

November 14, 2022

To Our Conservation Authority and Municipal Clients:

Re: Assessment of Bill 23 (*More Homes Built Faster Act*) – Conservation Authorities Act

On behalf of our many conservation authority and municipal clients, we are continuing to provide the most up-to-date information on the proposed changes to the *Conservation Authorities Act* (C.A. Act) as proposed by Bill 23 (*More Homes Built Faster Act*). As identified in our October 31, 2022 letter to you, our firm is providing an evaluation of the proposed changes to the C.A. Act along with potential impacts arising from these changes. The following comments will be included in our formal response to the Province.

1. Overview Commentary

The Province has introduced Bill 23 with the following objective: *“This plan is part of a long-term strategy to increase housing supply and provide attainable housing options for hardworking Ontarians and their families.”* The Province’s plan is to address the housing crisis by targeting the creation of 1.5 million homes over the next 10 years. To implement this plan, Bill 23 introduces a number of changes to the C.A. Act., along with nine other Acts including the *Development Charges Act* and the *Planning Act*, which seek to increase the supply of housing.

One of the proposed amendments to the C.A. Act is that the Minister of Natural Resources and Forestry would have the authority to prevent a conservation authority from increasing their fees and charges. Providing the Minister with this power is proposed to limit the financial burden of any fee increases on developers and landowners in an attempt to accelerate housing in Ontario and make housing more affordable. The proposed limitation would result in a cross-subsidization of the costs of plan review and permitting for development to existing taxpayers. This is a result of these costs having to be offset by the municipal levy charged by conservation authorities.

If these costs cannot be recovered from the municipal levy, then conservation authorities would be under pressure to provide the intended level of service for development approvals with less funding. When considered in combination with the other changes proposed that would limit the scope of conservation authority involvement in the development approvals process, this may impact the quality and efficiency of the approvals process, and potentially impair the Province’s goal of accelerating an increase in housing development.



Over the past 33 years, there have been other changes to legislation, such as the *Development Charges Act*, that have reduced the costs payable by development. These historical reductions have not resulted in a decrease in housing prices; hence, it is difficult to relate how further limiting funding for municipal and conservation authority services will increase the supply of affordable housing. Moreover, conservation authority fees for plan review and permitting in the Greater Toronto Area and outer rim typically comprise less than 0.1% of the cost of a new home. This further illustrates the limited impact this proposal would have on making housing more affordable. The potential increase on the municipal levy, however, would add to the burden of housing affordability for the existing taxpayer, particularly when coupled with the other legislative changes proposed by Bill 23.

2. Changes to the C.A. Act

2.1 Changes to conservation authority involvement in the development approvals process

- Programs and services that are prohibited within municipal and other programs and services:
 - Authorities would no longer be permitted to review and comment on a proposal, application, or other matter made under a prescribed Act (if not related to their mandatory programs and services under O. Reg. 686/21). The Province proposes that a new regulation would prescribe the following Acts in this regard:
 - The *Aggregate Resources Act*
 - The *Condominium Act*
 - The *Drainage Act*
 - The *Endangered Species Act*
 - The *Environmental Assessment Act*
 - The *Environmental Protection Act*
 - The *Niagara Escarpment Planning and Development Act*
 - The *Ontario Heritage Act*
 - The *Ontario Water Resources Act*
 - The *Planning Act*.
- Exemptions to requiring a permit under section 28 of the *Conservation Authorities Act*
 - Where development has been authorized under the *Planning Act* it will be exempt from required permits to authorize the development under section 28 of the *Conservation Authorities Act*. Exemptions to permits would also be granted where prescribed conditions are met.
 - Regulation making authority would be provided to govern the exceptions to section 28 permits, including prescribing municipalities to which the exception applies, and any other conditions or restrictions that must be satisfied.



- Shortened timeframe for decisions
 - Applicants may appeal the failure of the authority to issue a permit to the Ontario Land Tribunal within 90 days (shortened from 120 days currently).

Analysis/Commentary

- These changes would focus an authority's role in plan review and commenting on applications made under the above Acts (including the *Planning Act*) to the risks of natural hazards only, limit the developments in which permits under section 28 of the C.A Act would be required, and shorten timeframes for issuing permits. Authorities would no longer be able to review applications with respect to the natural heritage impacts.
- With respect to natural heritage review requirements, the Province is proposing to integrate the Provincial Policy Statement, 2020 (P.P.S.) and A Place To Grow: Growth Plan for the Greater Golden Horseshoe into a new Province-wide planning policy instrument. It is proposed that this new instrument could include changes to natural heritage policy direction.
- Recent amendments to the C.A. Act have already been implemented to limit a conservation authority to programs and services within their core mandate unless they have entered into an agreement with a municipal partner. Conservation authorities are able to efficiently provide services, such as natural heritage review required under the P.P.S., to municipalities across their watershed. Removing this ability from conservation authorities may result in municipalities having to find other external sources with the expertise to undertake this review, adding to the cost and timeframes for development approvals and negatively impacting the Province's goal of creating more housing.

2.2 Minister's ability to freeze fees

- The Minister would have the ability to direct an authority to not change the amount of any fee it charges (including for mandatory programs and services) for a specified period of time.

Analysis/Commentary

- Limiting the ability of conservation authorities to recover the costs of plan review and permitting from benefiting developers and landowners will place additional financial burdens on conservation authorities and municipalities to fund these activities.
- As the goal of the Province is to create more housing, it is suggested that any limitations to conservation authority fees that are implemented should only apply to plan review and permitting fees related to the construction of new homes.



We will continue to monitor the legislative changes and advise as the Bill proceeds.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

Sean-Michael Stephen, MBA, Managing Partner

Gary Scandlan, BA, PLE, Managing Partner

Andrew Grunda, MBA, CPA, CMA, Principal

Jamie Cook, MCIP, RPP, PLE, Managing Partner

Peter Simcisko, BA (Hons), MBE, Managing Partner

Jack Ammendolia, BES, PLE, Managing Partner