

Smart Growth and Climate Policy in Ontario



Provincial Progress Report 2007

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Cherise Burda

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The Pembina Institute
Box 7558
Drayton Valley, Alberta T7A 1S7 Canada
Phone: 780-542-6272
E-mail: info@pembina.org

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About the Pembina Institute

The Pembina Institute creates sustainable energy solutions through research, education, consulting and advocacy. It promotes environmental, social and economic sustainability in the public interest by developing practical solutions for communities, individuals, governments and businesses. The Pembina Institute provides policy research leadership and education on climate change, energy issues, green economics, energy efficiency and conservation, renewable energy and environmental governance. More information about the Pembina Institute is available at www.pembina.org or by contacting info@pembina.org.

About the Author

Cherise Burda, Ontario Policy Director

Cherise Burda joined the Pembina Institute after more than 14 years working on environmental policy and legislative solutions in British Columbia. Now living and working in Ontario, Cherise directs research and implementation strategies for sustainable energy solutions in Ontario, including green supply options for the Ontario electricity sector and policy initiatives for urban sustainability. Cherise holds a B.Sc. in Environmental Science, an MA in environmental law and policy, and a B.Ed. Cherise has authored numerous policy publications and has been directly involved in multi-stakeholder processes to bring about positive changes to legislation.

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1. Executive Summary

Smart Growth and Climate Policy in Ontario represents the sixth in a series of provincial Smart Growth Progress Reports by the Pembina Institute that studies legislation and policy developments affecting sustainable urban development in Southern Ontario.

The report series began in February 2003 with *Smart Growth in Ontario: The Promise vs. Provincial Performance*, which outlined a provincial policy framework for smart growth to reduce urban sprawl and encourage more environmentally, socially and economically sustainable communities, particularly in the Greater Golden Horseshoe (GGH) where unmanaged growth occurs at a rapid rate.

This report, *Smart Growth and Climate Policy in Ontario*, reports on government progress between September 2006 and February 2008, and has a particular focus on how urban planning policies consider the Ontario government's climate change targets announced in June 2007. The report also incorporates findings from a Pembina Institute study that measures indicators of sprawl in Ontario's communities against measures of smart growth and examines gaps in legislation and policy.

1.1 Key Findings



The Pembina Institute recognizes Ontario's leadership in land use planning policy and stated commitments to addressing climate change. This report identifies problems and shortcomings that may preclude the actual effectiveness of the Province's goals.

Key findings of the report are as follows:

- There is a lack of integration between the Province's climate change objectives and planning policy.
- Urban planning policies and targets, particularly within the Places to Grow plan, are not rigorous enough to combat the extent of urban sprawl and unsustainable development that is already underway.
- Urban planning policies in Ontario do not require or encourage municipalities to develop sustainable energy plans, targets or policies.
- Municipalities and developers lack adequate fiscal incentives or options that make it financially preferable to choose smart growth objectives over sprawl.

The Province's 2007 Go Green Ontario climate plan identifies fairly ambitious targets for greenhouse gas (GHG) emission reductions, but it fails to explain how recent initiatives such as the Places to Grow plan and the Greenbelt Act will actually translate into reductions in greenhouse gases (GHGs) or how GHG emission considerations factor into land use planning policies. As well, there is a failure to consider climate change impacts and the need for adaptation in recent planning and infrastructure initiatives.

With the transportation sector responsible for the largest growth in GHG emissions in Ontario, official plans and provincial planning policy should integrate land use, built form and transportation planning to reduce transportation-related GHG emissions. Unfortunately, the Pembina Institute's examination of municipal smart growth indicators has found that the majority of municipalities in the GGH continue to demonstrate poor urban form, low density, low intensification, long average commuting distances, poor street connectivity and a large gap between capital investment in transit and road infrastructure.

In particular, urban density targets in the Places to Grow plan are too low, and in some municipalities are barely sufficient to be supportive of minimal transit services. While some Tier 2 growth node municipalities, such as Vaughan and Markham, are planning well for intensification and transit, most of Ontario's Tier 1 regions (such as York Region), continue to demonstrate uncontained sprawl, such as leapfrog sprawl into the greenfield areas and planned highway expansion.

A tremendous opportunity for GHG emission reductions in Ontario is at the municipal level. Land use planning should encourage transit and decrease personal vehicle use, and communities should be designed to accommodate neighbourhood, renewable energy systems and energy efficient developments.

Currently, little exists in the way of provincial policy to encourage or require municipalities to reduce their energy footprint. The Energy Conservation Leadership Act, which requires communities to develop community energy plans (CEPs), remains unenforced. Despite this, a handful of municipalities in Ontario are undertaking CEPs, but there is little support or direction from the Province to integrate these into official municipal plans.

1.2 Priority Recommendations

With the provincial government in its second term in office, there is a tremendous opportunity to follow through on both short- and long-term commitments made over the last four years and to implement meaningful policies today. Consequently, the Pembina Institute makes the following priority recommendations for the provincial government within its current term in office:

1.2.1 Climate Change Goals and Smart Growth

The Province should integrate climate change goals and GHG emission reduction targets into land use and infrastructure planning.

- Develop a rigorous assessment of the likely impact of the implementation of recent planning and infrastructure initiatives, including the GGH Growth Plan and Greenbelt

Act and revisions to the Planning Act and Provincial Policy Statement, on future GHG emissions relative to business-as-usual scenarios.

- Identify additional planning policies and other initiatives to achieve the reductions in GHG emissions and thus meet the Province’s GHG emission reduction target.

1.2.2 Sustainable Energy

The Province should incorporate sustainable energy policies into municipal planning, a move that would encourage both smart growth and adherence to the Province’s ambitious GHG emission reduction targets.

- Enforce the Energy Conservation Leadership Act, requiring municipalities to develop sustainable energy plans and removing barriers to combined heat and power (CHP), renewable energy development and conservation measures.
- Amend the Provincial Policy Statement made under the Planning Act and the Places to Grow Act to require that municipal official plans integrate energy targets and policies. These should include enforceable minimum requirements for energy efficiency, local renewable energy generation for all new residential development and revitalization of existing development.

1.2.3 Transportation

The majority of future projected GHG emissions growth in Ontario is transportation related. Official plans and provincial planning policy should demonstrate integration of land use, built form and transportation planning to reduce transportation-related GHG emissions.



- The Federal and Provincial governments should increase their gas tax contribution to municipalities for public transit operations or allocate other sources of stable revenue to support transit system operating costs.
- Terms of reference for major infrastructure such as highways should consider cumulative GHG emission impacts and air quality.

1.2.4 Containing Sprawl and Protecting Lands

The Places to Grow Act and Places to Grow plan should include more aggressive, immediate and concrete policies in order to contain sprawl development at the periphery and halt sprawl into farmland and greenfields.

- The Province should increase the Places to Grow plan’s intensification and density targets above existing business-as-usual development targets.

- The greenbelt should be expanded to reduce development of significant wetlands and agricultural lands excluded from the current plan.

1.2.5 Tax Shifting and Fiscal Policies

The Province should develop tax shifting policies that reward smart growth planning, discourage unsustainable planning and development and provide financial support for municipalities accordingly.

- Immediately remove subsidies to development in greenfields.
- At the broader level, a “green screen” should be placed on future major infrastructure investments, financial incentives to municipalities and developers, and access to loans (such as Ontario Strategic Infrastructure Financing Authority (OSIFA) loans), grants and revenue (such as gas tax) to favour projects that will likely result in significant net GHG emission reductions.

2. Introduction

2.1 Purpose and Rationale

Smart Growth and Climate Policy in Ontario represents the sixth in a series of provincial Smart Growth Progress Reports by the Pembina Institute. The report series began in February 2003 with *Smart Growth in Ontario: The Promise vs. Provincial Performance*, which outlined a provincial policy framework for smart growth to reduce urban sprawl and encourage more environmentally, socially and economically sustainable communities, particularly in the Greater Golden Horseshoe (GGH) where unmanaged growth occurs at a rapid rate.

This report, *Smart Growth and Climate Policy in Ontario*, studies legislation and policy developments affecting sustainable urban development in Southern Ontario in 2007. It reports on government progress between September 2006 and February 2008, and has a particular focus on how urban planning policies consider the Ontario government's climate change targets announced in June 2007. The report also incorporates findings from a 2007 Pembina Institute study that measures indicators of sprawl in Ontario's communities against measures of smart growth (intensity, transit, and so on) and examines gaps in legislation and policy.

The Pembina Institute recognizes Ontario's leadership in planning and stated commitments to addressing climate change. This report identifies problems and shortcomings that may preclude the actual effectiveness of these goals. With the provincial government in its second term in office, there is a tremendous opportunity to follow through on both short- and long-term commitments made over the last four years and to make necessary improvements.

2.2 Planning Legislation and Policy in Ontario

Since 2003 the Ontario government has introduced a number of pieces of major legislation and policy with regards to urban sustainability, making Ontario a leader in greenbelt protection and urban planning policy. A complete chronology of urban planning legislation and policy in Ontario can be found in Appendix 2 of this report. Table 1 lists some key legislation and policy introduced by the current government since 2003.

How these initiatives are succeeding in protecting important lands, our air and climate and in fostering smart growth is uncertain at this time. However, we can measure certain indicators of sprawl in Ontario's communities against measures of smart growth (intensity, transit, and so on). The results of the Pembina Institute's recent *Ontario Community Sustainability Report – 2007* show that the Province's planning policies and targets, particularly within the Places to Grow plan, likely are not rigorous enough to combat the extent of urban sprawl and unsustainable development already underway.

As Ontario's Environmental Commissioner points out in its recent report, "significant enhancements will need to be made to the growth plan's intensification and density targets as well as the use and quality of its transit systems if the Province's planning

vision is to be achieved.”¹ Municipalities need more financially friendly options and they need to be informed. Alongside amendments to give municipalities more decision-making authority, they should also be provided with options that make it financially preferable to choose smart growth over sprawl, and they need to be equipped with the information and tools to do so.

2.3 Ontario’s Climate Plan

At the same time, the Ontario government has released a climate plan for the province with very ambitious targets for greenhouse gas (GHG) emission reductions. Unfortunately, the climate plan lacks clear policies or a road map to get there. Moreover, there is a lack of integration between the Province’s climate change objectives and planning policy.

The Province’s 2007 Go Green Ontario climate plan identifies fairly ambitious targets for GHG emission reductions, but fails to explain how recent initiatives such as the Places to Grow plan and the Greenbelt Act will actually translate into reductions in GHGs or how GHG emission considerations factor into land use planning policies. As well, there is a failure to consider climate change impacts and the need for adaptation in recent planning and infrastructure initiatives.

The Ontario government currently lacks a strategy to integrate climate change goals and GHG emission reduction targets into land use and infrastructure planning, despite the fact that there is a tremendous opportunity to reduce GHG emissions at the municipal planning level; the way cities are designed in terms of transportation, buildings and energy provision comes down to municipal planning. The majority of future projected GHG emissions growth in Ontario is transportation related and driven by urban form. To change this trajectory requires that official plans and provincial planning policy integrate land use and transportation planning to reduce transportation related GHG emissions.

As this report goes to press, the Ontario government has appointed a climate change secretariat to lead the execution of Ontario’s climate plan and ensure its policies are actually carried out.² With a large number of the policies and opportunities to reduce GHG emissions landing at the municipal level — from transit to community energy plans — there will be a strong need for the new secretariat to ensure climate change goals are incorporated into urban planning, thus encouraging both smart growth and adherence to the Province’s ambitious GHG emission reduction targets. For example, policies such as minimum requirements for energy efficiency and local renewable energy generation for all new residential development would necessitate enforcement of higher urban density targets and result both in less consumption of greenfields and agricultural lands and reduction of GHG emissions.

Table 1: Key Planning Legislation and Policy in Ontario Since 2003

Legislation/Policy	Description
The Ministry of Public Infrastructure and Renewal <i>created October 2003</i>	A body that combines the Smart Growth Secretariat with the Superbuild Corporation (highway expansion program) with the intention of integrating land use and infrastructure planning.
The Greenbelt Act	Legislation that establishes a 240,000-hectare greenbelt in the

<i>introduced October 2004</i>	GGH within which urban development will not be permitted.
The Places to Grow Act <i>introduced October 2004</i>	A legal provincial framework to coordinate planning and decision making for long-term growth and infrastructure renewal in Ontario. It gives the Province the power to designate geographical growth areas and to require municipalities to bring their official plans into conformity with the growth plan for their area.
Provincial Policy Statement (PPS) <i>revised March 2005</i>	Revised planning rules that allow development only in areas where it can be sustained and supported by infrastructure. These include new policies to support intensification, more transit-friendly land use patterns, stronger direction on land use policies for improved air quality and alternative and renewable energy.
Strong Communities Act <i>effective March 2005</i>	Legislation that requires planning decisions on applications subject to the new PPS “shall be consistent with” the new policies. It allows more time and opportunity for public scrutiny in the planning process.
Greater Golden Horseshoe Growth Plan <i>released June 2006</i>	A plan to delineate and set policy for where and how growth/development can occur in the GGH, including the identification of intensification nodes, build-up areas, settlement lands, greenfield areas and employment lands.
Bill 104 <i>enacted April 2006</i>	The creation of the Greater Toronto Transportation Authority (now Metrolinx), which replaced the Go Transit Act (2001). This new body will consolidate the previous patchwork approach to public transport.
Bill 51 <i>effective January 2007</i>	The Planning and Conservation Land Statute Law Amendment Act, establishing local appeal bodies to hear appeals as an alternative to the Ontario Municipal Board (OMB).
Move Ontario <i>announced June 2007</i>	A \$17.5 billion capital investment in public transit infrastructure to serve the Greater Toronto Area and Hamilton (GTAH) beginning in 2008.
Go Green Ontario <i>released August 2007</i>	Ontario’s Action Plan on Climate Change.

2.4 What Is Smart Growth?

“Smart growth” is a term used to describe approaches to managing the growth and development of communities that aim to improve environmental, economic and social sustainability, particularly by reducing urban sprawl and dependence on the automobile for transportation. Smart growth policies are intended to integrate land use and infrastructure planning, fiscal and taxation measures, sustainable energy and regional governance.

The effective implementation of smart growth policies can generate mutually reinforcing benefits, such as reduced GHG emissions, improved air quality, the protection of ecologically significant areas and prime agricultural lands, reduced infrastructure costs and increased transportation efficiencies. The smart growth vision involves compact and mixed urban form, which requires much less dependency on automobiles for transportation and much greater emphasis on walking and public transit, with significant

implications for improved air quality and GHG emission reductions. More compact development offers significant opportunities for improvements in energy efficiency in building and site design and district energy systems.

It is important to note that smart growth principles cannot be met in full if they are simply an add-on to business-as-usual planning, for example if highway expansion continues alongside investment in transit. The outcome will not be an overall improvement of sustainability indicators, such as pollution levels or average commuting distances. The alternative approaches to managing population and economic growth in municipalities described using the terms “urban sustainability” or “smart growth” focus on the principles outlined in Table 2.

The Ontario section of the Pembina Institute’s website³ contains detailed information on smart growth, including all of the Pembina Institute’s related reports, charts and maps as well as important links.

Table 2: Smart Growth vs. Business-as-Usual Urban Development Principles

Feature	Smart Growth	Business as Usual
Land use density	Higher density, clustered.	Lower density, dispersed.
Development location	Infill (brownfields and greyfields).	Urban periphery (greenfields).
Land use mix	Well mixed. Employment, shopping, services, recreation and schools within walking distances of residential areas.	Homogeneous, not mixed. Strong separations among residential, employment and commercial land uses, usually requiring motorized travel between areas focused on different uses.
Scale	Human scale. Smaller buildings, blocks and roads. Attention to detail as people experience landscape up close as pedestrians.	Larger scale. Larger buildings, blocks and roads. Less attention to detail as people experience the landscape at a distance from cars.
Public services	Local, distributed, smaller. Accommodates walking access.	Regional, consolidated, larger. Requires automobile access.
Transportation	Multi-modal — supports walking, cycling and public transit.	Automobile-oriented — poorly suited for walking, cycling and public transit.
Connectivity	Highly connected roads, sidewalks and paths, allowing direct travel by motorized and non-motorized modes.	Hierarchical road network with many unconnected roads and walkways, and with barriers to non-motorized travel.
Streets	Designed to accommodate a variety of activities — traffic calming.	Designed to maximize motor vehicle traffic volume and speed.
Planning process	Planned — coordinated between jurisdictions and stakeholders.	Unplanned — little coordination between jurisdictions and stakeholders.
Public space	Emphasis on the public realm (streetscapes, pedestrian areas, public parks, public facilities).	Emphasis on the private realm (yards, shopping malls, gated communities, private clubs).
Natural heritage	Protection of key natural heritage, source water features, with strong connectivity among features and systems.	Fragmentation/development of natural heritage and source water features with poor connectivity among remaining features.

3. Infrastructure Funding

3.1 Introduction

Much of the funding for major new municipal capital infrastructure, such as transportation and sewer and water systems, comes from the Province. The Province's policies regarding infrastructure provision, therefore, can have a major impact on development patterns. Providing funding for the extension of transportation and sewer and water infrastructure beyond the boundaries of existing communities can, for example, facilitate and encourage urban sprawl. Requiring infrastructure investments to be supportive of more sustainable development patterns, such as infill developments, intensification, and brownfields and greyfields redevelopment, and the enhancement of services within existing urban areas, can have the opposite effect.

The Province also undertakes infrastructure projects of its own, in particular highway construction and investment in public transportation. These can have a major impact on development patterns as well.

The highway construction plan initiated by the SuperBuild Corporation between 1999 and 2003 was a prominent example of such an initiative. The program included

- the eastward extension of Highway 407 to Highway 35/115
- the extension of Highway 404 around the east and south sides of Lake Simcoe, including a Bradford Bypass, connecting highways 404 and 400
- the northward and eastward extension of Highway 427 to Barrie
- the construction of a new Mid-Peninsula Highway from Burlington to the U.S. border in the Niagara region.
- the creation of a new GTA East–West Corridor from Brampton to the Guelph area
- the extension of Highway 410 northwards “at least” to Highway 89

Three of the proposed highways (the 404, 410 and 427 extensions) would have passed over the Oak Ridges Moraine, while the 407 extension invited the urbanization of prime agricultural lands and sensitive watersheds south of the moraine. The Mid-Peninsula Highway would run over the Niagara Escarpment, a UNESCO¹ World Biosphere Reserve, while the GTA East–West Corridor would cut through it.

In addition to concerns over the direct impact of these projects on the Oak Ridges Moraine, Niagara Escarpment and other ecologically significant features, the program was criticized for encouraging urban sprawl far beyond existing urban areas and promoting long-distance automobile commuting throughout the region.

In 2003, the provincial government created the Ministry of Infrastructure and Renewal, which combined the SuperBuild Corporation with the Smart Growth Secretariat. This restructuring enabled the potential to consider smart growth objectives when making decisions regarding infrastructure investments. Unfortunately, current policies, such as concurrently investing in massive transit and highway construction, reflect continued incongruence.

3.2 Transportation Infrastructure

The majority of GHG emissions in Ontario are transportation related and this is where the projected growth in GHG emissions is expected to occur.⁴ Despite the Province's goals to achieve 13% of its GHG emission reductions from passenger vehicles and transit, Ontario continues to invest more public funds into building highways than accommodating and investing in transit and non-automobile-dependent infrastructure.

The Pembina Institute's *Ontario Community Sustainability Report — 2007* shows that most of Ontario's municipalities continue to demonstrate poor urban form, low density, low intensification, long average commuting distances, poor street connectivity and a large gap between capital investment in transit and road infrastructure. While some Tier 2 growth node municipalities, such as Vaughan and Markham, are planning well for intensification and transit, overall Tier 1 regions continue to demonstrate uncontained sprawl, such as leapfrog sprawl into the greenfield areas and planned highway expansion.

In the 2007–08 fiscal year, Ontario will invest \$1.7 billion in the provincial highway system and \$1.2 billion through its Move Ontario 2020 program.⁵ The parallel track of funding both highways and transit will not result in meeting either the Province's overall planning or climate change⁶ goals. At the same time, many communities cannot invest in transit because their urban densities are too low or, in some municipalities, barely sufficient to be supportive of minimal transit services.

At the macro level, Metrolinx (formerly Greater Toronto Transportation Authority, GTTA) is currently developing a regional plan to deal with anticipated increased demand for transit due to population growth. While the goal is to provide more transit options and accessibility to a growing ridership, efforts are needed also to decrease both current and future automobile use (i.e., to get people out of cars). Interestingly, a new report by Ontario's Environmental Commissioner sites that the average vehicle occupancy in much of the GGH is typically 1.2 persons — meaning less than one in five drivers are carrying any passengers.⁷ Adding new high occupancy vehicle lanes on sections of Highways 400 and 427, for instance, likely will not change this trend. Stronger disincentives to automobile travel must equal efforts to improve access to public transit.

In 2007, Ontario announced a long-term plan for a \$17.5 billion capital investment in public transit infrastructure. MoveOntario will build 902 kilometres of new or improved rapid transit to serve the GTA beginning in 2008. This is the largest investment of its kind in Ontario.⁸

However, documents provided by the government indicate that funding would not actually begin until 2011. Also the Province would pay 65% of the \$17.5 billion in capital costs, and assumes the federal government would make up the remainder, although there remains no federal commitment to do so. Metrolinx has called on the federal government to commit to using funds from the federal budget surplus.⁹

Moreover, the larger question remains as to how to fund the operation of the transit system once it is built. Metrolinx in its strategic plan will recommend strategies for municipalities to deal with increased operating costs; however, as we have witnessed in Toronto, even current operational expenses cannot be met within the current fiscal system. For instance, the proposal to shut down the Sheppard subway came on the heels

of the Province's announcement to invest in building more transit infrastructure.¹⁰ The Province claims that provincial gas tax funds may address the need for transit funding, but there are no current plans to increase the gas tax revenue to municipalities, and current revenues do not match the funds required.¹¹

3.3 Infrastructure Support to Municipalities

In June 2007, the Province introduced the Municipal Eco Challenge Fund to provide \$20 million in grants to municipal governments for projects aimed at reducing GHG emissions. More substantially, Infrastructure Ontario (the successor to the OSIFA, established through the Province's March 2006 budget implementation legislation¹²) will also provide \$200 million worth of loans for municipal projects that reduce GHG emissions through its Ontario Strategic Infrastructure Financing Authority (OSIFA) Loan Program. The program offers affordable loans to help public sector clients build and renew essential local infrastructure. The Province claims that the initiative will save municipalities money on interest charges and transaction fees and the projects will pay for themselves quickly through energy savings.¹³

The government will consult with the Association of Municipalities of Ontario (AMO) and other stakeholders in implementing the program, although it is unclear at this time what the criteria will be, other than those currently dictated within the broad OSIFA loan program. The size and range of the program seem to demonstrate its initial success. Infrastructure Ontario notes that the OSIFA Loan Program has provided more than \$2.8 billion worth of loans for 967 projects throughout the province.¹⁴

While the loan program is a step in the right direction, more comprehensive fiscal policies and incentives may be needed to encourage greater participation. For example, the federal government required that Ontario municipalities prepare integrated community sustainability plans, covering social, cultural, environmental and economic issues, as a condition of receiving a portion of federal gasoline tax revenues for infrastructure. Reductions in GHG emissions and cleaner water and air were explicitly identified as objectives of the funding arrangement.¹⁵ Similarly, municipalities were required to develop transportation demand management strategies in order to receive federal funding for transit projects.

In general the Municipal Eco Challenge Fund and the OSIFA Loan Program are positive examples of how Infrastructure Ontario can play a key role in translating provincial priorities into municipal action. In the past, the criteria the Province has provided to municipalities for provincial infrastructure support have tended to focus on management issues, rather than the sustainability of projects or the degree to which they advance the Province's stated directions on land use planning or transportation.¹⁶

The Planning and Conservation Land Statute Amendment, Bill 51, which came into effect January 1, 2007, provided municipalities with tools to enable smart growth policies such as intensification and brownfield redevelopment.¹⁷ As part of the 2007 provincial budget, the Ontario government announced a comprehensive reform package to address the liability and regulatory barriers that have prevented communities from putting more brownfields back into productive use.

To build municipal capacity, in June 2007 the Ministry of Municipal Affairs and Housing (MMAH) and the Canadian Brownfields Network gave training workshops on brownfield reforms and financial and technology incentives for municipalities. More than 150 Ontario municipal treasurers, planners, economic development officers, consultants and councillors attended the training.¹⁸ As well \$11 million went to Hamilton, Cornwall, Brampton and St. Catharines to reclaim brownfield areas within these communities.¹⁹

3.4 Environmental Assessments of Major Infrastructure

The failures of the environmental assessment process to deal with larger development, transportation pattern, and climate change and air quality implications of major infrastructure projects such as new highways and major sewer and water systems are well documented. These outcomes have been the result of very limited scoping of environmental assessments²⁰ or reliance on class environmental assessments of incremental components of large projects.²¹

In addition, in some cases, projects are proceeding on the basis of past environmental assessment approvals granted under vastly different circumstances. The northward extension of Highway 404, approved in 2002 before the adoption of the greenbelt legislation and plan, is the most prominent example. The extension would proceed through lands that are largely now part of the greenbelt and facilitate automobile dependent urban sprawl north of the Oak Ridges Moraine. The modifications to the environmental assessment process announced in June 2006 seem unlikely to improve the situation. Provisions of Bill 51, the Planning and Conservation Land Statute Law Amendment Act, that would permit exemptions of energy-related infrastructure from the approval requirements of the Planning Act, seem likely to further reduce the integration of large infrastructure projects with overall regional planning. However, the overall effect of the exemption is still not altogether clear. The Canadian Wind Energy Association, for instance, supported this amendment because it would allow them to more easily move through the approval process.²²

3.5 Conclusions and Recommendations

Infrastructure spending — highways or transit, green construction or business as usual — is central to achieving growth management and GHG emission reduction goals. Significant efforts have been made in the past year by the Ontario government to integrate the Places to Grow Act and plan, MoveOntario and the Greenbelt Act. However, the major limitations include continuation of funding to highway expansion and business-as-usual infrastructure that may undermine the efforts made in these policies and legislation.

The MoveOntario program is a massive capital investment, but it is not clear how operational costs will be funded. While the MoveOntario program intends to increase ridership over the next 25 years, there are no policies or clear mechanisms in place to deter people from driving their cars, particularly in light of planned highway extensions.

Although provincial policy documents, including the five-year ReNew Ontario infrastructure initiative, include references to the GGH Growth Plan guiding provincial infrastructure investments in the region, formal mechanisms to tie provincial

infrastructure initiatives and funding and financing for municipal initiatives to the plan's directions remain weak or non-existent.

Therefore, to better integrate infrastructure funding and smart growth and climate change goals, the following initiatives and policy changes should be considered:

- Develop a “green screen” on major infrastructure investments and loans based on criteria such as consistency with growth plan objectives, integration with land use and other planning objectives, and delivery of reductions in GHG emissions.
- Encourage smart infrastructure loans and investment by
 - ensuring that OSIFA loans support projects that reduce GHG emissions and/or advance the Province's stated objectives on land use planning or transit
 - prioritizing OSIFA loans to support the construction of municipal energy efficiency and renewable energy systems.
- Include consideration of relative GHG emission impacts of major projects and alternatives to them in the terms of reference for environmental assessment of major infrastructure projects.

4. Land Use Planning

4.1 Introduction

The authority of Ontario municipalities over land use planning is governed through the Provincial Planning Act and Provincial Policy Statement (PPS), and overseen by the provincially appointed OMB. The policy directions set by the Province through its legislation and policies therefore have a major impact on development patterns.

The provincial legislative and policy framework for land use planning has undergone major changes over the past term of government. Major amendments were made to the Planning Act, including the restoration of the requirement that planning decisions conform with provincial policy via Bill 26 in November 2004, the revised PPS and Greenbelt Plan and legislation adopted in March 2005, and the GGH Growth Plan made under the June 2005 Places to Grow Act, adopted in June 2006. There have also been important land use planning law reforms under Bill 51 in March 2006, and the creation of the GTTA (now Metrolinx), which is tasked with developing and integrating a comprehensive regional transportation plan with the Greenbelt Act and the Places to Grow plan.

4.2 Places to Grow

Ontario's 2007 climate plan identifies 13% of emission reductions to be achieved via existing policies such as the Greenbelt Act. However, there are currently no clear policies or analyses of how to achieve these targets. The most recent and comprehensive effort by the Province to improve the integration of land use and infrastructure planning has been the GGH Growth Plan, finalized in June 2006.²³ It presents a bold vision for stopping sprawl, improving air quality, reducing GHG emissions, protecting natural areas and prime agricultural lands, and safeguarding sources of drinking water.²⁴

At the heart of the plan is the development of designated urban centres as transit-supportive, mixed-use “complete” and intensive communities. Growth Plan designates intensification targets and growth nodes to concentrate development and transit. The vision is excellent, but the targets and policies may not be rigorous enough to contain sprawl or result in actual climate benefits. There is no clear analysis of how the chosen targets will lead to actual GHG emission reductions.

While the Growth Plan is a very important and promising piece of legislation (the plan stems from the Places to Grow Act, 2005), a number of other shortcomings preclude its ambitious objectives:

1. Density Targets

Too many urban growth centres (25) are identified in the plan, including some that are not yet established or for which transit services do not exist. These centres rely on population and employment growth projections that may change substantially over the life of the plan. The protection of natural heritage and agricultural lands is largely deferred to future sub-area assessments.

The density targets for new greenfield developments (40 persons and jobs per hectare in the inner-ring and 50 in the outer-ring) reflect current practice and are barely sufficient to support minimal transit services.²⁵ There are no density or boundary targets for employment lands, allowing for sprawl of low-rise industrial-park style buildings into greenfield areas.

2. Intensification and Built Boundaries

The intensification target for areas designated within the built boundary is 40% of new residential development. The target, however, is low given the relative expansiveness of built-up areas. By comparison, the target in Vancouver is for 70% of new residential development to occur in existing urban settlement areas.²⁶ Melbourne seeks to concentrate almost 70% of planned new dwellings by 2030 within existing urban boundaries, and in Sydney it is 60%.²⁷

Moreover, the goals and policies of the GGH Growth Plan are to be achieved by 2031, which provides an essential long-term forecast, but allows municipal plans to delay intensification targets, low-ball intensification targets in the short term and make up for them in future plans, and overdevelop in greenfield areas in the short and intermediate terms, thus resulting in sprawl-oriented infrastructure (i.e., highways) that can predominate future planning.

3. Lack of Rigorous or Concrete Policies and Impacts on the Ground

Overall, the GGH Growth Plan reads more as a set of objectives and general targets and lacks clear, concrete regulations or prescriptive policies to achieve them. The Pembina Institute's recent study, *Ontario Community Sustainability Report – 2007*, demonstrates the results of sprawl and unsustainable infrastructure planning on the ground; it concludes that sprawl in the 905 regions is advanced and requires immediate aggressive policies to curb this trend. Notable results of the study include the following:

- Toronto is now experiencing a comparatively low population growth. The GGH Growth Plan, however, is based on Toronto accommodating 20% of the growth. This will put further infrastructure pressure on the outlying suburbs than assumed.
- The 905 municipalities ranked low in the smart growth category, demonstrating poor urban form, low density, low intensification, long average commuting distances, poor street connectivity and a large gap between capital investment in transit and road infrastructure.
- While some Tier 2 growth node municipalities, such as Vaughan and Markham, are planning well for intensification and transit, the overall Tier 1 region (e.g., York Region), is demonstrating uncontained sprawl, leapfrog sprawl into greenfield areas and planned highway expansion (e.g., Highway 404 extension) to accommodate greater leapfrog sprawl in the future.
- Recent developments suggest that an extension of Highway 404 is likely to occur soon.²⁸ And the provincial budget calls for the extension of Highway 407, pending environmental assessment, and the widening of Highway 7 in Durham. Moreover, there have been repeated policy directives from York Region pressing for provincial funding for the Highway 404 project.²⁹

The results of applying the business-as-usual model to planning are becoming increasingly evident. For instance, the results of the *Ontario Community Sustainability*

Report – 2007 (above) suggest that more aggressive, immediate and concrete policies need to be put into action to contain sprawl development at the periphery and halt sprawl into farmland and greenfields; restriction of the growth boundary and/or expansion of greenbelt may be necessary. For example, as noted in the York Region case study within the report, that region’s economic development department has identified urban form as a problem, and in particular congestion caused by reliance on automobile commuting.³⁰

The implementation of the GGH Growth Plan will require substantial effort on the part of the Province. It will need to lead and provide the information to support the sub-area assessments into which much of the detailed land use and infrastructure planning has been deferred. The Province will also need to oversee municipal implementation via conformity amendments to official plans, zoning bylaws, project specific approvals and infrastructure plans and initiatives.

Table 3 lists the smart growth indicators used in the *Ontario Community Sustainability Report – 2007*. Table 4 lists the smart growth rankings for Ontario’s municipalities based on the indicators in Table 3

Table 3: Smart Growth Index Indicators

Indicator	Description	Rationale	Limitations
Population density	Total population divided by the municipality’s urbanized land base, which excludes open areas, water bodies and parks.	Reflects the efficiency with which land is used across communities.	Areas designated as residential land use in the digital maps may contain non-residential uses as well (because digital land use maps would classify primarily residential areas as residential only).
Land use mix	An index reflecting the degree to which residential, industrial, commercial, government/ institutional and green (including parks) spaces are present.	Mixed land uses help reduce motorized transport and encourage walking and biking.	The index for land use mix is generated for the entire municipality. This may not accurately reflect the land use mix within neighbourhoods.
Urban intensification	Amount of population growth between 1996 and 2001 that took place in already urbanized areas, defined as enumeration areas with less than 40% open area.	Reflects the degree to which new growth is being accommodated in the already urbanized area versus greenfield areas.	The definition of “already urbanized area” is somewhat arbitrary.

Source: The Pembina Institute, *Ontario Community Sustainability Report – 2007*.

Table 4: Smart Growth Index Rankings

Smart Growth Index Score	Smart Growth Index Rank	Municipality	Population Class	Growth Class
84.03	1	Toronto	High	Low
63.81	2	Stratford	Low	Low
61.63	3	Cornwall	Low	Low
59.95	4	London	Medium	Medium
59.29	5	Ottawa	High	Medium
58.70	6	Barrie	Medium	High
58.52	7	Guelph	Medium	High
54.51	8	St. Thomas	Low	High
54.32	9	Peterborough	Low	Medium
53.66	10	Woodstock	Low	High
52.32	11	Windsor	Medium	Medium
52.07	12	Orillia	Low	Medium
51.76	13	Belleville	Low	Medium
50.71	14	North Bay	Low	Low
50.61	15	Peel Regional Municipality	High	High
47.61	16	Kingston	Medium	Low
47.51	17	Hamilton	High	Medium
47.47	18	Sault Ste. Marie	Medium	Low
47.37	19	Waterloo Regional Municipality	High	High
44.88	20	Brantford	Medium	Medium
43.85	21	Thunder Bay	Medium	Low
42.72	22	York Regional Municipality	High	High
42.28	23	Sarnia	Low	Low
41.73	24	Halton Regional Municipality	High	High
39.50	25	Greater Sudbury	Medium	Low
37.48	26	Durham Regional Municipality	High	High
36.55	27	Niagara Regional Municipality	High	Medium

Source: The Pembina Institute, *Ontario Community Sustainability Report – 2007*.

4.3 Transit Planning

The Ontario climate plan calls for another 13% of GHG reductions to come from “passenger vehicles and transit.” This implies that, to be effective, transit planning needs not only to accommodate new growth but to actually get people out of their cars. The creation of Metrolinx is a substantial advancement that also conforms with the planning goals of the Planning Act and the GGH Growth Plan by integrating land use and transit planning to achieve common objectives.³¹ Metrolinx is tasked with developing a comprehensive regional transportation plan that integrates with the Greenbelt Act and the Places to Grow plan, using the same 2031 forecast with the following mandate:

- Implement the GTA Fare Card System, which would enable commuters to travel on public transit from Durham Region to Hamilton using a single card.
- Integrate municipal and regional transit planning, and co-ordinate fares and transit service delivery to improve convenience for commuters.
- Coordinate the purchase of transit vehicles on behalf of municipalities.
- Manage GO Transit.
- Develop and submit an annual capital plan and investment strategy.³²

The objective is to achieve a more reliable, efficient, conserving, clean and cost-effective transportation system, and solve such problems as cross-boundary poor service coordination and fare integration.³³ As this report goes to press, PIR has just announced a dual appointment of Chief Planning Advisor with the Ontario Growth Secretariat, Ministry of Public Infrastructure Renewal and Metrolinx, effective April 7, 2008. The role will help with integration of transportation and land-use planning.³⁴

According to the GTTA, transit trips within and between Toronto and regions will increase at a relatively greater rate than auto trips between now and 2031. The MoveOntario investment claims it will remove 300 million car trips from the roads of the GGH, but there are currently no provincial regulations, policies or financial incentives or disincentives to get people out of their cars. The Province’s approach continues to be to increase transit funding, rather than shift funding from highways to transit.

There is evidence that long-term transit planning and the Places to Grow plan are informing development in some municipalities. In Vaughan, multi-unit condos are planned for growth nodes around the proposed Spadina/Highway 7 subway station. The local Thornhill news cites the Places to Grow plan as responsible for new intensification with plans for multi-unit, multi-use developments replacing low-density strip malls.³⁵ However, these important efforts aimed at integration are undermined by broader planning and infrastructure investment that favours highway development and sprawl and does not support transit (see above and Chapter 2).

4.4 Protection of Land and Water

The greenbelt, although a significant achievement, is unlikely to function as an effective urban containment boundary in the near to medium term; the inner boundaries of the greenbelt leave an estimated 68,000 hectares of land available for future development in addition to the estimated 78,000 hectares of undeveloped lands already included in designated settlement areas of the GTA. Further, key areas that were already subject to intense leapfrog development pressures, such as Southern Simcoe County, parts of

Wellington County and Northumberland County, were excluded from the greenbelt.³⁶ Moreover, highway extensions through the greenbelt accommodate this leapfrog development.

The protection of prime agricultural lands beyond the greenbelt through the PPS and the growth plan, except for speciality crop lands, remains weak, with urbanization of such lands being permitted, and only marginal gains being made with respect to natural heritage lands in the revised PPS. Additional protection of wetlands and surface and groundwater features may occur as a result of source water protection planning under the Clean Water Act, which came into effect in October 2006.³⁷ This follows the decision by the Ministry of Environment to implement all 121 recommendations of the Walkerton report³⁸ and a commitment of \$120 million in funding to support local source water protection.³⁹ The Lake Simcoe Protection Act was introduced by the McGuinty government in July 2007, providing for the development of a protection plan for the Lake Simcoe and Nottawasaga River Watersheds, which were originally left out of the greenbelt.⁴⁰

With regards to wetlands protection, as the Ontario Environment Commissioner points out in his most recent annual report, significant wetlands are not being protected due to the lack of integration between the Ministry of Natural Resources (MNR), the MMAH and the OMB. The report notes that the MNR is rarely asked by the MMAH to identify important wetlands, and it recommends reviews to the current PPS and the “One Window” protocol,⁴¹ an approach that streamlines technical input (such as mapping) previously provided individually by other ministries.⁴²

The Province’s decision not to have the Greenbelt Plan apply to most development applications that were in process prior to December 16, 2004⁴³ has created a situation where the greenbelt area may be significantly eroded as a result. York Region’s Regional Official Plan Amendment 51, for example, would create a large business park east of Keswick on land designated as “protected countryside” in the Greenbelt Plan.⁴⁴ Municipal challenges to the Greenbelt Plan may occur unless strict conformity amendments are in place. For example, the Durham Regional Council received a recommendation from its Planning Committee to remove 1,400 hectares from the greenbelt. Fortunately, in January 2007 the Regional Council defeated the recommendation and approved a motion to take no further action on the issue.⁴⁵ Recent work by the Monitoring the Moraine project⁴⁶ highlights the inconsistent performance of municipalities in adopting conformity amendments to their official plans and supporting policies required to implement the 2001 Oak Ridges Moraine Conservation Plan.⁴⁷ The Monitoring the Moraine study also noted significant gaps in provincial technical and policy support to municipalities in their efforts to implement the plan.

Nevertheless, the provincial government has indicated a willingness to play an active role with respect to the implementation of the Greenbelt Plan and related initiatives. This has been particularly evident with the establishment of the Greenbelt Council and Foundation⁴⁸ in June 2005, the passage of Bill 16, the Duffins–Rouge Agricultural Reserve Act in December 2005 and the addition of Richmond Hill Rouge Headwaters lands to the greenbelt in February 2006.⁴⁹ In February 2007 the McGuinty government also announced an expansion to the greenbelt dedicating 22.3 additional square kilometres (1,500 acres) to the Rouge Park. This protected land is situated on the border

of Markham, Toronto and Pickering and represents an important component in protecting an environmentally sensitive area close to the urban core.⁵⁰

4.5 Conclusions and Recommendations

The collective sum of provincial planning initiatives amounts to ambitious provincial planning goals to protect lands, promote intensification over sprawl, enable municipalities to control development, and integrate transit planning with land use planning objectives and a 2031 forecast.

Unfortunately, unsustainable sprawl continues to occur in municipal plans and on the ground. Overall, there is a lack of concrete regulations and incentives or disincentives to actually deter development in greenfields. Further, highway extensions enable sprawl to leapfrog the greenbelt. Legislative amendments provide greater decision-making authority for municipalities, but there are no mechanisms in place to ensure that municipalities do more than conform to broad policy, which allows for 60% development in greenfields, resulting in sprawl.

In particular, the Places to Grow plan includes ambitious objectives, but targets may be too weak to achieve these. The results of the Pembina Institute's recent *Ontario Community Sustainability Report – 2007* suggest that while planning initiatives by the Province are on the right track, more aggressive, immediate and concrete policies must be put into action in order to contain development at the periphery and halt sprawl into farmland and greenfields, either by restricting the growth boundary and/or expanding the greenbelt.

Moreover, the Province should integrate climate change goals and GHG emission reduction targets into land use planning. By making its GHG targets drive planning, the Province would not only address its climate objectives, but it would embolden its planning policies that curb sprawl.

Therefore, to better integrate land use planning and climate change goals, the following initiatives and policy changes should be considered:

- Develop a rigorous assessment of the likely impact of the implementation of recent planning initiatives, including the GGH Greenbelt and Growth Plans, and revisions to the Planning Act and PPS on future GHG emissions relative to business-as-usual scenarios.
- Identify additional policies and planning initiatives needed to achieve the reductions in GHG emissions needed to meet the Province's GHG emission reduction target.
- Strengthen policies in the Places to Grow plan to more effectively contain sprawl and address the GHG emission goals — in particular to increase density and intensification targets.

5. Sustainable Energy Policy

5.1 Introduction

Urban form, transportation and energy are interconnected issues that affect urban sustainability and impact climate change. Smart growth must not only consider land use planning and transportation policy, but also municipal energy planning — the way urban development incorporates energy efficiency targets and the design of renewable energy infrastructure into local energy generation and use.

Better municipal energy planning could serve the dual role of helping to facilitate Ontario's urban planning objectives as well as its provincial climate change goals; Ontario has set ambitious targets for GHG emission reductions and has identified program and policy priorities for various sectors, including residential and urban planning.⁵¹ In the absence of federal leadership on climate change, many municipalities in Canada and Ontario are establishing aggressive climate and energy policies,⁵² and in some cases climate change is the banner under which broader urban sustainability matters are addressed.⁵³

According to Ontario's conservation officer, municipalities represent the frontline in Ontario's challenge to reduce its consumption of electricity.⁵⁴ The way provincial policy works to support and advance municipal sustainable energy planning is critical not only in addressing climate change, but also in further encouraging many of the land use planning objectives and policies addressed in the previous chapters of this report. For example, climate change policies that encourage transit or urban intensification also address urban form. Ontario has introduced important provincial targets and programs for energy conservation and renewable energy. These require a number of improvements, as will be discussed in this chapter, but additionally, the Province is missing the opportunity to integrate energy planning in overall community planning, with energy efficiency, renewable energy and local generation objectives embedded in urban development. Guelph, for example, is a forward-thinking community that has considered what its 2031 population projections mean both for urban planning and for GHG emissions (and necessary reductions) per person.

5.2 Energy Efficiency and Conservation

Many progressive initiatives have been launched by the Ontario government, such as rebates for home energy audits and financing for solar rooftops. Many progressive initiatives have been launched by the Ontario government, such as rebates for home energy audits and financing for solar water heating and solar power systems. Ontario's 2006 Building Code is one of the strongest in Canada.⁵⁵

However there remain a number of underutilized efficiency gains in building retrofits, renovations and resale. Requiring efficiency standards every time a building is

sold and making sure that all major renovations include the opportunity to add green technologies such as solar at a later date would be valuable additions to the Building Code. Moreover, this would make room for developers to install renewable energy systems to make buildings not only zero energy users but net energy producers.

The Province identifies that 28% of current GHG emissions in Ontario are residential and related to electricity use; it has set targets to reduce GHG emissions from the electricity sector by 44% by 2014, namely by phasing out coal-fired plants.⁵⁶ The fastest and most cost-effective means of replacing this energy supply is through energy efficiency and conservation technologies and programs that reduce the amount of energy Ontarians use.⁵⁷

The Ontario Power Authority (OPA) has begun delivering Conservation and Demand Management (CDM)⁵⁸ programs and has developed a portfolio for the period 2008–2010, the first phase of 6,300 megawatts to be saved through CDM over a 20-year plan. The OPA's CDM program portfolio includes 18 conservation programs delivered by a range of partners representing 1,320 MW of renewable energy; a total of 27 programs are expected to be in place in 2008.⁵⁹

Many of the programs have experienced tremendous uptake, such as The Great Refrigerator Roundup, which sought to retire and decommission older fridges. While that program in particular has been extended throughout the province,⁶⁰ the OPA's CDM portfolio has a number of shortcomings⁶¹ that prelude meeting current objectives as well as meeting Ontario's real potential for reductions in energy demand and consumption.⁶² Unfortunately, the 2008–2010 portfolio focuses more on acquiring peak MW to meet short-term targets rather than on implementing energy efficiency measures that would reduce base load over the longer term – it moves energy demand and consumption around like a waterbed effect, rather than actually reducing demand and consumption permanently.

The OPA CDM portfolio is also not linked in any way to the Conservation Bureau regulatory plan to upgrade equipment standards and building codes, thereby missing the opportunity to leverage faster upgrading of these regulations. Moreover, there is no indication as to how the CDM portfolio would either contribute to long-term transformation in each sector and in end uses or maximize the acquisition of cost-effective CDM. There is no overall sector or end use planning showing how the current 2008–2010 CDM portfolio provides the first step in a comprehensive market transformation process that would acquire as much cost-effective CDM as possible.⁶³

Ontario's 2006 Building Code is one of the strongest in Canada,⁶⁴ however there remain a number of underutilized efficiency gains in building retrofits, renovations and resale. Moreover, room for developers to install renewable energy systems to make buildings not only zero energy users but net energy producers.

Ontario's Energy Efficiency Act matches top North American energy standards, yet compliance with ENERGY STAR does not necessarily result in energy savings. Electric clothes dryers, for example are the third highest energy-consuming appliance in the home, but they are not ENERGY STAR-rated since all units use more or less the same amount of electricity. Municipal zoning bylaws and permitting requirements prohibit

such conservation initiatives as clotheslines, allowing developers to restrict “unsightly” activities such as hanging laundry through sale agreements and residential associations.

The Province passed an Energy Conservation Leadership law shortly after their election in 2003 that included a clause allowing it to abolish local bans on clotheslines imposed by developers; to date the Province has not exercised this power⁶⁵ despite vocal citizen demands for such bans to be repealed.⁶⁶

Other municipal restrictions include renewable energy technologies such as combined heat and power (CHP) energy projects and solar collectors. These technologies can be located in non-industrial areas and generate electricity closer to loads, such as in apartment buildings and residential district heating systems. In some cases, their application is limited under residential zoning.⁶⁷

To assist in removing unintended barriers and to promote opportunities for energy conservation in communities, Ontario’s Conservation Commissioner has recommended that the Province enforce subsection 3(2) of the Energy Conservation Leadership Act to authorize designated goods, services and technologies despite legal restrictions that would otherwise prevent their use.⁶⁸

5.3 Community-based Renewable Energy

The Renewable Energy Standard Offer Program, one of the Province’s leading initiatives, provides small electricity generators a standard pricing regime to sell renewable power to the grid. Over the next ten years, Ontario expects the Standard Offer Contract (SOC) to add up to 1,000 megawatts of renewable power to Ontario’s electricity system.⁶⁹ Yet the OPA assumes only 200 MW in its planning. To date, no renewable energy cooperatives have been able to take advantage of the program. The Ontario Sustainable Energy Association identifies a number of barriers to achieving distributed generation, a stable market and a rigorous pricing model. These must be removed if we are to enable the type of large-scale uptake and local resident ownership currently enjoyed throughout Europe.⁷⁰

In June 2007, Premier McGuinty announced a \$150 million investment in green energy incentives, including a home retrofit program for Ontario homeowners. The initiative includes a target to install 100,000 solar systems across Ontario, establishing a task force of industry experts and market specialists to advise on how best to achieve this target, extending the retail sales tax rebate on qualifying solar, wind, micro hydro-electric and geothermal equipment to January 1, 2010 and a pilot project to provide zero-interest loans to homeowners to install renewable energy systems.

While again this is laudable, the onus is on the homeowner to invest time and money into a greener energy system. Instead, developers and municipalities should be given the tools and incentives to make sustainable energy communities and homes available to their inhabitants, including those who rent.⁷¹

5.4 Municipal Energy Planning

The Energy Conservation Leadership Act (ECLA) enables the Province to require public agencies (including municipalities), by means of regulation, to prepare energy

conservation plans. Under the ECLA the Province also may, by regulation, require a public agency to achieve prescribed energy conservation targets.⁷² To date, the Act has not been enforced and no regulations have been passed under the ECLA. In its most recent 2007 Annual Report, the Conservation Bureau recommends that the Ministry of Energy issue regulations requiring public agencies to prepare annual energy conservation plans with a high priority on implementing energy conservation measures in their daily operations and capital projects. It also recommends the appointment of municipal energy conservation officers to institute the Province's conservation goals with support provided by the MMAH. The report noted that several municipalities such as Markham, Hamilton, Toronto and the Region of Peel have already appointed full-time conservation officers.⁷³

Many municipalities are going beyond conservation and developing fulsome energy plans that include renewable and local ("distributed") energy generation and use, even in the absence of provincial policy or regulatory enforcement in this regard.

The City of Toronto, for example, completed a draft energy plan in June 2006 with a vision to become a world leader in the sustainable use of energy from local, clean and renewable sources and to achieve energy self-sufficiency.

The main tenets of its plan are to

- maximize energy efficiency in Toronto's buildings and infrastructure
- become a leader in renewable and clean energy sources
- develop local sources of energy generation and distribution
- turn Toronto's sustainable energy advantage into an economic advantage

Objectives such as self-sufficiency and economic benefits hinge on the local or distributed use and generation of sustainable energy such as renewable sources or CHP technology embedded into new and upgraded buildings and developments. Buildings can become zero energy consumers and, in fact, net producers of energy for the community. The Toronto plan notes that it currently applies a "neighbourhood-based" approach to land use planning and suggests the same approach be applied to energy planning, rather than a building-by-building basis:

Moving excess energy from one place to another place that has a demand requires the community to be considered as a whole. . . . A manufacturing plant may have excess heat but is unaware that the building next door has a huge heat demand. A school may have a modern efficient heating and cooling plant that is used only during the day and which sits idle nights and school holidays while the social housing apartments next door use electric baseboard heaters and window air conditioners.⁷⁴

The City of Guelph's 25-year community energy plan (CEP) also recommends implementing neighbourhood energy plans in relatively large, but bounded areas of the city. The plan, which involved energy experts from around the world, has received awards from both the Ontario Conservation Bureau and the MMAH. The aim of the plan is to save enough energy through efficiency and conservation to offset the new demand generated by anticipated growth in the residential sector. At least 25% of Guelph's energy will be sourced from locally created renewable resources, and by 2031 30% of its anticipated electricity requirements will be associated with CHP. Like Toronto, Guelph's

CEP emphasizes the need for the Province to enforce the Energy Conservation Leadership Act and thus remove barriers to local renewable generation and municipal CHP projects.

Progressive communities like Toronto and Guelph are aiming for zero energy buildings — buildings that produce as much or more energy than they consume. These buildings maximize the use of passive solar energy and daylighting, rely on energy efficient design, construction and appliances, and incorporate on-site renewable energy systems to bring the net energy consumption to zero. The long-term vision of the Canada Mortgage and Housing Corporation is that by 2030 all new homes will be built to the net zero energy level.⁷⁵ Again, provincial (and federal) support of these goals is essential.

5.4.1 Integrating Energy and Land Use Planning

Beyond implementing energy conservation measures at the municipal level, enormous opportunity exists for municipalities to incorporate energy conservation and sustainable energy infrastructure (such as local renewable energy generation) in their official plans.

As part of their official plan review, Peel Region has solicited stakeholder input on ways to incorporate energy policies into its Official Plan that comply with the provincial conformity directives in the PPS and Places to Grow plan. Experts on energy policy and technical and operational energy are examining the impact of energy use and pollution on community health and the environment. They are also exploring energy performance targets and energy use in design projects, renewable energy systems, wind energy in farms and energy requirements and transportation.⁷⁶ However, with the official plans due in 2009, Peel Region in 2008 must first officially approve their energy plan and then integrate it into their sustainability plan before efforts can be made to integrate it into their official plan. If Peel does not act quickly, its official plan will be submitted without energy planning having been integrated.

The Conservation Bureau notes that urban design is an important factor in determining overall energy use and that Ontario's current planning legislation has the potential to encourage energy conservation via greater building and community density targets, in particular via the Places to Grow legislation. Moreover, the Conservation Bureau's 2006 Annual Report recommended that consideration be given for site design and the implementation of energy efficiency and renewable energy in provincial land use policies.⁷⁷ International renewable energy experts also recognize that it is essential to integrate renewable energy into non-energy policies such as planning and transportation.⁷⁸

Further study of community energy planning is needed to properly identify the potential municipal, provincial and federal barriers, and the policies and fiscal measures necessary to achieving municipal smart energy along with smart growth. The City of Toronto, for example, notes that the current large, centralized energy generation and extensive transmission and distribution network in Ontario does not lend itself to local energy planning. The City of Toronto Energy Plan recommends that the City begin a long-term process of moving towards an energy system that encourages local, clean and renewable energy generation, pursues community-based solutions to energy efficiency challenges, and is integrated with other City planning processes.⁷⁹ In fact the City of Toronto's "Official Plan supports the use of renewable energy devices as part of its intent to

improve air quality, reduce greenhouse gas emissions and reduce electricity demand” and is consistent with the City’s Climate Change, Clean Air and Sustainable Energy Action Plan.⁸⁰

As for Guelph’s CEP, elected officials, business community, financial institutions, neighbourhood groups, utilities, architects, developers, construction industry, academia and city administration are clearly committed to the vision, goals, recommended actions and progress of the CEP. The Guelph CEP looks at ways to develop district energy plans for industrial parks, high-density urban redevelopment zones, downtown revitalization and greenfield mixed-use neighbourhoods. Energy planning is embedded in new development and renovation of existing neighbourhoods. For example, all major renovations will achieve a 25% increase in energy efficiency; all residential construction (new and major renovation) will have European Energy Performance Certification standards; and all high-density residential developments will pursue distributed cogeneration. Collectively these efforts would “have the effect of absorbing all the growth and additionally delivering a net reduction in residential energy use of 120 GWh from today’s total.”⁸¹ The CEP offers creates incentives for developers, claiming that community-based district energy services may reduce construction costs of individual homes and buildings.⁸²

5.5 Conclusions and Recommendations

Under current legislation, municipalities may consider the supply, efficiency and conservation of energy as an essential component of a subdivision proposal. In addition, construction and energy-related uses can form part of a municipality’s community improvement financial incentive program, aimed at encouraging more sustainable types of development.⁸³ However, there is a lack of provincially led financial incentives for municipalities to encourage this effectively.

Ontario lacks integration between ministries to create incentives that encourage municipalities and developers to build into the design of communities, suburbs or residential complexes energy efficiency and renewable energy systems, such as solar hot water heaters in homes, geothermal and CHP systems, or community renewable energy stations under the Ontario SOC program that, with necessary reforms, could be a net revenue generator for the municipality.

The many progressive initiatives that have been launched by the Ontario government, such as rebates for home energy audits and financing for solar systems, are laudable. However, the potential for real energy savings by the province’s municipalities is not being met. The Energy Conservation Leadership Act needs to be enforced to remove the barriers to and encourage the development of CEPs. Moreover, community energy and land use planning requires integration and coordinated funding and support, and at this point further study is needed as to how best to achieve this.

Municipalities need to plan for energy conservation as well as energy infrastructure by incorporating these needs into their official plans. Energy efficiency targets and district renewable energy requirements would necessitate developments to comply with a minimum density — another way to achieve the land use objectives set out in Places to Grow. New development in either greenfields or built areas, for example, should be

focused on building the most efficient homes and determining how to create sustainable local energy systems instead of constructing ever more homes with heating and electricity systems dependent solely on expanding an inefficient energy grid. The Province could look to Guelph's CEP as a standard for developing and enforcing minimum standards for energy efficiency, local and renewable energy generation for all new residential development, and revitalization of existing development to be incorporated into the official plans of municipalities.

The government's directives to the OPA are not explicit enough with respect to maximizing energy efficiency, conservation and renewable energy. As result, OPA's CDM and renewable energy programming is limited to meeting targets and reducing peak demand. It will not achieve the types of community energy improvements that are needed and wanted. The OPA's CDM programs are also not linked to other efficiency and renewable efforts in the province or to changes in the Ontario Building Code.

Therefore, to encourage sustainable energy, energy conservation and associated urban planning policies, the following recommendations should be considered:

- Amend the PPS to require that updated municipal official plans integrate sustainable energy policies and include an assessment of the GHG emission performance of the official plan relative to business-as-usual outcomes. The Guelph CEP and the Toronto sustainable energy plan should be used as models for municipal energy planning.
- Enforce the Energy Conservation Leadership Act, requiring municipalities to develop sustainable energy plans. The authorities provided by the Act should also be used to remove barriers to CHP, renewable energy development and conservation measures.
- Develop enforceable minimum requirements for energy efficiency, local renewable energy generation for all new residential developments, and revitalization of existing developments to be incorporated into zoning bylaws and site plans. In particular,
 - CHP and district energy should be the standard requirements for all new developments and major redevelopments
 - ministries (Energy, Infrastructure and Renewal, Municipal Affairs and Housing) should work together to create incentives that encourage municipalities and developers to build into the design of communities, suburbs or residential complexes energy efficiency and renewable energy systems, such as solar hot water panels on every home, geothermal and CHP systems, or community renewable energy stations under the Ontario SOC program that, with necessary reforms, can be a net revenue generator for the municipality.
- Implement the full set of recommendations from the Conservation Bureau's 2007 Annual Report.
- Harmonize the development of more stringent energy efficiency requirements in the building code and equipment standards under the Energy Efficiency Act with community development guidelines and build capacity for enforcement.
- Upgrade the groundbreaking Renewable Energy SOC program so that it increases feasibility and uptake by communities.

6. Fiscal and Taxation Policies

6.1 Introduction

The rules regarding property taxation and the application of development charges by municipalities, both of which can have a major impact on development,⁸⁴ are defined through provincial legislation.⁸⁵ The Development Charges Act, 1997, for example, restricts the ability of municipalities to require internalization of infrastructure costs for new developments. The 1997 Fair Municipal Finance Act and 1998 Fairness to Property Taxpayers Act severely constrain municipalities in the design of their property tax systems.

In addition, as with infrastructure, the Province makes taxation decisions of its own that affect urban development patterns. The Land Transfer Tax Rebate program, introduced in 1996, for example, has been widely criticized for providing incentives to consumers to purchase housing in new developments rather than resale housing in existing urban areas.⁸⁶

6.2 Analysis and Commentary

While legislation and policy such as Places to Grow provide for intensification targets, translating these goals into municipal plans requires fiscal incentives and taxation reforms that will encourage smart growth development and discourage sprawl. Municipal dependence on property taxes and development charges for revenue may create perverse incentives to approve otherwise inappropriate development. Such development may represent the only way to increase revenues without increasing property taxes and user fees for existing residents.⁸⁷

The Pembina Institute's *Ontario Community Sustainability Report – 2007* demonstrates the impact of downloading services on municipalities, particularly Toronto, without corresponding access to secure revenue. According to the study, the lack of comprehensive and sustainable fiscal and taxation policies has led to a situation where Toronto is in economic, employment and population decline, even though it is the most sustainable city in terms of smart growth. At the same time the 905 regions are experiencing relative economic, employment and population increases at the expense of smart growth. Current fiscal policies foster this incongruence, such as the following:

- Toronto lacks access to income tax revenues, even though it scored strongest overall in the study, providing the best options for affordable housing — a service which it finances.
- The Province invests in capital infrastructure for transit, but lacks funds to operate it. The proposal to shut down the Sheppard subway illustrates the pressure between provided services and access to revenue to operate them. With many residents living

outside of Toronto using these services, Toronto effectively subsidizes the outer 905 regions, which have very poor options for public transit.

- Certain municipal taxation policies (such as the land transfer tax) may cause population and employment flight from Toronto into the periphery.

Part of the 2003 Liberal platform was a promise to stop subsidizing sprawl by reforming the Land Transfer Tax Rebate Program such that it would encourage people to purchase homes in priority growth areas rather than in sprawling developments. Following this promise, the reference to the possibility of land transfer tax rebates to promote more sustainable development patterns appeared in the 2004 GGH Growth plan, but was dropped in 2005 and subsequent drafts.⁸⁸ Beyond incentives to encourage homebuyers to purchase in “smart” developments, there remains a lack of disincentives to curtail unsustainable sprawl development.

References to proposals for legislation providing tax increment financing that would assist with brownfields redevelopment and public infrastructure development appeared in the 2006 budget.⁸⁹ These references became manifest in the form of various grants (feasibility study, remediation and municipal fee)⁹⁰ as well as tax incentive programs, namely the Brownfield Financial Tax Incentive Program, which provides provincial education property tax assistance to match municipal property tax assistance for cleanup of eligible brownfield properties: “Under the program, the Province can cancel all, or a proportion of the education property taxes of a property for up to three years and municipalities can apply for an extension after three years.”⁹¹

Unfortunately, with the notable exception of some tax assistance and grants for brownfield development and the dedication of a portion of provincial gasoline tax revenues to public transit, initiated in October 2004, there have been few initiatives in this area over the past four years. There are no current plans to increase the gas tax revenue to municipalities. As for tax revenues for transit, the 2004 Budget included a commitment of one cent per litre for public transit beginning in October 2004, rising to 1.5 cents per litre in October 2005, and two cents in October 2006; 2005/06 transfers under the program totalled \$195 million.

In October 2006, the MMAH announced funding for a minimum of 300 additional affordable housing units to be built on brownfield sites as part of the Canada–Ontario Affordable Housing Program.⁹² The Province has agreed to accept responsibility for a larger portion of the shared costs of municipally administered public health and land ambulance programs,⁹³ but has done little aside from the gasoline tax revenue dedication to directly expand the municipal revenue base beyond property taxes, user fees and development charges.

The 2006 City of Toronto Act, which came into effect January 2007, provides the City of Toronto with broad powers, significant legislative freedoms and very limited authority to raise additional revenues through City taxes on sales of tobacco, alcohol, entertainment and other items.⁹⁴ Further, it does not deal with the fundamental issues related to the appropriateness of the property tax base for the wide range of services provided by the City. Moreover, these limited taxation powers would not be expanded to other municipalities through Bill 130,⁹⁵ which received Royal Assent in December 2006.

Neither Bill 130 nor the City of Toronto Act resolves the need for a broader revenue source at the municipal level.

Without appropriate increases in transfers from the federal and provincial governments, municipalities such as Toronto must resort to controversial fiscal schemes such as the new and unpopular City of Toronto Land Transfer Tax, which may exacerbate the flight phenomenon to the outer regions, as has already been observed. Implemented in October 2007, the tax is intended to direct \$300 million of annual revenue to transit and roads and, along with a new \$60 vehicle ownership tax, to bridging next year's budget shortfall. Some critics have suggested it might lead to making Toronto a more expensive place to live, while others claim it will slow down housing growth, eventually stabilizing housing prices and making it more affordable.⁹⁶ Either way it places the responsibility and tax burden onto the municipalities to fund services that were downloaded by the Province in the 1990s and/or ill-provided for by the federal government.⁹⁷

A freeze on property tax assessments and a review of the practices of the Municipal Property Assessment Corporation was announced in June 2006. However, these initiatives relate to the corporation's administrative practices, rather than a more fundamental review of the structure and role of property taxes as the basis for municipal revenues,⁹⁸ or an examination of perverse incentives provided to property owners by the current system.

A Provincial–Municipal Fiscal and Service Delivery Review, announced August 2006, is currently underway assessing the delivery and funding of housing, health, social services and infrastructure funding. A consensus-based summary report on the review is to be released in the spring of 2008. Taxing powers are not to be part of the review.⁹⁹ As well, criteria for the review do not include the identification of mechanisms to ensure that funding.

In June 2007, the Municipal Eco Challenge Fund was introduced to provide \$20 million in grants to municipal governments for projects to reduce GHG emissions. More substantially, Infrastructure Ontario will also provide \$200 million worth of loans for municipal projects that reduce GHG emissions through its OSIFA Loan Program. The program offers affordable loans to help public-sector clients build and renew essential local infrastructure.¹⁰⁰ However, it is unclear at this time what the criteria will be, other than currently dictated within the broad OSIFA loan program.

While the loan program is a good step in the right direction, more comprehensive fiscal policies and incentives may be needed to encourage greater participation than simply an option for a loan. For example, in contrast the federal government required that Ontario municipalities prepare integrated community sustainability plans, covering social, cultural, environmental and economic issues, as a condition of receiving a portion of federal gasoline tax revenues for infrastructure. Reductions in GHG emissions and cleaner water and air were explicitly identified as objectives of the funding arrangement.¹⁰¹ Similarly, municipalities were required to develop transportation demand management strategies in order to receive federal funding for transit projects.

In the case of transit, Metrolinx is currently developing a regional plan to deal with anticipated increases in demand due to population growth. While the goal is to provide more transit options and accessibility to a growing ridership, efforts are needed also to

decrease both current and future automobile use — that is, tax reform and incentives to not only get people on transit, but to get people out of cars.

6.3 Conclusions and Recommendations

The results of the *Ontario Community Sustainability Report – 2007* point to the need for fiscal reform that will ensure greater access to sustainable revenue sources to pay for transit operations, remove subsidies to development in the suburbs and allow greater municipal access to federal and provincial gas tax revenue to finance eco-infrastructure and development. The current government has created some initiatives to re-upload costs of certain services that were downloaded to municipalities by past governments, namely the costs of the Ontario Disability Support payments and the Ontario Drug Benefit Plan.¹⁰² However, further uploading of fiscal responsibility of transit and housing services in particular should occur.

The Province's one major initiative with respect to fiscal and taxation issues to date has been the dedication of a portion of provincial gasoline tax revenues to public transit from October 2004 onwards. Funding of \$195 million was provided to municipalities under the initiative in the 2005/06 fiscal year. No significant movement has occurred with respect to commitments to the reform of the development charges system and the land transfer tax rebate program.

With the exception of the provision of some minor additional authority to the City of Toronto to impose taxes on a limited range of goods and services, there has been no movement on the widening of the municipal revenue base beyond property taxes, development charges and user fees. Nor has the Province provided municipalities with greater flexibility to experiment with structural reforms of their property tax systems to promote redevelopment, infill and other more sustainable urban development patterns. The absence of such directions in the reviews of the Municipal Property Assessment Corporation and municipal services funding mechanisms announced in the summer of 2006 is particularly noteworthy.

Therefore, to better encourage smart growth planning, the following fiscal and taxation recommendations should be considered:

- Develop tax shifting policies that reward smart growth planning and climate change goals, discourage unsustainable planning and development and provide financial support for municipalities accordingly.
- Conduct a review of existing infrastructure funding arrangements (e.g., development charges, land transfer tax rebates, funding formulas for schools and hospitals, and so on) regarding the incentives they provide with respect to the location of future development, and the appropriateness of those incentives given the goals contained in the growth, greenbelt and climate change plans.
- Expand the municipal revenue base beyond property taxes, development charges and user fees, and provide municipalities with greater flexibility to experiment with structural reforms of their property tax systems to promote redevelopment, infill and other sustainable urban development patterns.
- Increase the gas tax contribution to municipalities by the Federal and Provincial governments or allocate other sources of stable revenue to support the operating costs of new and existing transit services.

7. Governance

7.1 Introduction

Municipal governments in Ontario work within the policy and legislative framework provided to them by the Province. The Province defines the basic structures and geographic boundaries of municipal governments as well as sets the legal framework for each municipality to work within. Municipalities' legislative and licensing powers are limited to those provided through the provincial Municipal Act. Planning decisions are generally enforced and arbitrated through the OMB, the land use tribunal. The OMB, however, has been criticized in the past for producing results that are neither consistent with provincial policies nor with the public interest. Most notable was the Federation of Ontario Naturalists' audit of OMB cases relevant to natural heritage sites from 1996 to 2003. The group found that developers had a 70% success rate in winning appeals that pit developer interests against that of environmental concerns, a rate that they argue is "unsatisfactory."¹⁰³

However, over the past year there have been important legislative amendments that change the legal framework within which the OMB operates. Municipalities must now update their official plan every five years, followed by an update of the accompanying zoning bylaw within three years after the new official plan is in effect. These requirements provide an opportunity for citizens to participate in their local planning processes and to have their say as to what development they think is important for their community.¹⁰⁴ However, the development and implementation of a five-year plan falls to the municipalities, and they must conform to new higher level provincial legislation. The low smart growth rankings of many communities (particularly Tier 1 communities) indicate that clear planning policies and rules may be necessary to achieve effective implementation of plans that result in smart growth on the ground. Thus, the Province may need to play an active role in supporting and overseeing municipal implementation of the growth and greenbelt plans, and provide support (capital and financing) for infrastructure and municipal undertakings to deliver on these plans.

The Province has effectively assumed the role of regional planning agency for the GGH via the Places to Grow plan and the Greenbelt Act, as opposed to creating a supra-regional body incorporating representatives of the upper-tier and single-tier municipalities. The success of this approach will depend on a number of factors, including the level of provincial oversight of municipal implementation of the Growth Plan, and the Province's willingness to tie both its infrastructure funding support to municipalities and its own infrastructure initiatives to the achievement of the plan's goals. This will require considerable policy coordination among provincial agencies as well as a proactive MMAH at the OMB.

7.2 Planning Act and Ontario Municipal Board Reform

The OMB is the independent body that handles appeals on planning matters. Reforms were made to both the OMB and the Planning Act to support the objectives under the Growth Plan, Greenbelt Act, and PPS. These reforms include

- requiring that land use planning be consistent with the Provincial Policy Statement

- making the planning appeal process more accessible to the public and putting greater emphasis on local decision-making via Bill 51, formally known as the Planning and Conservation Land Statute Law Amendment Act
- making the planning process more accountable and transparent through the Strong Communities (Planning Amendment) Act, 2004 (Bill 26)
- providing strong policy direction on the provincial interest in sustainable growth in the Provincial Policy Statement, 2005
- creating the Development Permit System (DPS), to enhance environmental protection
- amending the Planning Act under section 2 of Bill 51 so that “the promotion of development that is designed to be sustainable, to support public transit and to be oriented to pedestrians” will be included when determining the provincial interest
- exempt energy projects under Section 24 of Bill 51 that have been approved under the Environmental Assessment Act from the Planning Act. This essentially means that the Province can go ahead with energy projects in a community, such as wind farms, without the consent of the municipality and such projects are not subject to municipal approval.

OMB reform is the result of legislative changes to the Planning Act and PPS due to Bill 26 and Bill 51. Although the practical results of these changes are still unfolding, and in the case of Bill 51 just came into effect, most amendments should strengthen the OMB’s ability to enforce the PPS. For instance, Bill 26, the Strong Communities Act, now requires that planning decisions “be consistent with” the policy statement. Prior to this, land planning merely had to “have regard for” the PPS. The OMB will also play a large role in the interpretation and implementation of the GGH greenbelt and growth plans. Local and provincial planning decisions are required to conform to these plans as well.

The provisions of Bill 51, which became effective January 1, 2007,¹⁰⁵ amended the Planning Act and the Conservation Land Act and related amendments. The Act establishes local appeal bodies to hear appeals of minor matters (e.g., consents and committee of adjustment matters) as an alternative to the OMB. However, given that the municipality establishing such local appeal bodies would have to bear the costs of their operations, it is unclear how many municipalities will actually take advantage of these provisions.

The amended legislation also removes the right of appeal of official plans, official plan amendments and plans of subdivision to the OMB for persons, other than public bodies (like municipal governments), who do not make oral submissions at public meetings or written submissions regarding the development of the official plan, an amendment to the plan or a plan of subdivision. Such persons would also be prohibited from becoming parties to an OMB hearing unless granted party status by the board itself. This is a substantial reform and restricts the OMB’s ability to modify municipal plans, which has been a source of frustration for municipalities and traditionally favourable to developers.¹⁰⁶

The Conservation Land Act provides important tools for municipalities to enforce smart growth plans without interference from the OMB or the courts. Notably, the Act clarifies that municipalities possess the authority to pass zoning bylaws regulating the construction of buildings such as maximum and minimum densities as well as pedestrian pathways, bicycle pathways and public transit rights of way. Bill 51 also adds an important criterion that must be considered when an approval authority is assessing a draft plan of subdivision: the extent to which the plan’s design optimizes the available supply, means of supplying, efficient use and conservation of energy.¹⁰⁷

In addition, Bill 51 restricts the introduction of evidence at OMB hearings that was not available to the municipal council concerned when it made its decision regarding an official plan, official plan amendment or plan of subdivision. The OMB would be permitted to allow new information if it believed that it was not “reasonably possible” to provide the information or material to the municipality before the council made its decision. Public bodies are permitted to introduce new information and evidence at an OMB hearing. Where new information is permitted to be introduced, the OMB is to permit the municipality to reconsider its decision in light of the new information or make a written recommendation to the board.

The effects of the legislation will need to be understood over time. These provisions regarding appeal rights, rights to party status at hearings and the introduction of new evidence have been criticized as being unnecessarily restrictive, particularly from the perspectives of community-based and public-interest intervenors in council and OMB processes.¹⁰⁸ The need for broader reforms to the OMB appointment process and to provide intervenor funding for bona fide public interest and community based intervenors in OMB hearings remain un-addressed.¹⁰⁹

As the current round of provincial legislative and policy reform approaches completion, the focus is now shifting to municipal implementation of the revised PPS, the Greenbelt Plan and the Growth Plan. Effective local implementation is essential to achieving the goals of the Province’s revised policy framework. However, although crucial to translating its policy directions into actual changes in the form and location of development, the role the Province intends to play in both supporting and overseeing municipal implementation remains unclear. Finally, Ontario Regulation 608/06 came into effect January 1, 2007 enabling all local municipalities to use the Development Permit System (DPS). The DPS is a land use planning tool intended to promote development, enhance environmental protection and facilitate key priorities of Ontarians such as community building, brownfield redevelopment, greenspace preservation and environmental protection.¹¹⁰

Challenges to the GGH growth plan are beginning to emerge. Niagara Region’s proposed amendment 170 to its Policy Plan, for example, would allocate 500 acres of land for rural estate development,¹¹¹ which seems like an apparent contradiction of the provisions of the plan regarding such developments.¹¹² The case is ongoing and is being challenged by the MMAH, the Niagara Parks Commission and local homeowners at the OMB.¹¹³ More specifically, the Niagara municipal government sought to establish new policies for the Willoughby Study Area, to re-designate lands to Rural Area, to recognize an existing golf course and to permit new estate residential development on a portion of the amendment area re-designated to Rural Area.¹¹⁴ Although OMB cases do not attach precedents to the outcome, the final ruling will nonetheless demonstrate the initial effectiveness of recent OMB reforms on the ground.

The process of translating provincial policy into actual changes in development location and form will be complex. Provincial policies will have to be substantially incorporated into upper- and single-tier municipal official plans, and then, in the case of regions and counties, into low-tier official plans and zoning bylaws. These directions then need to be carried through in project-specific official plan amendments and zoning bylaws revisions and other approvals, and the required supporting infrastructure put in place. More importantly, the MMAH should have funds adequate to deal with the immense challenges in land use planning.¹¹⁵ Provincial identification and mapping of natural heritage areas and prime agricultural lands throughout the GGH is required if these areas are to be protected from development under the growth plan and PPS.

7.3 The Greater Toronto Transit Authority

The adoption of Bill 104 creating the GTTA (now Metrolinx) creates a supra-regional planning body consisting of representatives of the constituent upper-tier and single-tier municipalities. The likely effectiveness of Metrolinx remains an open question. It is unclear whether it will be able to resolve fare integration and overcome inter-municipal competition for transit capital funding from the Province that has been evident over the past few years. The Ministry of Transportation (MTO) plan carries with it the implication that the Province has already made detailed decisions on road and highway initiatives, making transportation planning intended to integrate road, transit and other forms of transportation difficult, if not impossible.

7.4 Municipal Governance Functionality

Bill 53, the City of Toronto Act, adopted June 2006, provides general powers for municipal government in Toronto. For instance, the Act provides council with authority to make changes to its governance structure, provides for the appointment of an Integrity Commissioner, Ombudsman and Auditor General, and provides limited powers to impose taxes in addition to property taxes and fees and charges. Bill 130, introduced in June 2006, would amend the Municipal Act to give other municipalities most of the powers and duties given to the City of Toronto via Bill 53, with the exception of the authority to impose city taxes on certain goods and services.

7.5 Conclusions and Recommendations

The OMB is likely to play a central role in overseeing implementation of the revised PPS, and GGH growth and greenbelt plans. Despite the centrality of the board's role, OMB reform remains a work in progress. The Bill 51 provisions that would limit rights to appeal, standing as parties and the introduction of new evidence at OMB hearings are the subject of considerable controversy.

More importantly, many of the reforms that addressed recent planning legislation may merely continue business-as-usual practices with some minor adjustments. As the Environmental Commissioner notes, "people won't walk if there aren't more walkable destinations in their communities. This type of change in planning and designing Ontario communities is essential if Ontarians are to move toward sustainability."¹⁶

Therefore, to encourage smart governance the following recommendations should be considered:

- Reform the OMB appointments process following the model established by former Attorney-General Ian Scott regarding provincial court appointments. In particular, there should be an open call for qualified applicants when there are openings on the board, as is the case with provincial court judges. A non-partisan, lay advisory committee should be established to review applications and present a short list of qualified candidates for the Attorney-General to choose from.
- Establish an intervenor funding mechanism for bona fide public interest intervenors in OMB hearings following the model of the Intervenor Funding Project Act.

Appendix 1: Full Recommendations

Infrastructure Funding

- Develop a “green screen” on major infrastructure investments and loans based on criteria such as consistency with growth plan objectives, integration with land use and other planning objectives, and delivery of reductions in GHG emissions.
- Encourage smart infrastructure loans and investment by
 - ensuring that OSIFA loans support projects that reduce GHG emissions and/or advance the Province’s stated objectives on land use planning or transit
 - prioritizing OSIFA loans to support the construction of municipal energy efficiency and renewable energy systems.
- Include consideration of relative GHG emission impacts of major projects and alternatives to them in the terms of reference for environmental assessment of major infrastructure projects.

Land Use Planning

- Develop a rigorous assessment of the likely impact of the implementation of recent planning initiatives, including the GGH Greenbelt and Growth Plans, and revisions to the Planning Act and PPS, on future GHG emissions relative to business-as-usual scenarios.
- Identify additional policies and planning initiatives to achieve the reductions in GHG emissions needed to meet the Province’s GHG emission reduction target.
- Strengthen policies in the Places to Grow plan to more effectively contain sprawl and address the GHG emission goals — in particular to increase density and intensification targets.

Sustainable Energy

- Amend the PPS to require that updated municipal official plans integrate sustainable energy policies and include an assessment of the GHG emission performance of the official plan relative to business-as-usual outcomes. The Guelph CEP and the Toronto sustainable energy plan should be used as models for municipal energy planning.
- Enforce the Energy Conservation Leadership Act, requiring municipalities to develop sustainable energy plans. The authorities provided by the Act should also be used to remove barriers to CHP, renewable energy development and conservation measures.
- Develop enforceable minimum requirements for energy efficiency, local renewable energy generation for all new residential developments, and revitalization of existing developments to be incorporated into zoning bylaws and site plans. In particular,
 - CHP and district energy should be the standard requirements for all new developments and major redevelopments
 - ministries (Energy, Infrastructure and Renewal, Municipal Affairs and Housing) should work together to create incentives that encourage municipalities and developers to build into the design of communities, suburbs or residential complexes energy efficiency and renewable energy systems, such as solar hot water panels on every home, geothermal and CHP systems, or community renewable energy stations

under the Ontario SOC program that, with necessary reforms, can be a net revenue generator for the municipality.

- Implement the full set of recommendations from the Conservation Bureau's 2007 Annual Report.
- Harmonize the development of more stringent energy efficiency requirements in the building code and equipment standards under the Energy Efficiency Act with community development guidelines and build capacity for enforcement.
- Upgrade the groundbreaking Renewable Energy SOC program so that it increases feasibility and uptake by communities.

Fiscal and Taxation Policies

- Develop tax shifting policies that reward smart growth planning and climate change goals, discourage unsustainable planning and development and provide financial support for municipalities accordingly.
- Conduct a review of existing infrastructure funding arrangements (e.g., development charges, land transfer tax rebates, funding formulas for schools and hospitals, and so on) regarding the incentives they provide with respect to the location of future development, and the appropriateness of those incentives given the goals contained in the growth, greenbelt and climate change plans.
- Expand the municipal revenue base beyond property taxes, development charges and user fees, and provide municipalities with greater flexibility to experiment with structural reforms of their property tax systems to promote redevelopment, infill and other sustainable urban development patterns.
- Increase the gas tax contribution to municipalities by the Federal and Provincial governments or allocate other sources of stable revenue to support the operating costs of new and existing transit services.

Governance

- Reform the OMB appointments process following the model established by former Attorney-General Ian Scott regarding provincial court appointments. In particular, there should be an open call for qualified applicants when there are openings on the board, as is the case with provincial court judges. A non-partisan, lay advisory committee should be established to review applications and present a short list of qualified candidates for the Attorney-General to choose from.
- Establish an intervenor funding mechanism for bona fide public interest intervenors in OMB hearings following the model of the Intervenor Funding Project Act.

Appendix 2: Urban Sustainability and Smart Growth in Ontario — A Chronology

June 1992

Report of the Commission on Planning and Development Reform in Ontario. Report places strong emphasis on compact development, non-automobile transportation modes, and preservation of prime agricultural land and ecologically significant areas.

March 1995

Amendments to the Planning Act adopted to implement Commission on Planning and Development reform recommendations. Complete set of provincial policy statements adopted.

March 1996

Adoption of Bill 20, the Land Use Planning and Protection Act, and adoption of new provincial policy statement. Key reforms flowing from Commission on Planning and Development Reform repealed.

May 1996

1996 Provincial Budget. Land Transfer Tax Rebate on purchases of newly built homes introduced.

January 1997

Mega-week announcements of restructuring of provincial–municipal relationship. Provincial capital and operating funding for public transit and sewer and water infrastructure terminated.

May 1997

Fair Municipal Finance Act introduced market value assessment. Includes provisions to reduce property tax burden on farm, managed forest and conservation lands.

December 1997

Development Charges Act enacted. Legislation limits ability of municipalities to require that developers internalize the infrastructure costs for new developments through development charges.

January 1998

Forced amalgamation of the City of Toronto.

October 1998

Energy Competition Act enacted.

December 1998

Fairness to Property Taxpayers Act enacted. Introduces significant limitations on the ability of municipalities to set and modify property tax rates.

January 1999

Greater Toronto Area Services Board established to review and promote integration of public transit systems in the GTA.

December 1999

SuperBuild Corporation established with five-year mandate to achieve \$20 billion in infrastructure investments through provincial, broader public-sector and private-sector partnerships.

May 2000

2000/01 Provincial Budget. SuperBuild investments of \$1.049 billion in highways, \$62 million in “other transportation” announced.

January 2001

Greater Toronto Area Services Board disbanded.

Premier Harris makes speech to Ontario Real Estate Board, expressing concern over congestion and urban sprawl, and introducing the concept of smart growth.

April 2001

Province announces smart growth initiative. Key feature is regional multi-stakeholder smart growth panels. Central Region panel includes the GTA and Niagara Regions.

May 2001

Oak Ridges Moraine Protection Act enacted. Provides temporary restrictions on development on the Moraine.

2001/02 Provincial Budget. SuperBuild investments of \$906 million in highways, \$50 million in public transit announced.

July 2001

Five-year review of Provincial Policy Statement initiated. Public consultations end October 2001. No changes in Policy Statement to date.

September 2001

Announcement of new capital funding commitment for public transit of \$300 million per year over ten years.

November 2001

Brownfields Statute Law Amendment Act adopted. Addresses certain issues related to liability and financing of brownfields redevelopment.

December 2001

Revised Municipal Act adopted.

Oak Ridges Moraine Conservation Act enacted and plan adopted.

May 2002

Competitive electricity market introduced.

2002/03 Provincial Budget. SuperBuild investments of \$1.03 billion in highways, \$193 million in public transit announced.

August 2002

Interim Report of the Central Region Smart Growth Panel. Recognizes linkages between land use and transportation and between transportation and air quality.

November 2002

Competitive electricity market terminated.

December 2002

Sustainable Sewerage and Water System Act enacted.

Safe Drinking Water Act enacted.

February 2003

February 21: Central Ontario Smart Growth Panel releases final report, *Shape the Future*. Report highlights links between transportation and land use and the need to protect ecologically significant areas, but also emphasizes development of network of transportation “corridors” (i.e., highways).

March 2003

March 27: 2003/04 Provincial Budget. Budget includes \$1.055 billion for highway expansion, \$359 million for public transit.

April 2003

April 21: Advisory Committee on Watershed-based Source Water Protection Planning tables report. Report follows up on recommendations of Part II of the Walkerton Inquiry regarding source water protection and makes strong connections between source water protection and land use planning.

May 2003

May 5: Northwestern Ontario Smart Growth Panel releases final report.

May 7: Bill 25, the Smart Transportation Act, introduced. Legislation would permit the Minister of Transportation to override municipal land use planning decisions and the Environmental Assessment Act in the location of transportation infrastructure corridors (i.e., highways).

May 27: Northeastern Ontario Smart Growth Panel releases final report.

June 2003

June 4: Government announces transportation investments in Central Region. In addition to the expansion of GO Transit service, the announcement highlights the government’s plans to construct a grid of highways across the Golden Horseshoe.

June 16: City of Burlington and Halton Region apply for judicial review of the environmental assessment of the proposed Mid-Peninsula Highway, stating that the terms of reference for the environmental assessment fail to consider alternatives to the highway or to review the highway’s full environmental impact.

June 18: Richmond Landfill decision by Ontario Divisional Court requiring that environmental assessments of projects under the Environmental Assessment Act include consideration of the need for projects and “alternatives to” projects. The decision has major implications for the Province’s highway expansion program, as environmental assessments for the new highways were proceeding without consideration of need or alternatives (e.g., public transit and rail transit).

June 27: In the face of public opposition, litigation by the City of Burlington and Halton Region, and the Richmond Landfill decision, the Ministry of Transportation withdraws the Terms of Reference for the environmental assessment of the Mid-Peninsula Highway for revision.

July 2003

July 3: Government announces renewable portfolio standard for renewable energy sources. Proportion of electricity from renewable sources is to rise from 1% in 2006 to 8% in 2014. No specific legislation or regulations to implement the standard were announced.

Formation of the Ontario Smart Growth Network.

September 2003

September 2: Provincial election called.

October 2003

October 2: New provincial government elected.

October 16: Premier-elect states intention to halt suburban development of key areas of the Oak Ridges Moraine.

October 23: New provincial government takes office. Ministry of Public Infrastructure Renewal created. Democratic Renewal Secretariat created.

November 2003

November 14: David Johnson replaced as Ontario Municipal Board (OMB) Chair.

November 21: Government withdraws from campaign commitment regarding housing on the Oak Ridges Moraine. Announces intention to proceed on broader Planning Act reforms.

December 2003

December 11: Canada–Ontario Agricultural Policy Framework Implementation Agreement announced.

December 15: Bill 26, the Strong Communities Act, introduced.

December 16: Bill 27, the Greenbelt Protection Act, introduced.

December 17: 2003 Economic Outlook and Fiscal Review by Minister of Finance. Commitment of portion of provincial gasoline tax revenues to public transit deferred.

February 2004

February 12: *White Paper on Watershed-based Source Water Protection* released.

February 16: Greenbelt Task Force established.

February 27: Release of Ministry of Public Infrastructure Renewal's discussion paper on infrastructure funding.

March 2004

March 15: Municipalities provided greater discretion regarding business property tax levels for the coming fiscal year.

March 31: Federal–provincial–City of Toronto TTC funding announced.

April 2004

April 21: Addition of 1,432 ha of provincial land to the Rouge Park.

April 28: Bill 27, the Greenbelt Protection Act, passes Second Reading.

April 30: Transfers of farms within families exempted from Land Transfer Tax.

May 2004

May 6: Federal-provincial-municipal and rural infrastructure letter of intent announced.

May 7: Federal-provincial-municipal GO Transit funding announced.

May 13: Bill 26, the Strong Communities Act, passes Second Reading.

May 14: Federal-provincial-Ottawa light rail transit funding announced.

May 17: Greenbelt Task Force discussion paper released.

May 18: 2004 Provincial Budget. Budget includes commitment of portion of provincial gasoline tax revenues to public transit, increase in public transit capital funding and increase in the Ministry of Environment and Ministry of Natural Resources capital and operating budgets for drinking water and source water protection initiatives. Funding levels for highway expansion consistent with previous years.

June 2004

June 1: Draft revised Provincial Policy Statement and discussion papers on broader Planning Act reform and OMB reform released.

June 10: Bill 27, the Greenbelt Protection Act, reported out of committee.

June 17: Adoption of brownfields cleanup regulations announced.

June 22: Municipal Act review initiated by Ministry of Municipal Affairs.

June 23: Draft Drinking Water Sources Protection Act placed on Environmental Bill of Rights registry for public comment.

June 24: Bill 27, the Greenbelt Protection Act, enacted.

June 24: Review of provincial environmental assessment process announced.

July 2004

July 12: Release of first draft growth plan for the Greater Golden Horseshoe

October 2004

October 1: Regulation providing liability relief for brownfields redevelopment comes into force.

October 22: Government announces distribution formula for portion of gasoline tax revenue to be dedicated to public transit.

October 28: Bill 135, the Greenbelt Act, introduced.

October 28: Bill 136, the Places to Grow Act, introduced.

November 2004

November 17: Funding of \$12.5 million announced for conservation authorities to support source water protection background studies.

November 30: Bill 26, the Strong Communities Act, receives Royal Assent.

December 2004

December 8: Greenbelt Protection Act planning freeze extended to March 2005.

December 14: Revised Water Taking and Transfer Regulation announced. Source water protection technical and implementation committee reports released.

January 2005

January 14: Draft terms of reference for environmental assessment for “Niagara to GTA” corridor (i.e., the Mid-Peninsula Highway) released.

January 17: Ministry of Environment approves terms of reference for environmental assessment of 407 east extension.

January 17: Ministry of Public Infrastructure Renewal publishes background papers on GGH growth management.

February 2005

February 16: Second Draft GGH Growth Management Plan released.

February 21: Revised Provincial Policy Statement released.

February 24: Bill 135, the Greenbelt Act, receives Royal Assent.

February 28: Final Greenbelt Plan released.

March 2005

March 1: Revised Provincial Policy Statement comes into force.

March 10: Simcoe County Intergovernmental Action Plan announced regarding growth management.

April 2005

April 5: Release of the report of the Minister's Environmental Assessment Advisory Panel.

May 2005

May 25: Renew Ontario Infrastructure Plan announced

- States \$3.1 billion in direct provincial investment in transit over the next five years in addition to gas tax revenue stream.
- States government will proceed with engineering planning and property acquisition for new highway routes, including extensions of existing 400-series highways as well as the development of new corridors. Planning is underway for new corridors including the Niagara to GTA corridor, the completion of highway 407 East and extensions of Highways 404 and 427.

June 2005

June 2: Greenbelt Council Appointed.

June 9: Revised Niagara Escarpment Plan released.

June 13: Bill 136, the Places to Grow Act, receives Royal Assent.

June 13: Bill 186, Regional Municipality of Peel Act, receives Royal Assent. Provides cities of Brampton and Mississauga additional seats on Peel Regional council.

June 16: Greenbelt Foundation established by the Province with \$25 million endowment.

June 17: Canada, Ontario, Association of Municipalities of Ontario and City of Toronto agreement announced on allocation of federal gas tax revenues to municipalities.

July 2005

July 15: Proposed Central Pickering (Seaton Lands) Development Plan released.

July 22: Water strategy expert panel report issued.

August 2005

August 11: Office of the Provincial Development Facilitator established by Ministry of Public Infrastructure Renewal.

October 2005

October 1: Requirements for owners of brownfield sites to file records of site conditions when property use is changed to more sensitive uses, and developers to engage in increased consultation around risk-based remediation strategies.

October 15: Speech from the Throne. References to

- modifications to environmental assessment progress
- source water protection legislation
- Bob Hunter Memorial Park
- ReNew Ontario
- GTTA
- City of Toronto Act

October 28: Draft terms of reference for environmental assessment of the Niagara to GTA corridor (Mid-Peninsula Highway) released.

November 2005

November 1: Terms of Reference for Environmental Assessment of 427 Transportation Corridor (south of greenbelt).

November 7: Ontario Infrastructure Projects Corporation (Infrastructure Ontario) established. Government indicates intention to introduce legislation to give Infrastructure Ontario responsibility for overseeing OSIFA. Infrastructure Ontario board appointed as board of directors of OSFIA. Infrastructure Ontario also to oversee implementation of infrastructure projects that use alternative financing and procurement (AFP) methods.

November 14: Ontario–Toronto Task Force on City of Toronto Act and other legislation tables final report.

November 15: York Region holdback on pooled social services costs.¹¹⁷

November 18: Private prosecution of York Region under the Fisheries Act in relation to the big-pipe project stayed by federal department of Justice.¹¹⁸

November 24: Final Draft Growth Plan for the GGH released.

November 29: Funding of \$16.5 million announced for conservation authority capacity building for source water protection planning work. An additional \$51 million over five years for technical studies in support of source protection planning also announced.

December 2005

December 5: Bill 43, Clean Water Act (source water protection legislation), introduced.

December 12: Bill 51, Planning and Conservation Land Statute Law Amendment Act, 2006 introduced.

December 12: Bill 37, Respect for Municipalities Act, enacted. Removes requirement for referendum before legislation providing municipalities with the authority to change tax rates or levy new taxes is introduced.

December 14: Bill 53, City of Toronto Act, 2005 introduced.

December 15: Bill 16, Duffin-Rouge Agricultural Preserve Act, adopted. The legislation ensures that all existing conservation easements in the Preserve are held in perpetuity, and reinstates easements previously held by the City of Pickering.

January 2006

Ministry of Transportation Ontario (MTO) initiates discussions with municipalities regarding GTA East–West Corridor.

February 2006

February 3: Rouge River headwaters in Richmond Hill added to greenbelt via amendment to the Greenbelt Transition Regulation.

February 10: OSIFA opens continuous call for applications.

February 15: Ministry of Environment excludes the Boyd Conservation Area as a possible route to address transportation problems in the Pine Valley Corridor.¹¹⁹

February 15: Six Nations occupation of Caledonia subdivision site begins.

March 2006

March 23: 2006 Provincial Budget Tabled

March 23: *Move Ontario* announced: \$1.2 billion one-time investment in transportation infrastructure projects.

- \$838 million for GTA:
 - \$670 million York Subway
 - \$95 million Brampton Transit
 - \$65 million Mississauga Transit
 - \$25 million GO Transit
 - \$7 million York Region for transit planning
 - \$1 million Scarborough Transit replacement environmental assessment
 - References to \$200 million for TTC operations over two years — not in budget
- \$400 million for municipalities outside GTA for roads
- Also includes funding for
 - 404 to Ravenshoe Road
 - 417 environmental assessment in Vaughn
 - 410 extension to join Highway 10 in Brampton
- Partial upload of public- and land-ambulance costs to the Province
- References to tax increment financing being permitted by municipalities.

April 2006

April 6: Province grants certificates of approval for Big Pipe 19th Avenue link in York Region

April 10: Bill 53, City of Toronto Act, 2005 passes second reading.

April 24: Bill 104 legislation to create Greater Toronto Transportation Authority (GTTA) introduced.

April 25: Bill 106, Lake Simcoe Protection Act, introduced as a private member's bill.

April 26: Bill 51, Planning and Conservation Land Statute Law Amendment Act, 2006 passes second reading.

May 2006

May 2: Federal Budget tabled. Continues gas tax transfer (\$400 million/year), plus \$900 million over three years for transit (p. 115), contingent on federal surplus for 2005/2006 being over \$2 billion. Adds \$2 billion to the Canada Strategic Infrastructure Fund (p. 118) and tax credit for public transit passes (p. 116).

May 4: Province announces final Central Pickering (Seaton) Development Plan.

May 10: Durham Regional Council votes on request to remove 1,400 hectares from the GGH greenbelt.

May 17: MTO announcement of \$1.4 billion for highway improvement projects (including nine-kilometre 410 extension to Highway 10).

June 2006

June 6: Changes to environmental assessment process announced. Focus on “streamlining” approvals for energy, waste and transit projects (references to class environmental assessment for transit projects but no details).

June 12: Bill 53, The City of Toronto Act, 2005 receives Third Reading and Royal Assent.

June 15: Bill 130, Municipal Statute Law Amendment Act, introduced. Amends Municipal Act, replacing prescribed, or very specific, powers with broad permissive powers for municipal governments, and extending many of the powers provided to the City of Toronto via Bill 53 to other municipalities.

June 16: GGH Growth Plan released.

June 16: MTO Southern Ontario Highways Program 2006–2010 released. Includes Highway 410, 427, 407 and 404 extensions and references to Niagara to GTA and GTA West corridors.

June 22: Bill 104, The Greater Toronto Transportation Authority Act, receives Third Reading and Royal Assent. Bill was amended at committee stage to include references to reducing transportation-related emissions of smog precursors and greenhouse gases (GHGs) as goals of the regional transportation plan to be developed by the Authority.

June 30: Two-year freeze on property tax assessments and review of Municipal Property Assessment Council (MPAC) announced.

August 2006

August 14: Review of provincial municipal fiscal and service delivery announced.

October 2006

October 19: The Clean Water Act receives Royal Assent on S.O. 2006, CHAPTER 22.

October 19: Bill 51, The Planning and Conservation Land Statute Law Amendment Act, receives Royal Assent.

October 26: The Government of Canada and the Government of Ontario allocate funding for a minimum of 300 units under the Canada–Ontario Affordable Housing Program to be built specifically on cleaned up brownfield sites.

December 2006

December 31: New Building Code comes into force with higher energy efficiency requirements

January 2007

January 1: City of Toronto Act 2006 proclaimed providing Canada’s largest city with broad powers and significant legislative freedoms.

January 1: Bill 51, The Planning and Conservation Land Statute Law Amendment Act, becomes effective, establishing local appeal bodies to hear appeals as an alternative to the OMB and making important amendments to land use planning.

February 2007

February 20: Ontario Power Authority announces new program for energy conservation in construction of affordable housing.

May 2007

May 17: The Ontario legislature passes brownfield reforms to address liability and regulatory concerns (Bill 187). The reforms address liability and regulatory barriers that have prevented communities from putting more brownfields back into productive use.

June 2007

June 13: Province announces Municipal Eco Challenge Fund will provide \$20 million in grants to municipal governments for projects to reduce GHG emissions and \$200 million worth of loans for municipal projects that reduce GHG emissions through Infrastructure Ontario's OSIFA Loan Program.

June 15: MoveOntario 2020 announced: \$17.5 billion capital investment in public transit infrastructure to serve the Greater Toronto Area and Hamilton (GTAH) beginning in 2008.

June 20: Province announces \$150 million investment that includes a Home Energy Retrofit Program and encourages homeowners to use solar equipment in their homes.

July 2007

July 6: Province introduces the Lake Simcoe Protection Act, providing for the development of a protection plan for the Lake Simcoe and Nottawasaga River Watersheds, which were originally left out of the greenbelt.

August 2007

Province releases Go Green: Ontario's Climate Action Plan with ambitious targets to reduce GHG emissions Ontario .

September 2007

September 5: Ministry of Environment implements all recommendations in Walkerton Report.

September 5: Provincial Liberal Party Platform, "Moving Forward Together" (p. 29), states that the party will "consider applications by the regional and county governments to grow the greenbelt."

October 2007

October 22: Toronto City Council approves a new land transfer tax that takes effect on February 1, 2008.

November 2007

November 7: Ontario's Chief Energy Conservation Officer, Peter Love, releases his 2007 annual report, *Taking Action*, urging the Ontario government to adopt 12 key recommendations to achieve a "culture of conservation" throughout the province.

December 2007

December 2: Environmental Commissioner of Ontario releases annual report that focuses on the growth plan for Southern Ontario and warns that current development may exceed the ability of the local environment to support it.

December 4: GTTA becomes Metrolinx and launches a public consultation process as a first step towards its regional transportation plan.

December 13: Province announces \$1.4 billion in infrastructure funding, including an immediate \$100 million earmarked to help municipal transit projects such as the purchase of railcars and buses identified as priorities by Metrolinx.

Endnotes

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² Kerry Gillespie, “Climate Change Czar Aims to Paint Province Green,” *Toronto Star* March 7, 2008, www.thestar.com/article/310366 (accessed March 7, 2008).

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⁵ Ontario Ministry of Finance, “2007 Ontario Budget: Expanding Prosperity through Ontario’s Infrastructure,” backgrounder, March 22, 2007.

⁶ Ontario announced fairly ambitious GHG reduction targets in June 2007 (i.e., 6% below 1990 levels by 2014; 15% below 1990 levels by 2020; 80% below 1990 levels by 2050). See Government of Ontario, *Go Green: Ontario’s Action Plan on Climate Change*, (Toronto: Government of Ontario, 2007).

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⁸ Office of the Premier, “McGuinty Government Action Plan for Rapid Transit Will Move the Economy Forward,” news release, June 15, 2007.

⁹ Greater Toronto Transit Authority, “GTTA Board Calls on Federal Government for Immediate Commitment to Transit Funding,” news release, October 1, 2007.

¹⁰ Jennifer Lewington and Jeff Gray, “Toronto Threatens to Shut Sheppard Subway,” *Globe and Mail*, July 20, 2007.

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¹² Legislative Assembly of Ontario, *Bill 81, Budget Measures Act, 2006, Schedule I (Ontario Strategic Infrastructure Projects Corporation Act, 2006)*.

¹³ Office of the Premier, “McGuinty Government Investing in Green Communities: \$220 Million Available in Grants and Loans for Municipalities to Reduce Greenhouse Gas Emissions,” news release, June 13, 2007.

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¹⁷ Environmental Commissioner of Ontario, *2006/2007 Annual Report — Reconciling Our Priorities: Supplement* (Toronto: ECO, 2007), 23.

¹⁸ Ministry of Municipal Affairs and Housing, *Brownfields Ontario*, www.mah.gov.on.ca/Page220.aspx (accessed January, 2008).

¹⁹ Ontario Ministry of Finance, 53.

²⁰ See, for example, Ray Tomalty, *Submission to the Ontario Ministry of the Environment Regarding the Draft Environmental Assessment Terms of Reference for the Niagara to GTA Corridor* (Drayton Valley, AB: The Pembina Institute, 2005).

²¹ The handling of extensions such as the York–Durham Sewer System (the “big pipe”) under a class environmental assessment is often cited as an example of this problem.

²² Environmental Commissioner of Ontario, *2006/2007 Annual Report — Reconciling Our Priorities: Supplement*, 111.

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- ²³ Ministry of Public Infrastructure Renewal, *Growth Plan for the Greater Golden Horseshoe* (Toronto: MPIR, 2006).
- ²⁴ See, for example, the initial discussion paper released by MPIR, *Places to Grow: Better Choices, Brighter Future* (Toronto: MPIR, 2004).
- ²⁵ Studies show that there is a sharp increase in car use where land use densities fall below 50–60 people per hectare (pph). See Commission of the European Communities, *Communication from The Commission to the Council, The European Parliament, The European Economic and Social Committee and The Committee of the Regions: Towards a Thematic Strategy on the Urban Environment* (Brussels: CEC, 2004). Other European studies indicate that about 100 pph are necessary to support a good bus service and 240 pph to sustain a tram or metro. See Durham City Council, *Building-In Sustainability*, www.durham.gov.uk/bis/usp.nsf/pws/Building-In+Sustainability+-+Building-In+Sustainability+-+Home+Page (accessed January, 2008)
- ²⁶ *Application of a Land-use intensification target for the GGH* Urban Strategies Inc. Winter 2005
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- ⁴² Ministry of Municipal Affairs and Housing, *Planning Service Working with the One Window Provincial*, www.mah.gov.on.ca/Page1315.aspx (accessed January, 2008).
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- ⁴⁴ York Region’s amendment has been challenged and is currently an ongoing case at the OMB. See OMB Case Number PL061192.
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