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The Regional Municipality of Durham Report

To: Committee of the Whole
From: Chief Administrative Officer
Report: #2022-COW-33
Date: December 14, 2022

Subject:

Implications of Bill 23 on the Region of Durham

Recommendations:

That the Committee of the Whole recommends to Regional Council:

- A) That Council endorse staff-level feedback and recommendations on Bill 23 as provided in 2022-INFO-93;
- B) That the Province of Ontario be requested to pass further legislation to revise Bill 23, the More Homes Built Faster Act, 2022 in light of the unintended property tax implications that it will impose on existing and future property taxpayers, and due to the community planning impacts that will affect our communities;
- C) That the Province of Ontario be requested to engage with all affected municipalities through meaningful dialogue in the spirit of collaboration, to achieve our shared goal of achieving significant increases in housing supply while directly investing in measures to improve housing affordability; and
- D) That staff be directed to work with local area municipalities on a communications and public education campaign that details the impacts of Bill 23 on residents in the Region of Durham, with information regarding all property tax increases stemming from Bill 23 being included in the upcoming 2023 and future Regional property tax bills.

Report:**1. Purpose**

1.1 The purpose of this report is to:

- a. Provide an overview of Bill 23, the More Homes, Built Faster Act, 2022; and
- b. Summarize the anticipated impacts of Bill 23 on the Region, and to Region of Durham taxpayers and ratepayers.

1.2 The initial commenting deadline was November 25, 2022 (a 30-day commenting window). An overview of staff-level comments on various Environmental Registry of Ontario (ERO) postings on Bill 23 was included in the Council Information Report [2022-INFO-93](#) on November 10, 2022. The report also included letters from the CAO to the Minister of Municipal Affairs and Housing and the Minister of the Environment outlining areas of concerns with Bill 23. Key concerns include:

- a. Removing Regional Council's role as an approval authority in land use planning decisions, and the Regional Official Plan as the guiding document for integrating land use, infrastructure and financial planning; or the ability to act as an approval authority for major planning decisions with Regional implications;
- b. Reducing development charge funding and other development financing necessary to pay for the infrastructure required to support significant growth of new housing;
- c. Removing the ability to collect development charges to support the delivery of critical assisted housing for vulnerable populations;
- d. Requiring York and Durham Region to build capacity in the York Durham Sewage System (YDSS) and the Duffin Creek Water Pollution Control Plant to service development known as Upper York (Aurora, East Gwillimbury, Newmarket); and
- e. Servicing impacts of additional unplanned densification.

1.3 The commenting deadline on Bill 23 was subsequently extended to December 9, 2022, but the Bill passed third reading and received royal assent in the provincial legislature on November 28, 2022. Given this timing, the newly elected Durham Regional Council, like most Councils across the province, were unable to provide formal feedback on the Bill prior to it being enacted.

1.4 Bill 23 introduces sweeping changes to the Development Charges Act, the Planning Act, and other legislation. Some changes were made to the Bill through Second Reading on November 22 after debate and consideration by the Standing Committee on Heritage, Infrastructure and Cultural Policy, but the fundamental

concerns raised by the Region and other municipalities through their submissions did not materially influence the overall outcome. Neither the Association of Municipalities of Ontario, nor the Municipal Finance Officers of Ontario were granted a delegation at the Standing Committee.

- 1.5 The Bill also makes a series of related changes to the jurisdiction of the conservation authorities as well as changes to parkland dedication requirements, site plan control, community benefits changes, changes to the Heritage Act which are administered by local area municipalities. The financial, community planning and environmental implications of these changes are not covered in this report.

2. Background

- 2.1 Regional governments perform a critical role in infrastructure planning and integration to ensure that growth-related infrastructure is planned, funded and in place to support new development. Decisions to invest in infrastructure and services are based on the coordination of planning permissions, long range infrastructure planning, and capital financing so that required water, sewer, roads and other infrastructure and services will be made available to enable new housing construction.
- 2.2 On October 25, 2022, the provincial government introduced: 'More Homes, Built Faster: Ontario's Housing Supply Action Plan 2022-2023', which is intended to advance the government's commitment to getting 1.5 million homes built across Ontario over the next 10 years. It makes a series of changes intended to support the Provincial objective of building more homes, reduce construction costs and fees and streamline development approvals, in an effort to help future new homebuyers.
- 2.3 Requirements to deliver new affordable housing do not form part of the Bill. The legislation is predicated on the assumption that significant additional housing supply will be sufficient to drive down overall housing prices. Municipalities have no ability to set the price of market housing, and do not control when private building permit applications are submitted.
- 2.4 In summary, Bill 23 makes the following changes that are of Regional concern:
 - a. Reducing development charge funding and other development financing necessary to pay for the infrastructure required to support new housing as detailed in Paragraph 4.14;
 - b. Eliminating the ability to collect development charges to support the delivery of critical assisted housing for vulnerable populations;
 - c. Significantly altering roles, responsibilities and processes within the land use planning system that do not have a clear or direct connection to increasing the supply of housing, while removing the ability to influence other land use planning interests;
 - d. Removing Regional Council's role in land use planning by eliminating the Regional Official Plan as a principal document for integrating land use,

- infrastructure and financial planning, and by removing Region's ability to act as an approval authority to ensure that significant land use and transportation planning decisions can occur in the broad Regional interest, and in a coordinated manner with local municipal planning; and
- e. Eliminating the Region's ability to appeal a lower tier planning decision.
- 2.5 Bill 23 also requires York and Durham Region to build capacity in the York Durham Sewage System (YDSS) and the Duffin Creek Water Pollution Control Plant to service development known as Upper York (Aurora, East Gwillimbury, Newmarket).
- 2.6 Some changes were made to the Bill through Second Reading on November 22 after debate and consideration by the Standing Committee on Heritage, Infrastructure and Cultural Policy. However, fundamental concerns were not addressed. Key amendments include:
- a. Moving up the transition date relating to the 4-year reduction of development charges (DCs) to a DC by-law passed on or after January 1, 2022, instead of June 1, 2022. This further reduces DC revenue.
 - b. Keeping considerations for exterior requirements related to sustainability through site plan control, such as green roofs, alternative roof services or other environmental standards in the construction of buildings. This means municipalities can have green building standards.

3. Previous Reports and Decisions

- 3.1 Comments from the Chief Administrative Officer were presented in [2022-INFO-93](#).
- 3.2 Council confirmed its preferred alternative to the Upper York Sewage Solution as an advanced treatment system in the Lake Simcoe watershed within the Regional Municipality of York ([#2021-COW-28](#)).

4. Summary of Impacts of Bill 23

Executive Summary

- 4.1 Bill 23 will have significant impacts on the Region's ability to coordinate and finance capital infrastructure investments for growth. A partial estimate of the total lost revenue is \$281 million over five years; this does not include the impact of exemptions for affordable and yet-to-be defined attainable housing nor does it include lost revenues at the area municipal level.
- 4.2 Moving away from the principle that growth pay for growth by reducing developer contributions to fund growth-related infrastructure including improvements to Regional roads, water supply and sewage treatment plant expansions, and other services, will result either in increased property taxes and water and sewer rates

to maintain the current pace of planned investments, or will impact the scale or timing of capital investments by the Region that are required to support housing growth. The Bill has no mechanism to oblige developers to pass on any savings realized from lower DCs onto new homebuyers.

- 4.3 The Region's ability to coordinate infrastructure and service planning (e.g., roads, transit, water and sewer) and ensure that long-term servicing coincides with development will be impacted by the elimination of upper tier planning approval responsibilities. The removal of an overall Regional Official Plan will further complicate coordination efforts. Such changes may also limit the Region's ability to coordinate infrastructure investment in a timely and cost-effective manner and could serve to delay potential housing growth.

Details of Financial Impacts

- 4.4 Changes to the Development Charges Act (DCA), made by the More Homes Built Faster Act, 2022 (Bill 23), reduce the amount of DCs that municipalities can recover from new development by implementing a number of reductions and exemptions.
- 4.5 Development Charges must follow the prescribed approach set out in the DCA. DCs are the main revenue tool for municipalities to recover the growth-related capital costs of infrastructure, such as for water, sewer and roads, from the growth that has triggered the need for the capital projects. In 2021, the Region of Durham collected approximately \$112.4 million in residential DCs (from 4,358 units) for growth related costs. In Durham Region, any costs of growth-related capital, that are not funded by DCs, become a cost to property taxpayers or, for water and sewer, user ratepayers. Property taxpayers and ratepayers also fund all the ongoing operating costs, along with the capital costs associated with maintenance and replacement.
- 4.6 Prior to Bill 23, almost 60 per cent of the \$41,528 Regional Residential DC rate for single and semi-detached units was for water and sewer. Approximately 50 per cent of the \$24.45 per square foot Regional Commercial DC rate was for water and sewer. The new exemptions, discounts and ineligible capital costs will transfer roughly that same percentage of lost Regional DC revenue to the user rates for water and sewer. Water and sewer system costs, in Durham Region, are fully funded by DCs and user revenue with no property tax contribution.
- 4.7 Bill 23 may also require municipalities to delay the construction of infrastructure needed to service new housing or assume additional risk by taking on more long-term debt. It could also lead to the consideration of service level reductions. With reduced funding from DCs, municipalities will have to make choices to allocate limited property tax and water and sewer user rate funding between their asset management needs with the increasing costs of infrastructure required to accommodate future development.
- 4.8 Certain changes in the More Homes Built Faster Act, 2022 are primarily aimed at

reducing the rates that developers pay. However, DC rates in Durham Region are relatively low in comparison to other jurisdictions within the province. The total cost of DCs in Durham Region, including Regional, local, and educational, range between \$65,188 - \$85,633 per single detached unit. There are no mechanisms in Bill 23 to ensure that developers will use savings from reduced fees to reduce housing costs.

- 4.9 It should also be noted that the DCA already requires municipalities to put all DC revenue into reserve funds set aside for the purposes of growth-related capital costs. In addition, the DC calculations undertaken for the Region of Durham acknowledge any existing uncommitted DC reserve funds by netting off the outstanding reserve balances from the total DC eligible capital costs for all service areas. This effectively reduces the calculated DC rates.
- 4.10 The use and accumulation of DCs are subject to a number of legislative restrictions and disclosure requirements, such as:
- Under DCA legislation, DCs can only be collected for growth-related capital infrastructure and can only be applied to the specific growth-related infrastructure projects identified in the corresponding DC Background Study.
 - Municipalities are required, under Section 43 of the DCA, to produce an annual financial statement on development charges, which includes reserve fund balances (opening and closing) and commitments. Municipal financial statements are also independently audited on an annual basis, including DC reserve funds (reflected as deferred revenue in audited financial statements).
- 4.11 The various reductions and exemptions included in Bill 23 will require a larger portion of infrastructure costs to be paid from property taxes and water and sewer user rates, impacting both existing residents and businesses. The current estimates of the combined increased burden on property taxes and user rates totals approximately \$52.3 million over the next five years. This \$52.3 million includes the known impacts to the Region's current DC by-law, over the next five years, and reflect only the following changes to the DCA that came into force immediately after the passage of Bill 23:
- a. Removal of Housing Services as a DC eligible service: estimated impact of \$16.5 million over the next five years.
- The Region has been collecting DCs for Housing Services since 2018, with accumulated funds allocated to support affordable housing developments throughout the Region. In 2021, the Region allocated \$1.8 million in Housing Services DCs to support a 24-unit affordable housing project in Oshawa. In 2022, the Region allocated \$1.95 million to support a 52-unit affordable housing project in Clarington. Removing housing services as a DC eligible service eliminates the Region's ability to collect any additional

DC money for similar affordable housing projects in the future.

- b. Mandatory five-year phase-in of new development charge rates: estimated impact of \$6.3 million over the next five years.
- Development charge rates, for by-laws passed as of January 1, 2022, would be subject to a mandatory five-year phase-in. The first year of a by-law would see rates reduced by 20 per cent, followed by 15 per cent in year two, 10 per cent in year three, and five per cent in year four. The full rate will be realized in year five. This phase-in applies to both residential and non-residential DCs.
 - Currently, this mandatory phase-in would only impact the Region's Transit DC as the phase-in only applies to new by-laws establish on, or after, January 1, 2022. The \$6.3 million estimated impact over the next five years reflects only the reduction in the Regional Transit DC rate.
- c. Exemptions for non-profit housing development: estimated impact of \$7.2 million over the next five years.
- Prior to Bill 23, the DCA provided non-profit housing developments with a 20-year DC payment deferral where the total amount of DCs owing were paid in equal installments over a 20-year period. The changes in Bill 23 now provide non-profit developments with a full exemption, meaning any current non-profit development paying DCs over a 20-year period would be exempt from making any future payments. Future payments are estimated at \$7.2 million.
- d. Fifteen to twenty-five per cent discount for purpose-built rental units (that are not considered "affordable"): estimated impact of \$22.3 million over the next five years.
- The DCA currently provides rental housing developments with a 5-year DC payment deferral where the total amount of DCs owing are paid in equal installments over a 5-year period. The changes in Bill 23 now provide a further discount on DC rates, depending on the number of bedrooms. Discounts are 25 per cent for rentals with three-bedrooms or more, 20 per cent for two-bedrooms, and 15 per cent for one-bedroom or less.
 - These additional discounts only apply to rental units that have not received a building permit as of the date Bill 23 came into force (November 28, 2022).
 - Note that the financial impacts of this change are difficult to quantify as its difficult to estimate the number of non-affordable rental units to be built in the Region.
- 4.12 In addition to the above noted changes, Bill 23 includes changes that will have significant impacts over the long run, beyond the next five years. Although these changes came into force on the day Bill 23 was enacted, the changes apply to

capital cost estimates for future DC by-laws. Therefore, the financial impacts of these changes will not be realized until the Region completes its next DC by-law update later in 2023. The current estimated financial impact of these changes (once realized) ranges between \$44.6 and \$60.6 million and reflect the following changes to the DCA from Bill 23:

- a. Removal of studies as an eligible capital cost: estimated potential impact of \$25.4 million over the next five years
 - Based on the approved 2022-2031 Property Tax and Water and Sewer Business Plans and Budgets, the estimated value of DC recoverable growth-related studies (master plans and future development charge studies) over the next five years is \$9.4 million. If environmental assessments (EA's) are also considered ineligible, the cost of removing studies could increase to \$25.4 million. Staff continue to review the legislation to confirm whether EA's remain an eligible capital cost.
 - As mentioned, the removal of studies will pertain only to new by-laws enacted after Bill 23 comes into force. The Region will not experience a financial impact until the current by-law is renewed.
 - b. Removal of Land Costs as an eligible capital cost: estimated potential impact of \$35.2 over the next five years.
 - Bill 23 proposes that, at some point in the future, a regulation-making authority would enable services to be prescribed for which the cost of land would not be an eligible capital cost that could be recovered through DCs. Based on the approved 2022-2031 Property Tax and Water and Sewer Business Plans and Budgets, the estimated value of the DC recoverable growth-related land acquisition costs is estimated at \$35.2 million (Residential and Non-residential DCs) over the next five years.
 - As mentioned, the removal of land would pertain only to new by-laws enacted after Bill 23 comes into force. The Region will not experience a financial impact until the current by-law is renewed
- 4.13 Assuming the Region had to phase in all current DC rates (residential and non-residential) over the next five years (and assuming annual indexing of 5 per cent), this would add an additional \$167.7 million in lost DC recovery. The combined impact would be a potential loss of \$280.6 million.
- 4.14 The total potential losses in DC recovery are summarized in the table below. The table shows the potential loss in DC revenue, as well as the amounts that will need to be transferred on to property taxes and user rate

Table 1: Summary of Potential Losses

DCA Measure Restricting DC Collections	Potential Loss Revenue	Property Tax Share⁽¹⁾	Water and Sewer Share⁽²⁾	Timing⁽³⁾
(Millions)				
Known Impacts (under current DC By-law)				
Removal of Housing Services	\$16.5	\$16.5	-	2023-27
Phasing in of New Transit DC Rates	\$6.3	\$6.3	-	2023-27
Exemption of Non-profit Developments - based on existing 4 projects constructed / under construction which qualified for 20-year deferral	\$7.2	\$2.9	\$4.3	2020-40
DC discount for rental apartments	\$22.3	\$8.9	\$13.4	2023-27
Subtotal	\$52.3	\$34.6	\$17.7	
Potential Impacts (future DC By-law)				
Ineligibility of Studies	\$25.4	\$8.2	\$17.2	2023-27
Ineligibility of Land	\$35.2	\$19.7	\$15.5	2023-27
DC discount from phasing in of DC rates from New DC By-law	\$167.7	\$67.1	\$100.6	2023-27
Subtotal	\$228.3	\$95.0	\$133.3	
Total	\$280.6	\$129.6	\$151.0	
Unknown Impacts				
Exemptions for future non-profit housing developments	unknown	unknown	unknown	
Exemptions for attainable units (not yet defined)	unknown	unknown	unknown	
Exemptions for affordable units (rental and ownership) - not yet in effect	unknown	unknown	unknown	
Broadening of exemptions for secondary units	unknown	unknown	unknown	
Historical level of service increase from 10 to 15 years	unknown	unknown	unknown	

Notes:

1. A 1% property tax increase equates to \$7.6 million
2. A 1% water and sewer user rate increase equates to \$2.3 million
3. The estimated loss DC revenue is for a five-year period except for the non-profit housing

- 4.15 In addition to the measures noted above, there are a number of other changes included in Bill 23 that will have future impacts on Regional DC collection. These changes include:
- a. Exemptions for affordable (rental and ownership), attainable, and inclusionary zoning units.
 - Bill 23 provides exemptions for affordable (rental and ownership) units, with the threshold for affordability determined by the province through a bulletin posted on the website for the Ministry of Municipal Affairs and Housing. The definition of attainable housing will also be provided at a later date.
 - The financial impact to the Region is difficult to quantify as the definitions have not been finalized and the provisions do not come into force until a future date to be proclaimed by the province.
 - b. Extending the historic level of service calculation for DC-eligible capital costs from 10 years to 15 years.
 - The extension of the historic level of service timeframe will likely reduce the maximum value of the capital program (for certain soft services) that can be included in the DC study. This change will impact the Region when a new DC by-law is established. This change also does not apply to Transit.
 - c. Municipalities are now required to spend or allocate at least 60 per cent of DC reserves for priority services (water, wastewater and roads). This 60 per cent threshold must be spent or allocated each year, beginning with water, wastewater, and roads, with more services potentially added in the future. This will have no financial impact to the Region as DCs are already being collected (allocated) for specific projects.
- 4.16 The Region is currently developing an implementation strategy for the changes to the DCA from Bill 23. This implementation strategy includes various components, including:
- Coordinating with local area municipalities on the administration of the various new exemptions (affordable housing, attainable housing, inclusionary zoning).
 - Reviewing existing rental deferral agreements to determine if any adjustments are required for future payments.
 - Reviewing all DCs paid in the days since the implementation of Bill 23 (November 28, 2022) to ensure the changes have been properly addressed.
- 4.17 In addition, it is uncertain how the new exemptions, discounts and ineligible capital costs will impact the Region's ability to honour the existing commitments under the Seaton Front-Ending Agreement. The Seaton landowners front funded a considerable amount of Regional infrastructure required for the Seaton

community (approximately \$200 million) in exchange for future Area Specific DCs credits. These Seaton Water and Sewer Area Specific DC by-laws are routinely updated by the Region to ensure that the developers who front-funded the required Water and Sewer Regional infrastructure for Seaton are receiving the correct amount of DC credits based on the actual costs that they have funded. As well, these changes to the DCA may impact the Region's ability to enter into future front ending agreements which can be an effective financing tool to allow development since the DC credits may be considerably reduced with cost recovery now transferred to user revenue (for water and sewer growth related capital) and property tax.

Details of Planning Impacts

- 4.18 At a date still to be determined, the Region of Durham and the six other regional governments will be defined as an "Upper-Tier Municipality without Planning Responsibilities". This means that:
- a. The Regional Official Plan will become the official plan for the lower-tier municipalities who could repeal or amend it.
 - b. Local municipalities will assume approval authority for all Planning Act decisions, except official plans, which will need Ministerial approval. The Minister's decision would not be subject to appeal.
 - c. Local municipalities will have approval authority over Official Plan Amendments, subdivisions, land division, and part lot control exemptions.

Commenting responsibilities on all land use planning applications and related matters will continue to be performed by the Region.

- 4.19 Changes to the Planning Act have the potential to impact the Region's interests in the following ways:
- a. The ability to require area municipalities to plan on the basis of Regionally prescribed population and employment forecasts would be removed. Significant reductions in population or employment where higher densities were envisioned could result in infrastructure being over-built. Additionally, reductions in DC revenue could result in infrastructure not being built when needed. The Region's ability to plan and finance servicing works in a coordinated and cost-effective manner are reduced without the Regionally prescribed population and employment forecasts and related capital requirements.
 - b. Planning and servicing initiatives for employment areas could be affected, since employment area conversions would no longer require Regional approval.
 - c. Planning for transit-oriented communities, either along higher order transit routes or within Major Transit Station Areas would be affected, since the Region could no longer require development to be implemented at densities that optimize the use of transit.

- d. There would be no ability to protect for Type C arterial roads across the Region, which would affect road connectivity and travel options, and would place pressure on the existing arterial road network to channel increased levels of traffic.
 - e. The Region could no longer control intersection spacing through arterial road designations. Along Type A arterial roads, traffic flows and capacity could be reduced.
 - f. The ability to require the implementation of site plan designs that allow for access by publicly operated waste management vehicles would be removed.
- 4.20 To advance station delivery for the Lakeshore East GO Extension to Bowmanville, the Region has developed a land value capture strategy. The Strategy is based, in part, on the Region's pre-Bill 23 approval authority under the Planning Act. Bill 23 removes this authority from the Region. Bill 23 also introduces a level of fiscal uncertainty that did not exist previously.
- 4.21 Regional staff are assessing how best to address the matters of jurisdiction and risk to enable station delivery for the Lakeshore GO East Extension as part of a transit-oriented communities approach. The extension of GO Train service to Bowmanville and the establishment of vibrant, sustainable transit-oriented communities at the proposed GO stations can help to catalyze housing options and are an essential part of Durham's future prosperity.
- 4.22 Up to three additional residential units will be permitted on an urban property. This could be two residential units in a principal building, one in an ancillary building or three residential units in a principal building. This will affect the amount of reserve sanitary sewerage and water supply capacity that must be set aside within urban areas to enable this form of development. The effect on system capacity as a result of this change is not yet known, however this will affect the ability of small urban areas to accommodate additional growth.
- 4.23 Exterior design of buildings will be removed from site plan control. Changes put in place after Second Reading would still allow local area municipalities to implement green development standards, such as green roofs, alternative roof services or other environmental standards in the construction of buildings, but aesthetic and design considerations have been removed.
- 4.24 The requirement to hold a public meeting before approving a draft plan of subdivision has been removed. This would not normally be a Regional concern, since these meetings are normally conducted by the local area municipality in conjunction with a related rezoning application, but would not be the case if developments proceed by way of Minister's Zoning Order.

5. Upper York Sewage System

- 5.1 Schedule 10 within Bill 23 provides the provincial direction for the wastewater servicing of the Upper York Sewage Solution by the Lake Ontario option of conveying wastewater south to the York Durham Sewage System. This

development growth located entirely within York Region will be serviced by the Duffin Creek Water Pollution Control Plant in the City of Pickering.

- 5.2 A detailed review of the proposed servicing option will need to be conducted in consultation with York Region to determine infrastructure planning impacts.

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Goal 1 Environmental Sustainability
- b. Goal 2 Community Vitality
- c. Goal 4 Social Investment

7. Next Steps

- 7.1 Staff will continue to monitor the financial and other impacts of the More Homes Built Faster Act including the impacts to effective planning, and financial impacts to the Region including any related delays or scaling back of planned Regional infrastructure.
- 7.2 Staff will work with local area municipalities to explore development of a communications and public education campaign to communicate the impacts of Bill 23 on residents in the Region of Durham to ensure understanding of any impacts on user rates and property taxes.
- 7.3 Staff will continue to monitor the impacts of Bill 23 on the delivery of Regional priorities such as Transit Oriented Communities (TOC), affordable housing targets and the creation of liveable communities and report back to Council as appropriate.
- 7.4 Through the provincial budget process, the Region will advocate for provincial funding to mitigate the negative financial impacts of the More Homes Built Faster Act to property taxpayer and rate payers in the Region.

8. Conclusion

- 8.1 Bill 23 has significant impacts to planning processes and to the Region's ability to fund infrastructure related to growth. There remain many unknowns about how Bill 23 will affect coordination between Regional and Regional and local infrastructure planning, and the delivery of Regional capital projects such as growth-related road projects as certain aspects of the Bill still need to be defined.
- 8.2 The Region submitted staff-level feedback on Bill 23 to the province through a letter and direct comment to the ERO postings. Council endorsement of this feedback is being sought with a further recommendation that Regional Council call on the province to amend the Act to address the unintended and financially harmful consequences noted in this report. As enacted, it remains doubtful if this legislation

will result in more homes being built faster. Builders will typically charge whatever the market will bear for a new home, regardless of any financial breaks they may receive, so the impact of this legislation on affordability is similarly questionable. The focus of this legislation is on supply, but more emphasis could be made on demand to address whether the right types of units will be built to accommodate the needs of the current and future population.

- 8.3 It is important that the Region's taxpayers understand the impacts of Bill 23. Recent public comments by the province imply that there is either current capacity to absorb these costs or that the costs could be borne by the additional assessment revenue stream from the new homes. That would have the unfortunate result of not leaving assessment growth capacity for the operating impacts of that growth such as paramedics, policing, road maintenance as well as all other Regional services impacted by population service levels. An information campaign will support accountability to property taxpayers and ratepayers about potential increases in tax increases and fees, and impacts on the delivery of Regional infrastructure.

Respectfully submitted,

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer