

Ministry of
Municipal Affairs
and Housing

Office of the Minister

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August 30, 2024

REGION OF PEEL

OFFICE OF THE REGIONAL CLERK

August 30, 2024

Nando Iannicca
Regional Chair & CEO
Regional Municipality of Peel
nando.iannicca@peelregion.ca

Dear Chair Iannicca:

Thank you for your letter dated July 15, 2024, on behalf of Peel Regional Council, outlining your concerns about the Region of Peel's ability to borrow funds from capital markets to build critical infrastructure for new housing development. I appreciate the time you have taken to write.

Our government acknowledges Peel Region's unique circumstances, and we are actively working on a financing solution to address the region's immediate borrowing needs.

As the province reviews the recommendations from the Peel Transition Board on how the transfer of public works services such as land use planning, water and wastewater, roads, stormwater, and waste management from Peel Region can benefit residents and taxpayers, we are confident that we can move forward with a solution that allows you to make the necessary capital investments to build more homes for those who need them.

We look forward to working with the municipalities of Peel Region on a path forward. Ministry staff have already been in touch with your officials about next steps and will continue to meet with yourselves in advance of any final decision being made.

Thank you for your continued partnership as we work together to build more homes for the people of Peel Region. Please accept my best wishes.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Calandra', written over a large, stylized blue scribble.

Hon. Paul Calandra
Minister of Municipal Affairs and Housing

REFERRAL TO _____
RECOMMENDED _____
DIRECTION REQUIRED _____
RECEIPT RECOMMENDED _____

- c. The Honourable Peter Bethlenfalvy, Minister of Finance
Caspar Hall, Assistant Deputy Minister, Local Government Division, Ministry of
Municipal Affairs and Housing 14.2-1

July 15, 2024

The Honourable Paul Calandra
Minister of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto ON M7A 2J3

minister.mah@ontario.ca

Dear Minister Calandra,

I am writing on behalf of Peel Regional Council to reiterate our concerns with the significant pressures on Peel Region's cash and liquidity resulting from the *Hazel McCallion Act (Peel Restructuring), 2023 ("Act")*, and to request that your government implement changes to this legislation to address investor concerns regarding Peel's debt issuance.

Despite the changes that were made to the Act through enactment of Bill 185, investors continue to express concerns over participating in Peel debt issuance, pending further clarity and certainty with respect to the outcome of the Province's ongoing review of Regional public works services. These concerns are fueled, in part, by the legislative authority of the Transition Board and Minister of Municipal Affairs and Housing under the Act to modify, prohibit or terminate any financial commitment of Peel Region by way of a direction or order. Furthermore, in its current form, the legislation prohibits an impacted investor from seeking remedies/compensation in the event that such a direction or order is issued, which exacerbates the already significant risk to investors.

To further complicate this challenging situation, Peel Region was advised in 2023 by WeirFoulds LLP (the external legal firm that represents capital markets investors for almost all Ontario municipal debenture issues) that they can no longer provide an unqualified legal opinion to their clients on the enforceability of Peel Region debentures as part of the closing of any future Peel debenture issuance, effectively precluding any future Peel debt issuance. This advice has not changed with the enactment of Bill 185.

Peel Region's 2024 capital budget has significant requirements to support the Province's accelerated housing targets and Peel Regional Police facilities, in addition to financing needs for City of Mississauga, City of Brampton, and the Town of Caledon. Without your assistance, either in the form of legislative change, Minister's regulation, or interim financing arranged by the provincial government, Peel Region is at serious risk of not being able to proceed with critical infrastructure projects, failing to meet the requests of the Police Service Board (which is a statutory requirement) and being in a difficult position to deal with any unforeseen financial matters.

Nando Iannicca
Regional Chair & CEO

10 Peel Centre Dr.
Suite A, 5th Floor
Brampton, ON L6T 4B9
905-791-7800ext. 4310

Given these circumstances, I am requesting that your government consider implementing further legislative or regulatory changes to the Act to remove the authority of the Transition Board and Minister to modify, prohibit or terminate any financial commitment of Peel Region (including debt issuance) by way of a direction or order. Should your government elect not to proceed with implementing changes at this time, we request that the Province arrange interim financial support in the amount of \$450 million to Peel Region until such time that Peel can return to the capital markets efficiently.

Thank you for your consideration of this important issue facing our community. If you have any questions or would like to discuss the matter further, please reach out to me directly.

Kindest personal regards,



Nando Iannicca
Regional Chair and Chief Executive Officer
Region of Peel

Attached: Resolution regarding Council Agenda Item 20.4, dated July 11, 2024

CC: Hon. Peter Bethlenfalvy, Minister of Finance Minister.fin@ontario.ca
Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing
Gary Kent, Chief Administrative Officer, Region of Peel
Patricia Caza, Regional Solicitor & Commissioner of Legislative Services
Davinder Valeri, CFO and Commissioner of Corporate Services