

Issue at a glance:
**Supporting Municipal-
Indigenous Relations**





The City calls on the Ministry of Red Tape Reduction to undertake cross-ministerial coordination to reduce delays and ensure clear and consistent guidance on Indigenous consultation and accommodation.

A provincially decentralized approach to Indigenous relations has led to confusion about municipal obligations. This has created increasingly adversarial conditions between some First Nations and municipalities, causing significant delays to growth and requiring regular provincial intervention.

Moving Forward: Opportunities for Provincial Support

Meaningful consultation and accommodation remains essential and is central to reconciliation. There is an opportunity to align efforts across provincial ministries to ensure a consistent approach to consultation, and to create conditions where municipalities can move beyond project-by-

project decisions to using a consistent framework and approach to arrive at a collective solution. The following are the City's recommendations for provincial actions to improve the consultation process:

Ministry of Red Tape Reduction	Facilitate alignment of consultation guidance between ministries, and ensure that it is meaningfully backed with funding and policy support for First Nations and municipalities.
Ministry of Indigenous Affairs and First Nations Economic Reconciliation	Increase funding available to First Nations for technical review capacity through the New Relationships Fund, and work with First Nations to understand staffing and financial needs associated with consultation requirements.
Ministry of the Environment, Conservation, and Parks	Develop a province-wide framework for navigating capacity funding requests as part of the Municipal Class Environmental Assessment process
Ministry of Municipal Affairs and Housing	Develop clear guidance and resources for builders on Indigenous engagement and accommodation requirements.

Overview: Municipalities and Indigenous Consultation

The Crown has a duty to consult, and when appropriate, to accommodate Indigenous Nations where activities may adversely impact Aboriginal or treaty rights. While municipalities do not hold

the Duty to Consult (DtC) themselves, they are often delegated consultation responsibilities as part of various provincially-mandated processes:

Municipal Indigenous Consultation Pathways Across Regulated Processes in Ontario:

Process	Indigenous Consultation Requirements	Governing legislation and guidelines	Overseeing Ministry
Archaeological Assessments	Formal consultation with Indigenous communities is required for municipalities as part of field-based archaeological assessments (Stage 3 and onwards*). This may include review of documentation and monitoring of field work. *The City of Guelph also engages with Indigenous rightsholders in both Stage 1 & 2 as a best practice	Ontario Heritage Act, 1990 Standards and Guidelines for Consultant Archaeologists (2011)	Ministry of Citizenship and Multiculturalism
Municipal Class Environmental Assessments (MCEAs)	Formal consultation with Indigenous communities is required for municipalities as part of MCEAs for major infrastructure projects. This may include discussions and review of alternative solutions and design options, and verification of environmental impact statements.	Environmental Assessment Act, 1990; Municipal Engineers Association MCEA User Guide (2023)	Ministry of the Environment, Conservation, and Parks
Planning Act Processes	Early and meaningful engagement by project proponents with Indigenous communities is required as part of planning and development applications. This may look like discussion of project impacts, and various accommodations considered by the project proponents. Some municipal planning policy changes (i.e. Official Plan Updates) are subject to formal consultation requirements.	Planning Act, 1990 Provincial Planning Statement (2024)	Ministry of Municipal Affairs and Housing

Overall, consultation requirements and guidelines are divided across several different ministries, and contain varying degrees of detail leaving aspects open to individual interpretation. Further, the City often receives different directions on the Indigenous groups which must be consulted from different ministries. Altogether, this creates an environment where expectations and approaches to consultation and accommodation are inconsistent, creating opportunities for confusion, relationship harms, and delays.

Emerging Challenges: Major Accommodation Requests

Over the past year, both the City of Guelph and private sector development proponents have seen significant accommodation requests on various projects which are beyond municipal authority to resolve alone. This includes:

- Requests for capacity funding for First Nations participation in provincially mandated consultation activities during Environmental Assessments, potentially costing tens of thousands of dollars per project.
- Requests for compensation and accommodation for the loss of natural areas within traditional territory as part of new housing development projects, and
- Requests for environmental protections and buffers beyond existing policy

Currently, there is no clear, consistent provincial guidance on how to address these requests, nor is there a timely and feasible solution to avoid significant project costs and delays. As a result, the City and private sector development proponents are in a challenging position, with no clear path forward without incurring significant costs and risks.

The Impacts: Housing and Infrastructure Delays

As a result of this lack of consensus and guidance, Guelph is seeing real and significant delays to growth, each requiring case-by-case provincial intervention:

Project	Details of Delays	Impacts
Various ongoing residential development applications.	Several development applications across Guelph have faced substantial accommodation requests which have required a pause in work to address.	At least 1,013 future housing units facing delays as of July 2026, pending resolution of accommodation requests.
Macdonell and Allan Structures MCEA	This study is needed to enable the repair of a key transportation corridor into Guelph's downtown, and is currently on hold awaiting resolution of a Section 16 Order (S16O) request regarding capacity funding.	Potential future weight restrictions on corridor will increase emergency response times and re-route thousands of truck trips daily.
Stone and Victoria Road MCEA Structure 116 MCEA	These studies are needed to support future development in the Guelph Innovation District. They are expected to receive S16O requests following notice of completion in 2026 given capacity funding challenges.	Delays to the construction of a projected 4,544 housing units in the Guelph Innovation District.
Gordon Street, Clair Road and Laird Road MCEA Street A MCEA	These studies are needed to enable future development in Clair-Maltby Secondary Plan Area. They are expected to receive S16O requests following notice of completion in 2026 given capacity funding challenges.	Delays to the construction of at least 10,349 housing units in the west side of the Clair Maltby Secondary Plan Area.



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