

Municipality of Lakeshore – Report to Council

Growth and Sustainability

Planning Services



To: Mayor and Members of Council

From: Urvi Prajapati, Team Lead – Community Planning

Date: June 17, 2024

Subject: Changes to the Planning Act under Bill 134, Bill 185, and Bill 200 and the Affordable Housing Bulletin

Recommendation

This report is presented at the July 9, 2024 Council meeting, for information only.

Strategic Objectives

This report provides a brief overview of all the legislative changes to the *Planning Act* under 3 different Bills as it affects the way we provide services to the residents of the Municipality. The report also provides the threshold for affordable housing as laid out in the Affordable Housing Bulletin. This is not a core municipal service; however, the legislative changes affect the services that are provided to the residents within the Municipality. Moreover, the potential financial impacts to the Municipality due to these are also highlighted below.

Background

The Province of Ontario has introduced various legislative changes in an effort to accelerate the development of new homes and reduce the processing times for new developments. This report provides a brief overview of Bill 134, Bill 185, and Bill 200 as it pertains to affordable housing and provincial Act changes affecting the Municipality of Lakeshore.

Bill 134 – Affordable Homes and Good Jobs Act, 2023

Bill 134 – *Affordable Homes and Good Jobs Act, 2023* was first introduced on September 28, 2023, by the Ministry of Municipal Affairs and Housing which proposed an update to the definition of affordable housing, cut red tape to build more homes, helping municipalities to find a way of saving, and support the creation of more employment opportunities. Bill 134 came into force upon Royal Assent on December 4, 2023.

Bill 134 amended the definition of “affordable housing” in the *Development Charges Act, 1997* to expand the number of affordable housing units that would qualify for development charge exemptions. The Minister of Municipal Affairs and Housing has published an “Affordable Residential Units bulletin” which sets out the thresholds to determine housing affordability for each municipality.

Previously, a residential unit was considered “affordable” if the rent or purchase price was less than 80 percent of the average market rate. The threshold defined by Bill 23 *More Homes Built Faster Act, 2022* is equal to 30 percent of household income for a household in the 60th percentile of gross annual income. In order to be considered “affordable”, a residential unit must be less than both this threshold as identified in the bulletin, and less than the average market rent (for rented units) or 90 percent of the average purchase price (for ownership).

[The Bulletin](#) currently sets the following price thresholds for affordable housing in Lakeshore:

- Affordable monthly rent of a 1-bedroom unit: \$1,055
- Affordable purchase price of a detached house: \$481,500

The *Provincial Policy Statement, 2020* defines “affordable” as:

- a. in the case of ownership housing, the least expensive of:
 1. housing for which the purchase price results in annual accommodation costs which do not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 2. housing for which the purchase price is at least 10 percent below the average purchase price of a resale unit in the regional market area;
- b. in the case of rental housing, the least expensive of:
 1. a unit for which the rent does not exceed 30 percent of gross annual household income for low- and moderate-income households; or
 2. a unit for which the rent is at or below the average market rent of a unit in the regional market area.

In the proposed *Provincial Planning Statement, 2024* (not yet adopted), “regional market area” is replaced with “municipality”.

Moreover, subsection 4.1 (1-6) of Bill 134 has been repealed and substituted to include the following:

- Affordable Residential Unit, Rental;
- Income- Based Affordable Rent;
- Affordable Residential Unit, Ownership; and
- Income-Based Purchase Price.

Comments

Schedule 6, Schedule 9, and Schedule 12 of Bill 185 (Appendix A) identify the amendments and impacts.

Bill 185 – Cutting Red Tape to Build More Homes Act, 2024

Bill 185 – *Cutting Red Tape to Build More Homes Act, 2024* was first introduced on April 10, 2024 by the Ministry of Municipal Affairs and Housing which proposed various amendments to 15 Provincial Acts this including amendments to the *Planning Act*, the *Development Charges Act, 1997*, the *Municipal Act, 2001*, and more. On June 6, 2024, Bill 185 – *Cutting Red Tape to Build More Homes Act, 2024* came into force upon Royal Assent.

The following changes relating to housing and development in the Municipality from Bill 185 include:

Housing and Development

- Eliminating third party appeals to include only the Registered Owners and Specified Person(s) to the Ontario Land Tribunal (OLT);
 - Specified Person(s) includes utilities, pipeline and rail operators, and other similar public/private entities. The definition of Specified Person(s) was further amended to include a number of other “persons” similar in nature and activity to those “specified persons” previously identified in the *Planning Act*. The definition now includes NAV Canada, airport operators, aggregate and environmental compliance permit holders with sites within 300 metres and the owners of any such sites.
- Development application fee refunds by the Municipality have been repealed;
 - Transitional rules for this are as follows:
 - (21) Subject to subsection (22), subsections (14.1) to (14.3), as they read immediately before their repeal by subsection 3 (4) of Schedule 4 to the *Cutting Red Tape to Build More Homes Act, 2024*, continue to apply to plans and drawings referred to in subsection (5) that are received before the day subsection 3 (4) of Schedule 4 to the *Cutting Red Tape to Build More Homes Act, 2024* comes into force.
 - (22) If the City has not approved the plans and drawings before the day subsection 3 (4) of Schedule 4 to the *Cutting Red Tape to Build More Homes Act, 2024* comes into force, any refund of fees required under subsection (14.1), as it read immediately before its repeal, shall be determined as though an approval had been granted on that day.
- Introducing lapsing of Site Plan and Plans of Subdivision approvals also known as Use it or Lose it;
- Removing mandatory pre-application consultation;
- Introducing the ability to allocate Water/Sewer system capacity;
- Limiting protections for listed Heritage properties;
- Allowing appeals to new Settlement Areas and boundary expansions;
- Broadening regulations for Additional Residential Units (ARU's)
 - Proposal to exempt ARU's from Planning Act Requirements;

- Expiry of Frozen Rates; and
- Mandatory Phase-in of Development Charges have been repealed.

Comments

Schedule 6, Schedule 9, Schedule 12 of Bill 185 (Appendix B) identifies the amendments and impacts.

Bill 200 – Homeowner Protection Act, 2024

Bill 200 – *Homeowner Protection Act, 2024* came into force upon Royal Assent on June 6, 2024. The Bill provides 2 more years for municipalities to review properties on the Heritage Registry to determine if they wish to designate them or not.

Schedule 2 of Bill 200 (Appendix C) identifies the amendments and impacts.

Financial Impacts

With the fee refunds to the applicants being repealed, the Municipality will no longer need to refund planning application fees for site plan applications and zoning by-law amendments.

With the removal of mandatory pre-consultation meetings, the Planning Services division will no longer be able to collect fees for pre-application consultation meetings and review. Administration will also face challenges with having to accept applications with no prior consultation. This has the potential to delay the processing time and will affect the quality of proposals being received, requiring more staff time for review.

Further to this, when the Municipality does receive applications for apartments and seeks to provide affordable ownership and rental housing in the future, the revenue coming into the Municipality from the development charges will be affected.

Overall, the various amendments trigger the need for Administration to review procedures to efficiently process development applications and analyze the financial impact of these changes.

Attachments

Appendix A – Bill 134
Appendix B – Bill 185
Appendix C – Bill 200

Report Approval Details

Document Title:	Changes to the Planning Act under Bill 134, Bill 185, and Bill 200 and the Affordable Housing Bulletin.docx
Attachments:	- Appendix A Bill 134.pdf - Appendix B - Bill 185.pdf - Appendix C - Bill 200.pdf
Final Approval Date:	Jun 28, 2024

This report and all of its attachments were approved and signed as outlined below:

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Approved by the Corporate Leadership Team