

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

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

Nando Iannicca
Regional Chair & CEO

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

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