



# Staff Report

## Planning & Development Services

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**Report To:** COW-Operations\_Planning\_and\_Development\_Services  
**Meeting Date:** May 27, 2024  
**Report Number:** PDS.24.074  
**Title:** Update for Bill 185 Cutting Red Tape to Build More Homes Act, 2024  
**Prepared by:** Adam Smith, Director of Planning & Development Services

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### A. Recommendations

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THAT Council receive Staff Report PDS.24.074, entitled "Update for Bill 185 Cutting Red Tape to Build More Homes Act, 2024";

### B. Overview

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The report provides information to Council on potential impacts to the Town of The Blue Mountains based on proposed statutory changes in Bill 185: Cutting Red Tape to Build More Homes Act, 2024.

### C. Background

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On April 10, 2024, the Province introduced Bill 185, the Cutting Red Tape to Build More Homes Act. The Bill includes proposed amendments to 15 Acts with aimed at delivering the following outcomes:

- Improving how people and businesses access government services;
- Streamlining municipal approvals and reducing costs to build more homes;
- Prioritizing infrastructure for housing projects that are ready to go;
- Enhancing consultation tools while providing certainty once a decision is made, and
- Building homes faster for more people.

This report does not intend on providing an analysis of the proposed amendments to all affected statutes but rather, focus on those that will have a direct impact on the Town of The Blue Mountains. At this time, there is no clear timeframe for the Bill to proceed through the legislature to be enacted as law. The consultation period for the Bill closed on May 10<sup>th</sup> 2024. While the Town was unable to provide comment during the consultation window, staff at the County of Grey did present a staff report outlining County comments proposed to be submitted to the Province regarding the Bill.

Staff share the same opinion of the County of Grey regarding the proposed changes to the Bill and are satisfied that the submission is sufficient to reflect the interests of the Town of The Blue Mountains.

## **D. Analysis**

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### **Proposed Planning Act Changes**

#### **Elimination of Third-Party Appeal Rights to Include Municipally Approved Official Plans, Official Plan Amendments, Zoning By-Laws and Zoning By-Law Amendments.**

Similar to the commentary submitted by the County, Town staff believe there does exist a risk that the elimination of third-party appeals will increase the pressure on approval authorities. Generally, appeals to the OLT in the Town of The Blue Mountains are filed by the applicant rather than a third party. They are often done so on the basis of a non-decision with statutory timeframes for a decision lapsing or for a refusal of an application by the municipality. The motivating factors for time periods lapsing or refusals, are often driven by considerations by residents and/or resident groups. With the elimination of third-party appeals, the pressure by these party groups on Council could result in further challenges in making timely decisions.

#### **New Ministry Zoning Order (MZO) Framework and Elimination of the Community Infrastructure and Housing Accelerator (CIHA) tool.**

Bill 109 enabled municipalities to apply for a CIHA order to facilitate land-use changes from the Province in a voluntary manner and upon resolution by the municipality. Through Bill 185 the Province is now proposing to eliminate this tool in the Planning Act as it is now replaced by an enhanced MZO process. In doing so, the MZO framework which is now publicly available, is broadly similar to the CIHA process.

This encompasses an intake threshold of municipal support through resolution and considers public consultation that took place. The submission expectations appear to be lengthier than provided through the CIHA tool, with expectations related to the servicing strategy, rationale as to why the project requires a MZO rather than a municipal planning process and a commitment to notify the Minister 30 days in advance of the sale of land.

Essentially, the CIHA tool has been consolidated under the MZO framework but with an important distinction. An MZO request could still be considered in the absence of municipal support if it aligns with a provincial priority. While Town staff support the CIHA being consolidated within the MZO, given the framework offers additional guidance on expectations compared to the CIHA tool, there remains ambiguity on projects that could be determined as a 'provincial priority' and the risk posed by MZOs to land-use policy in the community that do not receive municipal support.

Staff will be seeking to formulate an intake platform for municipally supported MZO requests so as to encourage applicants eligible to proceed through this process to do so at the municipal level rather than directly through the province. The desired outcome being that Council maintains control and autonomy over land-use changes in the community.

### **Elimination of Application Refund Requirements**

Bill 185 proposes to repeal the refund mechanisms introduced by Bill 109 relating to zoning by-law amendment applications and site plan applications. Town staff are supportive of this change as files that would have otherwise been supported with the benefit of more time to allow for external comments and review, could not be recommended particularly given the dependency of Planning and Development Services on user fees. Even so, despite no statutory requirement for refunds, tightened timeframes for planning review remain as do the financial implications of OLT proceedings in failing to meet them. Staff will continue to efficiently process files so as to mitigate this risk and encourage timely decisions.

### **Voluntary Pre-Consultation for Applications under the Planning Act**

If approved, municipalities will no longer have the authority to require pre-consultation. Further, if an applicant has agreed to undergo the pre-consultation process, they may at any time appeal to the OLT regarding the sufficiency of the information provided or reasonableness of the requests by the municipality. Staff are not supportive of this proposed change as pre-consultation offers the Town the best opportunity to shape a development proposal beyond the minimum requirements set forth in provincial and local policy. Based on tight statutory timelines, once an application is deemed complete, there are limited opportunities to make significant design changes through the public process.

In terms of immediate impacts, staff are reevaluating draft amendments to the Town's pre-consultation by-law. While it can still be approved by Council as a 'guide' the by-law will be limited in its enforceability. Another consideration by staff will be as to whether new policy through the Official Plan Review is needed regarding application requirements to mitigate risks associated with applicants refusing to proceed through pre-consultation.

### **'Use it or Lose it' Tool and Lapsing Provisions for Site Plans and Draft Plans of Subdivision**

Through the Planning Act, Bill 185 proposed to mandate time periods for which site plan approvals or draft plans of subdivision will lapse. The Town has always utilized lapsing provisions be it for draft approvals, conditional site plan approvals and/or development agreements. While staff do not believe this will have a tangible impact on Town processes, it will nonetheless reduce the risk of any future challenge on these requirements from development proponents in the future.

### **Updated notice requirements for Planning Act and Development Charges Act**

Through the proposed regulatory changes in Bill 185, municipalities would be able to provide notice on a municipal website if there is no local print newspaper available. Staff is supportive of this change as the Town of The Blue Mountains is a municipality without a local print newspaper and the Town's website has served to be an extremely effective communications tool.

### **Increased scope of additional residential unit (ARU) regulations, and exempting ARUs from some Planning Act requirements.**

Town staff share the same perspective as the County of Grey in requesting additional clarity on these exemptions. Depending on their scope as they relate to lot coverage, setbacks etc. they could have unintended impacts on municipal services. Greater awareness and coordination on financing programs could be a more effective approach to broadening uptake of ARUs. This is inclusive of provincial, federal and municipal programs. Currently, the Town only profiles those incentives available through the Housing Within Reach Community Improvement Plan program. Staff recognize the amounts available are small relative to what could be made available through provincial and federal programs via tax incentives or capital financing.

**Provide new regulation-making authority for planning approvals for standardized housing.**

The proposed changes would only apply within serviced settlement areas outside of the greenbelt. Where the criteria are met, some Planning Act requirements would no longer apply. Few details exist regarding this new authority and what sections of the Planning Act may no longer apply for these standardized housing concepts. Upon further details being released staff can follow-up on any potential concerns.

**New Draft of the Provincial Policy Statement**

The latest review builds on the consultation completed in 2023 for the Provincial Planning Statement. Town staff have highlighted three components that may be of particular interest for Council.

**Removal of permissions to allow for up to three residential lots to be severed from agricultural properties with new as of right permissions for Additional Dwelling Units.**

This proposal would reverse the changes from the 2023 PPS as it relates to Section 4.3 of the PPS and would also include stronger language to ensure there is an agricultural system-based approach to any lot severance on these lands. Staff are supportive of this change given the concerns with the 2023 PPS changes incentivizing the fragmentation of agricultural lands and conversion of these lands to residential uses. While this has been removed, the ability to sever prime agricultural areas for the purpose of an ADU is a concern particularly when the associated policy criteria for evaluation is limited. Further, once severed and considered as a primary dwelling there remains uncertainty as to whether other ADUs could be permitted thus leading to residential intensification in rural and agricultural lands.

**Affordable housing being based upon prices in the municipality rather than the regional market area.**

Staff are supportive of this change as this definition is more reflective of the significant variation of prices in the Town of The Blue Mountains relative to other communities in Grey County. Importantly, affordability is not simply based on the metric of average resale value or average rent within the municipality (market-based measure) but also includes housing for which the purchase price does not exceed 30 percent of gross annual household income for low and moderate-income households (income-based measure). Whichever is determined to be less for the community is what is applied. According to the 2023 Housing Needs Assessment, an income-based approach would be applied for ownership housing with an affordability threshold

of \$483,900. The market-based measure is applied for the Town for rental housing at \$1,160 but this will need to be adjusted to reflect upon the new PPS definition.

### **New criteria for the expansion of settlement areas.**

The 2023 PPS removed the requirement of a comprehensive review to be undertaken for the purpose of settlement area expansion. This has carried into the 2024 PPS with stronger language on requirements in considering such requirements. Staff support the stronger criteria given the costs and impacts associated with enabling growth beyond settlement area boundaries when serviceable lands are readily available within the Town.

### **Proposed Municipal Act Changes**

#### **New Municipal Authority over Water and Wastewater Allocation**

Currently, the Planning Act provides the most explicit direction in providing for a water and wastewater allocation system and applies this authority specific to draft plans of subdivision. Bill 185 proposes to repeal these provisions of the Planning Act and add new provisions under the Municipal Act respecting water and wastewater allocation. The proposal would give explicit authority to municipalities in creating a policy for water and servicing capacity, which may include the tracking of water supply and servicing capacity for approved developments, as well as establishing criteria for the allocation to future development applications. Staff are supportive of this change and believe it will further strengthen a proposed water and waste allocation policy at The Town of The Blue Mountains.

#### **Municipal Bonusing and Provincial Interests**

Amendments to the Municipal Act are being proposed that would allow the Province to make regulations authorizing municipalities to grant assistance to a specified manufacturing, industrial or commercial enterprises if the Province considers it necessary or desirable in the provincial interests to attract investment in Ontario. Currently, municipal grant assistance to these specified enterprises is regulated under Section 28 of the Planning Act which requires a Community Improvement Plan to be in effect. This change may lead to escalating subsidization of private ventures as municipalities are positioned to compete against each other with few parameters guiding these investments.

### **Proposed Development Charges Act Changes**

#### **Reinstating studies as an eligible capital cost for DC collection.**

Staff are supportive of this proposal which reverses the change that occurred though Bill 23. Many Town projects and studies are directly tied to growth and development such as the reviews to Town land-use policies and infrastructure master planning. This will lessen the reliance on the tax levy for these studies and plans into the future.

**Repealing the mandatory five-year phase-in of development changes (DC) rates.**

While municipalities will still have the ability to phase-in DCs in accordance with the criteria set forth in Bill 23 it is no longer mandatory. Staff support this change as it gives the Town discretion in terms of application rather than a requirement for all developments that impact DC revenues.

**Allow municipalities to extend their DC by-laws from 5-years to 10-years without the need for a new DC background study.**

Similar to above, the discretion afforded to the Town for extensions is supported by staff.

**Reducing the time limit on frozen DCs for site plan applications and zoning by-law amendments.**

Bill 185 proposes to reduce the timeframe of the DC freeze period from two years to 18 months in order to encourage developers to move more quickly in obtaining a building permit and get shovels in the ground. Staff generally do not have concerns with this change however, based on development trends in the Town, remain uncertain as to whether it will support more timely housing construction.

**E. Strategic Priorities**

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**1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

**2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

**F. Environmental Impacts**

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There are no environmental impacts associated with this report.

**G. Financial Impacts**

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There are no financial implications with this report.

**H. In Consultation With**

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Senior Management Team

Shawn Postma, Manager of Community Planning

Brian Worsley, Manager of Development Engineering

Tim Murawsky, Manager of Building Services/Chief Building Official

## **I. Public Engagement**

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The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Adam Smith, [directorplanningdevelopment@thebluemountains.ca](mailto:directorplanningdevelopment@thebluemountains.ca)

## **J. Attached**

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1. PDR-CW-21-24 County Comments on Bill 185 and Proposed Provincial Planning Statement 2024

Respectfully submitted,

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For more information, please contact:  
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