Region of Peel
working with you

**REPORT**
**Meeting Date: 2022-12-08**
**Regional Council**

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| REPORT TITLE: | Bill 23 “More Homes Built Faster Act” and Implications for the Region of Peel |
| FROM: | Janice Baker, FCPA FCA, Chief Administrative Officer |

## RECOMMENDATION

1. **That the staff comments and recommendations to the Province of Ontario as contained in and appended to the report of the Chief Administrative Officer, listed on the December 8, 2022 Regional Council agenda titled “Bill 23 – ‘More Homes Built Faster Act, 2022’ and Implications for the Region of Peel” be endorsed; and**

2. **That staff be authorized to prepare and submit to the Province of Ontario any additional comments on Bill 23 and any amending bills or related regulations, as necessary; and**

3. **That the Regional Chair, on behalf of Regional Council, write to the Minister of Municipal Affairs and Housing to request that the Province of Ontario create a municipal compensation fund to compensate the Region of Peel and its local municipalities in order that they be made whole as a result of the impacts of Bill 23 on municipal growth funding revenues and expenditures; and**

4. **That this report be forwarded to the Ministry of Municipal Affairs and Housing, Members of Provincial Parliament within the Region of Peel, the City of Brampton, the Town of Caledon and the City of Mississauga.**

## REPORT HIGHLIGHTS

- Bill 23, the *More Homes Built Faster Act, 2022* (“Bill 23”) received royal assent on November 29th, 2022 and will have significant impacts on the Regional Municipality of Peel.
- Changes to the *Planning Act* will remove planning authority from the Region of Peel, making it an “upper-tier municipality without planning responsibilities”.
- Services that the Region provides are essential to support growth and adequately address items of public health and safety. Bill 23 will impact the Region’s ability to coordinate, plan, and protect those services and may curtail rather than enhance housing supply.
- Bill 23 will not lead to a material improvement in affordability outcomes for the residents of Peel and will directly threaten the Region’s Housing Master Plan.
- Bill 23 imposes significant reductions to the Region’s ability to collect development charges. Preliminary analysis estimates that the DC revenue shortfall in Peel resulting from the changes to the *Development Charges Act, 1997* could amount to approximately $2 billion over the next 10 years.

- The 2031 accelerated housing targets associated with Bill 23 will impact the Region’s ability to provide infrastructure to support growth in a timely manner and will increase financial and regulatory risk. The DC revenue shortfall could escalate to as high as $6 billion if the Province’s housing targets are actually met.

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## DISCUSSION

### 1. Background

On November 29th, 2022, the Province passed Bill 23, the *More Homes Built Faster Act, 2022*, to support the provincial commitment to facilitate the construction of 1.5 million homes over the next 10 years. Bill 23 makes substantial changes to various pieces of legislation, regulations and provincial plans and policies.

Bill 23 will impose significant change on the Regional Municipality of Peel (the “Region”) as well as the Cities of Mississauga, Brampton and the Town of Caledon. While some changes will affect both upper and lower tiers, there are several significant changes specific to the Region in its capacity as the upper tier municipality. Legislative changes that will impact the Region most acutely are made to the *Development Charges Act, 1997* (the “*DC Act*”) as well as the *Planning Act*. These changes will fundamentally alter the Province’s land use planning system and municipal governance frameworks.

The Province, as part of its consultation process, has made numerous postings to the Environmental Registry of Ontario (“ERO”) and Regulatory Registry seeking comment from the public and stakeholders. Regional staff undertook a detailed assessment of the proposed changes prior to the passage of Bill 23 and provided comment to the Province in the submissions attached in the appendices to this report, for which Council endorsement is sought. Staff also participated collaboratively in cross-municipal working groups to identify and assess the impacts of Bill 23, and to support the advocacy efforts being undertaken by the Mayors and Regional Chairs of Ontario (MARCO). MARCO has presented a unified municipal voice to the Province in response to the legislation. A copy of MARCO’s letter to the Minister dated November 21, 2022 and submission to the Province on Bill 23 is attached at Appendix VII.

This report outlines the key impacts of Bill 23 on the Region of Peel.

### 2. Summary of the Bill 23 Changes and their Impact on Peel

Many of the Bill 23 changes run counter to the Province’s stated housing targets and may result in negative consequences which will limit the Region’s ability to advance housing supply. It is expected that the changes will:

- Significantly alter roles and responsibilities within the land use planning system by removing the Region’s planning authority. The Region’s role as a coordinating body for the planning and servicing of growth may be limited which will challenge infrastructure delivery and not enhance housing supply.
- Impose new housing targets that will be challenging to achieve, and which will impact infrastructure, financial planning and the ability to support growth.
- Eliminate the ability to collect development charges to support the delivery of critical housing for vulnerable populations and introduce changes to planning policies and

processes that do not have a clear or direct connection to increasing the supply of housing.
- Reduce development charge funding and other development funding necessary to pay for the infrastructure required to support the proposed new housing growth.

a) Planning Roles and Responsibilities

Bill 23 directs changes to the *Planning Act* which will remove planning authority from the Region, making it an “upper-tier municipality without planning responsibilities”. These changes eliminate Regional Council’s approval authority for local planning matters, require local municipalities to implement the Regional Official Plan, and remove the Region’s right to appeal land use planning decisions.

The Regional Official Plan, which has been approved with modifications by the Minister of Municipal Affairs and Housing, will become the responsibility of local municipalities in conjunction with their own Official Plans. The intent is that local municipal Official Plans will incorporate Regional Official Plan policies within their jurisdiction. In the interim, *Planning Act* decisions will be made by local municipalities having regard for both documents with the Regional Official Plan prevailing in the event of conflict. It is to be noted that while Bill 23 was passed on November 29, 2022, the provisions which remove the Region’s planning responsibilities are not yet in force and will take effect when those provisions are proclaimed in force on a future date.

The Region has already delegated much of its planning approval authority to local municipalities for routine planning applications in order to streamline the development process. The Regional Official Plan provides a critical framework and mechanism to ensure the coordination of cross-boundary infrastructure delivery to service growth, some of which may be outlined through master plans (including water, wastewater, waste management, transportation infrastructure, natural infrastructure, human services, and protection for public health risks). By removing the Region’s “planning responsibilities” Bill 23 has the potential to eliminate the critical coordination function that the Region currently manages for the local municipalities within Peel. Failure to properly coordinate infrastructure delivery could have costly unintended consequences from both a planning and financial perspective.

It should be noted that in addition to Bill 23, the Province introduced Bill 39, *Better Municipal Governance Act, 2022* on November 16, 2022. While not expressly included in the proposed legislation, the Province has announced that a provincially appointed facilitator will be asked to assess regional government and determine the appropriate roles and responsibilities for each of the Region and its local municipalities. While it is difficult to anticipate the outcome of the provincially lead discussions, these discussions may assist in the mitigation of some of the negative land use planning and coordination impacts of Bill 23.

In addition to removing the Region’s planning authority, Bill 23 limits the Region’s planning appeal rights to the Ontario Land Tribunal (“OLT”). The removal of appeal rights from upper-tier municipalities without planning responsibilities for all categories of planning decisions is a significant risk for the provision of essential services, including water and wastewater servicing, roads, and matters of public safety. The changes will limit the Region’s ability to provide the OLT with valuable information to inform its decisions related to matters of infrastructure and servicing and other specific items under Regional jurisdiction that may not be adequately addressed in a proposed development.

Ultimately, the services that the Region provides are essential to support growth and adequately address items of public health and safety. To the extent that the provincial facilitation is not successful in mitigating all of the negative land use planning and coordination impacts of Bill 23, the Bill 23 changes that limit Peel’s ability to coordinate, plan, and protect those services may curtail rather than enhance housing supply.

In addition to the significant impacts noted above, the Bill also changes the role of the Conservation Authorities (“CAs”). Municipalities currently rely on CAs to provide watershed planning and science to inform land use and infrastructure decision making. Limiting the commenting roles of CAs to a core mandate focused on natural hazard risks creates inefficiencies and resourcing costs and will significantly impact municipalities. Where existing capacity is limited or does not exist, municipalities will need to provide or contract services for technical advice on natural heritage and non-hazard related policy and application review.

b) Infrastructure Planning and Delivery to Support Growth

As part of the Bill 23 announcement, the Province will assign new municipal housing targets based on population size and growth and has directed area municipalities to accelerate growth to meet the Province’s 1.5 million unit goal.

The proposed changes to the housing targets for Peel to 2031 are approximately 2.5 times the forecast prepared as part of the Peel 2051 Municipal Comprehensive Review. The Province has proposed the following housing targets:

**Table 1: Region of Peel Official Plan Forecast and Bill 23 Forecast (2021-2031) in units**

| | Brampton | Caledon | Mississauga | Peel |
|---|---|---|---|---|
| Bill 23 | 113,000 | 13,000 | 120,000 | 245,000 |
| 2021-2031 Current Growth Forecast * | 55,000 | 12,000 | 33,000 | 100,000 |
| Difference | **58,000** | **1,000** | **87,000** | **145,000** |

*Region of Peel Official Plan, April 2022

It is unclear how these targets will work in conjunction with the Growth Plan population and employment forecasts.

The accelerated timing for the new 2031 targets will impact the Region’s ability to provide infrastructure to support growth in a timely manner. The increased targets will be challenging to achieve and, combined with the removal of the Region’s role in coordinating and integrating land use, infrastructure, and financial planning, could result in:

- putting the Provincial housing targets at risk if appropriate plans essential for coordination between the Region and the local municipalities are not in place to advance long-term planning and delivery of infrastructure to support growth;
- lack of clarity around how to resolve conflicts between local growth plans and Regional infrastructure plans and capital investment programs;
- reduced ability to assess the impacts of growth on Regional infrastructure or protect for infrastructure improvements through the development process.

As noted earlier in this report, the facilitation process recently announced by the Province may assist in addressing some of these concerns. However, the risks associated with a failure to address all of the underlying coordination concerns outlined in this report are significant. Regional staff will bring forward a comprehensive list of issues which must be addressed to ensure that the Province is aware of these risks.

c) Impact on Housing Services and the Region’s Inventory of Affordable Units

Regional staff assess that Bill 23 will not lead to a material improvement in affordability outcomes for the residents of Peel. In fact, Bill 23 impairs the ability of the Region in its role as legislated Service Manager for affordable housing to respond to the ongoing housing affordability crisis.

While the Region provides 28,000 people with housing supports, there are an estimated 91,000 low and moderate income households living with core housing need in Peel. In 2021, nearly 4,000 people relied upon the emergency shelter system, while only about half of supportive housing demand is being addressed. If the Province is successful in achieving its housing targets, an increase in housing supply could make the average home in the Region affordable to more households, although this would only apply to those with higher incomes. This new supply will have minimal impact on those experiencing the highest degree of housing stress in the Region. The Bill 23 supply-only response will not resolve the housing affordability crisis for all income classes in Peel.

Bill 23 removes housing services as an eligible service from the *DC Act*, thus eliminating development charges as a source of funding for housing projects included in the Region’s Housing Master Plan. In terms of immediate effects, the changes to the *DC Act* would put Housing Master Plan projects that are supported with DC funding at risk, will jeopardize Provincial and Federal grants, and could result in a loss of approximately 943 units in Peel.

A detailed list of projects at risk is included in the following Table 2.

**Table 2: Region of Peel Housing Projects at Risk**

| Project | Number of Units | Allocated Development Charges Funding ‘000s | Provincial Funding (‘000s) | CMHC Mortgage (‘000s) | CMHC Forgivable Loan (‘000s) |
|---|---|---|---|---|---|
| East Avenue | 151 | $18,466 | $23,259 | $14,433 | $6,403 |
| Brightwater (PCWV) | 150 | $17,500 | $13,128 | $13,878 | $6,156 |
| Chelsea Gardens | 200 | $41,000 | $0 | $18,504 | $8,209 |
| Mayfield West Phase 1 (Family) | 50 | $13,500 | $0 | $4,626 | $2,052 |
| Peel Manor | 194 | $30,000 | $0 | $17,949 | $7,962 |
| Brampton Family Shelter | 60 | $7,202 | $0 | $0 | $2,463 |
| Riley Court | 138 | $2,400 | $0 | $12,768 | $5,664 |
| **Total** | **943** | **$130,068** | **$36,386** | **$82,158** | **$38,909** |

Bill 23 imposes *DC Act* and *Planning Act* changes which will exempt non-profit housing from development charges and parkland dedication fees. However, while there is no question that Peel Housing Corporation is a non-profit housing provider, Peel Housing Corporation does not meet the technical definition outlined in Bill 23 to qualify for "non-profit housing development" levy and fee exemptions. Exemptions to charges must be extended to municipal housing corporations like Peel Housing Corporation. This will otherwise further undermine the Housing Master Plan and financially constrain affordable housing development by the Region even further.

Bill 23 *Planning Act* amendments materially change inclusionary zoning by limiting the set-aside rate to 5 per cent, restricting the duration of affordability to 25 years, and establishing what is considered "affordable" to a unit whose price is less than 80 per cent of the average resale/market rental price, while exempting those private units from development charges. Based on current market rates, using the 80 per cent rule for condominiums (the housing type most likely to be secured through an inclusionary zoning program) would result in inclusionary zoning condominium units priced at $500K or greater. These prices would result in affordability only for high income households, no longer making inclusionary zoning an affordable housing program to secure housing for low or moderate-income households. Consequently, inclusionary zoning will be less effective in meeting local housing objectives of creating more affordable housing options and improving housing affordability. See Table 3 below.

**Table 3: Homeownership Affordability Based on Household Income**

| Low Income Households | | | Moderate Income Households | | | High Income Households | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | |
| **DECILE 1** | **DECILE 2** | **DECILE 3** | **DECILE 4** | **DECILE 5** | **DECILE 6** | **DECILE 7** | **DECILE 8** | **DECILE 9** | **DECILE 10** |
| These households earn up to: | | | These households earn up to: | | | These households earn up to: | | | |
| $30,282 | $46,950 | $62,094 | $77,494 | $93,820 | $111,266 | $132,337 | $159,876 | $205,440 | $205,441+ |
| Households can afford a sale price of: | | | Households can afford a sale price of: | | | Households can afford a sale price of: | | | |
| $119,290 | $184,947 | $244,605 | $305,269 | $369,582 | $438,306 | $522,289 | $635,781 | $823,663 | $823,664+ |

Bill 23 also amends the *Municipal Act, 2001* by giving the Minister authority to direct the ability of a municipality to regulate the demolition and conversion of residential rental properties. This change is intended to limit the applicability of local rental housing demolition by-laws, which risks the loss of very limited existing market affordable rental supply in Peel through redevelopment activity. Approximately 1 in 5 households in Peel live in rental housing, making Peel unique from other regional municipalities in the Greater Toronto Area in that it has a higher proportion of renter households. These families largely live in core housing need and are more likely to be racialized or otherwise marginalized as compared to those that own their homes.

It is important to note that Bill 23 does not require that any of the DC exemptions or other cost reductions applied to new housing construction be passed on to purchasers. Bill 23 relies on the private sector and the supply-side approach to create or pass on these savings without any legislative requirement or guarantee that this will actually occur.

The provisions of Bill 23 directly threaten the Region's Housing Master Plan, undermine the utility of inclusionary zoning, and put low-income rental households, including those racialized, at risk of displacement and financial instability. Increasing housing targets and providing for varying degrees of development charge exemptions for housing in the manner established by Bill 23 will not effectively address the housing affordability crisis.

d) Financial Impacts on the Region’s Ability to Deliver Growth Related Services

Estimated DC Revenue Shortfall

Bill 23 eliminates housing services, growth-related studies, and certain land acquisition costs from being eligible for DCs. These changes challenge the principle of “growth should pay for growth”. In addition to removing these eligible costs from DCs, Bill 23 also imposes a number of exemptions and other DC reductions.

Based on a preliminary analysis, Regional staff estimate that the DC revenue shortfall in Peel resulting from Bill 23 could amount to approximately $2 billion over a 10-year period. It should be noted that additional information/detail is expected from the Province for the purposes of clarifying the extent of the DC reductions and exemptions associated with: the definition of affordable units; attainable units; removal of studies and land acquisition costs. This preliminary analysis has been arrived at by applying the following assumptions:

- assume a growth scenario that is in line with the Region’s current Official Plan;
- assume removal of studies including master plans, servicing plans and EAs;
- assume removal of land acquisition costs for hard and soft services.

Further, significant financial impact to the Region could result from the mandated full DC exemption for “affordable residential units” and “attainable residential units”. For example, the definition of “affordable” in Bill 23 provides that a residential unit whose purchase price is less than 80 per cent of the average purchase price (“APP”), to be published by the Province in a future bulletin, will be eligible for a full DC exemption. This definition is not tied to income levels which is included in the “affordable” definition set out in the current Provincial Policy Statement.

It is unclear how the APP will be calculated by the Province. Regional staff conducted an analysis and have estimated that more than 50 per cent, and as high as 80 per cent depending how the APP is determined by the Province, of new ownership units in Peel in 2021 would have been eligible for the DC exemption. To put that into context, at 2021 year-end, 80 per cent of the average resale purchase price of an ownership unit in Peel equated to $841,950, whereas a moderate-income household (in the sixth income decile – see Table 3) could only afford a maximum home price of $465,718. This represents an affordability gap of $376,232. High density units made up 70 per cent of new residential construction in Peel over the past four years. Assuming the APP determined by the Province is the average market price, including the resale market, in Peel, it is likely that the majority of high-density small residential units will be exempt from DCs. This will result in a significant loss of DC revenue that will pose challenges to funding growth while not improving housing affordability for moderate-income households.

Table 4 below provides a summary of the preliminary financial impact estimates based on the assumptions discussed above. Actual revenue shortfalls will vary depending on the final language of the Bill 23 definitions as well as the actual levels of development activity.

**Table 4 – Preliminary Estimates 10-year DC Revenue Shortfall**

| **Bill 23 - Proposed Changes to the DC Act** | **Totals ($millions)** |
|---|---|
| Removal of Housing from DC Eligibility | $200 |
| Removal of Studies and Lands from DC Eligibility | $370 |
| DC Rates Phase-In | $190 |
| DC Exemptions | $1,200 |
| Others | $80 |
| **Total** | **$2,040** |

The elimination of housing services from DC eligibility has resulted in an immediate DC rate reduction of 5.4 per cent. This loss of funding to the Region’s housing services will put the Region’s capital program associated with affordable housing, social housing and shelters at risk of not proceeding or being delayed.

As noted in an earlier section of this report, the Bill 23 announcement referenced increased growth targets of 246,000 residential units in Peel (see Table 1). Although Regional staff believe that it will be challenging to achieve these targets, staff undertook an analysis using the assumptions noted above and applied them to the Province’s revised growth numbers. The results of this analysis show that the revenue shortfall could escalate to as high as $6 billion if the Province’s targets are met.

<u>Property Tax Levy and Utility Fees</u>

In the absence of provincial funding to cover anticipated DC revenue shortfalls, the financial burden resulting from such shortfalls would shift to property taxes and utility user fees - should the capital plan proceed in an effort to maintain service levels. Table 5 below illustrates the impact on the Region’s tax and water/wastewater rate payers under that scenario.

**Table 5 – Preliminary Analysis – Estimated Impact on Tax and Ratepayers**

| | **Property Tax Supported Program*** | **Utility Rate Supported Program**** |
|---|---|---|
| Average Annual DC Shortfall | $83 million | $121 million |
| One-time Tax Levy/Utility Rate Increase to be added to the budget base | 7% | 26% |
| Annual Average Increase to the Regional Portion of the Tax/ Utility Bill – Residential | $145 | $180 |
| Annual Average Increase to the Regional Portion of the Tax /Utility Bill – Small Business | $255 | $465 |

*Based on residential CVA of $578,600 (tax bill in 2022 - $2,165), small business of $641,900 (tax bill in 2022 - $3,833)
**Average residential utility bill is $838 in 2022, small business $2,145

Growth Infrastructure and Services

In the past decade, the Region's growth capital program has used debt ($1.8 billion) to finance its growth program largely for water and wastewater infrastructure. The Region's net DC debt outstanding at the end of 2021 was $1.2 billion.

The Region has already experienced a further DC revenue gap in part due to the DC freeze, DC deferral, and exemptions for second units mandated through Bills 108 and 197 introduced by the Province in recent years. The Bill 23 DC exemptions and reductions will further widen the DC revenue-expenditure gap, which comes at a time when the Region is already experiencing cost escalations associated with growth-related projects stemming from current economic conditions.

The estimated Bill 23 DC funding shortfall of approximately $2 billion exceeds the amount of debt currently issued by the Region and would double the debt requirement should infrastructure proceed as planned in advance of DC revenues having been received. The combination of current and forecast debt repayment as a result of Bill 23 will:

- increase the Region's annual debt repayment limit ("ARL"), pushing it closer to the statutory limit of 25 per cent;
- increase the percentage of DC revenues allocated to debt servicing costs and thereby decrease funds available for capital projects, which could lead to levels where DC revenue would only be sufficient to service debt requirements;
- put the Region's triple A credit rating at risk.

The increased growth targets by the Province to 2031 (see Table 1) which are approximately 2.5 times the forecast prepared as part of the Peel 2051 Municipal Comprehensive Review as approved by the Province, will further exacerbate the financial challenges discussed above. To meet the Province's new targets, the Region would have to leapfrog infrastructure investments that were originally planned for outer years and advance them to be in place over the next 10 years. There are no additional financial tools currently available that can be utilized to address the anticipated large revenue shortfall or forecasted gap between DC revenues and expenditures required to service the Province's new housing targets.

The accelerated infrastructure delivery necessitated by Bill 23 will have far-reaching impacts across the development and construction industry. Construction activities are already constrained due to increased labour challenges and these issues are anticipated to continue over the coming years. According to BuildForce, Canada's national report, all industries across the province will have to replace approximately 259,100 workers by the end of the decade due to retirements. This accounts for almost 22 per cent of the current workforce. The issue of labour shortages and other economic conditions, including the risk of an economic downturn in 2023, may limit the market's ability and willingness to produce and absorb the number of targeted units set by the Province.

Preliminary analysis indicates that the Region has limited financial capacity and service capacity to design, procure, build and maintain infrastructure at this pace and at this scale. Further, there is no guarantee that the projected housing growth will actually occur to take advantage of the infrastructure investments, placing Peel at considerable financial risk with associated reduced DC revenue.

Other Financial Risks and Considerations

Without additional provincial funding, the DC reductions in the legislation will force the Region to:

- delay the construction of infrastructure needed for land servicing,
- take on risk by issuing additional debt, which may become stranded, and/or
- force significant increases to property taxes and utility rates.

The increased burden resulting from Bill 23 on existing and future property owners and renters will mean future higher ongoing expenses to own/rent a property which may negatively affect affordability. Further, those existing properties who have paid DCs will be required to pay for growth again. Such an outcome would further aggravate the growing property tax burden on residents and businesses in Peel, impact housing affordability, and reduce the pace of growth and housing development.

Bill 23 has come at a time when the Region has already been facing challenges such as funding constraints resulting from costs to respond to the Covid-19 pandemic, as well as budgetary pressures associated with priorities such as responding to the housing crisis, the climate emergency, asset management, a slowing economy, rising service demand for public health and affordable housing, and other community pressures. Unprecedented growth and density targets would put significant pressure on infrastructure and services emplacement and create challenges for future asset lifecycle costs (including operating costs).

Staff have provided comments and recommendations through the ERO consultation regarding the changes to the *DC Act*. Regional staff continue to advocate for provincial funding to cover the DC revenue shortfall to ensure revenue neutrality. In the absence of additional funding from senior levels of government, the Region will be facing significant financial challenges that will be very difficult to overcome, which will lead to diminishing financial sustainability over time.

On November 30th, 2022, Minister Clark committed in a letter to the President of the Association of Municipalities of Ontario (AMO) to “ensuring municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure because of Bill 23.” The letter is attached as Appendix VIII. While the definition of “enabling infrastructure” is required, including the actual construction of affordable housing, the statement appears to be in line with the recommendations of this report that the Province establish a fund to ensure that Peel and its local municipalities are made whole as a result of the impacts of Bill 23.

## RISK CONSIDERATIONS

As outlined in this report, Bill 23 represents a significant change in the province’s land use planning system and municipal governance framework. While not all risks can be quantified at this time, Regional staff have identified those areas that pose the greatest risk to the Region. In addition to the financial risks discussed earlier in this report, the following service delivery risks are identified.

- Bill 23 has the potential to eliminate the critical coordination function that the Region currently manages within Peel. Failure to properly coordinate infrastructure delivery could have costly unintended consequences from both a planning and financial perspective.

- The compressed timing for the 2031 housing targets impacts the Region's ability to provide infrastructure to support growth in a timely manner and will likely increase costs, whether the planned growth occurs or not.
- Changes to the *DC Act* will put the Housing Master Plan projects that are supported with DC funding and Provincial and Federal grants in jeopardy. This could result in a loss of approximately 943 units in Peel.

**CONCLUSION**

Bill 23 imposes significant change and results in significant impacts on the Region and its local municipalities. These legislative changes will fundamentally alter the Region's land use planning, infrastructure service delivery, and housing provider/service manager roles, and will result in a significant loss of revenue.

The Region's role as a coordinating body for the planning and servicing of growth may be limited under Bill 23 which will likely curtail rather than enhance housing supply. New housing targets will be challenging to achieve and will impact infrastructure, financial planning and the ability to support growth. Bill 23 will also limit the Region's ability to collect development charges to support the delivery of infrastructure and critical housing for vulnerable populations. The service delivery and financial risks to Peel as a result of Bill 23 are expected to force the Region into making a choice between increasing taxes/utility rates or reducing service levels.

**APPENDICES**

Appendix I – Region of Peel Response to the Province: Legislative and regulatory proposals affecting conservation authorities to support the Housing Supply Action Plan (ERO Postings 019-6141 and 019-2927) - November 2022

Appendix II - Region of Peel Response to the Province: Proposed Updates to the Ontario Wetland Evaluation System (ERO 019-6160) and Conserving Ontario's Natural Heritage Discussion Paper (ERO 019-6161) - November 2022

Appendix III - Region of Peel Response to the Province: ERO 019-6172- Proposed Planning Act and Development Charges Act Changes - November 2022

Appendix IV - Region of Peel Response to the Province: ERO 019-6163 - Proposed Planning Act and City of Toronto Act Changes (Schedules 9 and 1 of Bill 23 – the proposed More Homes Built Faster Act, 2022); ERO 019-6171 - 2031 - Municipal Housing Targets; and ERO 019-6173 - Proposed Amendment to O. Reg. 232/18: Inclusionary Zoning - November 2022

Appendix V - Region of Peel Response to the Province: ERO 019-6173 - Proposed Amendment to O. Reg 232/18: Inclusionary Zoning - November 2022

Appendix VI - Region of Peel Response to the Province: Ontario Regulatory Posting 22-MMAH017- Seeking Feedback on Municipal Rental Replacement By-Laws - November 2022

Appendix VII - MARCO Letter to Province dated November 21, 2022 and Submission to the Province on Bill 23

Appendix VIII – Minister Clark Letter to AMO dated November 30, 2022

**Bill 23 "More Homes Built Faster Act" and Implications for the Region of Peel**

Janice Baker, FCPA FCA, Chief Administrative Officer

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