



Bill 23, More Homes Built Faster Act, 2022

Special Council Meeting

January 30, 2023

1:30 p.m.

Bill 23, More Homes Built Faster Act, 2022

- What is it?
- Land Use Planning Considerations
- Financial Considerations

Bill 23, More Homes Built Faster Act, 2022

- The Government of Ontario (the Province) passed Bill 23, *More Homes Built Faster Act, 2022* on November 28, 2022.
- Purpose: To facilitate the construction of 1.5 million new homes over the next 10 years.
- An omnibus legislation that implements fundamental changes to nine (9) statutes related to development in Ontario
 - Including the *Planning Act*, the *Development Charges Act*, the *Municipal Act*, the *Conservation Authorities Act*, the *Heritage Act* and the *Ontario Land Tribunal Act* among others.
- While the majority of changes came into effect on November 28, 2022, subsequent changes have been rolled out through regulation and will continue to be proclaimed on futures date to be determined.

Land Use Planning Considerations

- The main driver behind Bill 23 is the provision of housing at an accelerated pace, in particular more affordable housing.
 - Complementary to Bill 23, the Province is directing 29 municipalities to meet more ambitious housing targets based on population size and growth rates.
 - Richmond Hill is assigned a target of 27,000 new residential housing units to be built over the next 10 years.
 - This new target contemplates two-thirds of the previously forecasted growth to 2051 to occur within the first 10 years of the 30-year forecast horizon.
 - The City had previously projected that nearly 13,800 new residential units could be built from 2022 to 2032 and the new target almost doubles that amount.

Land Use Planning Considerations

- To incentivize affordable housing, Bill 23 implements a number of changes to planning and financial tools.
 - Additional Residential Units (i.e. secondary suites) are permitted as of right up to three units per lot.
 - Inclusionary Zoning – proposes to cap requirements for affordable housing units to a maximum of 5% of total new units in eligible developments, and cap the maximum affordable period to 25 years.
 - A range of housing considered to be more affordable (e.g. affordable rental/ownership housing, attainable housing, inclusionary zoning units, non-profit and ARU units) will be exempt from:
 - Parkland dedication requirements
 - Development charges
 - Community benefit charges

Land Use Planning Considerations

- To further stimulate housing development, a number of planning mechanisms and controls are also being removed in order to streamline the development approvals process.
- For example:
 - Planning responsibilities in some upper-tier municipalities (York Region) will be removed and the Minister becomes the approval authority for OPs and OPAs.
 - Site Plan Control
 - No longer applies to residential development proposals containing 10 units or less (i.e. proponents can go straight to building permit).
 - Architectural and landscape details are no longer in the scope of site plan control.
 - Maximum rate of Community Benefits Charges (CBC) to be collected from development is reduced to reflect only the land value of new units (not an entire parcel of land).

Land Use Planning Considerations

- Examples continued:
 - Parkland dedication rates for land conveyance and cash-in-lieu of parkland rates are cut in half, reducing land and funds available for parkland acquisition.
 - Conservation authorities are prohibited from commenting on matters other than natural hazards (flooding), leaving a gap in expertise on other environmentally sensitive matters (e.g. ecology, geomorphology and hydrogeology).
 - Changes to the Ontario Wetland Evaluation System, to allow for compensation of wetlands versus protecting wetlands on site, may lead to wetlands being removed to accommodate new housing.
 - Municipal Heritage Registers must be reviewed and decisions made within the two-year deadline (by 2025) to prevent the automatic delisting of properties identified for heritage protection.

Land Use Planning Considerations

- Although the intention to provide affordable housing is valid, Bill 23 results in many unintended consequences.
- Richmond Hill is being directed to accommodate an unprecedented rate of growth.
 - Notwithstanding external factors contributing to uptake and timing of housing development (i.e. market conditions, interest rates, supply chain issues, labour, etc.).
- As our population increases and development intensifies, the City is also responsible for the provision of community services (water, sanity and storm), roads, recreational facilities, libraries, parks, and other amenities and programs that make our communities healthy and sustainable and improve our citizen's quality of life.

Land Use Planning Considerations

- Legislative changes under Bill 23 will impact the City's planning processes and our ability to implement major policy drivers valued by the community.
- From a land use planning perspective, Bill 23:
 - Limits our ability to achieve city building goals such as high quality building design, heritage conservation and public realm, sustainable development and green infrastructure, complete streets that support pedestrian and transit-oriented environments, and provision of parkland and other greenspaces.
 - Limits the City's ability to manage adverse impacts and nuisance issues during construction of small-scale developments.
 - Limits the City's ability to fulsomely track and plan for growth and necessary services.

Land Use Planning Considerations

- In addition to further changes from Bill 23, the Province is proposing to create a new policy document that would replace the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe.
 - These additional changes will likely impact the timing of the City's Official Plan Update and other related work to support growth and development.

Financial Considerations

- Staff has worked with Watson & Associates Economists Ltd. to analyze the City's financial impacts from Bill 23
- Changes provided through Bill 23 will result in significant revenue losses to the City in growth-related funding tools (i.e., Development Charges, Parkland Dedication and Cash-in-lieu, Community Benefits Charges)
- The estimates are preliminary and high-level based on the information available to date

Financial Considerations

- Changes to the Development Charges Act
 - Development Charge Exemptions:
 - Affordable, Attainable, Inclusionary Zoning Units; Non Profit housing, Additional Residential Units
 - Development Charge Discounts:
 - Rental Housing (based on number of bedrooms – 15% - 25%)
 - Development Charge Revenue Reduction:
 - Removal of Housing as an eligible DC service
 - Capital cost amendments (remove cost of land and studies)
 - Mandatory phase in of development charges for first 5 years of the by-law (80% in year 1, 100% in year 5) – apply to a DC by-law passed on or after January 1, 2022
 - Historical Levels of Service from 10 years to 15 years
 - Development Charge Administration

• Total Impact: \$87.7 million

Financial Considerations

- Changes to the Planning Act:

- Parkland Dedication and Cash-in-lieu

- Exemption for Affordable, Attainable and Inclusionary Zoning units, non-profit housing, and Additional Residential Units
 - Reducing and capping CIL for alternative dedication requirements
 - Require a Parks Plan before any change to the dedication by-law

- Total Impact: \$238.2 million

- Community Benefits Charge

- Exemptions for Affordable, Attainable, and Inclusionary Zoning Units

- Total Impact: \$3.9 million

Financial Considerations

- Total estimated reduction in revenues is \$329.8 million

Growth Revenue Tool	Overall Revenue Loss	Reduction in Forecasted Revenues
Development Charges	\$87.7 million	32%
Community Benefits Charges	\$3.9 million	25%
Parkland Dedication	\$238.2 million	61%
Total	\$329.8 million	49%

- Development Charges

- 17% of revenue loss attributable to new exemptions/discounts
- 15% attributable to new revenue reductions (removal of land and studies, 5 year phase in)

- Community Benefits Charges

- Revenue loss as a result of new exemptions

- Parkland Dedication

- Significant revenue loss due to change in alternative dedication requirements from 1 ha/500 units to 1 ha/1,000 units, along with capping of the rate providing further revenue losses for high-density development

Financial Considerations

- The analysis is based on the City's growth projection of 13,800 new residential units from 2022 to 2032.
- New housing target and doubling of growth forecast to 27,000 units over 10 years would likely result in further reduction in revenues
- The revenue losses will require the City to either delay the construction of growth-related infrastructure, and/or seek alternative funding/financing sources
- This is a preliminary, high level analysis based on information available to date. The assumptions provided will need to be revisited when updates are provided through implementation

Next Steps

- Staff have prepared staff report SRPI.23.018 to be received for information purposes.
- Following the Special Council Meeting discussion, the report recommends:
 - That comments be referred back to staff; and
 - That staff report to Council as necessary regarding further Provincial announcements and regulations once published with respect to further potential impacts to the City.