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June 15, 2023

REGION OF PEEL

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Ministry of
Municipal Affairs
and Housing

Ministère des
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June 15, 2023

Nando Iannicca
Regional Chair and Chief Executive Officer
Region of Peel
nando.iannicca@peelregion.ca

Dear Chair Iannicca: *Nando*

Thank you for your letter sharing your thoughts on the *More Homes Built Faster Act, 2022*, and its impact on the Region of Peel. I appreciate the time you have taken to write about the impact of reduced development fees on the Region.

Our changes are designed to lower the cost of housing and spur residential development for a range of housing options. Our plan will also build more homes near transit, unlock innovative approaches to design and construction, and get shovels in the ground faster.

Transformative change is never easy, but our government stands ready to make the necessary decisions that will improve Ontario's housing sector and benefit the province in the short and long term.

At the same time, it is critical that municipalities are able to fund road, water, sewer, and other housing-enabling infrastructure and services that our growing communities need. That is why we are launching a third-party audit of select municipalities to get a factual understanding of their finances, including their reserve funds and development charge administration. Together with our municipal partners, we will use this process to get the facts, make improvements, and better serve Ontarians by exploring alternative tools for growth to appropriately pay for growth rather than continuing to raise development charges on new homebuyers.

REFERRAL TO _____

RECOMMENDED

DIRECTION REQUIRED _____

RECEIPT RECOMMENDED _____

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The Federal Government recently unveiled details of its \$4-billion Housing Accelerator Fund that municipalities can access to support critically needed housing and housing enabling infrastructure. Our priority is to ensure this money actually gets out the door in a timely manner to support our municipal partners. We look forward to work with you to ensure that investments made through the Housing Accelerator Fund are targeted in such a way that can maximize housing outcomes for both current and future residents of Ontario.

Since the *More Homes Built Faster Act*, we have also introduced the proposed *Helping Homebuyers, Protecting Tenants Act*. The Act contains numerous actions to further tackle Ontario's housing crisis, including a proposed new provincewide planning policy document that would combine the Provincial Policy Statement and A Place to Grow: Growth Plan for the Greater Golden Horseshoe, which we are seeking input on. We're also taking steps to make life easier for renters, with changes that would, if passed, strengthen protections against evictions due to renovations, demolitions and conversions, as well as those for landlord's own use.

Together, we will ensure we can achieve our shared goal of building desperately needed homes. A strong partnership between the Province of Ontario and municipalities is critical if we are to solve our housing supply crisis – and we look forward to continuing our work together.

Once again, thank you for sharing the report and for bringing Peel Regional Council's concerns to my attention. Please accept my best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Clark', written in a cursive style.

Steve Clark
Minister

December 14, 2022

The Honourable Steve Clark, MPP
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay St.
Toronto, ON M5G 2E5

Dear Minister Clark:

Re: Bill 23 Municipal Compensation Fund

On behalf of Peel Regional Council, I am writing to you with respect to the implications of *Bill 23, More Homes Built Faster Act* on the Region of Peel. While the Region supports the goal of building more housing, many of the provisions in Bill 23 appear to run counter to the Province's stated housing targets and goals and have unintended consequences that will constrain the Region's ability to increase housing supply.

In particular, the changes in Bill 23 related to the *Development Charges Act, 1997* will reduce development charges (DCs) funding that is needed to pay for the infrastructure required to support the accelerated housing targets that your government has set out. Based on preliminary analysis, the Region estimates that its DC revenue shortfall resulting from Bill 23's changes could amount to approximately \$2 billion over the next 10 years. Actual revenue shortfalls will vary depending on the final language of the Bill 23 definitions as well as the actual levels of development activity.

Also, the 2031 accelerated housing targets associated with Bill 23 (i.e., an additional 145,000 units in Peel) will impact the Region's ability to provide infrastructure to support growth in a timely manner and will increase financial and regulatory risk. Using assumptions noted in the report and applying them to the Province's revised growth numbers, Regional staff estimate that the DC revenue shortfall could escalate much higher if the Province's housing targets are actually met.

We were encouraged by your statements in your recent letter to the Association of Municipalities of Ontario (AMO) where you committed to "ensuring that municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure because of Bill 23." However, there are still many questions and unknowns that need to be answered and clarified.

Nando Iannicca
Regional Chair & CEO

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To ensure that the necessary funding is available to address the impacts of Bill 23, Regional Council approved a recommendation at its December 8th meeting, calling on the Province to create a fund to compensate the Region of Peel and its local municipalities so that they are made whole as a result of the impacts on municipal growth funding revenues and expenditures.

As Bill 23 is implemented, we would like to work with you and Provincial staff to obtain more details and clarity regarding these questions and unknowns. To this end, Regional staff continue to undertake detailed work to analyze Bill 23's impacts and to identify what specific growth-related infrastructure projects are at risk of not proceeding due to the estimated DC revenue shortfall. We plan to share these details with you early in the new year.

The Region is committed to working in partnership with your government to advance the goal of increasing the housing supply and providing more affordable housing. We look forward to continuing our dialogue with you and other Provincial officials to advance these goals in a financially sustainable way that keep municipalities whole as result of changes to Bill 23.

If you have any questions about the Region's council report, please do not hesitate to contact me directly at 905 791-7800 ext. 4305. I look forward to hearing from you.

Kindest personal regards,



Nando Iannicca
Regional Chair and Chief Executive Officer
Region of Peel

Attached: Council Report: Bill 23 "More Homes Built Faster Act" and Implications for the Region of Peel, dated December 8, 2022

cc: Peel Members of Provincial Parliament
Town of Caledon
City of Brampton
City of Mississauga