



Date: August 4, 2023

Subject: Response to Proposed Policies Adapted from A Place to Grow and Provincial Policy Statement to Form a New Provincial Planning Policy Instrument.

About Mattamy Homes:

Founded in 1978, Mattamy Homes is the largest privately owned homebuilder in North America, with operations in four (4) Canadian and eleven (11) US markets. We build homes of every type, including single detached, townhomes, mid-rise and high-rise units. In Canada our communities stretch across the Greater Golden Horseshoe Area, as well as in Ottawa, Calgary and Edmonton. We are dedicated to embedding sustainability in everything we do.

Comments and Recommendations:

Mattamy Homes Canada supports the Government of Ontario's ambitious plan of building 1.5 million new homes by 2031. We believe it is going to take all of us – the private sector, municipalities, and provincial and federal levels of government - working together to ensure the dream of homeownership stays within reach of all Ontarians, including those of generations to come.

We are generally supportive of the policy direction of the new Provincial Planning Statement and the rescinding of A Growth Plan for the Greater Golden Horseshoe. Removing duplication in addition to providing clear direction and expectation to all stakeholders involved in building homes will be helpful in reaching Ontario's housing goals.

Please find our specific recommendations below.

1. Major Infrastructure Delivery:

We strongly support the requirement to maintain a 15-year residential land supply and maintain land with servicing capacity for a 3-year supply of residential units. We believe this policy would be more effective if it clarified that the supply of land and units is to be maintained for a market-based supply of units and be specific to unit type. It is equally important to forecast for, and provide the right composition of housing, as well as an overall quantity of housing so that the appropriate infrastructure can be planned and built to support growth.

The province should consider legislative and policy changes to ensure that both utilities and regulators provide sufficient services for both existing and future housing to achieve municipal growth plans. Municipalities should be held accountable for this infrastructure delivery mechanisms including mandated updates of Master Servicing and

Transportation Plans, Capital Budgets, and Development Charge Background Studies and Development Charge By-laws.

The policies of the PPS should provide direction to utility providers to integrate their planning with the growth planning of municipalities, and to account for these plans in their future service planning. Utilities should be strongly encouraged to ensure that sufficient service is available to support planned growth and the delivery of housing.

We strongly support the use of alternative servicing solutions to enable development in areas where typical full municipal servicing solutions are not viable. The province should prepare guidance material regarding the minimum densities and size of development appropriate for different servicing solutions.

2. Minimum Housing Targets and/or Forecasts:

We would like the province to ensure that large/faster growing municipalities plan for their share of growth; the province should continue to prepare forecasted minimum population and housing targets for these municipalities (similar to those required in the Growth Plan, and subsequently in the Province's minimum housing targets to 2031) and require that these municipalities demonstrate in their official plans how these targets will be met with the timeframes of the PPS.

3. Accelerated Planning Approvals:

We strongly support the change to a minimum 25-year horizon; given that most new communities will take 25 years to be substantially built, this is an appropriate planning horizon.

The provision for a simplified settlement area boundary expansion process is a positive policy change that will allow municipalities to both create new settlement areas and expand existing ones where appropriate.

The PPS should expressly permit privately initiated secondary plans to assist with the resource challenges municipalities are facing. These privately initiated secondary plans would be subject to criteria, such as public authorities remaining involved in the public consultation process.

Section 49.2 is an important piece rounding out the Minister's power to accelerate planning approvals in appropriate circumstances. There is some concern, however, that s.49.2(4) could create potential uncertainty resulting from a theoretical power to provide or pay for things without limit, and without an associated credit on their development charges, parkland or community benefits charges. It would provide greater certainty, and therefore facilitate the delivery of housing, if the contributions were tied to existing powers to require payments or provide matters.

Proposed amendment to Section 49.2: "An agreement required under subsection (1) may not require the owner of the land to provide anything or pay for anything in excess of what the owner is required to provide or pay for under this Act, the *Development Charges Act, 1997* or any other Act, and where such agreement requires the provision

of or payment for something that would otherwise be subject to a separate requirement, the owner shall receive a credit on such requirement to the extent provided for in the agreement."

4. Natural Heritage:

Mattamy Homes has extensive experience addressing the natural heritage policies of the PPS. We understand that minor changes may be made to some natural heritage definitions, but we believe that additional policy changes are needed.

The policy changes that we are recommending are informed by our experiences with a diversity of municipalities, including Ottawa, Kitchener-Waterloo, Barrie and the GTA upper and lower tier municipalities. We routinely encounter efforts by public authorities to protect what we, and our qualified industry experts, know to be relatively less important natural areas. This has resulted in delays of months to years in our efforts to create communities across Ontario. Some of those less important natural features are:

- small successional and disturbed treed areas < 0.5 ha
- treed areas dominated by poplar on abandoned farmland
- hedgerows
- wetland areas occurring in actively farmed fields, and where tile drainage has been disrupted or failed
- wetlands that have had some or all of their source water and or outlet already artificially disrupted (i.e. through creation of roads & highways)
- naturalizing farm ponds.

This overly cautious approach has not only resulted in delays but has created inefficiencies in our development of communities.

Our recommended changes to the natural heritage policies will introduce some much-needed flexibility. That flexibility will allow us to build both more homes and more habitat faster, accelerating the creation of viable, sustainable natural heritage systems.

To achieve community building and work more efficiently, we require a degree of smart flexibility in the natural heritage policies and their implementation. Smart flexibility will best be achieved through the two following distinct, but related changes:

1. Shift from the no negative impact test to a no net negative impact test for natural heritage features and associated functions

The current test under the PPS related to natural heritage features and functions (excluding fish habitat) is the no negative impact test. That test specifies that a "... negative impact is: degradation that threatens the health and integrity of the

natural features or ecological functions”. Health and integrity are not defined terms in the PPS.

Requirements to achieve no negative impact on any aspect of natural heritage features or functions have proven to be challenging and impractical. It is likely that any development or site alteration activity will have some, often minor or immeasurable, impact on one or more aspects of natural heritage features or functions.

The definition of “functions” further complicates the use of the no negative impact test. The PPS defines ecological function as follows “... means the natural processes, products or services that living and non-living environments provide or perform within or between species, ecosystems and landscapes. These may include biological, physical, and socio-economic interactions.” The complexity of the term ecological function includes undefined biological, physical, and socio-economic interactions.

The implementation of a slightly modified test, a no net negative impact test, will allow for minor adjustments to natural heritage features and associated functions. This approach would encourage, not discourage, more innovative forms of mitigation, with expedited impact assessment considerations and with net positive outcomes for nature.

Where a development or site alteration could impact larger and more overtly important natural heritage features and associated functions, the no net negative impact test would be applied, involving a special form of compensatory mitigation, commonly referred to as offsetting.

- 2. Formally adopt an ecological offsetting approach to allow for the selective removal of generally smaller and degraded natural heritage areas with limited functions.** The removed features would be replaced, achieving a net ecological gain (i.e., nature positive outcomes).

The province’s release of the Discussion Paper, Conserving Ontario’s Natural Heritage, presents an important, forward-looking approach that could significantly improve the use of, and outcomes associated with, natural heritage policies in Ontario,

Ecological biodiversity (aka biodiversity offsetting) is an impact assessment tool used globally in more than 100 countries. These offset programs allow for the compensation of impacts to the natural environment in ways that restore or improve the quality and/or quantity of the impacted natural heritage features. Unlike a no net negative impact test, which minimizes and neutralizes impacts, offsetting programs require achieving net positive or nature positive outcomes. This approach could be used when predicted impacts surpass what might be considered the most minor immeasurable predicted impacts addressed above.

5. Employment Lands

We recommend providing clarification that other uses (including commercial, institutional and residential) may be permitted on employment lands and lands designated for employment that do not meet the PPS definition of Employment Area, subject to appropriate separation required to sensitive uses. In addition, an update to the D-series guidelines should be provided regarding the separation requirements for sensitive uses in keeping with the updated definition from the PPS.

6. Stormwater and Floodplain Mapping

We would like to see clarification around flood modelling to include proposed and committed flood mitigation work in developing areas.

7. Affordable and Attainable Housing

We seek clarity concerning the definition of ‘attainable’ housing. It should emphasize that secondary (and third) units constitute purpose built rental and that they can be important components of affordable or attainable housing.

8. Development Application Timeline delays (Bill 109):

The change introduced in Bill 109 continues to be problematic. In some regions and municipalities, the application process has practically ground to a halt. Municipalities are ‘frontloading’ the work on issues that are identified in the project proposal prior to deeming an application complete or ‘gating/guarding’ application submissions. Frontloading of work through an extended pre-consultation process has meant that appeal rights cannot be triggered because applications are not being deemed complete.

Some municipalities are also unbundling concurrent applications (such as zoning amendments and site plans) causing duplication of reports and reviews and adding significant time to the overall approval process. In addition, some municipalities are also proposing Holding Provisions, which could delay the process substantially (clearing conditions and finalizing bylaw), as well as delaying SPA, where concurrent reviews are not permitted.

We recommend that the government define the meaning of a pre-consultation process and set timelines for when an application can be deemed complete.

Municipalities are no longer accepting bundled or parallel applications because of the new timelines. They could be incentivized to use the bundled or parallel process if offered flexible mandated timelines and/or the requirement for refunds were reconsidered.

Finally, we recommend that municipalities and regions only be required to provide a refund when requested by developer. The mandatory refund has the potential to create an adversarial relationship between developer and municipality and could result in delays in processing the development application, as once the refund has been issued the application could be dropped or deprioritised.

Conclusion:

We appreciate the opportunity to submit comments as part of the consultations regarding the proposed policies adapted from A Place to Grow and Provincial Policy Statement to form a new provincial planning policy instrument.

Although the housing supply shortage continues to present many challenges, it also offers an opportunity to consider how to fix the system that has resulted in so much red tape and roadblocks.

We look forward to working with the government to ensure that homes across Ontario are built more affordably, quickly, and sustainably.