

May 28, 2024

**City of Hamilton
Haldimand County
Regional Municipality of Niagara
Local Area Municipalities**

SENT ELECTRONICALLY

Report No. FA-27-24 RE: NPCA Comments on Proposed Regulation Detailing Minister's Permit and Review Powers – ERO Posting 019-8320

At the Board of Directors meeting held on May 17, 2024, the following resolution was passed:

Resolution No. FA-65-2024

THAT Report No. FA-27-24 RE: NPCA Comments on Proposed Regulation Detailing Minister's Permit and Review Powers – ERO Posting 019-8320 **BE RECEIVED** for information;

AND FURTHER THAT Report No. FA-27-24 **BE CIRCULATED** to upper-tier and lower-tier municipalities in Niagara Region, the City of Hamilton, and Haldimand County for their information.

A copy of Report No. FA-27-24 and the Appendix are enclosed for your reference.

Sincerely,



Melanie Davis
Manager, Office of the CAO & Board
Niagara Peninsula Conservation Authority

cc: Chandra Sharma, CAO / Secretary - Treasurer
Leilani Lee-Yates, Director, Planning & Development
David Deluce, Senior Manager, Environmental Policy & Planning

Report To: Board of Directors

Subject: NPCA Comments on Proposed Regulation Detailing Minister's Permit and Review Powers – ERO Posting 019-8320

Report No: FA-27-24

Date: May 17, 2024

Recommendation:

THAT Report No. FA-27-24 RE: NPCA Comments on Proposed Regulation Detailing Minister's Permit and Review Powers – ERO Posting 019-8320 **BE RECEIVED** for information;

AND FURTHER THAT Report No. FA-27-24 **BE CIRCULATED** to upper-tier and lower-tier municipalities in Niagara Region, the City of Hamilton, and Haldimand County for their information.

Purpose:

The purpose of this report is to update the Board on staffs' comments submitted to the Environmental Registry of Ontario (ERO) regarding Proposed Regulation Detailing Minister's Permit and Review Powers.

Background:

On April 1, 2024 several amended sections of the *Conservation Authorities Act* received proclamation and took effect. These included the new Section 28.1.1 Permits issued by Minister, and Subsection 28.1(8) Request for Minister's review.

Section 28.1.1 allows the Minister of Natural Resources and Forestry (the Minister) to issue an order directing a conservation authority not to issue a permit and, if an order is made, give the Minister the power to issue a permit in place of the conservation authority. Subsection 28.1(8) allows a permit applicant to submit a request to the Minister to review a conservation authority's decision to refuse a permit or any conditions imposed by the

conservation authority. An enabling regulation is required before the new ministerial powers can be used.

The Government of Ontario posted notice 019-8320 to the ERO on April 5, 2024, providing details about the circumstances under which the Minister may issue an order to prevent a conservation authority from making a permitting decision, make the permitting decision in place of a conservation authority, or may undertake a review of a conservation authority permitting decision.

The ERO posting was open for 31 days, closing on May 6, 2024. Staff submitted comments to the ERO outlining our concerns and provided recommendations for the province's consideration.

Discussion:

The ERO posting provided general descriptions of the additional requirements of Section 28.1.1 that would be included in the new regulation. This includes:

- “The Minister may make an order to prevent a conservation authority from making a permitting decision and take over the permitting process only if the development activity or type or class of permits pertains to or supports a specified provincial interest, including:
 - Housing (community, affordable and market-based)
 - Community services (health, long-term care, education, recreation socio-cultural, security and safety, environment)
 - Transportation infrastructure
 - Buildings that facilitate economic development or employment
 - Mixed use developments
- If a proponent wishes to petition the Minister to issue an order, the proponent must submit a request to the Minister that would include information on:
 - Overview of proposed development.
 - Why the Minister's involvement is requested (e.g., development of provincial interest, timing/urgency; permitting process to date if applicable; other barriers) and preferable to the standard process in the *Conservation Authorities Act*.
 - Indication of whether the local municipality has endorsed the project and the request for Minister's involvement (e.g., by municipal letter or resolution).
 - Status of other required project approvals including the extent of any engagement with the conservation authority in the permitting process that the applicant has had to date.”

In the absence of specific details or a draft regulation, it is unclear how the new regulation will be administered and what role conservation authorities may have in administering the

regulation. NPCA staff have taken care to coordinate our comments with Conservation Ontario and partner conservation authorities to ensure consistency to the extent possible.

NPCA staff comments and recommendations are included in Appendix 1. Notable concerns NPCA staff highlighted include:

- The suggested categories of provincial interest are broad and may result in numerous requests that may conflict with provincial interest in protecting people and property from natural hazards. A potential high volume of requests may affect MNRF's ability to process the requests in a timely manner.
- Caution is warranted in choosing third party providers to inform the Minister's decision on permits. These providers may have perceived or real conflicts of interest with working for both private interests and the Province. The NPCA recommends the MNRF establish a multi-disciplinary Minister's technical advisory committee to provide recommendations to the Minister when issuing permits or reviewing conservation authority permitting decisions.
- What/who's data and mapping will be used to evaluate permit requests? It is unclear how the Minister would review and make decisions on applications in the absence of conservation authority policies and tools (e.g. procedure documents, mapping, and modelling).
- How does the province intend to ensure compliance with a Minister's permit? The amended *Conservation Authorities Act* and regulatory proposal purports to have conservation authorities undertake compliance and enforcement activities with permits issued by the Minister. Without conservation authority involvement in the review and approval process, it is difficult to anticipate enforcement and compliance staff resources necessary for permits issued by the Minister.
- Who will be liable for any losses or damages resulting from a Minister's permit? Where the Minister's decisions are inconsistent with conservation authority Board-approved policies or conservation authority natural hazard mapping and modelling, the liability for such decisions remains with the issuing body (the Minister). Conservation authorities are not liable for decisions made under the *Conservation Authorities Act* by another body that may result in losses or damages.

Staff have provided five recommendations to the Province, which are fully detailed in Appendix 1:

1. Pause finalization of the Regulation to engage with Conservation Authority and Municipal representatives.

2. Further scope criteria for considering if proposed development activity supports provincial interest.
3. Decisions by the Minister should be based on sound and reliable science, data, mapping, and technical guidance prepared by Conservation Authorities through natural hazard and watershed programs.
4. Early and ongoing engagement with Conservation Authorities and Municipalities throughout the Minister's review/permit process.
5. MNRF should be fully responsible and accountable for losses or damages arising from Minister's decisions on permits.

The details regarding these new ministerial powers must be carefully developed to ensure Minister's decision making on permits remain technical, apolitical, and integrates a watershed perspective to natural hazard management to continue protecting the public, properties, and infrastructure. Staff will continue to follow this regulatory proposal and update the Board on the decision of the Province.

Financial Implications:

There are no financial implications to this report. Should the proposed Regulation come into force, NPCA staff will monitor ministerial permit reviews and approvals within our watershed jurisdiction to determine any financial implications due to resulting losses in permit fee revenue.

Links to Policy/Strategic Plan

Reviewing and commenting on ERO postings related to the NPCA's Section 28.1 Permitting function aligns with the NPCA's 10-year Strategic Plan goals to protect people and properties from natural hazards and climate impacts.

Related Reports and Appendices:

Appendix 1: NPCA Staff Comments on ERO Posting 019-8320.

Authored by:

Original Signed by:

David Deluce, MCIP, RPP
Senior Manager, Environmental Planning & Policy

Reviewed by:

Original Signed by:

Leilani Lee-Yates, MCIP, RPP
Director, Planning and Development

Submitted by:

Original Signed by:

Chandra Sharma, MCIP, RPP
Chief Administrative Officer/Secretary-Treasurer

May 6, 2024

Via Email Only

Ministry of Natural Resources and Forestry - Resources Development Section
300 Water Street
2nd Floor South
Peterborough, ON
K9J 3C7

To Whom it May Concern:

**Re: Niagara Peninsula Conservation Authority (NPCA) Comments
ERO Posting 019-8320
Regulation detailing new Minister's Permit and Review powers under the Conservation
Authorities Act**

The Ministry of Natural Resources and Forestry (MNR) is proposing a regulation that would set out the circumstances in which the Minister could:

1. Issue an order to prevent a conservation authority (CA) from issuing a permit and to take over the permitting process in place of a CA, and
2. Review a CA permit decision at the request of an applicant.

These are newly proclaimed powers in the Conservation Authorities Act (CA Act) that took effect on April 1, 2024. We thank the MNR for providing an opportunity to comment on this proposal and offer the following comments.

The posting notes the proposed additional requirements of Section 28.1.1 that would be set out in the new regulation. These include:

- The Minister may make an order to prevent a CA from making a permitting decision and take over the permitting process only if the development activity or type or class of permits pertains to or supports a specified provincial interest, including:
 - Housing (community, affordable and market-based)
 - Community services (health, long-term care, education, recreation socio-cultural, security and safety, environment)
 - Transportation infrastructure
 - Buildings that facilitate economic development or employment
 - Mixed use developments
- If a proponent wishes to petition the Minister to issue an order, the proponent must submit a request to the Minister that would include information on:

- Overview of proposed development.
- Why the Minister's involvement is requested (e.g., development of provincial interest, timing/urgency; permitting process to date if applicable; other barriers) and preferable to the standard process in the *CA Act*.
- Indication of whether the local municipality has endorsed the project and the request for Minister's involvement (e.g., by municipal letter or resolution).
- Status of other required project approvals including the extent of any engagement with the conservation authority in the permitting process that the applicant has had to date.

The NPCA offers the following recommendations to assist with developing a transparent, accountable, and technically sound Ministerial review/permit process that protects people and property from the impacts of natural hazards.

Recommendation #1 – Pause finalization of the Regulation to engage with Conservation Authority and Municipal representatives

The ERO posting does not outline the details of the Ministerial review/permit process, and rather notes that such details will be provided within the regulation. The NPCA recommends the MNRF pause finalization of the regulation and meet with Conservation Ontario, CAs, and municipal representatives to discuss the circumstances for use of the new Minister's powers as well as implementation/procedural details (i.e., how the Minister will consider requests/petitions and make decisions). Appropriate scoping of these details will ensure the process remains transparent and procedurally fair, extinguishes requests/petitions made to circumvent locally established processes, and continues to apply a watershed lens to natural hazard management.

Recommendation #2 – Further scope criteria for considering if proposed development activity supports provincial interest:

The NPCA recognizes that the scope of requests for permits/review of a CA decision by the Minister would be limited to specified provincial interests. We note, however, that the areas of provincial interest as described is very broad and may result in numerous requests that may conflict with provincial interest in protecting people and property from natural hazards and affect MNRF's ability to process the requests in a timely manner.

The NPCA recommends that terms such as housing, community service, buildings that facilitate economic development/employment, etc. be carefully defined in the regulation to scope the ability to make requests/petitions to the Minister. As an example, left without a definition, the term housing could be interpreted to involve any development activity such as additions to existing dwellings or maintenance to an existing house. The Minister's use of Section 28.1.1 for housing would be better limited to large scale residential development located within strategic growth areas as defined in provincial and municipal plans.

Certain provincial interests (e.g., community services) are defined as "Institutional use" in the Provincial Policy Statement (PPS) and are not permitted in/on hazardous lands and sites. Permitting these types of development activities in hazard lands must not be considered by the Minister, and due care applied to ensure vulnerable populations or sensitive uses are not located in areas that pose an increased risk to life and property. Further, it is our recommendation that decisions by the Province must be consistent with the *Conservation Authorities Act*, Ontario Regulation 41/24, and natural hazard policies in the PPS.

Recommendation #3 – Decisions by the Minister should be based on sound and reliable science, data, mapping and technical guidance prepared by Conservation Authorities through natural hazard and watershed programs

The proposal does not address how the Minister will assess requests for review and petitions for orders and, if applicable, what information and criteria will be applied to make an order or a decision on a *Conservation Authorities Act* permitting matter. The *Conservation Authorities Act* requires the applicable CA to forward relevant documents and information relating to an application to the Minister, as well as provides the Minister with the ability to confer with any other person or body they consider may have an interest in the application. The *Conservation Authorities Act* and proposed regulatory requirements do not provide details on how this information will be considered.

Recent amendments to the *Conservation Authorities Act* and regulations require all CAs to develop permit application policy and procedure documents and make maps of regulated areas publicly available. The CA permitting decisions are undertaken consistent with CA Board-approved policies, and informed by natural hazard mapping, modelling, and knowledge of local watershed conditions. These tools allow CAs to assess permit applications to determine if an activity may affect the control of flooding, erosion, etc., or jeopardize the health and safety of persons or result in property damage. It is unclear how the Minister would review and make decisions on applications in the absence of these policies and tools.

An unclear process will add costs and time delays. The existing system includes competent professional planners, professional engineers, planning ecologists, hydrogeologists, geotechnical experts, and other staff with a high degree of specialized expertise. For example, existing floodlines have been well justified and peer reviewed. It would be counter-productive to use third party hazard mapping and modeling where the CA has this information readily available.

Recommendation #4 – Early and ongoing engagement with Conservation Authorities and Municipalities

Under the proposal, where the Minister issues an order for a CA not to issue a permit for a specific individual to engage in a specified activity or to persons who may wish to engage in a certain type or class of activity, notice of any order is to be provided to a CA, among other requirements, within 30 days. Once the order has been issued, the Minister may then take over the permitting process from the affected CA. It is unclear if the Minister would be able to issue a permit before having issued an order to the CA. To avoid confusion and possible conflicts with other pending approvals for the same development activity, we recommend that a Minister's order for a CA not to issue a permit must occur before the Minister issues a permit on behalf of a CA. We also recommend that notice of receipt of a request/petition for the Minister to issue a Section 28.1.1 permit be provided to the affected CA, municipality and where applicable the Niagara Escarpment Commission (NEC).

It is proposed that proponents be required to identify the status of other required project approvals. Proponents should be specifically required to indicate whether all approvals under the *Planning Act* are in place in order to demonstrate land use compatibility, appropriate zoning, etc. Permitting decisions made prior to having the appropriate planning approvals in place could put municipalities in a difficult position if they

cannot support the works further to a Minister's permit. Where applicable, proponents should specify whether required approvals from the NEC have been obtained.

Where a request for review or petition for a permit is made, proponents must indicate if the local municipality has endorsed the project and request for Minister's involvement. Development activities in one area of the watershed have the potential to impact upstream and downstream communities. As such, it is important that the affecting CA and municipality are consulted to understand potential cumulative impacts on the watershed and municipal services as a result of the proposed development activity.

Caution is warranted in choosing third party providers to inform the Minister's decision on permits. These providers may have perceived or real conflicts of interest with working for both private interests and the Province. The NPCA recommends the MNRF establish a multi-disciplinary Minister's technical advisory committee to provide recommendations to the Minister when issuing permits or reviewing CA permitting decisions. The committee should bring together technical experts from CAs, municipalities, the private sector, and applicable provincial ministries to prepare recommendations for the Minister on permit applications. A balance of expertise is essential to ensure bias is not introduced, allowing the Minister to make decisions based on the same criteria concerning natural hazards and public safety that are considered by all CA's. Careful consideration of these applications is required to avoid unintended risk to public safety, properties, or natural hazards and avoid precedent setting decisions that may not align with CA Board-approved policies.

Recommendation #5 – MNRF should be fully responsible and accountable for losses or damages arising from Minister's decisions on permits

Where the Minister's decisions are inconsistent with CA Board-approved policies or CA natural hazard mapping and modelling, the liability for such decisions remains with the issuing body (the Minister). CAs are not liable for decisions made under the *CA Act* by another body that may result in losses or damages. Liabilities and risks are one of the major drivers impacting exponentially increasing insurance costs/premiums, and CAs cannot be the insurers of last resort.

The amended *CA Act* and regulatory proposal purports to have CAs undertake compliance and enforcement activities with permits issued by the Minister. Without CA involvement in the review and approval process, it is difficult to anticipate enforcement and compliance staff resources necessary for permits issued by the Minister. Increases in enforcement and compliance activities may require additional time and staffing resources at the CA, that may increase costs associated with this program and service area. Due care must be applied when the Minister is reviewing and issuing permits to ensure appropriate conditions are assigned to the permit to minimize potential enforcement concerns. The NPCA would welcome discussions with MNRF staff about the potential for increase provincial funding for CAs to help cover the additional costs for compliance and enforcement.

Thank you for the opportunity to provide comments on the "Regulation detailing new Minister's Permit and Review powers under the Conservation Authorities Act" (ERO#019-8320). The details regarding these new Minister's powers must be carefully developed to ensure Minister's decision making on permits remains technical, apolitical and integrates a watershed perspective to natural hazard management to continue



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protecting the public, properties and infrastructure. The NPCA would be pleased to meet with Ministry staff to further discuss the regulatory requirements and implementation details.

Sincerely,

A handwritten signature in black ink that reads "David Deluce". The signature is written in a cursive style with a large initial 'D'.

David Deluce, MCIP, RPP
Senior Manager, Environmental Planning & Policy

cc: Conservation Ontario
Niagara Peninsula Conservation Authority Board of Directors