

PART 8: ELEMENTS OF A GROWTH MANAGEMENT STRATEGY: IMPLEMENTATION TOOLS

8.1 TOWARDS A GROWTH MANAGEMENT STRATEGY

There does not currently exist a coherent growth management strategy for the whole of the Toronto Region. Each of the Regions and the City of Toronto have adopted, or are in the process of preparing, their own individual Official Plans. Yet as we have seen, many of the issues facing the Toronto Region extend across Regional boundaries and must be addressed in a coherent fashion for the Toronto Region as a whole. If the issues identified in this report are to be properly addressed and if strategies are to be put in place to improve the quality of life and economic health in the Region in the future, it is essential that the Regions and municipalities in the Toronto Area get together to prepare an overall growth management strategy as soon as possible.

The context for such a strategy should encompass a long-term time horizon, and should take into account the implications of development patterns elsewhere in South Central Ontario for the Toronto Region. The elements of a growth management strategy would include:

- A clear definition of environmental and agricultural areas to be protected and strategies to support non-urban uses. The framework for this has already been established to some extent with Provincial initiatives to protect the Niagara Escarpment, the Oak Ridges Moraine and the various initiatives around the Toronto Waterfront, but needs to be elaborated further.
- Related to this is a clearly defined urban boundary that has regional significance. Once established, it should not be possible to alter this boundary through appeals by individual property owners to the Ontario Municipal Board.
- The identification of areas, which function or will function in the future as city centres.
- A land use strategy that is economically sustainable, environmentally healthy, transit supportive and pedestrian friendly.
- Plans for developing a transit grid that reaches all parts of the Region.
- A strategy for achieving affordable housing development in all areas.
- A strategy to change societal attitudes to induce people to leave their cars at home.

8.2 ENCOURAGING THE CONSTRUCTION OF RENTAL HOUSING

The following key policy recommendations to foster rental housing are presented in the City of Toronto's document [Unlocking the Opportunity for New Rental Housing: A Call to Action](#). These policy recommendations are aimed at all three levels of government and require a range of financing, policy and planning strategies.



Source: Urban Development Services,
City of Toronto

Federal Government

- Change Central Mortgage and Housing Corporation’s restrictive mortgage insurance requirements.
- Amend income tax legislation to permit developers to defer income tax on the sale of rental buildings if they reinvest in new rental buildings and to expand allowable “soft costs” that can be deducted for first year of operations of rental buildings.
- Treat rental properties fairly under GST legislation.
- Stimulate private investment in affordable rental housing.
- Make suitable surplus federal government land available.

Provincial Government

- Allow municipalities to reduce or waive fees, charges and requirements for rental housing.
- Amend PST policy to encourage the full range of rental housing.
- Encourage more municipalities in Ontario to promote rental housing.
- Address NIMBYism and get the public on-side to support rental housing.

Municipal Governments

- Ensure that Official Plans and zoning by-laws allow for the production of more housing, including rental housing, to meet the anticipated demand over the next 30 years.
- Reduce fees and requirements for rental housing developments.
- Review the parking requirements that apply to rental housing.
- Continue efforts to streamline the development approval process.

8.3 INVESTING IN TRANSIT

Much work has already been done over the years to analyze and define strategies for future investments in transit across the GTA. The critical issue at this juncture is to invest in a transit system that is based on the following principles:

- A financial partnership for transit funding that involves all levels of government;
- Increasing funding levels for transit infrastructure projects across the Toronto Region to at least historic levels, based on what has been spent in the City of Toronto in the past to build the transit system there;
- A system based on a grid pattern with feeder bus routes to rapid transit lines; and

- Strategies to change behaviour patterns so that people will be inclined to leave their cars at home including marketing efforts to get people to change attitudes towards car use through travel demand management initiatives.

8.4 ENCOURAGING TRANSIT SUPPORTIVE AND PEDESTRIAN FRIENDLY DEVELOPMENT ALONG ARTERIAL ROADS AND DOWNTOWNS

In order to encourage mixed use, intensified corridors and vital city centres, a range of financing tools, planning and design policies have been implemented in Canada, the United States and Britain. The following examples of planning tools and financial incentives identify how these policies can be applied.

- **Redevelopment Authorities** –These authorities are based on partnerships and collaboration between private and public sector stakeholders. Their objectives are to enhance city centres, encourage more intensified, transit supportive mixed-use corridors and initiate redevelopment projects. Some examples include the Edmonton Downtown Development Corporation which was formed to establish projects to enhance the City Market and the Arts District and the City of Winnipeg which integrated the business community with the arts and social services to enhance nodes and corridors.⁵⁶

Creating effective redevelopment authorities and development corporations, which will take the lead in making projects happen, will be critical if the types of intensified redevelopment initiatives we have been describing in this report are to be realized. Currently there is no reason to believe that developers will want to redevelop areas according to a different more intensive urban pattern if these areas are unpleasant, barren, hard to market, with no benefits over other areas. It is only the knowledge that a development agency or government is committed to a complete makeover that would make anyone want to put money into the project. The vision has to be grand and it will cost money- although the returns could be high. As we have been arguing throughout this report, it is in the public interest and requires public backing.

- **Incentive Zoning** – These policies are used to encourage the development of certain uses, amenities or design qualities in return for defined benefits, such as increased densities. These incentives have been used in downtown areas and suburban business centers to gain open spaces, special building features, or public art⁵⁷

⁵⁶ Brampton Organizational Sub-Committee on Economic Development. Establishing a Downtown Development Corporation in the City of Brampton (Brampton: City of Brampton, 2001).

⁵⁷ Snyder, Ken and Lori Bird. Paying for the Cost of Sprawl: Using Fair-Share Costing to Control Sprawl, Centre of Excellence for Sustainable Development (Washington: Centre for Excellence in Sustainable Development, 1998).



Source: Oakville Economic Development Alliance Inc.

Oakville's downtown core and waterfront: examples of attractive, pedestrian friendly environments

- **Development Cost Charges** - To encourage more compact “smart growth” developments, fees for subdivision plans that integrate transit access, bike paths, mixed use planning, and a range of housing types have been reduced or waived.⁵⁸
- **Priority Funding Areas** – This is a concept utilized as part of Maryland’s Smart Growth policies. Certain areas of Municipalities are prioritized for more intensified corridors and urban centres. State spending is channelled to these “priority funding areas” (PFA’s) to encourage built-up communities where local governments want state assistance for future growth. The 1997 Smart Growth Areas Act gave Maryland’s twenty-three counties until October 1998 to develop their own PFA plans. After this deadline, the State was prohibited from spending money associated with growth projects outside PFA’s.⁵⁹
- **“Live Near Your Work” Programs** – In the United States, some state agencies are promoting job creation tax credit that provide financial incentives to companies that create at least 25 jobs within targeted urban areas. These programs encourage employers, local jurisdictions, and the state to collaborate and encourage more of a housing/employment. These programs also provide a minimum of \$3,000 to employees toward the purchase of homes in neighbourhoods near their workplaces.⁶⁰
- **Location Efficient Mortgages** - These mortgages provide savings to the borrower based on the transportation cost savings of living near mass transit. These mortgages make homes more affordable to low-and moderate-income urban residents, encourage frequent transit use and more compact urban form.⁶¹
- **Better Urban Design and Traffic Engineering Practises** – The Objective would be to foster more pedestrian and bicycle friendly environments.

⁵⁸ Tomalty, Rae. How Does Your Community Grow? A Report for Smart Growth British Columbia, (Victoria, B.C: Smart Growth British Columbia, 2001).

⁵⁹ Frece, John. “Smart Growth and Neighbourhood Conservation: Preserving What’s Best about Maryland.” Plan Canada (Ottawa: Plan Canada, 2001).

⁶⁰ Ibid.

⁶¹ Biodiversity Project. Sprawl: Economic Costs at a Glance, (Madison, WI: Biodiversity Project, 2001).

8.5 REINVESTING IN OLDER CITIES

A number innovative initiatives that link the private and public sectors can encourage housing, economic development, environmental sustainability and the arts as part of a reinvestment strategy for older centers. The previously mentioned examples of downtown development corporations in Edmonton and Winnipeg represent one means of encouraging older centre reinvestment. In addition, establishing and implementing policies to place public buildings and educational institutions in older downtown centers could have positive long-term effects on community economic viability and liveability (eg. Cambridge). The following policy tools present some additional methods to promote reinvestment in older centres.

- **Brownfield Policies** - Brownfield redevelopment programs aim to clean up contaminated properties. In Ontario, a menu of practical tools is provided for developers interested in encouraging infill projects on former industrial sites.⁶²
- Encouraging brownfield developments are a common goal in Smart Growth and regeneration policies in North America and Europe. In Maryland, for example, the Department of Business and Economic Development awards funds to pay for initial environmental assessments of potential brownfield sites, thereby attracting developers who may be reluctant to pay for the initial assessments themselves. In Britain flexible zoning models have been created to encourage mixed-use infill development in brownfield areas. The national target in the UK is that by 2008, 60 percent of additional housing should be provided on previously developed land. Creative funding schemes have been created to allow local councils to rehabilitate contaminated lands and convert existing buildings. Local governments are also currently sponsoring a series of demonstration projects, adopting integrated planning approaches and promoting brownfield developments.⁶³
- **Historic Tax Credits** – In the United States, a federal tax credit equalling 25 percent of rehabilitation costs is granted for properties that are listed in the National Register of Historic Places.⁶⁴
- **Encouraging Urban Regeneration Through Arts Funding**– Older cities have the opportunity to utilize older buildings to promote arts and culture. For example, in Britain where “Renaissance Funds” are provided by local government, some interesting alliances between businesses and arts organizations are promoting



⁶² Ontario Ministry of Municipal Affairs and Housing. Brownfields Showcase (Toronto: Ministry of Municipal Affairs and Housing, 2000).

⁶³ Department of the Environment, Transport and the Regions. Planning Policy Guidance Notes Number 3, 2001 (London: Department of the Environment, Transport and the Regions, 2001).

⁶⁴ In the United States, this tax credit equals 25 percent of rehabilitation costs on properties that are listed in the National Register of Historic Places

Source: Newmarket Downtown Community Improvement Plan, Markson, Boorah, Hodgson Architects Ltd., GHK International (Canada Ltd.)



Source: City of Hamilton

regeneration. Many examples are found in former industrial cities in schemes that involve the making or re-making of urban spaces⁶⁵.

- **Civic Agencies**—In Europe and North America, cutting edge developments in architectural or city-building terms have been sponsored or promoted by some civic agency. Some examples include St. Lawrence Neighbourhood in Toronto, Battery Park City in New York, as well as developments in Barcelona and Bilbao.⁶⁶ See also the section above on development authorities.

8.6 MAINTAINING GREENSPACES AND AGRICULTURAL LANDS

A variety of policy and planning tools can be utilized, to maintain the greenspaces that are vital to the Greater Toronto Area's quality of life. The following highlights some examples of these tools and how they can protect greenspaces.

- **Conservation and Agricultural Easements** - Conservation easements are binding agreements registered on title, which restrict land uses that are not compatible with conservation values. These easements run with the land to limit the future development of the property. They also prevent land uses that would interfere with the natural or agricultural resources. Under these agreements, the lands stay in private ownership, subject to the easement restrictions.⁶⁷

Through negotiations with the Ontario Realty Corporation and the Region Of Durham, the City of Pickering obtained agricultural easements on approximately 1,900 hectares of provincially owned land within the city. With the sale of any agricultural property greater than two hectares, these agricultural easements will be registered on title. These easements are to be held by the City of Pickering and will be binding on future landowners. They are meant to supplement, rather than replace, normal Official Plan and Zoning provisions. These easements will also reduce the pressures of land speculation on the municipality's rural lands and assist in maintaining a viable agricultural community⁶⁸.

- **Provincial and Municipal Funded Land Acquisition** - Many cities in the U.S. supported by state or federal funding, have developed programs of land acquisition to secure recreational lands, wildlife habitats, groundwater and water supply areas. Governments in Canada are not as active in this conservation area, but there are

⁶⁵ Hall, Tim. "The Landscape of Urban Regeneration: Public Art," London Landscape Issues (London: London Landscape Issues, 2001).

⁶⁶ Berridge, Joe. "Ottawa-On Becoming a Big City," Ontario Planning Journal (Toronto: Ontario Planning Journal, 2001).

⁶⁷ Peterson, Paul. Alternative Tools for the Protection of the GTA Countryside, (Toronto: GTSB, 2000)

⁶⁸ GTSB. Innovations: A Catalogue of Innovative and Best Practises Developed by the GTSB (Toronto: GTSB, 2000).

some precedents for the funding and purchase of natural heritage lands. In Ontario, the Natural Areas Protection Program administered by the Ministry of Natural Resources provides up to \$20 million over four years for acquisition on the Niagara Escarpment and in the Rouge Valley and Lynde Creek⁶⁹.

- **Land Trusts** - Land Trusts are non-government, non-profit organizations with citizen boards that work to protect environmental land resources. Organizations such as the Nature Conservancy of Canada and the Federation of Ontario Naturalists have national and provincial mandates to ensure the protection of important natural areas.
- **Greenways and Greenbelts** – These corridors protect a lakefront, stream, scenic view, or other natural resource from development and provide connections and opportunities for recreation areas, pedestrian and bicycle travel. The following examples present how this concept has been implemented in planning practice:
 - **Federal** – The Federal Government has legislation to protect, amongst other things, wetlands, areas of natural or significant interest (ANSIs) and issues related to environment protection and assessment.
 - **Ontario** – Policies to preserve the Oak Ridges Moraine and the Niagara Escarpment in Ontario are two comprehensive environmental protection initiatives in Ontario that create effective greenbelts. These policies protect watersheds, wildlife habitat as well as provide educational and tourism opportunities.
 - **British Columbia** – The Greater Vancouver Regional District has designated a Greater Vancouver Area Green Zone of over 200,000 hectares, or about two-thirds of the area of Greater Vancouver. Many municipalities and the GVRD have created initiatives to construct greenways, protect stream corridors, and promote environmental stewardship of the Green Zone.⁷⁰ Continuing efforts to contain sprawl will be critical to the success of the Green Zone as an urban growth boundary. To advance environmental protection and biodiversity, significant gains can be made if new development is contained within existing drainage catchment areas.
 - **Britain** - The Green Belts approved through structure plans now cover approximately 1,556,000 hectares, about 12 percent of England.⁷¹ There are 14 separate Green Belts, varying in size from 486,000 hectares around London, to just over 700 hectares. Once Green Belts have been defined, they have a positive role to play in providing access to the open countryside

⁶⁹ Peterson, Paul. Alternative Tools for the Protection of the GTA Countryside, (Toronto: GTSB, 2000)

⁷⁰ Greater Vancouver Regional District, Liveable Region Strategic Plan (Vancouver: Greater Vancouver Regional District, 2000).

⁷¹ British Department for Transport, Local Governments and the Regions. Planning Policy Guidance Notes 2, (London: British Department for Transport, Local Governments and the Regions, 2001).

for the urban population, opportunities for outdoor sport and outdoor recreation near urban areas, retaining attractive landscapes and enhancing landscapes.

- **Growth Limits and Moratoriums** - These establish annual quotas for building permits to limit the rate of growth either permanently or temporarily. They are meant to protect rural communities from low density development and preserve open space. They are also used to regulate the pace of a development to a level that can be serviced by infrastructure.

While some observers have raised concerns that growth boundary efforts may adversely affect land and housing markets and can lead to problems of housing affordability, recent research in the U.S counters these apprehensions⁷². In Portland Oregon, growth management policies protect farmland and increase densities within the boundary and mandate the development of a mix of housing types including affordable housing. These policies can improve access to housing and foster more equitable urban form by:



Source: Derek Griffiths - Canadian Imaging Associates Inc.

- breaking the “chain of exclusion” to affordable housing access that can result from single uses and minimum lot sizes;
- improving the supply of affordable housing;
- lowering public infrastructure costs and minimizing regulatory delays;
- encouraging more open space, walkable neighbourhoods and access to public services; and
- lowering household transportation and energy costs which can improve access to jobs, services and amenities and offset any increase in housing cost⁷³.

⁷² Nelson, Arthur and Pendall, Rolf Pendall, Casey J. Dawkins and Gerrit J. Knaap, The Link Between Growth Management and Housing Affordability: The Academic Evidence, A Discussion Paper Prepared for The Brookings Institution Center on Urban and Metropolitan Policy, (Washington, DC: Brookings Institute, 2002) Online available <http://www.brookings.org/dybdocroot/es/urban/publications/growthmang.pdf>

⁷³ Ibid.

8.7 CO-ORDINATED PLANNING FOR WATER AND WASTEWATER

- **Need for a Water and Wastewater Strategy** – At this time there is no formal co-ordinated strategy which applies across the Toronto Region for the delivery of water supply and wastewater services.

In a few cases neighbouring municipalities have made individual arrangements for the delivery of water and wastewater services but these have been ad hoc and no structure exists to facilitate such arrangements. Municipalities generally develop water and wastewater master plans based on growth projections in their respective official plans and their own needs.

A co-ordinated approach for water and wastewater services will benefit all municipalities by improving the protection of our natural and water resources and providing opportunities for infrastructure sharing, optimal utilization and cost savings.

- **Responsibility for Water Fragmented** – In Ontario the responsibility for water is shared between many jurisdictions who each have their own legislation/regulations and procedures.

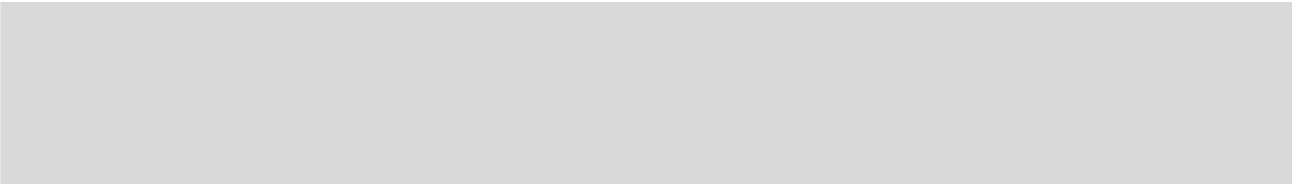
The Federal government has legislation to protect, regulate and improve water quality, fisheries, navigation, international and heritage rivers, harbours, wetlands, areas of natural or significant interest (ANSIs) and issues related to environmental protection and assessment.

The Provincial government has legislation to protect, regulate and improve water resources, wetlands, waterways, lakes and rivers, beds of navigation, water transfer, operation of clean water, drainage and issues related to environmental protection and assessment.

Most municipalities have bylaws to regulate drainage, water and wastewater services and stormwater management and some municipalities have by-laws to protect wetlands. They are represented on Conservation Authorities who are responsible for and regulate flood control measures, habitat protection, river and valley protection, land acquisition and outdoor recreation.

In addition, there is the International Joint Commission, which is based on bilateral agreements between Canada and the U.S. and has the mandate to improve water quality in the Great Lakes. The Joint Commission has been active in area such as developing Remedial Action Plans.

As a result, approval processes for water and wastewater projects often involve several levels of government and the need to comply with many laws and regulations. In some cases a lower tier government agency will grant approval prior to the more senior level of government having signed off. Overlap and duplications lengthen the approval process to the point that “getting the approval” becomes the primary focus rather than arriving at the best solution. If this process



is to become more effective and efficient, then the various jurisdictions need to agree on delegating their approval and enforcement process to one specific agency or government authority.

Responsibility for water has been reviewed as part of the Walkerton inquiry and the recommendations of the Commissioner of Inquiries Part 1 and 2 Report may result in a review of governance and actions to streamline and make the process more effective.

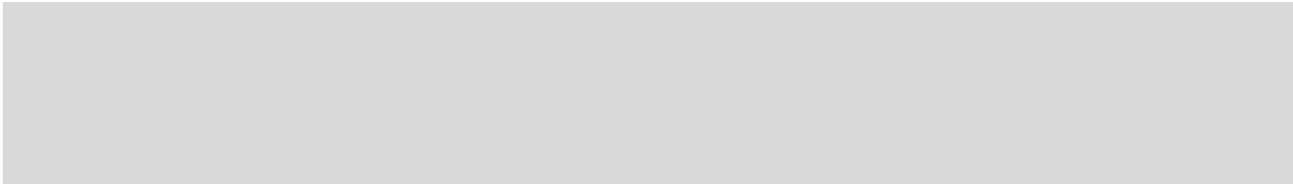
- **Catchment Area Planning** - Except for the Grand River, watersheds in South/Central Ontario are relatively small and do not lend themselves to effectively conducting water management and planning for water and wastewater infrastructure of large urban areas as an integral part of watershed planning. Considering urban growth in South Central Ontario and the fact that much of the potable water is taken as surface water from lakes, it would be more effective to carry out water management on the basis of larger districts or catchment areas which include several watersheds, e.g. areas tributary to the north shore of Lake Ontario, Lake Simcoe or south shore of Georgian Bay.

Currently there is no formal structure in place to co-ordinate water management for the larger urban areas covering several watersheds involving more than one municipality.

- **Co-ordinating Water and Wastewater Management** - Responsibility for water in Ontario is fragmented and overlap and duplications in the regulatory process have reduced the efficiency and effectiveness of the approval and enforcement process. Furthermore, as the development in the Toronto Region increases the need and benefits for a regional water and wastewater strategy become apparent. The recent Walkerton inquiry has raised public awareness regarding water issues particularly with respect to the safety of drinking water. The Phase II recommendations of the Walkerton inquiry are expected to include recommendations on changes to the co-ordination of water. The following provides a discussion of some of the options available for the governance of water:

Status Quo – Municipalities in the Toronto Region, in particular those experiencing strong growth have been proactive and developed long range Master Plans to provide projected development with water and wastewater services. Furthermore municipalities have, in general, provided high quality water supply and wastewater services to their customers at relatively low cost. It is not expected that under the status quo scenario this would change.

However, as municipalities in the GTA grow closer together, opportunities to improve the coordination of water and wastewater services across the region, take advantage of infrastructure sharing and optimize infrastructure utilization may be missed under the status quo scenario. The long term preservation of water resources, green areas and natural ecosystems would also not be as well protected under the status quo scenario as individual municipalities are more likely to focus on the immediate needs of their municipality rather than the needs of the Toronto Region as a whole.



Furthermore, under the status quo scenario, the current regulatory process would not change and inefficiencies caused by overlap and duplications of responsibilities for water and wastewater would continue.

In summary, improvements to the planning and coordination of water service delivery methods would be beneficial for residents, businesses as well as the natural ecosystem in the Region.

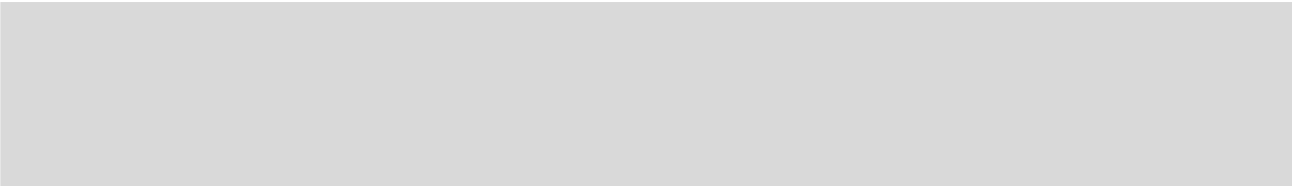
Consolidate Responsibility for Drinking Water and Source Water – The Ontario Water Works Association and the Ontario Municipal Water Association had official standing at the part II Walkerton inquiry and have issued a joint report entitled “Ontario Drinking Water – Toward a Safe Sustainable Future.” The report includes a number of recommendations related to the management and governance of drinking water including the recommendation that the Ontario Ministry of the Environment (MOE) form a new water branch within the Ministry responsible for safe drinking water, the protection of source water and the conservation of water. The report states that the province has province-wide statutory and regulatory source protection obligations and that current guidelines are not strong enough. A source water protection strategy is considered a key requirement to protect drinking water and should include an inventory of water sources, point and non-point sources of pollution, identification of substances discharged and plans for remediation, monitoring and evaluation. Any industrial, commercial, agricultural or other land use development that is going to harm source waters within the watershed should be regulated under provincial law to minimize or completely avoid such harm to the water source. The two associations propose that the MOE should put in place a system of permits and certificates of approval to regulate water protection plans.

The two associations also state that to implement this option, a “Safe Drinking Water Act” similar to the one in the U.S. may be required.

A Safe Drinking Water Act and consolidating responsibility for drinking water and source water into one branch of the Ministry of the Environment would reduce overlap and duplications between agencies and ministries (e.g. Ministry of Environment and Ministry of Natural Resources)

Under this proposal the entire regulatory process related to drinking water, water pollution control, source water protection and water conservation including permitting, licencing, monitoring and enforcement would be more efficient and effective and the safety of drinking water and the protection of the natural ecosystem would be improved.

However, for this consolidation of governance within the Ministry of the Environment to be successful, a long term commitment by the provincial government to resource this obligation in terms of staffing and funding would be a key requirement. In the past, competing government priorities have often resulted in funding cuts to various provincial programs and have reduced and eroded the effectiveness of such programs over time.

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- **Mandate of the Conservation Authorities** - Conservation Authorities are responsible for regulating/implementing flood control, protecting sensitive wetlands, valleys and ravines, acquiring lands for conservation and developing watershed plans. Conservation Authorities also undertake reviews and provide comments to municipalities on how Master Environmental Service Plans for new development and stormwater management plans affect the watershed under their jurisdiction. They have a strong local and municipal connection because members are representatives of member municipalities.

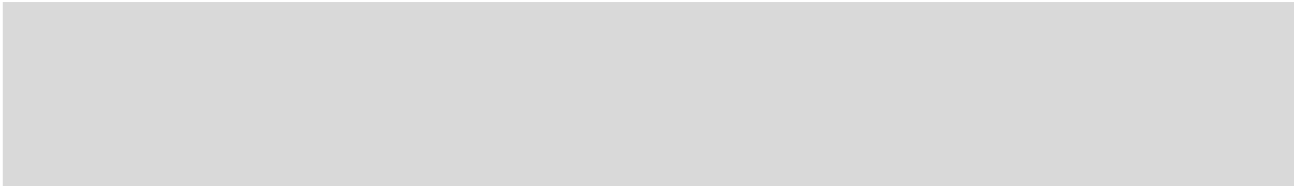
In summary, Conservation Authorities already have a strong involvement in local water related issues and one option to facilitate water management and coordination of water and wastewater planning for larger urban areas is to expand the mandate of Ontario's Conservation Authorities.

The effectiveness of Conservation Authorities is often curtailed because of a lack of funding and because their service areas are limited to only one or a few relatively small, watershed areas.

If Conservation Authorities are mandated a greater role in water management, e.g. assume the co-ordinating or regulatory responsibility for the planning of water and wastewater services for new urban areas, then they must be combined into larger geographic entities covering a district such as the GTA and be provided with extended responsibilities. Furthermore a revised mandate for Conservation Authorities would have to include provisions for secure funding.

Mandating Conservation Authorities to assume water management responsibility is one option to co-ordinate/regulate water issues across municipal boundaries and would offer the opportunity to provincial ministries, such as Natural Resources and Environment, to reduce their day-to-day involvement in municipal water issues. The delivery of water and wastewater services in urban areas would continue to be the responsibility of municipalities or water utilities. The actual extent of the mandate for water management for Conservation Authorities would have to be defined in consultation with stakeholders.

The Catchment Management Authority Model (CMA) - The CMA model is used in France, Britain and in similar forms in other European countries. They represent another option to consolidate and co-ordinate water management. CMAs are responsible for enforcing and overseeing all regulations, policies and guidelines put in place regarding water by Federal, Provincial and Municipal governments. For example, they would administer all permits and Certificates of Approval for water and sewage works including water withdrawal and discharge permits and assist and oversee the planning of water and wastewater services within the district or catchment area for which they are responsible. In effect, CMAs are an objective, separate entity with powers to prosecute and fine service delivery agencies if they do not meet federal, provincial or local legislation or regulations.



The jurisdiction of CMAs typically extends over a larger river basin or over a number of watersheds. The delivery of water and wastewater services remains with municipalities or is transferred to separate private or public water utilities.

The advantages of CMAs are that the new entity is responsible for enforcing and overseeing all water related regulations, policies and water management issues within a defined catchment area, ensures a consistent, systematic and co-ordinated approach to water management and therefore offers a one-stop shopping solution. They have been successfully used in countries with populations larger than Ontario and present an alternative to the system currently in place in this province.

The options described above provide a basis for discussion and more detailed assessments of technical, regulatory, legal and political implications of these changes to the governance of water are required. Furthermore consultations with stakeholders and a comprehensive public debate is necessary to ensure that the public's expectations and objectives in terms of preserving water sources, protecting the natural ecosystem, ensuring the safety of drinking water and providing cost effective water and wastewater services are being satisfied.

8.8 FUNDING FOR MUNICIPALITIES

- **Expanded Revenue Sources**—In other parts of North America and in Europe, municipalities generally have a much wider access to a portion of the consumption (e.g. gas tax) and/or income taxes as well as the ability to levy special taxes for dedicated purposes (e.g. hotel tax).⁷⁴ In addition, the level of Federal and Provincial transfer payments for transit and housing in the GTA needs to return to historic levels. Multi-year funding programs have worked in the past. Direct allocation of money on a per capita basis from higher levels of government has been a very useful tool. Old tools such as urban renewal and neighbourhood improvement programs, which were in place in the past also worked. Today these tools are not available and have not been replaced with new or comparable programs. The Toronto Region needs urban and suburban renewal programs to move into the future.
- **Provincial Infrastructure Financing Bank**—A State bank has been proposed in Oregon so a city can borrow the money, build the infrastructure, and repay it once the system development charges have been created. The problem US cities face today is that they cannot bond improvements with system development charges like they can with utility rates. This approach may have merit in areas where development charges are collected.
- **Public Private Development Agreements**—These agreements encourage cities to utilize public-private development agreements. In some cases developers are financially solvent enough to finance and build complete infrastructure systems for new developments and then collect system development charge reimbursements from later development in the area.⁷⁵
- **Tax Increment Financing** - Tax increment financing (TIF) enables a city to use the additional property taxes generated by a new development to pay for certain development expenses. TIF's allow a city to use tax increments to finance development costs.
- **Tax-Exempt Bonds** – Tax exempt bonds are debt obligations issued by cities and towns in the US to raise money for public works, schools, highways, affordable housing and other projects. If the projects are intended to benefit the general public, the bonds are exempt from federal income tax. The bonds are redeemed through the increased property tax revenues generated by a particular project.⁷⁶
- **Tax Credits** - In the U.S the internal revenue service allocates a certain number of housing credits to each state- each state has an agency to administer. Tax credits are offered to private and non-profit developers who meet certain criteria. The developers use tax money to raise capital.⁷⁷

⁷⁴ Federation of Canadian Municipalities. Early Warning: Will Canadian Cities Compete (Ottawa: Federation of Canadian Municipalities, 2001).

⁷⁵ Carson, Richard. Paying for Our Growth in Oregon (Beaverton, Oregon: New Oregon Meridian Press, 1998).

⁷⁶ Canadian Urban Institute. Smart Growth in Canada (Toronto: Canadian Urban Institute, 2001)

⁷⁷ Ibid.