary draft responses to the various ERO postings. Attached to the report was TRCA's CEO <u>presentation</u> to the Standing Committee on Heritage, Infrastructure and Cultural Policy (November 10, 2022) which included TRCA comments and proposed revisions to the amendments to the <u>Conservation Authorities Act</u> (CA Act) through Schedule 2 of Bill 23.

Bill 23 received Royal Assent on November 28, 2022 and amended several Acts in addition to the CA Act, including the <u>Planning Act</u>, <u>City of Toronto Act</u>, <u>Municipal Act</u>, <u>Development Charges Act</u> and <u>Ontario Land Tribunal Act</u>. The commenting period was extended for some of the ERO postings related to Bill 23 to enable feedback to be received and help inform implementation as well as future initiatives.

Other ERO proposals outside of Bill 23 but related to the province's objective to build more homes and later enacted on December 21, 2022, included amendments to the Greenbelt Plan, Greenbelt Area boundary regulation and Oak Ridges Moraine Conservation Plan (ORMCP), and revocation of the Central Pickering Development Plan (CPDP), under the <u>Ontario Planning and Development Act, 1994</u>. Another notable ERO

posting was the update to the Ontario Wetland Evaluation System, approved on December 22, 2022.

RATIONALE

Summary of Responses

In **Table 1** below is a list of provincial consultations for which TRCA completed and submitted responses in November and December 2022, with links to the ERO proposals. Recognizing that members may have an interest in TRCA's submissions, the corresponding TRCA letter responses to the ERO proposals are contained as attachments to this report. Also provided for the information of the Board in **Attachment 1** are brief summaries of the provincial legislative and policy initiatives and submissions noted in Table 1.

Table 1: TRCA Submissions to the ERO, November to December 2022			
ERO Posting	Proposal Summary	TRCA Submission Date	
Proposed updates to the Ontario Wetland Evaluation System (<u>ERO</u> <u># 019-6160</u>)	MNRF proposed changes to the Ontario Wetland Evaluation System which would add new guidance related to re-evaluation of wetlands and updates to mapping of evaluated wetland boundaries and recognize	November 24, 2022	
	professional opinion of wetland evaluators and role of local decision makers.	Refer to Attachment 2	
Proposed Revocation of the Central Pickering Development Plan (ERO	MMAH proposal to revoke the Central Pickering Development Plan.	November 24, 2022	
<u># 019-6174</u>)		Refer to Attachment 3	
Legislative and regulatory proposals affecting conservation authorities to support the Housing Supply Action Plan 3.0 (<u>ERO #</u> 019-6141)	MNRF proposed changes to the <i>Conservation Authorities Act</i> to focus CA development approvals and planning review on natural hazards, identify CA lands suitable for housing, and to streamline processes.	November 28, 2022 Refer to Attachment 4	
Proposed Amendments to the Greenbelt Plan (ERO # 019-6216)	MMAH proposed amendments to the Greenbelt Plan to add 13 new Urban River Valley areas and lands in the Paris Galt Moraine in Wellington County and remove or redesignate 15 areas of land.	Attachment 4 December 4, 2022 Refer to Attachment 5	

Table 1: TRCA Submissions to the ERO, November to December 2022 cont.		
Proposed Planning Act and City of Toronto Act Changes (Schedules 9 and 1 of Bill 23 - the proposed More Homes Built Faster Act, 2022) (ERO # <u>019-6163</u> and <u>019-</u> 6197)	MMAH proposed changes to the <i>Planning Act</i> and <i>City of Toronto Act</i> to address the 'missing middle' housing supply, streamline planning approvals and to limit CA appeals of planning matters.	December 8, 2022 Refer to Attachment 6
Supporting Growth and Housing in York and Durham Regions Act, 2022 (<u>ERO # 019-6192</u>)	MECP proposed legislation that would require the expansion of crucial wastewater treatment services for York Region and the construction of a phosphorus reduction facility to remove phosphorus from drainage water that flows into Lake Simcoe.	December 9, 2022 Refer to Attachment 7
Proposed Revocation of the Parkway Belt West Plan (<u>ERO #019-6167</u>)	MMAH proposal to revoke the Parkway Belt West Plan.	December 19, 2022 Refer to Attachment 8
Conserving Ontario's Natural Heritage (<u>ERO</u> <u>#019-6161</u>)	MNRF sought feedback on how Ontario could offset development pressures on wetlands, woodlands, and other natural wildlife habitat. MNRF is considering developing an offset policy that would require a net positive impact on these features and help reverse the decades-long trend of natural heritage loss in Ontario.	December 19, 2022 Refer to Attachment 9
Review of A Place to Grow and Provincial Policy Statement (<u>ERO</u> <u>#019-6177</u>)	MMAH sought input on how to create a streamlined province-wide land use planning policy framework that enables municipalities to approve housing faster and increase housing supply.	December 28, 2022 Refer to Attachment 10
Proposed updates to the regulation of development for the protection of people and property from natural hazards in Ontario (<u>ERO</u> <u>#019-2927</u>)	MNRF is proposing a regulation that outlines how conservation authorities permit development and other activities for addressing impacts to natural hazards and public safety.	December 28, 2022 Refer to Attachment 11

Implications of Bill 23 CA Act Amendments

On December 16, 2022, TRCA issued an interim update memorandum to our municipal partners on the implications of Bill 23 CA Act amendments with a focus on development and infrastructure plan review and permitting functions. The memorandum included the following key messages:

Plan Review

- There is no change to the current review and commenting functions under the <u>Planning Act</u> and <u>Environmental Assessment Act</u> for natural hazard matters, including where such review and comment is pursuant to Memorandums of Understanding (MOUs) and Service Level Agreements (SLAs). Planning application review and commenting for natural hazards is a mandatory program and service under <u>Ontario Regulation 686/21</u>.
- There has been no change to the requirement for municipalities to circulate applications to conservation authorities in accordance with the regulations under the <u>Planning Act</u>, and existing screening procedures continue to apply to such circulations
- The scoping of some aspects of non-mandatory review and commenting for certain applications, proposals and other matters that are made under prescribed acts (e.g., <u>Planning Act</u>, <u>Environmental Assessment Act</u>, other acts as may be prescribed), does not become operative until such time as the Minister of Natural Resources and Forestry issues an enabling regulation identifying those acts. (<u>Note</u>: as further detailed below in this report, a regulation was issued on December 28, 2022).
- Effective January 1, 2023, Ontario Land Tribunal (OLT) appeals of land use planning decisions and party status requests under the <u>Planning Act</u> by conservation authorities, in their capacity as public bodies, will be limited to matters that relate to natural hazard policies in any policy statements issued under the <u>Planning Act</u>. This new provision does not impact OLT appeals where a conservation authority obtained party status prior to January 1, 2023. TRCA has always coordinated with its municipal partners in respect of OLT appeals, with TRCA taking a supporting role to municipalities in respect of natural heritage matters and leading its own case in respect of natural hazard matters.

Permits

- Until the new Section 28 and Section 28.1 provisions come into force and <u>Ontario</u> <u>Regulation 166/06</u> is repealed, it is business as usual for permitting.
- When the amendments come into force, which we anticipate may occur at some point in 2023, the tests of "pollution" and "conservation of land" for the issuance of a permit will be replaced with "unstable soil or bedrock".
- Those new tests have already come into force for permits related to Minister's Zoning Orders (MZOs) and Community Infrastructure and Housing Accelerator

Orders (CIHAOs), as have new provisions enabling the Minister by regulation to limit conditions to be applied to permits for MZO and CIHAO development projects.

- Conservation authority permits remain applicable law in respect of building permit applications, and municipal building officials should continue to refer applicants for development proposals within CA Act regulated areas to TRCA.
- The new subsection 28(4.1), being the clause to exempt permits for certain regulated areas in certain municipalities where there are certain *Planning Act* approvals, will not become operative until a regulation or regulations are made to prescribe activities, areas of municipalities and types of authorizations under the *Planning Act* that qualify for the exemption. Any exemption is subject to such terms and conditions as may be prescribed in those regulations. It was noted that some municipal partners are concerned about potential liability from this exemption. At this time, absent further information on the specific exemptions that may be proposed, we can only focus on ensuring that conservation authority input through the planning process is fully and comprehensively addressed in any municipal approvals.

Other Conservation Authority Programs and Services Provided Through MOUs and Agreements

- The recent legislative changes through Bill 23 do not affect other TRCA programs and services. TRCA provides a wide variety of programs and services that further the conservation, restoration, development, and management of natural resources in watersheds across its jurisdiction.
- Establishing MOUs with municipalities where they are not already in place for the delivery of municipally requested services, as well as other agreements for provision of other non-mandatory services to provincial agencies and infrastructure providers remains a requirement under the CA Act and associated regulations.
- We are continuing to work with our municipal and agency partners to formalize these arrangements through MOUs and agreements where they currently do not exist. For a status update on this work, please refer to the <u>staff report</u> and <u>attachment</u> that went to TRCA's Board of Directors on November 10, 2022.

Provincial Notice of New Regulatory Requirements

On December 28, 2022, all conservation authorities received correspondence from the Ministry of Natural Resources and Forestry notifying that the government had proceeded with two regulations, both of which came into effect on January 1, 2023.

 A new Minister's regulation (<u>Ontario Regulation 596/22: Prescribed Acts –</u> <u>Subsections 21.1.1 (1.1) and 21.1.2 (1.1) of the Act</u>) was made to focus CAs' role when reviewing and commenting on proposals, applications, or other matters related to development and land use planning. Under this regulation, CAs are no longer able to provide a municipal (Category 2) or other (Category 3) program or service, (i.e., <u>non-mandatory</u>), related to reviewing and commenting on a proposal, application, or other matter made under the following Acts:

- Aggregate Resources Act, Condominium Act, 1998, Drainage Act, Endangered Species Act, 2007, Environmental Assessment Act, Environmental Protection Act, Niagara Escarpment Planning and Development Act, Ontario Heritage Act, Ontario Water Resources Act, and Planning Act.
- 2. Amendments were made to Ontario Regulation 686/21: Mandatory Programs and Services to require conservation authorities to identify conservation authority lands suitable for housing. This information is to be included in the land inventory required to be completed by conservation authorities by December 31, 2024.

Relationship to TRCA's 2022-2034 Strategic Plan

This report supports the following Pillars and Outcomes set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 1 Environmental Protection and Hazard Management:

1.1 Deliver provincially mandated services pertaining to flood and erosion hazards

Pillar 1 Environmental Protection and Hazard Management:

1.4 Balance development and growth to protect the natural environment ensuring safe sustainable development

Pillar 2 Knowledge Economy:

2.3 Advocacy and adaptability in the face of policy pressures

Pillar 2 Knowledge Economy:

2.4 Integrate environmental considerations and science into decision making

FINANCIAL DETAILS

Staff are engaged in this policy analysis work per the normal course of duty, with funding support provided by TRCA's participating municipalities to account 120-12. No additional funding is proposed to support the policy analysis work associated with the preparation of these comments.

Minister's Direction – Fees

On November 10, 2022, the Board of Directors approved the 2023-2024 Planning, Permitting and Infrastructure Planning Fee Schedules and have been in effect since that time. On December 28, 2022, all CAs received notification that a Minister's Direction pursuant to subsection 21.3(1) of the CA Act had been issued with the effect of preventing any changes to these schedules for the 2023 calendar year both in terms of fee rates and fee classification. TRCA's existing fees and classifications are not affected by this Direction and should continue to be collected as per the normal course of business.

DETAILS OF WORK TO BE DONE

In response to the interim update memorandum issued on December 16, 2022, municipal staff have reached out to set up meetings with TRCA staff to further discuss the implications and implementation of the CA Act amendments, as well as the recently released regulations. Staff will report back to the Board on these discussions and provide more detail on the implications to our work in a future report. TRCA will continue to provide timely and quality delivery of all TRCA programs and services in accordance with the CA Act as amended.

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Attachments: 11

Attachment 1: Summaries of TRCA Responses to Housing Supply ERO Postings

- Attachment 2: TRCA Proposed Updates to the Ontario Wetland Evaluation System ERO 019-6160
- Attachment 3: TRCA Proposed Revocation of CPDP ERO 019-6174
- Attachment 4: TRCA Legislative and Regulatory Proposals Affecting CAs ERO 019-6141
- Attachment 5: TRCA Proposed Greenbelt Plan Amendments ERO 019-6216
- Attachment 6: TRCA MMAH Planning Act Changes ERO 019-6163 and ERO 019-6197
- Attachment 7: TRCA Supporting Growth and Housing in York and Durham Regions ERO 019-6192
- Attachment 8: TRCA Proposed Revocation of the Parkway Belt West Plan ERO 019-6167
- Attachment 9: TRCA MNRF Conserving Ontario's Natural Heritage ERO 019-6161
- Attachment 10: TRCA MMAH Place to Grow PPS Review ERO 019-6177
- Attachment 11: TRCA MNRF Proposed Permit Regulation Updates ERO 019-2927