

Standing Committee on Heritage, Infrastructure and Cultural Policy  
Whitney Block, Room 1405  
99 Wellesley Street W  
Toronto, ON M7A 1A2

November 17, 2022

RE: Bill 23, More Homes Built Faster Act, 2022

Dear Committee Chair, Vice-Chair and Members,

**Overview:**

We, the undersigned, are leading scholars and stakeholders of the Centre for Building Sustainable Value at the Ivey Business School, Western University. The Centre was established in 2003 to advance business sustainability through cross-disciplinary research, leadership programming and community engagement. We have deep expertise in business sustainability, environmental management, sustainable accounting and finance, sustainable operations management, and sustainable innovation, which are relevant to assess the implications of Bill 23.

We are deeply concerned about the potential consequences that Bill 23 and the concomitant proposed regulatory changes would have on the long-term prosperity of the province and the well-being of Ontarians.

Overall, Bill 23 and its underlying regulatory proposals put the province's long-term prosperity at risk by likely negatively affecting ecosystem services and the quality of the natural environment. Our propositions are evidence-based and build directly upon the latest research on the best practices for sustainable development. The research we cite shows that it is possible to support housing and economic development while protecting natural heritage and its essential ecosystem services.

You will find below some fundamental recommendations as well as the scientific evidence that informs such suggestions. Here they are in summary, with more detail and support below.

- 1) Protect natural heritage because it provides cost-effective and valuable benefits like flood regulation.
- 2) Do not change Conservation Authorities' (CAs) responsibilities or open CA lands to housing development.
- 3) Under the Review of a Place to Grow and the Provincial Policy Statement do not provide increased flexibility for building in "Agricultural" and "Rural" areas.
- 4) Prioritize intensification in established neighbourhoods.
- 5) Amend Bill 23 to encourage office-to-residential conversions and add ecological criteria.

We are glad to provide an in-person delivery of this information and consult further on these issues.

## **Key Recommendations:**

**1) Protect natural heritage because it provides cost-effective and valuable benefits like flood regulation.**

We believe that natural heritage needs to be protected because:

***a) Natural heritage is the cheapest, most efficient, and most effective way of mitigating climate change and protecting against its catastrophic effects.***

Natural heritage is the flora, fauna, land, and waterways that help to absorb water and carbon and regulate temperature. It provides ecosystem services that regulate water flows (i.e., limits flooding), ensures water quality and sequester carbon. Ecosystem services in Ontario have been estimated to be worth \$10.4 billion annually.<sup>i</sup>

In Ontario, the effects of climate change on the Great Lakes region are particularly dramatic, with the rise of the water level and temperature having disastrous effects on biodiversity (e.g., algae, erosion, the disappearance of freshwater fish) and increasing extreme weather events (e.g., heat waves, lake-effect snow squalls, severe thunderstorms, and tornadoes) (Environmental Law & Policy Center in concert with the Chicago Council on Global Affairs 2019). The Insurance Bureau of Canada (IBC) estimates that weather events related to climate change cost Canadians \$2.1 billion in insured damage in 2021<sup>ii</sup> and could reach \$139 billion by 2050<sup>iii</sup>. By developing environmentally sensitive lands, Bill 23 would remove natural infrastructures, such as wetlands, ecosystem corridors and buffers.

The IBC insists that “urgent action” is needed to preserve wetlands to mitigate flood risk. Facilitating building housing on natural heritage, which is being considered under “Conserving Ontario’s Natural Heritage” (ERO #019-6161), imperils agriculture, wildlife, and the human activity that relies on these ecosystem services. Wetlands provide cheap flood protection. For example, a 250 square metre piece of land in the town of Oakville, Ontario, stores so much stormwater that it saves the city \$1.24 million to \$1.44 million annually.<sup>iv</sup> Many provinces and cities are now making economic decisions using environmental and social criteria, such as the city of Vancouver.<sup>v</sup> Re-insurer Swiss Re showed that biodiversity and global economic prosperity go hand in hand.<sup>vi</sup> One estimate places the value of biodiversity at USD 33 trillion a year – close to the combined GDP of the US and China (Costanza et al., 1997). In the future, we must identify methods for reducing climate change-related risks in our communities and their associated costs and damages.

***b) Natural heritage is vital for human physical and mental health.***

The COVID-19 pandemic has established a direct and positive relationship between green spaces and individuals' psychological and physical health (Slater, Christiana, & Gustat, 2020). Researchers also demonstrated an association between emerging diseases, such as COVID-19, and biodiversity loss (Tollefson, 2020). By removing natural heritage, Bill 23 risks negatively impacting physical and mental health, increasing the costs and the pressure on the provincial healthcare system, which is already beyond capacity.

***c) Natural heritage will help Ontario to support Canada's international commitments.***

The federal government has committed to preserving 30% of land and waters by 2030 – an international science-based target to which a coalition of more than 60 countries committed.<sup>vii</sup> In the GTA and Southwestern Ontario, the habitat coverage is only 15% and keeps decreasing.<sup>viii</sup> The Carolinian life zone, an ecoregion extending from Windsor to Toronto, has been identified as Canada's most biodiverse region and referred to as a "National Natural Treasure" (Deshkan Ziibi Conservation Impact Bond Leadership Team, 2021). The area comprises only 0.25% of Canada's total land yet holds 25% of Canada's human population. It is also home to over 40% of Canada's native plants, 50% of Canada's birds, and 66% of its reptiles, including 50% of the federally listed species at risk in Canada (Jalava et al. 2015, Reid and Enterprises 2002).

The Carolinian zone is of both North American and global ecological significance. The region is one of the world's most globally important freshwater biodiversity areas. There are hundreds of minor aquifers in sand and gravel deposits throughout the ecoregion (Crins et al. 2009, p. 51). Despite its ecological significance, less than 2.5% of Ontario's Carolinian life zone is formally protected as a public or private nature reserve (Jalava et al. 2015). To date, southern Ontario has lost more than 70% of its wetland habitats, 98% of its grasslands, and 80% of its forests (Sierra Club Canada Foundation, 2017). The threat of urban development in those areas contributes to the Carolinian zone being identified as one of North America's most imperilled regions and would be worsened by Bill 23.

**2) Do not change Conservation Authorities' (CAs) responsibilities or open CA lands to housing development.**

Bill 23 will restrict the CAs' ability to review the environmental impact of development applications. This would not allow Conservation Authorities to do what they have been trained to: protect and steward the land. CAs were established to protect 147,000 hectares of natural forests, moraines, wetlands and "ecologically sensitive" lands in Ontario. Additionally, Bill 23 will require Conservation Authorities to review their land holdings for housing development potential. Public consultation would only be allowed for some instances.

The changes to CAs and CAs' lands proposed by Bill 23 should be abandoned. Without the support of CAs, the natural heritage protection described above could not be achieved. Instead, assuming the goal of Bill 23 is to address the current housing crisis quickly but without compromising natural heritage and its essential ecosystem and social services, CAs could be supported to streamline their internal operations and elevate internal capacity. Such changes may achieve higher throughput without compromising the accuracy and reliability of their work.

**3) Do not provide increased flexibility for building in "Agricultural" and "Rural" areas under the Review of a Place to Grow and the Provincial Policy Statement.**

The Review of the Growth Plan and the Provincial Policy Statement is concerning. Providing increased flexibility for building housing in agricultural and rural areas will increase the fragmentation of farming properties in southwestern Ontario. Protecting the agricultural sector requires having other actors in the whole food chain, such as those offering technical services (e.g., slaughterhouses)

(Akimowicz et al., 2016). Fragmentation can contribute to lost links that increase farmers' transaction and transportation costs (Akimowicz et al., 2016) and delay a much-needed transition towards more sustainable food production systems.<sup>ix</sup>

According to a June 2022 report by the Ontario Federation of Agriculture, the province is losing 319 acres of farmland daily to urban development.<sup>x</sup> Agricultural lands are a scarce resource in Canada, with only 5% of the Canadian landmass made up as prime land. Yet 50% of Southwestern Ontario qualifies as prime agricultural land, which makes the region essential for the Canadian economy (Walton 2003). The threat of increased farmland loss is significant for food security amidst projected population increases in Ontario. Preliminary evidence from interviews with rural planners in southwestern Ontario conducted by researchers in the BSV Centre shows concern for preserving farmland because of pressure from fragmentation due to housing.

#### **4) Prioritize intensification in established neighbourhoods.**

It is encouraging to see proposed amendments to the Development Charges Act 1997, allowing detached, semi-detached and row houses to add housing units. However, existing infrastructure in established neighbourhoods can be better used by adding diverse, affordable, and appropriate housing. We recommend amending Bill 23 to prioritize missing middle housing, including fourplexes, townhomes, and low-rise apartments. This would decrease urban development pressures in agricultural and rural areas. Compact urban housing developments provide cost savings for construction and infrastructure maintenance (Donnan, 2008).

Research also indicates that medium- to high-density living is acceptable to residents when these developments offer, at the same time, an increase in quality green spaces (e.g., Lehmann, 2016). This could be done by revitalizing existing urban areas (e.g., downtown). The Report of the Ontario Housing Affordability Task Force from February 2022 states that there is enough land to develop inside built-up areas and outside of greenbelts. Finally, research indicates that intensification can also cause inequitable outcomes such as loss of privacy, peace and quiet. Therefore, bill 23 should be planned to mitigate such unintended consequences (e.g., Jenks, 2000; Gain, 2015; Paterson and Mueller, 2018).

#### **5) Amend Bill 23 to encourage office-to-residential conversions and add ecological criteria.**

The current bill does not refer to office-to-residential conversions nor mention ecological criteria when building new houses. These approaches would make cost-effective use of existing urban infrastructure. The City of Calgary has converted 1 million square feet of office space to 1,000 housing units. It uses a high office vacancy rate to help address a housing shortage.<sup>xi</sup> In 2021, 32% of Canadians mainly worked from home, a significant increase from 4% in 2016.<sup>xii</sup> The shift to telework indicates a lower demand for office space and the potential to convert the existing infrastructure. The World Trade Centre redevelopment in Brussels, Belgium, is converting employment offices to mixed uses like residences and hotels.<sup>xiii</sup> It is also recycling concrete, a practice that can be encouraged in Ontario to avoid quarrying in agricultural and rural areas. Bill 23 proposes exemptions for pits and quarries to avoid waiting two years after municipal Zoning By-laws and Official Plan Amendments are adopted. This should be different. Overall, we believe that office-to-residential conversions should be encouraged, and ecological criteria added to bill 23 to prepare the province to be climate resilient – which also means decreasing the need for energy consumption in heating or transportation.



We thank you in advance for your attention to our recommendations.

Sincerely,

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<sup>i</sup> <https://www.ontario.ca/page/ecosystem-service-values>

<sup>ii</sup> <https://www.insurance-canada.ca/2022/01/18/ibc-severe-weather-caused-billions-insured-damage/>

<sup>iii</sup> <https://globalnews.ca/news/9091585/canada-climate-disasters-damage-report/>

<sup>iv</sup> *Combatting Canada's Rising Flood Costs: Natural infrastructure is an underutilized option*, September 2018, report published by IBC/BAC, Impact Centre, IISD, University of Waterloo

<sup>v</sup> <https://vancouvereconomic.com/research/beyond-gdp/>

<sup>vi</sup> <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/biodiversity-and-global-prosperity-go-hand-in-hand.html>

<sup>vii</sup> <https://cpaws.org/canadas-conservation-target-of-30-protection-by-2030-within-reach-cpaws-report/>

<sup>viii</sup> [https://caroliniancanada.ca/legacy/ConservationPrograms\\_BigPictureMaps.htm](https://caroliniancanada.ca/legacy/ConservationPrograms_BigPictureMaps.htm)

<sup>ix</sup> <https://thoughtleadership.rbc.com/the-next-green-revolution-how-canada-can-produce-more-food-and-fewer-emissions/>

<sup>x</sup> <https://ontariofarmlandtrust.ca/2022/07/04/ontario-losing-319-acres-of-farmland-every-day/>

<sup>xi</sup> <https://newsroom.calgary.ca/city-launches-downtown-development-incentive-program/>

<sup>xii</sup> <https://www150.statcan.gc.ca/n1/pub/45-28-0001/2021001/article/00012-eng.htm>

<sup>xiii</sup> <https://zin.brussels/>