

Memorandum

Date: November 25, 2022

To: Members of Council

From: Bindu Shah, Strategic Lead, Planning Department

Subject: Overview of Bill 23, More Homes Built Faster Act, 2022

This memo provides a summary of the legislative changes proposed under Bill 23 (*More Homes Built Faster Act*) introduced by the Province of Ontario on October 25, 2022. The current status of the bill as of the date of this memo is Third Reading Debated.

Background and Objective of Bill 23

The bill is stated to form part of a long-term strategy to increase housing supply and provide attainable housing options. It follows Bill 109, *More Homes for Everyone Act*, 2022 which focused on development application processing timelines to bring housing to market and increase transparency. Under the new Bill 23, the Province's plan is to address the housing crisis by targeting the creation of 1.5 million homes over the next 10 years. To implement this plan, Bill 23 introduces a number of changes to a total of 10 Acts, including the *Planning Act*, the *Development Charges Act*, the *Ontario Land Tribunal Act* and the *Conservation Authorities Act*.

Overview of Planning, Heritage and Growth Management Matters under Bill 23

- To streamline municipal planning responsibilities, changes are proposed to remove the planning policy and approval responsibilities from many upper-tier municipalities including the Region of Peel. Minister would (unless otherwise provided) therefore become the approval authority for all lower tier Official Plans and Official Plan Amendments. Minister's decisions are not subject to appeal.
- Bill 23 would give the Minister the power to override municipal planning decisions (e.g. amend municipal Official Plans) and impose development.
- The Province is undertaking a housing focused review of the potential integration of *A Place to Grow* and the *Provincial Policy Statement* with emphasis on long-term population and employment forecasts, residential intensification targets, minimum densities, rural housing, etc.
- The Province has assigned municipal housing targets identifying the number of new housing units needed by 2031. Caledon's target is 13,000 new units.
- Amendments are proposed to the Inclusionary Zoning regulation, which would formalize the allocation of affordable housing units in new transit-oriented locations (Major Transit Station Areas). A maximum of 5% of the total units in these developments would be required to be affordable units, for a maximum of 25 years.
- Site Plans will not be evaluated for architectural details and landscape design.

- Third party appeals will not be allowed for approved applications, municipally initiated official plans, official plan amendments (secondary plans, area-specific plans, etc.), zoning by-laws and zoning by-law amendments, consents and minor variance applications.
- Municipalities will not be permitted to issue a Notice of Intention to Designate a property under Part IV of the *Ontario Heritage Act* unless the property is already on the heritage register when the current 90-day requirement for *Planning Act* applications is triggered.

Overview of Ontario Land Tribunal Matters under Bill 23

- The Tribunal will have increased powers to order costs against a party who loses a hearing at the Tribunal. A municipality will need to use tax dollars to pay the successful party's cost if its case is unsuccessful at the Ontario Land Tribunal (OLT).
- The Tribunal will also have increased power to dismiss appeals for undue delay.

Overview of Growth Funding Matters under Bill 23

- This bill has significant implications for the Town's finances and its ability to raise revenues from development charges to support growth-related infrastructure.
- Development Charges (DCs) can no longer be used to fund growth related studies (Official Plan, Secondary Plans, Environmental Assessments, Heritage review, etc). The Town will not be able to use DCs to purchase land for growth-related infrastructure (further details pending).
- Second units and garden suites will be permitted as of right in all residential areas and will be exempt from DCs, parkland levies and the same will apply to affordable housing units, attainable units, inclusionary zoning and non-profit housing developments.
- The calculation of DCs is being modified and will likely reduce the recovery of DC's and delay/prohibit construction of new facilities.
- When the Town updates its DC By-Law the new rate will be incrementally applied over the first five years resulting in revenue losses.
- Currently, DC by-laws expire every 5 years so that municipalities can update them to align with construction costs. Bill 23 will extend their expiry to 10 years creating a risk in funding gaps.
- The maximum amount of land that can be conveyed for parkland or paid in lieu of parkland is capped at 10% of the land or its value for sites under 5 ha, and 15 % for sites greater than 5 ha. Maximum alternative dedication rate is proposed to be reduced to 1 ha/600 units for land and 1 ha/1000 units for cash in lieu.
- Municipalities will be required to spend or allocate at least 60% of the parkland reserve funds. Similarly, 60% of DC reserves will have to spent or allocated at the beginning of each year for water, wastewater, and services related to a highway.

Overview of Conservation Matters under Bill 23

- The Province has proposed changes to conservation authority involvement in the development approvals process. Their role in development review and commenting on applications will be limited to the risks of natural hazards and flooding. Conservation Authorities would no longer be able to review applications with respect to the natural heritage impacts. The burden and cost of the environmental review will be on municipalities. Caledon is particularly impacted as we rely heavily on the conservation authorities for this function.
- Conservation Authority permits will not be required for *Planning Act* applications. Exemptions to permits would also be granted where prescribed conditions are met.

Preliminary Staff Comments

Caledon understands the Province's goal to improve housing supply and get housing built faster. The Town has and continues to make investments to streamline and digitize processes in tandem with a series of other investments to implement planning efficiencies.

The feasibility of developing housing is dependent on many factors beyond the timelines of application processing. Municipal fees and levies are a very small component of project proformas (calculations that estimate financial returns on a development). Development barriers include labor shortages, rising construction costs, cost of land, interest and financing, provision of infrastructure, etc. There are numerous projects across the GTA where infill and intensification developments have received municipal approvals, yet developers have not proceeded to building stage. The Province could accelerate housing supply by ensuring that these projects are built in a timely manner, rather than creating financial barriers for municipalities such as Caledon to plan and deliver complete and sustainable communities.

If passed, Bill 23, will significantly impact how municipalities plan for future growth and recover the costs associated with growth. Development charges are in place to help ensure growth pays for growth and protect the interests of current residents as well as future generations. It will be challenging for municipalities to create complete and safe communities as it reduces revenues to build community centres, libraries, parks, fire halls etc. If Bill 23 proceeds as planned not only may it contradict the goal of building more housing, it will also shift the financial burden of growth-related infrastructure onto existing taxpayers. It is also likely that the changes will not improve housing affordability. Moreover, staff are concerned with the reduced municipal authority to implement Green Development Standards, which are a key policy tool to ensure that all new development is low carbon, sustainable and resilient to climate impacts. Given the amount of growth coming to Caledon, it will be difficult for the Town to meet its climate targets in the context of Caledon Council having declared a climate change emergency.

Town staff are collaborating with the Region of Peel to understand their new role in growth management, provision of water, wastewater and transportation infrastructure as well as other municipal services. Caledon's growth and housing supply will only be possible with the provision of the above-mentioned infrastructure. Town staff continue to monitor the status of Bill 23 and other pieces of legislation and changes that continue to be released by the Province.

Next Steps

The Town is at the start of its urban growth journey and is committed to complete communities where equity and the environment are important. Many of the proposed changes under Bill 23 could negatively impact Caledon's future. Staff are undertaking a detailed impact analysis, included a financial examination to better equip Caledon to move forward in a strategic manner that works for all residents as well as future generations. A staff report with a Caledon-specific impact analysis will be brought forward to Council in January 2023. There may be unforeseen impacts to the budget process that staff will only be able to identify as more details become available. Staff are also collaborating with other municipalities, conservation authorities and levels of government to further evaluate strategies to address the implications of Bill 23 as it rapidly proceeds through constant evolution.

References

- [Legislative Assembly of Ontario: Bill 23, More Homes Built Faster Act](#)
- [Association of Municipalities of Ontario Submission on Bill 23](#)