

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

**Submission to the Standing Committee on Finance and Economic  
Affairs**

**A Case for Retaining Upper-Tier Planning Responsibilities  
in the Region of Waterloo <sup>(r)</sup>**

**May 24, 2024**

**Respectfully Submitted by:**

**Mark Reusser, Waterloo Federation of Agriculture**

**Kevin Thomason, Grand River Environmental Network**

**Kevin Eby, RPP, PLE**

Mark Reusser is a farmer near New Dundee, Ontario. He holds a BSc. in Crop Science and is a graduate of the Advanced Agricultural Leadership Program. Mark is Vice-President of the Waterloo Federation of Agriculture, and holds Director positions with the Ontario Farmland Trust, the Golden Horseshoe Food and Farming Alliance, the Ontario Federation of Agriculture and the Canadian Federation of Agriculture. Mark is also a member on the Water Quality Board of the International Joint Commission on the Great Lakes and the Ontario Biodiversity Council Committee.

Kevin Thomason has worked in the technology and marketing fields, co-founding a leading startup acquired by Google. Kevin continues to coach and mentor a number of technology, green tech, and clean tech startups, and serves on numerous Boards of Directors locally and internationally. He is a co-founder of Smart Growth Waterloo Region, Past-President of Ontario Nature, sits on the Steering Committee of the Ontario Greenbelt Alliance, and is currently Vice-Chair of the Grand River Environmental Network.

Kevin Eby is a Registered Professional Planner and Professional Land Economist. Kevin served as the Director of Community Planning at the Region of Waterloo from 2000 to 2015. In this role Kevin was responsible for overseeing the preparation of the Regional Official Plan, approval of lower-tier official plans, and approval of Planning Act applications. From 2004 to 2006 Kevin was seconded half time to the Province to assist in writing the original Places to Grow: Growth Plan for the Greater Golden Horseshoe and in 2017 was appointed to the Greenbelt Council. Kevin currently is the President of Eby Growth Management Planning Services, an urban planning consulting firm located in Waterloo, Ontario.

## Table of Contents

<b>EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1.0 INTRODUCTION.....</b>	<b>3</b>
<b>2.0 CONTEXT.....</b>	<b>3</b>
THE STRUCTURE OF THE REGION OF WATERLOO OFFICIAL PLAN IS UNIQUE .....	4
THE REGION OF WATERLOO OPERATES ONE OF THE MOST COMPLEX MUNICIPAL WATER SYSTEMS IN NORTH AMERICA.....	4
THE ABILITY TO DISPOSE OF ADDITIONAL EFFLUENT FROM WASTEWATER TREATMENT FACILITIES IS BOTH LIMITED AND INCREDIBLY EXPENSIVE .....	4
REGION OF WATERLOO HAS BEEN A LEADER IN LONG-RANGE INFRASTRUCTURE PLANNING .....	5
INTEGRATED GROWTH MANAGEMENT AND INFRASTRUCTURE PLANNING HAS HELPED DRIVE ECONOMIC GROWTH .....	5
INNOVATIVE PLANNING INITIATIVES IMPLEMENTED BY THE REGION OF WATERLOO .....	5
<b>3.0 APPROVED HOUSING – MEETING DEMANDS WITHIN THE MARKET PLACE .....</b>	<b>6</b>
INTENSIFICATION.....	6
ACCESSORY DWELLING UNITS.....	6
GREENFIELD DEVELOPMENT .....	7
<b>4.0 ADDITIONAL FACTORS POTENTIALLY AFFECTING THE RATE OF HOUSING GROWTH.....</b>	<b>8</b>
<b>5.0 EXAMPLES OF ISSUES ARISING FROM ELIMINATION OF THE REGION OF WATERLOO     OFFICIAL PLAN AND RELATED PLANNING FUNCTIONS .....</b>	<b>10</b>
<b>6.0 RECOMMENDATIONS.....</b>	<b>12</b>
<b>APPENDIX ‘A’ – EXAMPLES OF REGION OF WATERLOO POLICY INNOVATIONS.....</b>	<b>13</b>

## EXECUTIVE SUMMARY

This report examines the justification for the elimination of the Region of Waterloo as an “upper-tier municipality with planning functions” as proposed by Bill 185. The justification provided by the Province is that such action is needed to facilitate construction of more new housing in the Region of Waterloo as part of the Provincial objective of building 1.5 million new homes in Ontario by 2031. But is this really the case?

There are many reasons why there is a shortfall of affordable homes being built in the Region of Waterloo, but shortages of land or delays in municipal approvals are not among them. While planners can always do better in speeding up approvals, the quantum of existing approvals is not an issue in the Region of Waterloo and hasn’t been for almost two decades. **Since 2006, homebuilders in the Region of Waterloo have consistently built less than 10% of the approved greenfield housing units available at year-end during the next calendar year.**

Removing planning authority from the Region of Waterloo as currently proposed through Bill 185 will do little, if anything to expedite the construction of new homes, but it certainly has the potential to do exactly the opposite. The Region of Waterloo is one of the most complex planning environments in Canada. The Region operates 136 municipal wells and an aquifer storage and recovery system supplying roughly 80% of the region’s water. It also operates 13 wastewater treatment facilities disposing of effluent into three different rivers, all of which are impacted by communities upstream and impact communities downstream. The water quality Policy 2 status of all or a portion of each of these rivers has the potential to either restrict expansions of these wastewater treatment plants or make them horrendously expensive. Through the preparation of long-term infrastructure master plans informed by the growth management principles and direction as established in the Region of Waterloo Official Plan, the Region has, for over 30 years, continuously supported growth within a community having one of the strongest economies in North America.

The management of growth and its impact on these facilities is critical, as failure to do so could be catastrophic for the economy and growth within the Region. Loss of even a relatively small portion of the overall water supply to the impacts of urban development could trigger the need for a multi-billion-dollar pipeline to Lake Erie. Mismanagement or misallocation of growth could result in development freezes associated with the lack of wastewater treatment capacity or significant property tax or user rate increases to build or expand facilities unnecessarily.

While there is always room for process improvements, the two-tier municipal planning system in the Region of Waterloo is generally doing what it needs to do to ensure opportunities exist for the private sector to dramatically increase the number of homes being built. The optimal outcome of this current process, as recommended by this report, is:

**That the Region of Waterloo retain planning authority, including responsibility for co-ordinating overall planning for the region through the Region of Waterloo Official Plan, with interested local municipalities being delegated authority to approve plans of subdivisions, plans of condominiums, and part-lot control exemption by-laws, provided such approvals are in conformity with the Region of Waterloo Official Plan.**

This recommendation would provide the best of both-worlds by helping to ensure that the optimal conditions exist to ensure significant new housing is rapidly and efficiently constructed in the years ahead, while also minimizing the risk associated with the complexity of the region's unique water, wastewater and environmental constraints.

## 1.0 INTRODUCTION

Bill 185 proposes the removal of planning responsibilities from the Region of Waterloo on a future date through proclamation.

If this were to occur, the Region of Waterloo Official Plan (RWOP) would cease to exist, and the Region would have no role in approval of local planning decisions. The only role remaining for the Region of Waterloo would be the review of Planning Act applications as they relate specifically to Regional facilities.

The stated basis for elimination of upper-tier planning responsibilities (including those of the Region of Waterloo) is that such functions represent duplication of processes already occurring or more efficiently provided at the lower-tier level. It is the contention of the Province that elimination of such duplication will help facilitate the construction of additional new housing necessary to meet the Province's goal of building 1.5 million new homes in Ontario by 2031.

In preparing Bill 185, it would appear that little or no regard was had for the differing contexts within which upper-tier municipalities exist or for the potential downsides of such a change within the local context. This report provides such context as it relates to the Region of Waterloo, including:

- The context within which the Region of Waterloo operates and its evolution as a planning leader and innovator
- How the current processes here in the Region of Waterloo have already provided the private sector with the tools necessary to meet and even exceed the Provincial housing targets
- The potential impacts resulting from the elimination of the upper-tier planning function here in the Region of Waterloo.

This report then proposes a recommendation for more modest changes to help achieve the Province's stated objectives, while retaining a role for the Region that reflects the uniqueness and complexity of the planning environment in the Region of Waterloo.

## 2.0 CONTEXT

The Region of Waterloo has been at the forefront of municipal planning since its inception in 1973 and this innovation and expertise is recognized throughout Canada.

The Region of Waterloo was the first regional government in Ontario to have an official plan approved by the Province, achieving that status years before most other upper-tier municipalities.

The Region of Waterloo was among the first regional governments assigned approval authority status relating to Planning Act applications and has exercised that authority diligently and responsibly for almost 50 years.

## THE STRUCTURE OF THE REGION OF WATERLOO OFFICIAL PLAN IS UNIQUE

The Region of Waterloo's Official Plan (RWOP) is structured as a **policy plan** rather than a typical **land use plan**.

This structure originally restricted the RWOP to the establishment of urban envelopes, environmental designations, and policies to guide local growth management decisions. Determinations such as where residential, commercial and industrial uses would be located within the urban envelopes established in the RWOP were left to each lower-tier municipality to determine through its official plan. This unique relationship made the upper- and lower-tiers partners in the process, with each playing a specific role.

## THE REGION OF WATERLOO OPERATES ONE OF THE MOST COMPLEX MUNICIPAL WATER SYSTEMS IN NORTH AMERICA

The Region of Waterloo is the largest community in Canada dependent on groundwater resources for most of its municipal drinking water supplies. The Region extracts water from approximately 136 wells spread throughout extensive moraine and aquifer systems. The Region also operates an aquifer storage and recovery system, drawing water from the Grand River near Hidden Valley during peak flows in the spring and fall and then injecting it into the ground approximately 10 km away near the community of Mannheim for subsequent use in peak periods of water usage during the summer months. Only a few such systems exist anywhere in North America.

Dependence on groundwater and the loss of the Elmira water supply to contamination in 1989 was the impetus for groundbreaking water resource and wellhead protection programs developed and implemented by the Region of Waterloo. This policy framework was further bolstered by the establishment of the Regional Recharge, Protected Countryside and Countryside Line designations in the RWOP that collectively help preserve the quality and quantity of the municipal water supply.

The only available option to replace any significant quantity of the municipal water supply lost through impacts of urban development is a pipeline to Lake Erie that will likely cost several billion dollars and take at least a decade to implement (provided approval for such a pipeline can be obtained).

## THE ABILITY TO DISPOSE OF ADDITIONAL EFFLUENT FROM WASTEWATER TREATMENT FACILITIES IS BOTH LIMITED AND INCREDIBLY EXPENSIVE

The complex municipal water supply system in the Region of Waterloo is matched to some degree by the need to manage wastewater effluent disposal into three different rivers, all of which are impacted by communities upstream and impact communities downstream, both inside and outside of the Region.

Despite the development and funding of the Rural Water Quality Program, which assist farmers in implementing best management practices that improve and protect ground and surface water quality, many of the Region's wastewater treatment facilities are located along waterways with water quality Policy 2 constraints (particularly for phosphorus). Policy 2 constraints apply to portions of waterbodies having "water quality which presently does not meet the Provincial Water Quality Objectives" and such areas "shall not be degraded further and all practical measures shall be

taken to upgrade the water quality to the Objectives." Expanding wastewater treatment facilities disposing of effluent into a Policy 2 receiving body is incredibly expensive, if it can be done at all.

The Policy 2 constraints currently associated with the Nith River will likely render a significant portion of the land arbitrarily added to the Region's urban area by the Province through Bill 163 undevelopable in the absence of the extension of sewers to wastewater treatment facilities using other receiving bodies of water. In the case of New Hamburg and Baden (located in Wilmot Township), this would mean construction of an approximately 21 km sewer complete with associated pumping stations from New Hamburg to the Kitchener Wastewater Treatment Plant, which itself will likely be facing some degree of constraints associated with future expansions given portions of the Grand River are also subject to Policy 2 constraints.

## REGION OF WATERLOO HAS BEEN A LEADER IN LONG-RANGE INFRASTRUCTURE PLANNING

For over 30 years the Region of Waterloo has been a leader in the establishment of long-range infrastructure master plans (water, water efficiency, wastewater, waste disposal, transportation, airport, active transportation, housing) to ensure services are planned, budgeted for, built, and available when required to support forecasted growth. This was originally done in part because of the complexity of the infrastructure systems in the Region of Waterloo and this process has been incredibly successful to date, with no urban areas experiencing Regional infrastructure constraints restricting forecasted growth over the past 25 to 30 years.

An integral part of this process is the determination of where growth can occur in an environmentally and fiscally sustainable manner as established through a best fit between competing objectives and jurisdictions. Preparation of Regional infrastructure master plans is an iterative process done in conjunction with or informed by corresponding reviews of the RWOP.

## INTEGRATED GROWTH MANAGEMENT AND INFRASTRUCTURE PLANNING HAS HELPED DRIVE ECONOMIC GROWTH

The highly integrated growth management and infrastructure planning in the Region of Waterloo has helped create and continuously supported one of the strongest economies in North America for over 30 years. The Region of Waterloo is recognized globally, second only to Silicon Valley for technology. It has world-class universities, is home to hundreds of new start-ups, is an insurance and financial hub, and is home to leading global companies such as Google and Toyota (to name but a few). These companies have added thousands of jobs in the past few years alone. This incredible success is somewhat unique in Ontario and is visible across the community as cranes dominate the skyline.

## INNOVATIVE PLANNING INITIATIVES IMPLEMENTED BY THE REGION OF WATERLOO

Municipalities need to be innovative to address challenges as they arise. The days of looking backwards and extrapolating forwards are over. Continuing to do things the same way when it no longer serves the overall best interests of residents, businesses, and institutions is no longer an option.



The Region of Waterloo has been at the forefront of policy innovation throughout its history, regularly developing unique policy solutions to problems facing municipalities that subsequently became the inspiration for provincial policy initiatives. **The primary vehicle for achieving such innovation? The Region of Waterloo Official Plan (RWOP) that is now proposed to be eliminated, along with the results of much of this innovation, through Bill 185.**

A list of innovative Regional policy initiatives is included as Appendix 'A' to this report.

### 3.0 APPROVED HOUSING – MEETING DEMANDS WITHIN THE MARKET PLACE<sup>1</sup>

#### INTENSIFICATION

Since 2006, the Region has averaged more intensification (55%) than likely any municipality in Ontario other than Toronto and Mississauga and the rate of intensification has been steadily increasing (59% in the past 10 years and 63% in the past five years despite recent slowdowns in multi-residential construction due to interest rate hikes). From 2019 to 2021, the intensification rate was 69%.

This incredible rate of intensification is delivering more homes, more efficiently, more sustainably, and more affordably within our urban areas where the needed infrastructure and public transit already exist.

And that is just the start. As noted in the Regional Official Plan Review “Intensification Strategy Technical Brief (August 2021)” by Dillon Consulting Limited and Watson & Associates there was significant capacity in the Built-up Area for growth based on existing planning permissions for both population (173,000 people) and employment (143,000 jobs). Since that time the Cities of Kitchener, Waterloo and Cambridge have been inundated with new applications, with apartment buildings and apartment complexes being approved by Councils on an almost monthly basis. For example, in 2023 the City of Waterloo received applications for over 22,000 new intensification units (mostly rental)<sup>2</sup>. Combined with more recent proposals and approvals, there are now over 60 apartment buildings ranging from six to 35 stories in process or awaiting construction in the City of Waterloo alone.

There is no shortage of approved and in process applications for intensification hindering construction of additional housing units.

#### ACCESSORY DWELLING UNITS

In 2023, 1,115 accessory dwelling units were built in the Region of Waterloo, up from 787 the previous year. This represents 18% of all new residential units for which building permits were issued in 2023 and was almost double the number of single-/semi-detached units built in the designated greenfield area (582 units). Accessory dwelling units represent an incredible opportunity for construction of small rental housing and the Region and the Cities of Kitchener and Waterloo are actively promoting such development.

---

<sup>1</sup> All data presented in this section is drawn from the annual Region of Waterloo Growth Management Monitoring and Plan of Subdivision Inventory Technical Memorandum and/or Reports.

<sup>2</sup> City of Waterloo Mayor Dorothy McCabe – Presentation to the Standing Committee on Heritage, Infrastructure and Cultural Policy – Regional Governance Study, January 18, 2024.

The Cities of Kitchener and Waterloo have already supported the creation of provisions to provide for up to four units per residential lot.<sup>3</sup>

These accessory dwelling units are rapidly providing the affordable housing units and housing choice that citizens are seeking and that will most quickly and efficiently address the provincial housing shortage.

## GREENFIELD DEVELOPMENT

From year-end 2006 to year-end 2023 there was an average of 19,657 approved units<sup>4</sup> in plans of subdivision at the start of each year in the Region of Waterloo.

During this same time period, an average of only 1,815 homes were built annually in the Region's designated greenfield area. This represents construction of an average of only 9.4% of the approved housing inventory available in plans of subdivision at the start of each year from 2007 to 2023.

The year with the highest absorption rate of approved housing inventory was 2016 when 2,818 of the 20,089 approved units existing at the beginning of the year were built. This represented a 13.9% absorption rate. The average absorption rate has remained remarkably consistent over varying periods examined. The average over the past 10 years (2014 to 2023) was 9.8% and over the past 5 years (2019 to 2023) was 10.0%.

The current plan of subdivision inventory is both extensive and well balanced. As of year-end 2023, the plan of subdivision inventory of 38,898 unbuilt registered, draft approved and pending units included:

- 11,799 single-/semi-detached units (30% of the total plan of subdivision inventory of which 7,094 were approved, 2,142 of which were unbuilt registered / shovel ready units)
- 11,956 townhouse units (31% of the total plan of subdivision inventory of which 6,850 were approved, 2,266 of which were unbuilt registered / shovel ready units)
- 15,143 apartment units (39% of the total plan of subdivision inventory of which 10,203 were approved, 3,761 of which were unbuilt registered / shovel ready units)

Building permits were issued for 2,770 new dwelling units in the designated greenfield areas in 2023, 21% (582 units) of which were single-/semi-detached, 31% (858 units) were townhouses, and 48% (1,330) were apartments.

The year-end numbers of approved ground-related units (single-detached, semi-detached and townhouse units) have been remarkable stable in the Region of Waterloo.

---

<sup>3</sup> Remainder of sentence deleted from original – correction.

<sup>4</sup> For the purposes of this report, “approved” units are unbuilt registered and draft approved units in plans of subdivisions.

Since year-end 2015, the approved unbuilt ground-related housing units available at year-end in plans of subdivision were as follows:

- 2015 = 14,462 units
- 2016 = 14,625 units
- 2017 = 13,668 units
- 2018 = 14,756 units
- 2019 = 14,235 units
- 2020 = 14,648 units
- 2021 = 14,262 units
- 2022 = 14,955 units
- 2023 = 13,944 units

Year after year the plan of subdivision approval process in the Region of Waterloo successfully replaces approved vacant inventory as it is absorbed by the homebuilding industry. This is precisely what a well-functioning development approval system should be striving to achieve. **It is unclear how elimination of the planning functions performed by the Region of Waterloo would have any impact other than negative, as the two-tier municipal planning system here is doing precisely what is needed to ensure opportunities exist for the private sector to increase the number of homes being built.**

#### 4.0 ADDITIONAL FACTORS POTENTIALLY AFFECTING THE RATE OF HOUSING GROWTH

Over the past couple of years there has been extensive discussion around a range of issues relating to the construction of housing. The following is a brief examination of some of these issues as they relate to the Region of Waterloo:

Q - Have there been shortages of urban designated land on which to build housing units?

A - There has consistently been plenty of urban designated land available to support housing development in the Region of Waterloo, including almost 39,000 units in plans of subdivisions as of year-end 2023.

Q - Have slow municipal approvals stifled the marketplace?

A – The rate of approvals is not affecting the construction of housing in the Region of Waterloo. The Region has had approximately 10 years worth of approved greenfield and intensification units available for development almost continuously since 2006.

Q - Have constrained supplies of low-density housing affected construction of such units?

A – There has been an average of over seven years worth of unbuilt registered and draft approved single- and semi-detached units annually in the Region of Waterloo since 2010. The current approved inventory of single- and semi-detached units represents 7.4 years worth based on the annual average of building permits for such units issued over the past five years, thus there has not been any shortage of approved low-density housing lots.

Q - Have shortages in sewer, water, and/or transportation capacity affected housing development?

A – All Regional services necessary to support the construction of forecasted housing have been consistently available, with expansions planned and budgeted for through the long-term Master planning processes to cover off future shortfalls.

Q - Has the absence of financial incentive programs hindered housing development?

A - Over the years the Region and the lower-tier municipalities have actively participated in a variety of financial incentive programs to support construction of housing (for example: development charge waivers and tax increment grant programs).

Q - Have NIMBY issues significantly delayed new housing development?

A - Pre-zoning for significant amounts of intensification, particularly by the Cities of Kitchener and Waterloo is already in place and has been since 2006, thereby restricting the impact of NIMBY objections. As well, the successful revitalization of core downtown areas has helped to demonstrate firsthand successful community building and placemaking that has provided a wider variety of housing choice and options for citizens.

Q - Have high mortgage rates made housing purchases here unaffordable?

A - Clearly this is a major factor in the housing slowdown, especially as it relates to multi-residential development. In the absence of upwards of 70% pre-sales it is virtually impossible to get bank financing for such developments.

Q - Has participation of the Conservation Authorities hindered approval of new housing?

A - The Grand River Conservation Authority has been an active and reliable partner in ensuring the necessary (sub)watershed studies required to responsibly open up new greenfield areas have been completed on time to support housing development as demonstrated by the large inventory of approved units in the designated greenfield areas.

Q - Have municipalities failed to recognize and address affordable housing and homelessness issues?

A - The Region of Waterloo has a Housing Division specifically intended to address these issues and has been a leader and an active participant in a wide variety of on-going initiatives. More to be done, but full credit due for efforts and innovations to date.

Q – Have municipalities failed to free up underutilized land they own to accommodate housing.

A - This has been an objective here in the Region of Waterloo for decades ... there just isn't much of it. However, a recently formed public private partnership to build affordable housing units will hopefully benefit from such land that is available. One such parcel was just made available by the City of Waterloo for that purpose that could provide upwards of 1,000 affordable units in a very innovative proposal.

Q - Have municipalities failed to take advantage of gentle intensification options?

A - Accessory dwelling units have become an important component of the new housing market here in the Region of Waterloo, representing 18% of all new housing units in 2023. As part of the Region's Land Needs Assessment, Options 2 and 3 provided for 3,210 accessory dwellings between 2021 and 2051. Between 2021 and 2023, building permits were issued in the Region of Waterloo for 2,445 accessory dwelling units **achieving 76% of the 30-year forecast in the first three years**. There is tremendous opportunity for accessory dwelling units to provide even more solutions to the provincial housing shortage.

Q - Has the upper tier approval authority role slowed down development of housing?

A - It is debatable whether this has helped or hindered the processing of development applications, but a recommendation included in this report proposes down delegating approval authority for plans of subdivision, plans of condominium and part-lot control exemption by-laws to the lower-tiers providing more autonomy and independence to local municipalities for development approvals.

Q - Has a poor local economy hindered housing growth?

A - The Region of Waterloo has had one of the highest performing economies in Canada, if not North America, for decades.

Nothing in review of the issues noted above supports removal of planning responsibilities from the Region of Waterloo.

## 5.0 EXAMPLES OF ISSUES ARISING FROM ELIMINATION OF THE REGION OF WATERLOO OFFICIAL PLAN AND RELATED PLANNING FUNCTIONS

Removing planning authority from the Region of Waterloo as currently proposed through Bill 185 will do little if anything to expedite the construction of new homes, but it certainly has the potential to do exactly the opposite. As noted earlier in this report, the Region of Waterloo is one of the most complex planning environments in Canada and, like many municipalities throughout Canada, is having to plan for climate resiliency, increased immigration, an aging population, the need to secure local food supplies, changing housing preferences, the need to reduce the use of private vehicles, and a constantly changing economy. As has been demonstrated over the past 50 years, planning successfully for this type of change is precisely what the Region of Waterloo does so well.

Has it been perfect? Absolutely not, but what we are dealing with here in the Region of Waterloo from a housing perspective is the equivalent of an elite sprinter with a sprained ankle. Amputating both legs may eliminate that problem, but the sprinter this community has been for decades, will never walk or run the same again. It is the collateral damage associated with the elimination of the Region of Waterloo's planning function that is truly frightening. And the stakes are high.

The following are a few examples of issues that will arise should the Province eliminate the planning function in the Region of Waterloo that likely have not been fully thought through:

- Removing the ability to effectively manage both sides of the growth management and long-term infrastructure planning integration will undoubtedly lead to poorer decision making in both regards. This has the potential to cost the taxpayers and businesses in the Region of Waterloo dearly. When talking about the services needed to provide for a rapidly growing population here in the Region of Waterloo we are not talking about millions of dollars, we are talking about hundreds of millions and in some cases (such as a pipeline to Lake Erie and the next phase of the ION light rail transit system) billions of dollars. We have to get it right.
- By eliminating the planning function at the Region of Waterloo, and particularly the elimination of the RWOP, the Province is taking back responsibilities as well as devolving them to the local municipalities. Instead of having to approve one official plan applicable to the region (the RWOP), the Province will now be responsible for the approval of seven official plans with no coordinating document at a regional scale (such as the RWOP) overlying them. From simply a workload perspective this is absurd. The Province has neither the staff nor the local expertise to adequately perform this function for lower-tier municipalities located within the seven upper-tier municipalities it is removing planning functions from. In a complex planning environment like the Region of Waterloo this is a recipe for disaster.
- The proposed Provincial Planning Statement indicates that municipalities are now expected to use the Ministry of Finance projections for planning purposes. The Ministry of Finance population projections are issued at the Regional level, not the lower-tier level and the Ministry doesn't currently issue employment projections. Unless the Ministry is going to take on a whole new level of forecasting, it is unclear who will perform this function. This is especially critical in the Region of Waterloo where very real future servicing capacity constraints exist in some jurisdictions. We can no longer afford to try to grow everywhere at aspirational rather than realistic rates. Those days are long gone, and yet that is the world the Province through this action is potentially taking us back to.
- Planning for the next phase of the ION light rail transit system likely will need to be curtailed. The multi-billion dollar price tag for this project and then the on-going costs of operation are likely not money well spent if the overall management of growth in the Region is devolved to the lower-tiers. At the time the ION system was first approved the Region of Waterloo was the smallest municipality in North America to build a light rail transit system. This was only possible because of the incredibly progressive policies in the RWOP that over time reduced sprawl and instead molded the urban areas into a form that made it feasible to build and operate such a system. The combination of adding over six thousand acres to the urban area and the proposed elimination of RWOP will have effectively undone decades of growth management planning, with the result being that the financial risks associated with future phases of the ION system become unbearable. Significant suburban growth in places like New Hamburg and Baden does nothing to support the creation of a progressive transit-oriented community that the Region of Waterloo was well on the way to becoming, and it can reasonably be argued actually hinders achievement of that goal.

- There are a number of environmental features / designations in the RWOP that, if they survive at all, will now be under multiple jurisdictions with no overall coordinating set of rules. For example, the Laurel Creek Headwaters ESL will be governed by four municipalities (the Townships of Wilmot, Wellesley, Woolwich and the City of Waterloo). The Regional Recharge Area exists in six lower-tier municipalities, with only the City of Cambridge not having a portion of this feature within its municipal boundaries. Wellhead Protection Areas exist in every lower tier municipality. It is unclear how protection across the jurisdictional boundaries will be maintained for these important features in the absence of the RWOP.

It is unclear if the Province considered the collateral issues created by eliminating the planning functions currently performed by the Region of Waterloo. It appears the sole focus of this process was to eliminate what it assumed was two levels of planning hindering housing construction. As shown by this report, the two levels of planning in the Region of Waterloo are not a hindrance to housing construction. In fact, **it can reasonably be argued that in the complex planning environment that exists in the Region of Waterloo that two tier planning has been extremely effective in facilitating such construction.**

## 6.0 RECOMMENDATIONS

Interest rates are the major anchor holding back housing construction in the Region of Waterloo, but there is always room for process improvements. Given the incredibly complex planning environment here in the Region of Waterloo, the two-tier municipal planning system has and continues to serve us well. By focussing on larger scale issues, the Region has been able to provide incredible leadership and innovation in the field of growth management both locally and throughout the Province. Likewise, the lower-tier municipalities deserve significant credit for working so successfully to implement the broader vision espoused by the RWOP.

Within that context, the one area where realignment of the current functions between the Region and the lower-tier municipalities makes sense is in the exercise of approval authority over plans of subdivision, plans of condominium and part-lot control exemption by-laws. As far back as 1996 the Region of Waterloo had established criteria for delegation of such authority to the lower-tiers, with the City of Kitchener being delegated approval authority over these applications later that year. Some additional delegation has occurred more recently.

To eliminate confusion over who does what, better align functions at the municipal level most strategically placed to address the matter, and to promote more timely approvals of the full range of development approvals, including site plan approval which is already a function of the lower-tier municipalities, the authors of this report recommend the following:

**That the Region of Waterloo retain planning authority, including responsibility for co-ordinating overall planning for the region through the Region of Waterloo Official Plan, with interested local municipalities being delegated authority to approve plans of subdivisions, plans of condominiums, and part-lot control exemption by-laws, provided such approvals are in conformity with the Region of Waterloo Official Plan.**

This recommendation would provide the best of both-worlds by helping to guarantee that optimal conditions exist to ensure significant new housing is rapidly and efficiently constructed in the years ahead, while also addressing the complexity of this region's planning environment.

## APPENDIX 'A' – EXAMPLES OF REGION OF WATERLOO POLICY INNOVATIONS

Environmentally Sensitive Policy Areas (ESPAs) – Long before Provincial Policy Statements existed, the Region identified and designated ESPAs. These important environmental features were protected from development as part of the approval of the first RWOP in 1976.

Environmentally Sensitive Landscapes (ESLs) – There are four ESLs designated in the RWOP (Laurel Creek Headwaters, Blair-Bechtel-Cruickston, Beverly, and Dumfries Carolinian) implementing landscape ecology principles to protect key clusters of environmental features from future urban expansions.

Water Resource Protection and Wellhead Protection – Long before the Walkerton water crisis, the Region of Waterloo began development of water resource and wellhead protection policies to provide protection of the existing and future municipal water supplies.

Brownfield Financial incentive Program (RDC and TIGs) – To help unlock the potential associated with redevelopment of contaminated sites, the Region introduced the Brownfield Financial Incentive Program that helps pay eligible costs of site remediation. The program utilizes both development charges waivers and tax increment grants and has been a catalyst for significant intensification, particularly in the urban cores of the region.

Regional Growth Management Strategy (RGMS) – In 2003 the Region adopted the RGMS as a framework for restructuring the urban environment. In subsequent years, then Minister of Municipal Affairs David Caplan credited the RGMS as being the inspiration for the original Places to Grow: Growth Plan for the Greater Golden Horseshoe.

Protocol for the Review of Development Applications on or Adjacent to Lands Which are Known, Suspected or Potentially Contaminated Sites – In the mid 1990s, the Region of Waterloo was among the first municipalities in Canada to move from a risk avoidance to a risk management model in relation to the processing of planning applications on contaminated lands. This process, which was developed in conjunction with the City of Toronto and the City of Hamilton, became the template for the Provincial brownfield legislation.

Central Transit Corridor – The Central Transit Corridor (or CTC as it is commonly known) was first established in the 1976 RWOP and provided a policy framework to guide development within the corridor in anticipation of the creation of a future higher order transit system. This goal was achieved 43 years later when the ION light rail transit system began operation in 2019. The CTC today accommodates almost half of all the intensification occurring within the region.

Regional Recharge Area – The Regional Recharge designation was established in the RWOP to protect the recharge areas of the Waterloo Moraine that are the source of the majority of the water in the Region's municipal water supply system. This designation, in combination with the Protected Countryside and the Countryside Line, is critical to the maintenance of the Region's water supply system.



Protected Countryside – This policy overlay created what was in effect a made in Waterloo greenbelt following the Province’s refusal to incorporate the Waterloo, and Paris and Galt Moraines in the original delineation of the Provincial greenbelt system.

Countryside Line – The Countryside Line was first introduced through the RGMS and was subsequently incorporated into the 2009 RWOP. The Countryside Line establishes a hard edge defining the maximum extent of future urban expansions to protect key agricultural areas and the Regional Recharge Areas associated with the Waterloo Moraine.

Mixed Use Agricultural Clusters – This new form of land use was created to accommodate cultural diversity in meeting the housing and transportation needs of the Mennonite and Amish populations within the Region of Waterloo.

ION Light Rail Transit System – The ION light rail transit system has become the anchor for reshaping the urban area. Unlike fully subsidized rapid transit systems elsewhere, the taxpayers of the Region of Waterloo paid a significant portion of the costs associated with the development of the ION.

Watershed Planning – The Region of Waterloo was among the first municipalities in Canada to adopt requirements for watershed planning to help inform the establishment of environmental protection policies required to support urban expansion processes.

Rural Water Quality Program – The Region of Waterloo helped create and fund the Rural Water Quality program. This program assists farmers with implementation of best management practices that improve and protect ground and surface water quality. This program has helped minimize expensive remedial measures that would have been required as part of wastewater treatment system upgrades.

Protection of Agricultural Lands – Since the approval of the first RWOP in 1976, the Region of Waterloo has had among the strongest policy protection for agricultural lands of anywhere in the Province. This focus on supporting a vibrant agricultural community has resulted in the Region of Waterloo having among the most profitable agricultural land in Canada. One of the keys to this protection is the certainty established through creation of the Countryside Line which allows farmers to invest in farm infrastructure knowing the farm will remain in operation long enough to benefit long term from such investments.