



Ontario
Home Builders'
Association

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Ministry of Natural Resources and Forestry
Resources Planning and Development Policy Branch
300 Water Street, 2nd Floor, South tower
Peterborough, ON K9J 3C7

ERO Number: 019-6161

RE: Conserving Ontario's Natural Heritage

The Ontario Home Builders' Association (OHBA)

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 members including builders, developers, professional renovators, trade contractors and many others within the residential construction sector.

The OHBA is coordinating our public policy response with regards to Bill 23, the *More Homes Built Faster Act, 2022* with input from members across Ontario. OHBA is proudly affiliated with the Building Industry and Land Development Association (BILD), the West End Home Builders' Association (WEHBA) and the Greater Ottawa Home Builders' Association (GOHBA).

Substantive Feedback – Mitigation Hierarchy

OHBA supports a practical and effective system to preserve natural heritage throughout Ontario. The Ministry's proposed mitigation hierarchy of "avoid, mitigate and offset" approach is prudent and balances the need to protect natural heritage features while ensuring Ontario will be able to build the 1.5 million homes needed in the next ten years. OHBA notes that the emphasis on avoidance as the primary aspect of the mitigation hierarchy will often make sense in community-building efforts. However, there will be instances where avoidance will not be the first step and where offsetting will not be the last step. The province should follow standard mitigation hierarchy approaches which typically call for the following elements to be considered:

- Avoidance
- Minimization
- Restoration/enhancement
- Offsetting

OHBA recommends that there should not be an overt emphasis on one step in the hierarchy.

Regarding implementation, we strongly suggest that development proponents be able to rely on existing expertise through professional planners, biologists, and consultants. These experts are already working within the industry and are highly familiar with natural heritage features and their role within their respective

eco-systems. They are best placed to identify the baseline assessment identified by the Ministry including the location, scale, function, and values of the natural heritage feature.

Ecological Offsetting

OHBA is supportive of the development of an ecological offsetting policy. Any future offset ratios should be as clear and predictable as possible to work effectively within industry while achieving desired results for natural heritage. This will not only better preserve natural heritage features but also provide for timely protection. Enabling home builders to best prepare and plan for natural heritage offsets will help ensure an efficient building process and the expedient delivery of new homes.

We agree that some natural heritage features and functions should not be eligible for removal and off-setting, unless required for critical infrastructure by municipalities and/or the province. We expect that these offsetting rules will apply to both private and public projects to share the responsibility for ensuring Ontario does not experience further declines in natural heritage features and functions.

OHBA requests clarity on the nature of the proposed compensation fund used to implement any offset or benefits exchange model. We are encouraged by the concept of pooling offset funds to maximize their benefit. It is critical that the Ministry take a clear leadership role in compensation needed to implement an offset including the costs of construction, monitoring and adaptive management. Considering the government's commitment to accelerating housing construction, reducing red tape, and providing more cost certainty to new homes buyers, it is essential that any costs associated with natural heritage offsets be carried by the province in an accountable and transparent manner. If these costs are placed onto new home buyers, this initiative may hamper the provincial government's housing objectives.

Offsetting has been applied and continues to be applied globally to a range of natural heritage features and functions (e.g., biodiversity, wetlands, carbon storage). Various scientific papers and guideline documents were considered while compiling these comments (e.g., Pope et al, 2021; de Witt et al 2019; Flora and Fauna International 2021; OECD 2016; World Bank Group 2016). Canada's draft Offsetting Policy for Biodiversity was also considered.

While not formally permitted in Ontario, offsetting has been occurring informally for years, as municipalities, agencies and land developers plan for and implement net positive outcomes for new communities. In many cases, small features deemed to be significant have been removed and replaced, only after lengthy and complex negotiations amongst various parties. Those processes and negotiations wasted significant time and resources. Formalizing the use of an offsetting tool will increase the approval efficiencies, especially in settlement areas. The tool will allow for decisions regarding planning for strong, sustainable, and resilient communities for people of all ages, a clean and healthy environment, and a strong and competitive economy (per the 2020 Provincial Policy Statement/PPS).

The goal of net gain in area and/or function will require further discussion. There are some features that may not require any offsetting, as they do not currently perform important roles on the landscape. There are also features and functions on the landscape that are already addressed/offset in part through various approaches (e.g., Low Impact Development/LID methods).

Implementation

The Discussion Paper refers to a first step in determining an offset as a baseline assessment that would consider the area, location, scale, function, and values of the feature. This point requires more detailed discussion and consideration. The term "value" is not used in information regarding Natural Heritage in Ontario. Missing is a reference to the origins and age of a particular feature. Many of the disagreements over the past decade have centred on features that have impact origins (e.g., because of current or recent past

agricultural, aggregate extraction or recreational operations). The age of a feature and its origins should be considered as features are assessed for potential offsetting. OHBA agrees with the potential to pool offsets to create larger more impactful positive outcomes on the larger landscape. The ability to create and use pooled funds should be open for consideration across both the private and public sectors. Pooled offsets may be one tool that will enable more rapid natural heritage feature creation and the advancement of mature, viable natural areas.

OHBA further recommends that the Ministry consider the need to modernize and update the *Natural Heritage Reference Manual* (NHRM) (MNR 2010), a document that was developed to provide technical guidance for implementing the natural heritage policies of the Provincial Policy Statement, 2005. Updates to the NHRM have not been developed in response to new versions of the PPS in 2014, 2020. Aspects of the NHRM are outdated and require revisions.

The MNRF Discussion Paper also mentions the *Significant Wildlife Habitat Technical Guide* and the *Areas of Natural and Scientific Interest* mechanism. OHBA is familiar with these background materials. We understand that the *Significant Wildlife Habitat* document requires at least modifications to some of the significance thresholds that continue to be applied. Some low thresholds related may result in the inclusion of degraded and disturbance origin features. The ability to offset such features will be advantageous as we continue to support Ontario's commitment to build homes faster. Regardless, these thresholds should be reviewed and revised where technically appropriate.

We also understand that the Areas of Natural and Scientific Interest (ANSI) program has become quite dated and it is not clear that the program is still active or has been active since it was more actively applied in the 1980's. OHBA encourages the province to consider whether the ANSI mechanism is still relevant as we expect that Natural Heritage System planning may have captured relevant ANSI features. The ANSI program would be better considered as a background source of information, rather than as primary input to planning decisions.

As the Ministry considers changes to better protect Ontario's natural heritage features, it is vital that industry be consulted on more details as they become available. As the ones ultimately responsible with implementing any changes, OHBA and the residential construction industry will have more ideas on how to make this policy practical and successful if implemented. We thank the Ministry for the opportunity to comment on these proposals. We also recognize that there is still more work to do and OHBA as a critical housing stakeholder in the housing sector may provide further comments at a later date. We look forward to continuing engaging with the Ministry in order to ensure these proposals are aligned with the goals of improving housing attainability.