

About OHBA

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 member companies, organized through 29 local associations across the province. Our membership is made up of all disciplines involved in residential construction including builders, land developers, renovators, trade contractors, manufacturers, suppliers, housing consultants, economists, planners, architects, engineers and lawyers. The residential construction industry employed over 325,000 people and contributed over \$42 billion to the province's economy in 2011. From furniture and appliance manufacturers to moving companies and paint stores, the new home construction and renovation industries indirectly contribute to the economic well-being of numerous related businesses and professions.

One of OHBA's primary goals is to positively affect provincial legislation, regulatory policy and tax policies that concern the industry. OHBA is a strong supporter of policies that will ensure affordability and choice in housing for the citizens of Ontario. Our comprehensive examination of issues and recommendations are guided by the recognition that choice and affordability must be balanced with broader social, economic and environmental issues.

Introduction

On behalf of our members, OHBA appreciates the opportunity to provide comments on the draft *Great Lakes Strategy* released in June 2012 as well as the proposed legislation tabled in June 2012. OHBA is generally supportive of the scientific based approach and strategy to in the draft *Great Lakes Strategy*.

OHBA as a key stakeholder in this process has two primary objectives:

1. Protect the quality of the lakes for generations to come;
2. Ensure that future growth occurs in a sustainable and affordable manner.

OHBA has previously outlined its general support of the *Lake Simcoe Protection Plan* that is now in effect. OHBA has also been involved in consultations with respect to the *Clean Water Act* and the *Source Water Protection Act*. OHBA acknowledges the challenge ahead to build on work already completed to continue improving the ecological health and water quality of the Great Lakes, while ensuring that the growth targets in the *Growth Plan for the Greater Golden Horseshoe* can be achieved.

With respect to the objectives of a *Great Lakes Strategy* it is important for the government and all stakeholders to maintain their focus on the ultimate objectives of the protection strategy, which is to improve the quality of the Great Lakes. OHBA cautions the Ministry of the Environment that there are some members of the public and other stakeholder groups that will attempt to leverage this process to eliminate and/or drastically reduce planned growth in the Greater Golden Horseshoe and other communities despite the Growth Plan and approved long-term municipal official plans. The province has thus far made it perfectly clear that other provincial policies and initiatives such as *Places to Grow* and the *Provincial Policy Statement* will continue to be the guiding documents with respect to the land-use planning in the Great Lakes watershed. We do, however, acknowledge that the specific objectives of the draft *Great Lakes Strategy* to improve water quality as well as potential Geographically Focused Initiatives may have an impact on how we grow and we are prepared to have a positive and constructive dialogue with the government regarding sustainable development practices in the province.

OHBA notes that there are numerous pieces of water related legislation and plans in effect in Ontario. All stakeholders must accept some responsibility to make improvements so that the region can continue to grow and provide agricultural resources and recreational opportunities for Ontarians. OHBA notes that significant progress has already been made and is optimistic that by working together all stakeholders and the government can achieve long-term Growth Plan objectives while improving the health of the Great Lakes.

OHBA is generally supportive of the draft *Great Lakes Strategy's* long-term objectives to: improve water quality by reducing discharges and other pollutants such as bacteria and chlorides; maintain water quality; improve the health of the ecosystem by protecting and rehabilitating important areas, such as water recharge areas, forested or vegetated buffers along shorelines and riversides, fish habitat and wetlands; and reducing beach closures.

OHBA would be pleased to address a number of specific issues contained in the *Draft Great Lakes Strategy*:

Transition

As with any legislative or regulatory change that seeks to address well entrenched policies and processes, the key is how we manage transition. It is essential that the reform package as well as any future Geographically Focused Initiatives or shoreline regulations not create uncertainty by establishing a moving target for municipalities, conservation authorities, land owners and industry. Without clarification, municipalities, land owners and applicants face enormous uncertainty.

Planning approvals for sites involved in the development approvals process take a considerable amount of time to prepare, review and obtain approval. The technical and planning challenges involved in site assessment and approvals from various municipal, provincial and federal agencies can involve many years and extensive resources. Complete planning and development applications require significant supporting documentation to be prepared and produced, often years in advance of a decision being made by an approval authority.

OHBA is supportive of a transition policy for any Geographically Focused Initiatives or shoreline regulation that recognizes the long-standing policy approach from the province, the OMB and the courts, which generally is to apply the policies and plans in effect on the date of the application. Therefore OHBA recommends that transition policies recognize both development proposals that have already obtained their significant development approvals as well as those development proposals that have submitted appropriate and complete applications.

Consultation / Great Lakes Guardian Council

The proposed legislation enables the government to take targeted action in a specific geographic area which may impact the new home building and development industries. OHBA is supportive of proposed policies for additional requirements for consultation at two stages for any proposed Geographically Focused Initiatives. Development of a proposal for a Geographically Focused Initiative requires consultation with the *Great Lakes Guardian Council*, including Great Lakes Ministers, municipalities, developments, industry associations and other stakeholders. OHBA supports the proposed structure in which EBR postings for public comment and Cabinet approval is required at both the proposed state and prior to finalization. Furthermore OHBA requests the Minister to

consider balanced stakeholder representation that includes industry stakeholders to participate in the *Great Lakes Guardian Council* to discuss priorities and partnerships. OHBA supports a holistic approach to decision-making for the council that includes science-based environmental decision-making, as well as significant consideration for the social and economic impacts.

Population Growth

OHBA recognizes that population and employment growth is one of many contributing factors to stresses places on the Great Lakes ecosystem. In particular, insufficiently treated urban storm-water and sewage treated in older plants puts phosphorous and other contaminants in the Great Lakes. OHBA notes that new development, including communities with master environmental servicing plans have significantly increased standards for dealing with storm-water. The reality is that much of the pressure on the Great Lakes comes from older communities that were built without storm-water management ponds and from some older communities that utilize combined sewers.

While the *Development Charges Act* collects funds from new development to ensure that growth pays for growth, including storm and waste water servicing, the financing piece of the puzzle to upgrade servicing in existing communities with outdated treatment plants and/or a lack of storm-water management facilities will be a major challenge. OHBA has concerns regarding potential measures and/or requirements that could be included in Geographically Focused Initiatives that could impact land-use planning decisions. Furthermore, OHBA is concerned by potential conflicts with the *Provincial Policy Statement* and the *Growth Plan* if Geographically Focused Initiatives place additional restrictions on planned growth.

Water Quality

The residential construction industry supports the provincial objective to reduce phosphorus loadings in the Great Lakes. OHBA notes that to achieve reductions in the Great Lakes, **there will be a need to reduce loadings from all sources** that contribute excess phosphorous throughout the watershed. This plan should support a coordinated, adaptive management and a phased approach to reducing excess phosphorus through the development of a phosphorus reduction strategy for the Great Lakes. The Lake Simcoe experience may be helpful in developing long-term strategies to reduce phosphorous loadings. OHBA does however have concerns with respect to financing storm water and waste water treatment enhancements - it is critical that the Ministry of Infrastructure's *Long-Term Infrastructure Plan* strategically target and support the *Great Lakes Strategy* by investing in aging treatment plants for upgrades.

Water Protection Planning

OHBA would have concerns with potential shoreline regulations that increase buffers or add additional layers of regulation onto land owners. Any proposed shoreline regulation contemplated under the proposed act should be subject to upfront consultation under the *Environmental Registry* as well as a second round of consultation prior to finalization. OHBA notes that sensitive coastal ecosystems are already protected under existing planning frameworks such as the *Provincial Policy Statement* and watershed plans by Conservation Authorities. Lastly OHBA notes that should additional regulations be implemented, that previously approved plans should be transitioned.

Storm Water Management

OHBA suggests that consistency is required between the Storm Water Management Planning and Design Manual and the draft *Great Lakes Strategy*. Our members continue to reference the Ministry of the Environment guidelines and standards for Storm Water Management (SWM). Furthermore, OHBA notes that the draft *Great Lake Strategy* states, “further supporting storm water innovation demonstration projects,” as an objective. OHBA is concerned that the Ministry of the Environment will be opening the door for broad and vague guidelines that go beyond municipal and provincial policy. While the industry supports innovation and new opportunities to demonstrate new technology, this could serve to create uncertainty, slow down the approvals process and increase capital and maintenance costs.

Existing communities that are decades old where there is little, if any Storm Water Management (SWM) facilities are a challenge going forward. These older, existing and established communities lack the modern infrastructure to effectively deal with storm water run-off and are a significant source of phosphorus discharges into the Great Lakes. OHBA is concerned that the cost of retrofitting older and outdated Storm Water Management (SWM) facilities and the construction of new Storm Water Management (SWM) facilities in older communities will be an excessive infrastructure burden on municipalities. Therefore, OHBA recommends that both the federal and provincial governments dedicate infrastructure funds specifically to retrofit, upgrade and construct new Storm Water Management (SWM) facilities in old communities as well as providing funding to upgrade older sewage treatment plants servicing existing communities to modern standards. Without proper stormwater management, reduced baseflow, degradation of water quality, and increased flooding and erosion can lead to reduced diversity of aquatic life, fewer opportunities for human uses of water resources, and loss of property.

Low Impact Development

The residential construction industry is full of leaders and innovators seeking new and better ways of building new communities. Low impact development that minimizes storm-water run-off could yield positive environmental dividends for the Great Lakes. However, public policy trade-offs are necessary as are fiscal incentives to support more developers to explore low-impact development opportunities. Standards for the size of costly storm-water management ponds should be reduced as a trade-off if low-impact development will reduce storm-water run-off volumes. The Ministry of the Environment must recognize systems in Certificates of Approval process without including redundant systems. Furthermore, development charges reductions should be considered if downstream infrastructure costs for a municipality are reduced due to low-impact development practices. Therefore OHBA is supportive of statements in the draft *Great Lakes Strategy* to “develop guidelines and standardized approvals to facilitate and remove barriers to the uptake of innovative source control measures that reduce stormwater volumes such as green infrastructure and low impact development.” OHBA strongly supports a comprehensive examination into the regulatory and financial barriers to facilitate widespread uptake and implementation of low impact development practices.

Independent Action Taken by the Residential Construction Industry

Many builders and developers are actively involved in voluntary builder-led environmental programs for new housing. Some of these programs include: EnergyStar, R-2000, GreenHouse Certified Construction and LEED. Traditionally voluntary industry-led environmental green building programs have focused on energy efficiency. However, in recent years water efficiency is increasing as a priority for builders and consumers. OHBA is represented on the Ministry of Municipal Affairs and Housing's *Building Code Conservation Advisory Committee* (BCCAC), this is an advisory committee focusing on the Ontario Building Code with respect to energy and water conservation.

OHBA notes that there has been tremendous innovation and advancement in both the appliances and operating systems for new homes to increase both water and energy efficiency. Many new homes are now utilizing water efficient features such as tankless water heaters, grey-water recycling systems, rain barrels, dual flush toilets and water-efficient appliances. OHBA encourages and supports market-driven innovation and research that provides builders and developers with a competitive advantage by offering consumers a wide range of environmentally sustainable products.

Infrastructure

OHBA supports strategic provincial infrastructure planning, including asset management as a key component of Ontario's ten-year infrastructure plan, *Building Together*. As a strategic priority, the provincial government should invest in 'core' infrastructure including water and waste water systems that will enhance the quality of the Great Lakes. OHBA is supportive of provincial investments towards innovative solutions to help protect Great Lakes water quality.

Financing

The draft *Great Lakes Strategy* notes that it will be accompanied by a Great Lakes Community Action Fund that will be underway by fall 2012. OHBA notes that the provincial *Long-Term Infrastructure Plan* as well as the *Long-Term Infrastructure Plan for Canada* should include wastewater treatment and storm water as strategic priorities.

OHBA cautions that ratepayers through property taxes and new home buyers through development charges can only cover a portion of the total estimated capital expenditures required to reduce phosphorus loading levels and improve the water quality of the Great Lakes. OHBA notes that retrofits of Storm Water Management ponds and the construction of entirely new or significantly upgraded facilities in existing communities will be a significant burden on existing property taxpayers. With respect to sewage treatment plant upgrades and retrofits, some local costs can be split between property taxpayers and development charges if the retrofits and upgrades increase capacity to accommodate new growth. However, the capital expenditures to support the draft *Great Lakes Strategy* will require significant operating and capital investments from senior levels of government if the goals and objectives of the strategy are to be achieved. Downloading an extensive portion of the costs of a provincial plan to municipalities and/or new home purchasers through development charges is unrealistic.

Furthermore OHBA notes that the draft *Great Lakes Strategy* contains a number of draft policies that may trigger programs that will require annual financial support. Unfortunately the draft *Great Lakes Strategy* does not provide an explanation for the financial implications of the initial set-up and/or operating costs of various programs and policy initiatives. Therefore it is critical that studies which

will inform policies and/or Geographically Focused Initiatives, especially those that will have a direct impact on growth, be prioritized and completed. Furthermore the Ministry of the Environment has not provided an estimate of the annual operating costs to support the draft *Great Lakes Strategy*.

Potential Duplication

Collaboration and coordination among a variety of stakeholders and different levels of government is critical to the success of the strategy. OHBA is concerned by the amount of recent legislation and policy covering water related issues. The potential for duplication and overlap is significant and policy clarity with respect to which piece of legislation takes precedence over the other is also of concern. OHBA notes that in the past few years, new legislation covering water related issues includes: *Clean Water Act*, *Source Water Protection Act*, *Lake Simcoe Protection Act*, *Water Opportunities Act* and the *Ontario Water Resources Act*. Furthermore OHBA notes that the *Provincial Policy Statement* also includes water related policies. Lastly, OHBA notes that provincial policies and initiatives should work in conjunction and complement Canadian federal policy (i.e. Canada-Ontario Agreement Respecting the Great Lakes Basin Ecosystem) as well as American policy at both the state and federal levels. OHBA is concerned that a *Great Lakes Strategy* and *Great Lakes Protection Act* may duplicate already existing policies.

Review

OHBA is supportive of the nine-year review time-frame that aligns the strategy review with the Great Lakes bi-national program time-frames. Furthermore, OHBA supports additional opportunities for review and consultation for Geographically Focused Initiatives and shoreline regulations.

Conclusion

In closing, OHBA reiterates that with a provincially forecasted 2.4 million additional people calling the Greater Golden Horseshoe their home by 2031 and 4.4 addition people forecast to live in Ontario by 2036, that it is critical for the province to strike a balance between the social, economic and environmental requirements of Ontarians. Therefore the residential construction industry supports scientifically based targets in a *Great Lakes Strategy*. The *Growth Plan for the Greater Golden Horseshoe* and the *Provincial Policy Statement* must continue to be the guiding provincial policies for the residential construction industry. However, to ensure future carrying capacity and the integrity of Great Lakes, the government, industry and environmental stakeholders must work together while ensuring the environmental sustainability of the lake basin.

OHBA looks forward to continuing constructive dialogue with the province and other stakeholders in the future.