

## Summary

<b>Title:</b>	<i>Bill 197 - COVID-19 Economic Recovery Act, 2020</i>
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<b>Subject Area:</b>	COVID-19 Economic Recovery

On July 8, the Minister of Municipal Affairs and Housing, the Honorable Stephen Clark, introduced *Bill 197, COVID-19 Economic Recovery Act, 2020* as part of the Province's efforts and plans for economic recovery and renewal. The Bill has a threefold aim:

- Build infrastructure faster, attract jobs and investment, and cut red tape.
- Provide municipalities the tools they need to continue to provide the critical services people rely on every day and pay for the infrastructure and services needed for growing communities.
- Improve people's quality of life by creating opportunity for people as they recover their lives and livelihoods from COVID-19.

Bill 197 has broad implications, which amends or enacts 20 pieces of legislation. The bill has been time allocated, so there will be no committee hearings and it is expected to receive third and final reading approval by July 22<sup>nd</sup> when the Legislature is expected to recess for the summer.

This note summarizes amendments found in the Bill's schedules that impact municipalities and the Region in particular and offers initial comments from a Regional perspective on these changes as well as outlines next steps. A comprehensive report that will provide additional details on the program/service implications of the changes will be before Regional Council at its first meeting in September.

### Summary

#### ***Development Charges Act, 1997 (Schedule 3)***

Amends the *Development Charges Act, 1997* to repeal and replace certain amendments made by *Bill 108 More Homes, More Choice Act* that are not yet in force and make changes to other provisions that were enacted in that Act. Some of the key municipal changes include:

- Expanding the list of services for which a development charge can be imposed to include community services such as long-term care, childcare, public health, emergency preparedness and affordable housing.
- Confirming Development Charges (DC) eligible services will no longer be subject to a 10 per cent discount.

**Commentary:** Based on an initial review, the proposed changes to the *Development Charges Act* are generally positive for the Region. The expansion of the list of DC-eligible services and elimination of the 10 per cent discounting could mean more funding for community services and more revenue for the Region.

#### ***Environmental Assessment Act (Schedule 6)***

Amendments in Schedule 6 of Bill 197 relevant to municipalities involve changes to the Environmental Assessment (EA) program and landfills.

### Environmental Assessment Program:

Changes aim to cut the time for EAs for big projects in half and to be more proportionate to the potential environmental impact. Relevant changes include:

- No more EA “bump up” requests to the Minister except where a project may affect aboriginal treaty rights.
- Focus EAs on projects that have the highest impact on the environment, matching the level of assessment requirements with the level of environmental impact.
- Reduce timelines by half from 6 to 3 years for the largest projects (individual environmental assessments).
- EAs would only be required for designated projects. through a transition from the current EA process under Parts II and II.1 to a streamlined EA process for designated projects under new Parts II.3 and II.4. The amendments in the Schedule will come into force in three phases in order to transition gradually to the new approach to EAs.
- No more class EAs will be approved, though all 10 existing categories of class EAs will continue to follow the historic process, unless specifically replaced by regulations designating Part II.4 projects.
- The period during which the Minister can make changes to EA requirements is limited to 30 days.
- A new 10-year expiry date for EA approvals if no expiry date mentioned (exemption is possible through regulation).

**Commentary:** Regional staff are currently reviewing the EA Act provisions and their implications for the Region. Regional Council has in the past supported changes that would expedite EAs (e.g., a letter to the Minister in 2016 and a staff submission to the Province as part of the consultation on EA discussion paper in 2019). The Region is also in agreement that the level of EA requirements should match the level of environmental impact. This aligns with previous comments provided to the Province that the cost of construction should not be a trigger for an EA.

### Landfills:

Another amendment to the *Environmental Assessment Act* proposes a change that will require new, large landfill applicants to ensure there is local support from host municipalities, and certain neighbouring adjacent municipalities within 3.5 km of the proposed landfill site that meet certain criteria as part of the approvals process.

**Commentary:** Regional Council approved a resolution (Resolution 2018-456) that supports municipalities having the authority to approve landfills in or near their communities. Requiring municipal support for landfill sites seems positive as it will encourage proponents to work with the Region and affected local municipalities to resolve issues up front. The Region will need to monitor what the replacement for the class EAs for landfills will be as these regulations have not been released.

### **Ministry of Municipal Affairs and Housing Act (Schedule 10)**

Amends the Provincial Land and Development Facilitator provision to be permanent. The Facilitator, at the direction of the Minister, would advise and make recommendations to the Minister in respect of growth, land use and other matters, including Provincial interests and perform such other functions as the Minister may specify.

**Commentary:** While this role already existed, the move to make it permanent and likely more prominent has the potential to dilute the autonomy of municipalities and emphasize development interests over those of the community. The Region should monitor Provincial Facilitator use in order to be able to better understand how to deal with this variable.

## ***Municipal Act, 2001 (Schedule 12)***

Amends several provisions of the *Municipal Act, 2001* that will enable municipalities and local boards to hold virtual meetings, at their discretion, and to allow municipal councils the option to permit their members to vote by proxy when absent.

**Commentary:** This is a positive change for the Region that provides more flexibility should circumstances warrant the need for a virtual meeting. The Region should be mindful of finding ways for public participation, especially for those who are less technologically equipped. Proxy voting would provide an option to appointing a local Councillor to attend a Regional Council meeting when a Regional Councillor is absent for a meeting under temporary vacancy and temporary replacement provisions (S. 267 and S. 268) of the Act.

## ***Payday Loans Act (Schedule 16)***

Proposes amendments that would limit the interest rate that may be charged on payday loans in default to 2.5 per cent per month (non-compounded). The government is also proposing to set \$25 as the maximum fee that payday lenders could charge for dishonoured payments.

**Commentary:** Peel's Poverty Reduction Strategy (2018-28) calls for strategic actions that regulate the payday loan industry. These provisions appear to provide relief for payday loan borrowers who may be unable to repay their loans on time.

## ***Planning Act (Schedule 17)***

*Planning Act* changes reverse some Bill 108 amendments and make other modifications that affect Community Benefit Charges and Minister's Zoning Orders (MZOs).

### Community benefits charges

- The re-enacted Community Benefits Charge section now clarifies that Community Benefit Charges are only for use by local and single-tier municipalities.
- A separate community benefits charge will enable local municipalities to fund growth-related capital costs of services due to higher density developments (buildings of 10 units and five floors or greater) that are not funded by other tools (e.g. Development Charges).

**Commentary:** Based on an initial review, the reversal of many of the provisions around community benefit charges are positive for the Region. The clarity of how community benefits charges and development charges interact in the wake of the ambiguity brought by the provisions of Bill 108 is welcomed. While the Region is not able to take advantage of the Community Benefit Charge regime, the more robust Development Charges put in place through Bill 197 should offset the effect.

### Minister's Zoning Orders

Amendments to section 47 of the Act give the Minister enhanced order-making powers related to site plan control and inclusionary zoning. These changes to Minister's Zoning Orders (MZOs) authority include:

- Enhanced order-making powers related to specified land, which is defined as land that is not in the Greenbelt.
- The ability to require the inclusion of affordable housing units in the development or redevelopment of specified lands, buildings or structures.
- An order may require that the owner enter into an agreement related to development on the land and conditions required for the approval of plans and drawings in a site plan control area. The amendments provide that the Minister may give direction to the parties concerning the agreement. An agreement is of

no effect to the extent that it does not comply with the Minister's direction, whether the Minister's direction is given before or after the agreement has been entered into.

**Commentary:** Based on a preliminary review, the increased powers around MZO issuance could threaten to take decision-making power away from municipal staff and councils as the province would be able to stipulate what goes into development agreements. There has been an increase of MZOs recently and this provision seems to continue that trend. It is unknown at this point how this power will be used for inclusionary zoning and to increase affordable housing. MZOs may not be made respecting land within the Greenbelt, which is positive for the Region's Greenlands. The Region should monitor the situation to ensure that the Province keeps its promise to work with municipalities before making the orders.

### ***Public Transportation and Highway Improvement Act (Schedule 19)***

The Province is looking at ways to accelerate key provincial highway construction projects by identifying and proposing changes that would remove potential "bottlenecks". The amendments eliminate hearings of necessity for expropriations of property under the Act and provides that the Minister may establish a process for receiving comments from property owners about such expropriations.

**Commentary:** As the Region requires more transportation infrastructure, it is expected that new provisions around expropriation procedure would expedite the future transportation infrastructure process by removing roadblocks to construction. The amendments may have more significant impacts on planned Provincial highway (e.g. Highway 401 Expansion Project and the Highway 427 Extension) and transit projects where the Region has impacted property/assets. While the GTA West Transportation Corridor and Airport Segment of the Eglinton Crosstown West LRT Extension are only in the planning stages, significant impacts to Regional infrastructure and property are anticipated.

As other transit projects identified in the Metrolinx 2041 Regional Transportation Plan for Peel Region move forward in the planning process, Regional staff will evaluate the impact to Regional interests on a project by project basis.

### ***Transit-Oriented Communities Act and Ministry of Infrastructure Act (Schedule 20)***

*The Transit-Oriented Communities Act, 2020* permits cabinet to designate land as transit-oriented community land if specified conditions apply. The Act permits:

- that if land, any part of which is transit-oriented community land, is expropriated in specified circumstances, a related hearings process under the *Expropriations Act* does not apply in relation to the expropriation.
- the establishment of a process for receiving and considering comments from property owners respecting a proposed expropriation of such land.

*The Ministry of Infrastructure Act, 2011* is amended to permit the Minister to make investments supporting or developing transit-oriented community projects related to priority transit projects.

**Commentary:** At present the Region is unaffected by the change as the legislation is only applicable to priority transit projects in Toronto and York. However, this tool could be useful to the Region's transit infrastructure development, and it would be worth canvassing the Province for similar opportunities.

## **Next Steps**

Regional staff are currently reviewing in detail the provisions of Bill 197 that impact the Region. A report with respect to the provisions of Schedule 12 (regarding changes to *Municipal Act, 2001*) has been included on the agenda of the July 23 meeting of Regional Council. A comprehensive report that will provide additional details on the program/service implications of the changes will be before Regional Council at its first meeting in September. This report is expected to include an analysis of the changes to the *Development Charges Act* and the Community Benefit Charges (CBC) program under the *Planning Act* and highlight other amendments in Bill 197 that have COVID-19 economic recovery implications for the Region.