

To:	Warden Matrosovs and Members of Grey County Council
Committee Date:	March 27, 2025
Subject / Report No:	CAOR-CW-04-25
Title:	Future Ready Development Program – Update & Next Steps
Prepared by:	Linda Scott Swanston, Manager, Climate Change Initiatives
Reviewed by:	Randy Scherzer

Recommendation

1. That report CAOR-CW-04-25 be received for information along with the attached draft Metrics for the Future Ready Development Program; and
2. That staff be directed to continue engagement with stakeholders including local Municipalities and the development industry, on implementation approaches for the Future Ready Development Program, and report back to Council with a final set of Metrics and a recommended implementation approach.

Executive Summary

This report provides a project update on the Future Ready Development Program, and outlines next steps.

Creating a new development performance program to support and collaborate with our local development industry by enhancing construction practices today to prepare for tomorrow is one of the five key next steps identified in Grey County’s climate action plan “Going Green in Grey” and aligns with Grey’s Official Plan, Housing Action Plan, and Age-Friendly Community Strategy. It is more affordable and less disruptive to build new construction today that is energy efficient and prepared for extreme weather than to retrofit later, and it supports long-term housing affordability by lowering utility bills.

Grey, Dufferin, and Wellington Counties have joined together to collaboratively create a Future Ready Development Program for three upper tier and 24 lower tier municipalities. A consistent development framework across the three Counties will make it easier for the development industry to understand and implement the framework. The program also prepares Grey County and our development industry for the net-zero building code that Federal and Provincial governments have committed to implement by 2030.

The project is supported by \$445,600 secured from Natural Resources Canada (NRCAN) Codes Acceleration Fund, to support the development of the Metrics, municipal training,

economic development in the green building sector, and a dedicated contract staff position for implementation.

Based on feedback in the extensive engagement process to date, what was initially drafted as the “Tri-County Green Development Standard” has evolved into the attached Future Ready Development Program. This flexible, points-based system responds to stakeholder feedback while aligning with regional climate and strategic goals.

The draft program establishes performance metrics for Natural Environment, Community & Transportation, and Built Environment. This report discusses implementation options including a voluntary phased-approach, initially focused on 10 or more unit residential developments.

A new dedicated implementation staff lead funded through NRCAN will be hired in Q2 2025 to support municipal rollout, and an update will be brought back to Council Q3 2025

Background and Discussion

Project Background

Grey County, in collaboration with Dufferin and Wellington Counties, has developed the Future Ready Development Program to advance energy efficient development ready for extreme weather in our region. Initially presented as the ‘Tri-County Green Development Standards’, in response to stakeholder feedback, the proposed program has evolved into a more a flexible points-based system instead of a prescriptive tiered structure. This program is one of five “Key Next Steps” identified in Grey’s Climate Change Action Plan “Going Green in Grey” (2022), and aligns with Grey’s Official Plan. It’s also included in “Priority 2 – Building Communities for the Future” of the County’s Corporate Strategic Plan (2024).

Recognizing the unique challenges of smaller rural communities, the three counties partnered to create a customized regional framework to support new development in alignment with County sustainability priorities. Each County initially committed \$75,000 towards this project, and through a competitive procurement process awarded a contract to Urban Equation and The Planning Partnership to begin work on the project in Q4 of 2023.

Concurrently, staff from Dufferin, Grey, and Wellington collaborated on a successful funding application to Natural Resources Canada’s (NRCan) Codes Acceleration Fund, with Grey County serving as the lead applicant. NRCan awarded \$445,600, increasing the total project budget to \$670,600 and extending the project to March 31st, 2027.

Program Development

Engagement Process & Technical Review

The project’s engagement process included public workshops, industry sessions, and municipal consultations, conducted in both in-person and virtual formats. Participants ranged from residents and local businesses to developers, home builders, municipal staff, conservation authorities, and other industry stakeholders.

Over 100 people attended the public workshops that were hosted in each County, including two virtual meetings that were hosted by Grey on April 17 and 18, 2024, which 40 residents attended.

Three industry sessions were hosted on April 10, 2024, June 10, 2024, and November 18, 2024. Developers and home builders from across all three Counties were invited, and across the three sessions there were 114 participants. Highlights from the industry sessions include support from developers for sustainability goals, but concerns around feasibility, overlapping regulations, costs and inflexible implementation, and the need to ensure no delays in approvals.

A series of workshops have also been held with Municipal Planning and Building staff with three happening in each County. Sessions were held with Municipal staff in Grey County on May 31, June 21 and October 11, 2024. Municipal staff comments focused on the need for efficient land use and the need to ensure consistent implementation across the region, while managing costs for municipalities and developers. Staff also identified the need for clarity about how any program would interact with the existing building code, and concern regarding potential conflicts of jurisdiction.

These engagement findings have been incorporated into the technical work undertaken by Urban Equation to recommend development performance metrics best suited to our rural environment in Grey County. The draft metrics presented in this report along with the possible implementation options seek to address the concerns raised during the engagement process.

Grey County staff invited local developers to discuss the attached draft Metrics and held five 1-on-1 discussions in February/March 2025. Feedback was broadly positive about the updates reflected in this report. While there remain some concerns and questions in the development community, the flexibility provided in the points-based system is preferable to the former tier-based approach, and a phased voluntary implementation approach is seen as appropriate.

Addressing Cost Concerns

The engagement process highlighted concerns about the potential impact of development performance metrics on housing affordability. While efficiency and sustainability measures can increase upfront construction costs, these costs are minor compared to broader economic factors such as interest rates and inflation. Studies show that additional costs typically range between 2-4% for developers, depending on building type and local market conditions. While developers may pass costs to buyers, lower operational costs (e.g., reduced energy bills, lower insurance premiums) ensure long-term affordability for homeowners. Additionally, early adoption of these measures helps prevent the need for expensive retrofits to meet future building code requirements and help to protect against escalating energy prices.

Alignment with the Ontario Building Code (OBC) and National Building Code (NBC)

The Ontario Building Code (OBC) sets minimum construction standards, focusing on structural integrity, fire safety, accessibility, and health, initially intending to “minimize the risk of injury and property damage from structural failure and fire and health hazards” (O.Reg 925/75). Over time, it has incorporated energy efficiency (O Reg 413/90), water conservation, and building envelope improvements. Grey’s proposed Future Ready Development Program complements the OBC by

setting outcome-based targets without prescribing specific construction methods or materials. Importantly, they do not conflict with the OBC but encourage developers to exceed minimum standards, supporting higher efficiency and resilience. As staff develop an implementation plan for the program they will continue to work with local building officials to confirm alignment with the OBC.

The Pan-Canadian Framework on Clean Growth and Climate Change (2016) established a national goal for all new buildings to be net-zero energy ready by 2030 - meaning they generate as much renewable energy as they consume. While municipalities must comply with the OBC, this program would drive the transition toward the coming regulated performance threshold.

Program Benefits

The Future Ready Development Program facilitates the adoption of innovative technologies, products, and building practices that will help prepare our development community for Ontario's anticipated Net-Zero Energy Ready Building Code (2030). A regional approach streamlines the process so developers can familiarize themselves with a single program across a broader geographic region, as requested by local developers.

In addition, a regional "Talent and Business Retention, Expansion and Attraction Plan" will be developed to leverage our existing clean energy expertise and provide any needed supports to maximize the local job creation and workforce development opportunities.

The program aims to deliver benefits across three key areas:

Environmental Benefits

- Reduced energy consumption and vehicle dependency,
- Improved water management and greenspace expansion,
- Enhanced climate resilience.

Social Benefits

- Improved air quality, active lifestyles, and access to greenspace
- Increased access to affordable and mixed-use housing,
- Recognition of local heritage and culture.

Economic Benefits

- Increased property values and building longevity,
- Reduced municipal infrastructure costs,
- Improved energy affordability
- Job creation

Draft Metrics and Implementation Options

Staff are exploring different implementation options for this program, prioritizing a phased approach that supports our local development industry in preparing for changing Provincial and National standards for construction in response to climate change.

The proposed program would initially apply to residential development, but could apply to other types of development in the future. The metrics would apply to developments of 10 or more

residential units and be evaluated at the subdivision / site plan stage. The program would be available to any interested developer regardless of residential development size. For developments of 10 or more residential units a complete application would include a completed Future Ready Metrics checklist.

Developed as a flexible, points-based framework with metrics that reflect regional climate goals and local priorities, the four metric categories include:

Natural Environment	Community & Transportation	Built Environment	Regional Priority
<ul style="list-style-type: none"> • Native Species • Tree Canopy • Stormwater Quality • Park Access • Resilience • Bird Friendliness 	<ul style="list-style-type: none"> • EV Readiness • Complete Streets • Transit Readiness • Accessibility • Affordability • Mixed Housing Types 	<ul style="list-style-type: none"> • Embodied Carbon • Water Efficiency • Solar Readiness • Energy & Electrification • Construction Waste Management • Heat Island Reduction 	<ul style="list-style-type: none"> • Space for Counties and/or municipalities to identify other priorities to allocate points

The full list of metrics is included in Appendix 1. Each metric would include an allocation of potential points allowing developers to identify which metrics best align with a specific development project and location.

When a recommended implementation approach is brought back to Council, it will include a series of point-based performance thresholds, identifying bronze, silver and gold performance levels to be recognized if a development achieves the appropriate number of points.

Staff are exploring three possible implementation approaches:

1. Optional - Developers can submit Metric Checklist for recognition if they choose
2. Voluntary - Developers submit completed Metric Checklist with all applications and are recognized for meeting any of the performance thresholds
3. Performance Thresholds - Developers submit completed Metric Checklist with all applications and must meet minimum Bronze Level performance and are recognized for the performance level (Bronze, Silver or Gold) they meet.

A possible implementation pathway would be a voluntary program for an initial pilot period, during which the checklist would be required with all submissions to collect data on current practices, prevalence of different metrics, and identify areas where additional support is required. This pilot phase would be followed by the phase-in of a minimum points requirement for new construction.

A dedicated staff person, fully funded by NRCAN, will be hired in Q2 2025 to work with local municipalities across all three counties to identify and recommend the best approach to implementation, and finalize a recommended set of Metrics for presentation to Council later this year.

Financial and Resource Implications

None.

Relevant Consultation

Internal

Planning – Scott Taylor

AODA Compliance

Contribution to Climate Change Action Plan Targets

Building Performance programs are an essential element of reaching our Climate Change Action Plan targets. If implemented this program would avoid over 800,000 tonnes of greenhouse gas (GHG) pollution between now and 2050, and save Grey County residents and businesses over \$300 million in energy costs over the same period.

External

Appendices and Attachments

Appendix 1: Draft Future Ready Development Program Metrics