

## **Bill 185 - Cutting Red Tape to Build More Homes Act, and New Proposed Provincial Policy Statement, 2024**

Presented To:	Planning Committee
Meeting Date:	May 27, 2024
Type:	Correspondence for Information Only
Prepared by:	Ed Landry Planning Services
Recommended by:	General Manager of Growth and Infrastructure
File Number:	N/A

### **Report Summary**

This report provides information regarding an update on the Province's Bill 185 - Cutting Red Tape to Build More Homes Act, and new proposed Provincial Policy Statement, 2024.

### **Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans**

This report relates to operational matters.

### **Financial Implications**

The financial impact of the proposed changes under Bill 185 will only be known if and when the Bill is passed and comes into effect. Staff will continue to provide Council with updates on the changes and their related impacts.

### **Background**

On April 10, 2024, the Provincial Government introduced Bill 185 (Cutting Red Tape to Build More Homes Act, 2024) to the Ontario legislature. As part of the bill and the broader Spring 2024 Red Tape Reduction Package, the Province is proposing a suite of legislative, regulatory and policy initiatives, including a new proposed Provincial Planning Statement (PPS).

This can be seen as a next step in Provincial legislative and regulatory reform related to the provision of housing. Staff has previously reported on the following initiatives:

- *More Homes for Everyone Act, 2022* (Bill 109)
- *More Homes Built Faster Act, 2022* (Bill 23)
- *Draft Proposed Provincial Planning Statement* (2023)

Other related initiatives include:

- *Helping Homebuyers, Protecting Tenants Act, 2023* (Bill 97)
- *Affordable Homes and Good Jobs Act, 2023* (Bill 134)
- *Greenbelt Statute Law Amendment Act, 2023* (Bill 136)
- *Planning Statute Law Amendment Act, 2023* (Bill 150)
- *Get it Done Act, 2024* (Bill 162)

## **Bill 185 - *Cutting Red Tape to Build More Homes Act, 2024***

Bill 185 proposes to amend several Acts, including the *Planning Act, Development Charges Act, 1997*, and the *Municipal Act, 2001* (See Reference 1). In many of these cases, the full scope and direction of the changes will not be known until such time that the associated Regulations are released.

### *Planning Act*

Proposed *Planning Act* changes that may affect Greater Sudbury most directly include:

- Prohibition on third-party appeals of official plan amendments and re-zonings. Appeals are proposed to only be able to be filed by the applicant, minister, public bodies and specified persons (generally utility companies that made submissions)
- New appeal rights for settlement area expansion applications by third parties
- The removal of mandatory pre-consultation
- The revocation of provisions that required planning fee refunds for decisions not made within specified timeframes
- “Use it or lose it” provisions that would withdraw approvals for certain developments that do not proceed in prescribed time periods, including site plan approval and draft subdivision approvals
- The widening of the Minister’s scope to regulate the requirements and standards of additional residential units
- Regulatory changes that govern how notice is given by municipalities
- Exempting community service facilities such as schools, hospitals and long-term care homes from certain Planning Act provisions, to be further defined in a regulation.
- Exempting post-secondary institutions from Planning Act requirements

### *Development Charges Act, 1997*

Proposed changes to the *Development Charges Act, 1997*, include:

- the revocation of the five-year mandatory phase-in of a new development charge by-law
- the expiration of ‘frozen rates’

Bill 108 had introduced the concept of a statutory “freeze” of a development charge rate as at the date of a complete application for zoning by-law amendment or site plan approval (whichever occurs later) is filed. Currently, the freeze applies so long as the building permits issued within the prescribed amount of time, which is set at two years from the approval of the relevant planning application. Bill 185 proposes to reduce the prescribed amount of time to 18 months.

### *Municipal Act, 2001*

Proposed changes to the *Municipal Act* include changes to ‘bonusing’ provisions and changes to how municipalities can allocate water supply and sewage capacity. Regarding ‘bonusing’, Bill 185 would allow the Province to make regulations authorizing a municipality to grant assistance (i.e., outside of a Community Improvement Plan process), directly or indirectly, to a specified manufacturing business or other industrial or commercial enterprise during a specified period if the Province considers that it is necessary or desirable in the provincial interest to attract investment in Ontario.

Regarding the allocation of water supply and sewage capacity, the *Planning Act* currently allows municipalities to pass by-laws establishing a system for allocating sewage and water services to land that is the subject to a subdivision application. Under Bill 185, the enabling provisions would be moved to the

Municipal Act. The proposed provisions would enable municipalities to include a system for tracking the water supply and sewage capacity available to support approved developments (any Planning Act approval) and would allow municipalities to set criteria to determine the circumstances for when the allocation is assigned, withdrawn or reallocated, if previously withdrawn to an approved development. While the proposed changes are discretionary, adopting such a by-law and process would represent a fundamental shift to the City's current practice. Allocation is generally assigned on a first-come first serve basis, as a development project proceeds to the servicing phase.

## **Provincial Planning Statement, 2024**

The Province released a first draft Provincial Planning Statement in April of 2023. Planning Staff presented a review of proposed changes to the Provincial Policy Statement on May 29, 2023 (See Reference 2). The Province released a draft in April 2024 (See Reference 3). The following section provides comment on the new draft PPS and should be read in conjunction with the May 2023 report.

As noted in the May 2023 report, staff had some concerns around the proposed policies that would have had the effect of inadvertently slowing growth in northern Ontario, and policies that made it easier to expand settlement areas and easier to develop in prime agricultural areas. Staff was supportive of proposed policies that continued the focus on compact built-form and complete communities, housing, and employment areas.

### **Differences between the 2023 and 2024 proposed PPS**

There are key differences between the 2023 and 2024 drafts of the PPS, some of which are outlined below.

#### **Land Supply and Growth**

The Province has introduced a "not more than 30 years" policy to the PPS. Proposed policy 2.1.2 states that "at the time of creating a new official plan and each official plan update, sufficient land shall be made available to accommodate an appropriate range and mix of land uses to meet projected needs for a time horizon of at least 20 years, but not more than 30 years [...]". The City currently exceeds the 30-year land supply in all categories. As reported in the past, the City's current designation of lands (and resulting land supply) exceed the time horizons outlined in past versions of the PPS. The Province brought up this matter during the 2006 review of the City's Official Plan, though the land use designations were approved by the Province (and the then Ontario Municipal Board) in 2008 and reaffirmed in 2018 with the Phase 1 OP Update.

It is unknown how the introduction of the "not more than 30 years" policy would impact the Province's review of the City's in-progress Phase 2 Official Plan Review.

The Province is also proposing that municipalities will have to base their population and employment growth forecasts on the Ministry of Finance 25-year projections. Municipalities may modify the projections as appropriate. Municipalities, however, may continue to forecast growth using population and employment forecasts previously issued by the Province for the purposes of land use planning. The City should not be affected by the introduction of this forecasting methodology because the City has recently completed both population and employment forecasts using a provincially-recognized methodology.

#### **Housing**

The Province has re-introduced the definition of 'affordable housing' after having removed it in the 2023 Draft PPS. Staff did not have any concerns with the removal of the definition as there was some alignment between the then draft PPS and the housing studies that were underway in the City which included updated Population Projections, Supply and Demand Analysis, and a Housing As-of-Right Policy Review.

These studies affirmed Greater Sudbury's intensification target and will help ensure local housing policies

align with provincial policy. Additionally, the Housing Supply Strategy sets out a series of actions to increase the supply of a full range of housing options across the City.

A refinement to a new policy 2.2.1 b) specifically encourages municipalities to permit and facilitate the redevelopment of underutilized shopping malls for housing purposes. This is consistent with the 2021 changes the City made to the Zoning By-law which now permits long term care facilities, multiple dwelling and retirement homes to the C5 (Shopping Centre Commercial) Zoning, as well as the approach taken with the Nodes and Corridors Strategy.

New policies in section 6.2 (Coordination) would require the City to collaborate with school boards and publicly-assisted post-secondary institutions to 'facilitate early and integrated planning for student housing' and to 'develop a strategy that includes consideration of off-campus housing targeted to students'. It is unclear how the City would be able to modify its current land use framework to encourage housing "targeted to students" beyond what is currently established. However, staff will continue to collaborate with the education sectors (and others) to identify barriers to housing.

### Settlement Areas

Staff had concerns in May 2023, that settlement areas expansions were to be made easier with the proposed policies of the 2023 PPS. The proposed 2024 PPS establishes criteria by which settlement area expansion requests must (previously 'should') be assessed (Policy 2.3.2). This change is combined with the proposed Planning Act changes that would re-instate appeal rights regarding expansion requests.

Staff is supportive of the introduction of evaluation criteria to guide privately-initiated settlement expansion requests, as the criteria are based on land supply needs, phasing of development, capacities related to infrastructure and public service facilities, and the avoidance of prime agricultural areas.

There are changes related to the implementation of density and intensification targets. Municipalities are no longer 'required' to have these targets, just 'encouraged', and the targets are to apply to 'built-up areas', rather than 'settlement areas'. This is consistent with the City's Official Plan. The City's policy is to "aim to accommodate 20 percent of future residential growth" in the City's Built Up Area. The Official Plan also notes that, historically, 80 percent of growth has occurred within the City's settlement areas, and 20 percent within the rural areas.

Changes to the PPS would also encourage municipalities to establish density targets for designated growth areas (i.e., lands outside built-up areas but within the settlement area). Staff will consider the impacts of that proposed change as part of Phase Two of the Official Plan Review.

### Rural Areas

The 2023 Draft PPS included multi-lot residential development as a permitted use on rural lands. The proposal has been removed from the draft 2024 PPS. Staff is supportive of this change as it further supports the current land use planning framework to direct subdivisions to fully-serviced areas of the city.

### Agriculture

Staff had concerns around the proposed policies around additional *lot creation* in prime agricultural areas. While the lot creation policies have been removed, the proposed policies have been modified to allow up to two additional residential units where a residential dwelling is permitted on a lot. This is consistent with the City's Official Plan and Zoning By-law which currently allows up to two additional dwelling units on a lot zoned Agricultural.

## Sewage, Water and Stormwater

The draft 2024 PPS includes a new policy 3.6.1 d) to require the “consideration of opportunities to allocate and reallocate if necessary, the unused system capacity of municipal water [and sewer] services [...] to meet current and projected needs for increased housing supply.”

The PPS would also permit partial Services (in the case of private water and municipal sewage) in rural settlement areas. The City’s OP notes that there are many households (mainly in Rural Areas) that are partially serviced by municipal water. There are relatively few instances in the City where households are partially serviced by municipal sewer. While neither situation is particularly encouraged by the OP, the situation of private water and municipal sewage (as proposed by the draft PPS) is generally preferred over the other as there is an inherent risk of overloading a private sewage system (‘limited’ capacity) with municipal water system (‘unlimited’ capacity) compared to the opposite situation.

Staff will review servicing policies of the Official Plan as part of the Phase 2 review.

## **Next Steps**

The comment period on these proposed changes closes on May 12, 2024. Staff intend to provide comments to the Province as outlined in this report.

As noted in the May, 2023 staff report, the City began its Phase 2 Review of the Official Plan (OP Update) in 2019 and a draft was submitted to the Ministry of Municipal Affairs and Housing (MMAH) in February 2022. The City received a response from the Province in July, 2023 (i.e., subsequent to the release of the 2023 draft Provincial Planning Statement) indicating no concern, and encouraging the City of Greater Sudbury to adopt its OP Update.

It is currently unknown when the new PPS will come into effect. The Province has stated that it would release the final policies “for a short period of time” before they take effect. Staff will return with a revised OP Update once that happens. As noted above, there will also be legislative and regulatory amendments that staff will need to consider as part of the OP Update and Development Charge By-law Update.

## **Resources Cited**

1. “Bill 185, the Proposed Cutting Red Tape to Build More Homes Act, 2024 – Housing Initiatives”  
<https://ero.ontario.ca/notice/019-8365>
2. “Draft Provincial Planning Statement 2023”, report presented at the May 29, 2023 Planning Committee Meeting  
<https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=49734>
3. “Proposed Provincial Planning Statement 2024”  
[https://prod-environmental-registry.s3.amazonaws.com/2024-04/Proposed%20Provincial%20Planning%20Statement,%20April%2010,%202024%20-%20EN%20\(2\).pdf](https://prod-environmental-registry.s3.amazonaws.com/2024-04/Proposed%20Provincial%20Planning%20Statement,%20April%2010,%202024%20-%20EN%20(2).pdf)