

Municipal Services Offices Provincial Update

Fall 2019

AMCTO ZONE 3
Thursday November 14,
2019

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Important Notice

- Municipalities are responsible for making local decisions, including complying with any applicable statutes or regulations.
- This presentation is for information purposes only and is not a substitute for legal or other professional advice in connection with any particular matter. This presentation deals with complicated issues and concepts in a highly summarized fashion, and key details may not be included. The inclusion of municipal or other local examples in this presentation does not imply an endorsement by the Ministry.
- Users should verify the information that has been included from other sources prior to making decisions or acting upon it.

Municipal Services Division

Municipal Services Office (MSO)

Who we are and what we do

- Work alongside ministry and municipal staff to provide advice on policy and program implementation
- Organize and deliver educational activities to municipal stakeholders
- Provide recommendations on issues, policies, and related legislation affecting local governments

Services and products that we provide

- Advise on existing resources for municipalities
- Promote municipal leading practices
- Focus on implementing provincial priorities and plans
- Support our stakeholders by building their capacity to assess and implement the full range of options available to them

Outline

- Local Government Updates
- Finance Updates
- Housing Updates

Local Government Updates

Recent Announcements

- On October 25th, the government made some significant announcements of interest to municipalities.
- The government will consult with municipalities on whether to align the municipal fiscal year with the province's.
- The government is also proposing to combine the provincial and municipal voters lists, giving Elections Ontario the responsibility of managing one list.
- Through the regional review, the government heard that local communities should decide what is best for them in terms of governance, decision-making and service delivery. After careful consideration of the feedback the government stands firm in its commitment to partnering with municipalities without pursuing a top-down approach.

Renewal of Funding Programs

- The October 25th announcement also included \$143 million in funding for municipalities across the province to help lower costs and deliver important services to residents over the long term.

Municipal Modernization Program

- Building on Ontario's previous investment to modernize municipal service delivery, 405 small and rural municipalities will have access to an application-based program, which will provide up to \$125 million until 2022-23.
- On November 1, Minister Steve Clark sent a letter to the Heads of Council which included a summary of recent announcements, including the renewal of funding programs to identify efficiencies.
- Following this letter, on November 12 the Assistant Deputy Minister of the Municipal Services Division sent a letter to municipal CAOs and clerks, copying treasurers. The letter provided details about the first round of intake under this program.
 - The letter included program guidelines and an Expression of Interest form for Intake 1 of the program.

Municipal Modernization Program

Eligibility Criteria

- To be eligible under Intake 1, a project must:
 - Be a review of municipal service delivery expenditures by an independent third-party reviewer for the purpose of finding savings and efficiencies.
 - Result in a report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies.
 - Begin field work no earlier than November 1, 2019, with a draft report completed by June 15, 2020 and the final report posted publicly by June 30, 2020.

The program will not cover review projects where:

- The goal is to identify opportunities for revenue generation or reductions in front line services; or
- The review does not result in a formal report prepared by a third party; or
- The object of the review extends beyond municipal accountability.

Municipal Modernization Program

Next Steps

November 22, 2019	Advise your Municipal Services Office of your municipality's intention to apply.
December 6, 2019	Submit your Expression of Interest and any supporting documentation to Municipal.Programs@ontario.ca .
January-February, 2020	Learn whether your application is approved. If it is approved, enter into a transfer payment agreement for project funding, and receive an initial payment once the agreement is executed.
June 15, 2020	Submit your third-party reviewer's draft report to the ministry.
June 30, 2020	Post the third-party reviewer's final report online and submit your final report to the ministry. The final report will include: a hyperlink to the publicly posted third-party reviewer's report; the amount paid to the third-party reviewer and a copy of the invoice; a statement of the total amount of expenditures reviewed and the total amount identified as potential savings; and a 250-word abstract of the project and its findings.

Audit and Accountability Fund

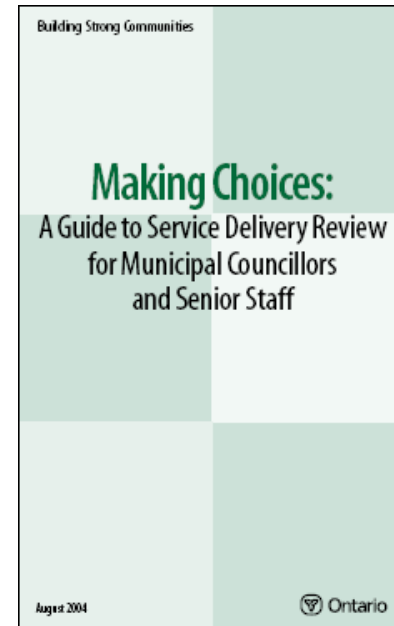
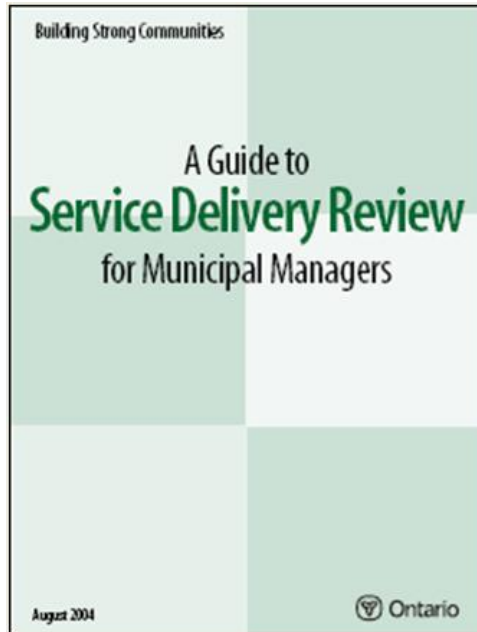
Audit and Accountability Fund (AAF)

- The government is also extending funding for 39 large urban municipalities, by providing up to \$6 million annually for three years beginning in fiscal year 2020-21. More information on the application process will follow in the coming months.

Examples of past approved AAF projects:

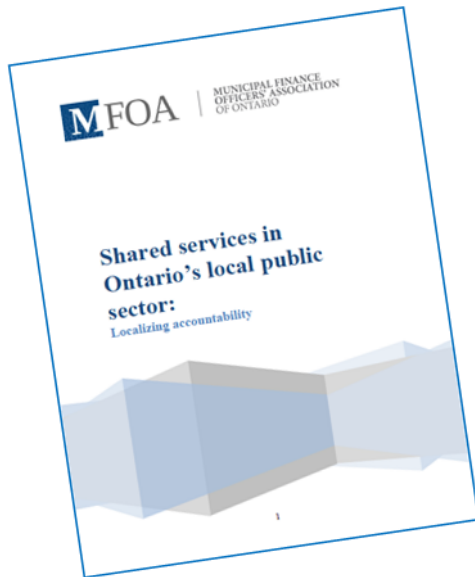
- The City of Barrie is conducting a Service Delivery Review.
- The City of Ottawa is reviewing Ottawa Police Service back-office function.
- The City of London is conducting a Service Delivery Review of Housing.

Service Delivery Review Guides



<https://www.ontario.ca/page/ministry-municipal-affairs-housing>

Shared Service Resources



https://www.mfoa.on.ca/mfoa/MAIN/MFOA_Policy_Projects/Shared_Services_in_Ontarios_Local_Public_Sector_with_Case_Studies

Legalization of Recreational Cannabis

- On April 1, 2019, privately run cannabis retail stores authorized by the Alcohol and Gaming Commission of Ontario began to open and sell cannabis in Ontario.
 - In the initial phase, up to 25 licences were issued starting April 1, 2019.
 - In a second phase, the Alcohol and Gaming Commission of Ontario will authorize a total of 50 new private cannabis retail stores to begin opening on a rolling basis in October 2019.
- In the second allocation, stores have the option to locate in municipalities with populations of less than 50,000 and in First Nation reserves.
- When supply from federally licensed producers further improves, the government will provide additional information.
- The province has helped municipalities with implementation costs of recreational cannabis legalization through the Ontario Cannabis Legalization Implementation Fund (OCLIF).
 - Further details on permitted uses of OCLIF funds are available at <https://www.fin.gov.on.ca/en/budget/oclif/>
- MMAH will continue to work with the Ministry of the Attorney General and the Ministry of Finance to facilitate dialogue with municipalities to support implementation.
- Questions on the Ontario Cannabis Legalization Implementation Fund: OCLIF@ontario.ca
- Questions on cannabis retail stores: municipal@agco.ca

Bill 107, Getting Ontario Moving Act (Transportation Statute Law Amendment), 2019

- **SCHEDULE 1**

- **Highway Traffic Act**

- Numerous amendments are made to the *Highway Traffic Act* respecting road safety and other matters. Some highlights are as follows:
- Section 21.1 of the Act provides for a system of administrative penalties. Amendments are made in respect of the involvement in that system of municipalities or persons employed by municipalities.
- Currently the Act allows regulations and municipal by-laws to be made permitting the operation of off-road vehicles. The Act is amended to specify that such regulations and by-laws may also prohibit the operation of off-road vehicles.

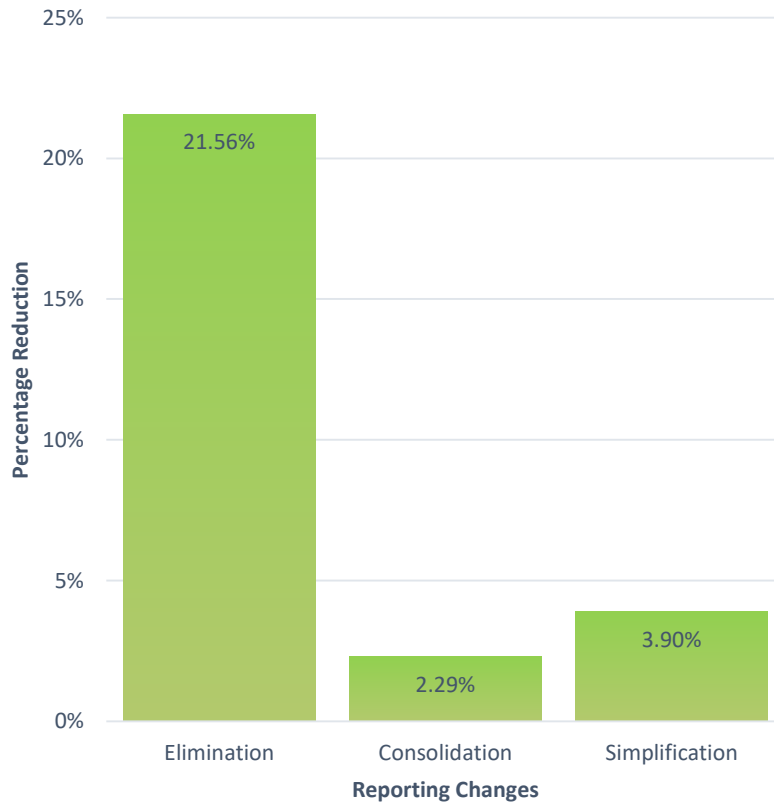
Proposed Changes to Aggregate Management

- Province has released a proposal that aims to reduce administrative duplication and delays, and promote economic growth within the aggregate industry.
- Twin goals of creating opportunities and supporting growth, while maintaining a steadfast commitment to protecting the environment and addressing impacts to our communities.
- Proposal now posted on the Environmental Registry of Ontario for public feedback. Key proposed changes include improving access to aggregates within road allowances; clarifying jurisdiction on Crown land and depth of extraction; and clarifying how haul routes are considered under aggregates legislation.
- Ontario is also proposing to strengthen review of requests to extract aggregates below the water table.

Other Updates

Municipal Reporting Burden

Overall Reporting Reduction



MMAH has been leading the project through:

1. Leading inter-ministerial meetings
2. Collaborating with municipal associations, including MFOA, since December 2018
3. Establishing a provincial inventory of municipal reporting
4. Leading municipal reporting reduction results
5. Immediate and longer-term reductions

MFIPPA Self-Assessment Tool

- The MFIPPA Program Self-Assessment consists of statements pertaining to the administration of the information and privacy program within an institution as defined under MFIPPA.
- IPA has issued this program self-assessment to enable institutions to identify gaps or areas where their FOI practices and procedures can be strengthened. The program self-assessments will assist individuals responsible for the administration of MFIPPA and senior decision makers as they evaluate their FOI programs, policies and procedures.
- IPA suggests that the program self-assessment be completed by employees with knowledge of the administration of the information and privacy program within the institution and approved and signed by a senior level executive with delegated authority to oversee the administration of the act within the institution.

Resources to assist in administering the Municipal Freedom of Information and Protection of Privacy Act

- **Legislation**
- Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)
- **Available Guidance**
- Freedom of Information and Protection of Privacy Manual
- Further guidance and resources can be found on the Office of the Information and Privacy Commissioner of Ontario (IPC) website.
- **Contact Information**
- For inquiries related to MFIPPA requirements or supporting resources, please contact the Ministry of Government and Consumer Services' Information Privacy and Archives Division at web.foi.mgcs@ontario.ca.

Current Grant Opportunities

Regional Development Fund

- On November 4, 2019 the Ministry of Economic Development, Job Creation and Trade announced the Regional Development Program to support investments and jobs in eastern and southwestern Ontario.
- The Regional Development Program will invest more than \$100 million over four years to support business growth in eastern and southwestern Ontario communities.
- The program supports eligible small- and medium-sized businesses investing in new equipment and training to expand operations in these regions, and also provides support to municipalities and not-for-profit organizations investing in economic development projects.
- The program maintains the Eastern Ontario and Southwestern Ontario Development Funds with enhanced complementary services and supports available through other ministries.
- Applicants can submit an Eligibility Checklist at any time and full applications will be considered 4 times per year. The first intake period opens on December 2, 2019 and closes on January 20, 2020.
- For more information about the Regional Development Program including application and contact information, please visit <https://www.ontario.ca/page/regional-development-program>.

Ontario Community Infrastructure Fund

- Launched in 2014, OCIF provides funding to more than 420 small, rural, and northern communities to help develop and renew core infrastructure and support asset management planning.
- In March 2019, MOI confirmed formula-based allocations totalling about \$200 million for the 2019 calendar year, and informed municipalities that due to provincial fiscal constraints, no application-based funding is being provided for 2018 or 2019.
- The Ministry also advised municipalities of plans to redesign the program. In light of program redesign, 2020 formula allocations are subject to review.
- The province heard from municipalities at the AMO conference that communities need stable, reliable infrastructure funding. The government is committed to working with municipalities on the redesign of the program.

Finance Updates

Financial Indicator Review

- On an annual basis the Ministry calculates and reviews select financial indicators for each municipality.
- 7 indicators are produced from data points in the FIR.
- Indicators are shared with the municipality to facilitate dialogue on financial management practices
- Financial Indicator Template (FITs) Review results are provided to municipalities for information purposes.
- Indicators should not be looked at in isolation, and are not a substitute for financial or other professional advice in connection with any particular matter.

New for 2019

Municipalities are responsible for making local decisions, including complying with any applicable statutes or regulations.

Old Indicator	New Indicator	Reason for Change
Net Financial Assets or Net Debt as a % of Own Purpose Taxation, User Fees and Charges	Net Financial Assets or Net Debt as a % of Own Source Revenues	Own Source Revenues is a better reflection of all the revenues that municipalities have control over.
Debt Servicing Cost as a % of Total Revenues	Subtract Donated Tangible Capital Assets from Total Revenues	Donated Tangible Capital Assets (TCAs) is an accounting entry to get the TCA on to the municipality's books. It is not cash revenue. Year over year changes in Donated Tangible Capital Assets impacts year over year comparisons.
Annual Surplus / (Deficit) as a % of Own Purpose Taxation, User Fees and Charges	Annual Surplus / (Deficit) (less any Donated Tangible Capital Assets) as a % of Own Source Revenues	Reflect consistency with other changes.

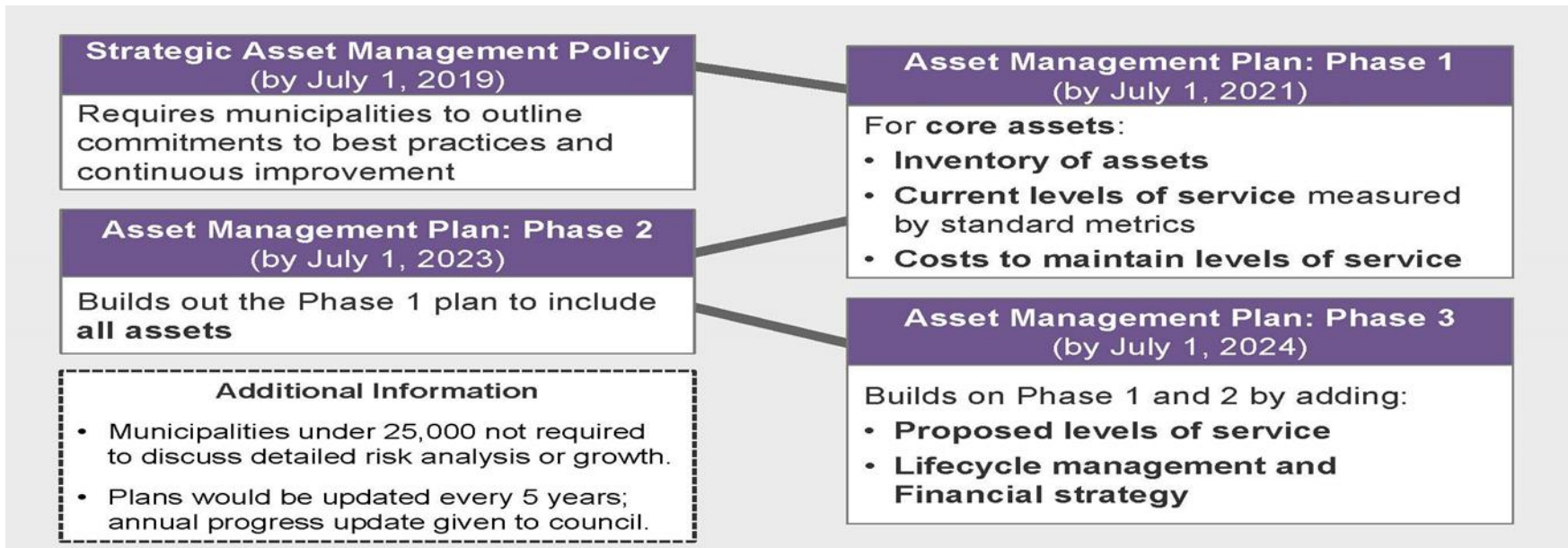
Ontario Municipal Partnership Fund

- As announced at the AMO Conference there will be no changes to the structure of the Ontario Municipal Partnership Fund (OMPF) for 2020 to provide municipalities with greater certainty in fiscal planning.
- In 2020, the OMPF will provide \$500 million to 389 municipalities across the province.
- 2020 Allocations were announced on October 24th – the earliest they have ever been announced.
- Questions on allocations should be directed to info.ompf@ontario.ca
- The government will continue to work with municipal partners on the OMPF.

Municipal Asset Management Planning

- Asset management planning is the process of making coordinated decisions regarding the building, operating, maintaining, renewing, replacing, and disposing of infrastructure assets.
- Ontario Regulation 588/17 came into effect on January 1, 2018.
- The full text of the regulation is available on e-Laws at <https://www.ontario.ca/laws/regulation/170588>
- Asset management plans continue to be a requirement for provincial infrastructure funding.
- More information on the regulation, including tools and supports available to help municipalities, can be found at www.Ontario.ca/assetmanagement

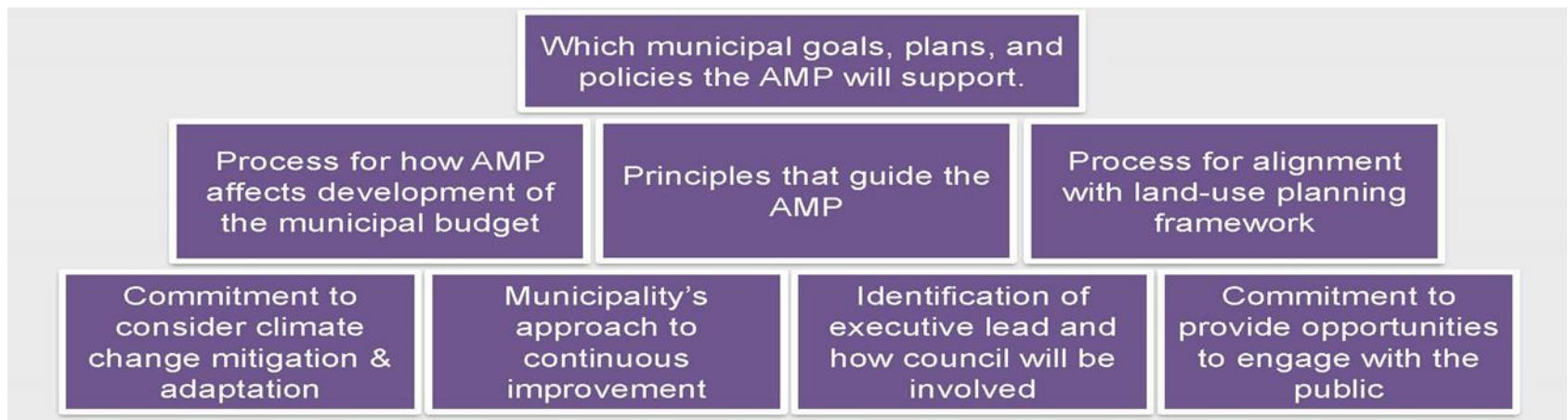
Asset Management Regulation Overview



*Core assets are municipal road, bridges, water, wastewater, stormwater assets

Strategic Asset Management Policy

- All municipalities are required to develop and adopt a strategic asset management policy by July 1, 2019. The policy must include:



Provincial Update:

**More Housing, More Choice:
Ontario's Housing Supply
Action Plan**

**Community Housing renewal
Strategy**

VISION:
*All Ontarians
can find a
home that
meets their
needs and their
budget*

*Housing
Supply
Action Plan*

*Affordability in the
broader housing
market – unlocking
the development of
all kinds of housing*

*Community
Housing
Renewal
Strategy*

*Affordable housing for low-
income households and the
non-profit, cooperative and
municipal housing sector*

Ministry of Municipal Affairs and Housing

More Housing, More Choice: Ontario's Housing Supply Action Plan

Housing Supply Action Plan

On May 2, 2019, the Minister of Municipal Affairs and Housing released More Homes, More Choice: Ontario's Housing Supply Action Plan

The Action Plan is intended to tackle Ontario's housing crisis and help to build more homes across the province


The Action Plan was informed by broad public and stakeholder consultations that were conducted over Winter 2018-19. Over 2,000 submissions were received through the online portal

The consultations identified a number of themes as barriers to housing supply

Barriers to Housing Supply

1	SPEED	Red tape and paperwork can add years to a construction project.
2	COST	Layers of permits, government approvals and charges by municipalities add to the cost of building new homes.
3	MIX	We need a variety of different types of housing – from detached houses and townhomes to mid-rise apartments, second units and family-sized condos.
4	RENT	There are more people looking for homes than there are places to rent.
5	INNOVATION	Ontario needs to explore new housing designs and materials, creative approaches to home-ownership and leasing, and more.

**What We Are
Doing:
The More Homes,
More Choice Act,
2019**



More Homes, More Choices Act

- In support of the Housing Supply Action Plan, the Minister of Municipal Affairs and Housing introduced the *More Homes, More Choice Act, 2019*. The legislation received Royal Assent on June 6
- The *More Homes, More Choice Act, 2019* reflects feedback from public, municipal and development industry consultations over the past six months, including at the committee stage of the legislative process. The legislative changes were posted on the Environmental Registry
- Changes are being proposed to regulations under the Development Charges Act to implement the changes introduced under Schedule 3 of the *More Homes More Choice Act, 2019*
- Changes are being proposed to regulations under the Planning Act to implement the changes introduced under Schedule 12 of the *More Homes, More Choice Act, 2019*

Overview of Changes (MMAH Purview)

Legislative Changes:

Proclaimed:

- Schedule 12 of the Act made changes to the Planning Act
- Schedule 9 of the Act made changes to the Local Planning Tribunal Act

Upon proclamation:

- Schedule 3 of the More Homes, More Choice Act, 2019 would make changes to the Development Charges Act

Proposed Regulations:

- New regulations and changes to existing regulations will be necessary to implement the legislative changes
- The government intends to post proposal notices for the regulations on the Environmental Registry of Ontario

The following slides provide a high-level overview of the legislative and proposed regulatory changes.

Legislative Changes

Changes to the Development Charges Act

Upon proclamation, **Schedule 3** of the More Homes, More Choice Act, 2019 (Bill 108) would make changes to the Development Charges Act that are intended to:

- Support a range and mix of housing options by expanding the ability of municipalities to recover costs for **waste diversion** and **ambulance services**
- Increase certainty of costs by **deferring development charge payments** for certain types of developments
- Increase the certainty and predictability of development charges by **freezing rates** earlier in the development process
- Support a range and mix of housing options by exempting second residential units in newly built homes, second residential units in ancillary structures to all homes and conversions of communal facilities in existing rental buildings to residential units from development charges (subject to regulation)

Changes to the Planning Act

Proclaimed September 3rd 2019, **Schedule 12** of the More Homes, More Choice Act, 2019 (Bill 108) made changes to the Planning Act to:

- Make municipal **charges for community benefits** infrastructure, like libraries and daycare facilities, **more predictable**
- Make it easier to create **additional residential units**, such as above garages and in basements
- Facilitate faster decisions by reducing planning **decision timelines**
- Increase the **certainty and predictability of the planning system** and help build housing, including affordable housing, near transit
- Allow the **Local Planning Appeal Tribunal** to make decisions based on the best planning outcome

Community Benefits Charges - Overview

- The new charge will enable municipalities to fund a range of capital infrastructure for community benefit services needed for new development
- Community Benefits Charges (CBCs) would apply to new developments or redevelopments only
- CBCs payable would not be able to exceed the amount determined by a formula
- The formula would involve applying a specific percentage of the value of land for a proposed development
- The percentages will be prescribed in regulation
- The aim is that municipalities would not be disadvantaged in funding community benefits required because of the development of lower-valued land
- A key objective in developing the formula is to enable municipalities to maintain the historical revenues from density bonusing, parkland dedication, and development charges for discounted services under this new charge
- The Ministry is in the process of hiring a consultant to develop a potential formula, which will take into consideration the objective of maintaining municipal revenues

Other Legislative Changes

Proclaimed:

- **Schedule 9** of the More Homes, More Choice Act, 2019 made changes to the Local Planning Appeal Tribunal Act (Ministry of Attorney General) to:
 - Ensure the tribunal has the resources (more adjudicators) and adjudicative powers needed to make fair and timely decisions

Upon proclamation:

- **Schedule 6** of the Act would make changes to the Environmental Assessment Act (Ministry of the Environment, Conservation and Parks)
 - Address duplication and reduce delays in the environmental assessment process
- **Schedule 11** of the Act would make changes to the Ontario Heritage Act (Ministry of Tourism, Culture and Sports)
 - Improve transparency and efficiency in municipal decision making regarding properties of cultural heritage value or interest

Other Legislative Changes

Upon proclamation:

- **Schedule 2** of the Act would make changes to the Conservation Authorities Act (Ministry of Natural Resources and Forestry)
 - Focus Conservation Authorities on their core mandate, reduce approval times, improve predictability of the approval process
- **Schedule 5** of the Act would make changes to the Endangered Species Act (Ministry of the Environment, Conservation and Parks)
 - Support a modern, ecosystem-wide approach to protecting species that is efficient and effective
- **Schedule 7** of the Act would make changes to the Environmental Protection Act (Ministry of the Environment, Conservation and Parks)
 - Remove barriers to developing previously used land and make it easier and safer to reuse soil in construction

Next Steps

- Notices were posted on the Environmental Registry of Ontario for a number of these proposed changes in June-August time frame
- The Ministry of Municipal Affairs and Housing sought input from the municipal and development sector on the proposed regulatory approach to establish implementation details related to the new community benefits charge authority including, consultations on the development of an approach to a methodology for establishing a community benefits charge formula
- The Ministry will consult again on the prescribed percentages associated with community benefits charges with the goal of maintaining municipal revenues in establishing the new community benefits tool through the Environmental Registry of Ontario (ERO)

Other Anticipated Improvements

Development Approvals - Continue working with municipalities and developers to remove red tape and make sure the approval process fits the project.

Housing Data - Work with our municipal and federal partners to gather the information needed to drive informed decisions.

Rent – Second Units - Make it easier to build second suites (like basement apartments) and help small landlords navigate the complicated Building Code approvals process.

Rent – Other - Help tenants and landlords know their rights and how to resolve disputes.

Innovation - Clarify rules and issue guides to help people understand how to take advantage of creative solutions such as life leases, tiny homes and co-ownership, while continuing to review legislation and regulations to make sure they spur flexibility, creativity and new solutions.

- The ministry recently released a guide to help homeowners understand Building Code requirements for adding a second unit in their house.

Economic Development - Work with municipalities and businesses to find housing solutions that help communities across Ontario attract investment and good jobs.

Upcoming Events

Events

- **AMCTO Zone 4 Fall Meeting**
 - **November 29**
 - **Vaughan**
- **2020 ROMA Conference**
 - **January 18-21**
 - **Toronto**
- **2020 OGRA Conference**
 - **February 23-Feb 26**
 - **Toronto**
- **2020 AMCTO Conference**
 - **June 7-10**
 - **Blue Mountains**
- **2020 AMO Conference**
 - **August 16-19**
 - **Ottawa**
- **2020 MFOA Conference**
 - **September 23-25**
 - **Blue Mountains**

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Questions?

