

Bill 23

Special Council Meeting

City of Mississauga
November 23, 2022



Background

- On October 25, 2022, the Province introduced Bill 23 to the legislature with changes to 10 Acts
 - Many items were originally referenced in the Housing Task Force report
- The Province is also consulting on proposed changes to a range of provincial plans, policies and regulations (e.g. Growth Plan, PPS and Greenbelt Plan)
- Comments period for proposed changes close between November 24 and December 30 (e.g. Planning Act changes close Nov 24)
- Since writing the Corporate Report, the Province made several changes to the Bill at the Standing Committee on November 21, 2022.

Key Themes in Bill 23

- Provincial intent is to increase housing supply – 1.5M homes in 10 years
- Staff support the proposed changes that help create more housing diversity and non-profit affordable housing
- However, staff are generally concerned that proposed changes:
 - Involve blanket reductions to growth funding tools
 - May negatively affect the livability of developments and communities
 - Have few mechanisms to ensure savings will be passed onto homebuyers
 - May not lead to major upswing in development that is expected as changes do not recognize broader development constraints (e.g. labour and material shortages, rising interest rates and securing financing etc)

Potential Financial Impacts

- The Bill could cost the City up to \$815 to \$885M over the next ten years
 - DC reductions, changes to what is DC eligible and DC exemptions could lead to shortfalls of \$325M
 - Parkland reductions could lead to shortfalls of \$490 to \$560M
- Region could lose \$200M in DCs for affordable housing projects over the next ten years
- Discounts will impact City's ability to fund infrastructure, and loss would need to be funded through service reduction and/or transferring loss onto property tax base – thereby affecting housing affordability
- Overarching request that municipalities be made whole for losses

Parkland

- The 70% reduction in parkland revenue is largely due to the proposed 10% cap, staff urge the Province to remove this going forward
- Proposed developers can choose where to locate parks
 - Developers may dedicate unusable slivers or hazard lands
 - Park dedications should be contiguous, accessible and connected to existing network
- Proposed developers should not receive 100% credit for POPS (Publically Accessible Private Open Space)
 - POPS should not be given equal value to unencumbered parkland
 - Leads to more obligations on condo boards affecting affordability (condo fees)

Infill and Intensification

- Proposed that three units be allowed on a lot as of right and parking rates are set at a maximum of one per dwelling
 - City was doing this work anyway
- Proposed that zoning at Transit Stations be updated in one year
 - Staff can work with timeline, although some inefficiencies and duplication created
- Proposed to limit City's ability to consider architectural, landscape and sustainable design details at site plan
 - Recent changes amendments to Bill appear to provide for some use of environmental standards

Affordable Housing

- Proposed that “affordable” units be defined based on average market rate (e.g. 80% resale/rental value), rather than % of income spent on housing
 - Exempting “affordable” units from development fees could incent smaller units
- Many changes proposed to IZ tool:
 - Proposed a 5% cap - City has cap rates ranging from 5% to 10%
 - Reducing cap to 5% limits City’s IZ units by 40%
 - DC, parkland and CBCs exemptions could fund higher set aside rates
 - A households would need to earn more than \$95k to afford an Inclusionary Zoning (IZ) ownership unit
- Removing rental protection could eliminate affordable units and replace them with luxury units – City already has flexible policy

Heritage and Natural Environment

- Changes to heritage designation process could require Mississauga to review 1,000 properties and designate them or remove them from registrar
- Proposed limits on Conservation Authorities (CAs) to only comment on natural hazards to people and property (e.g. not Natural Heritage System (NHS) as a whole). City relies heavily of CAs NHS expertise
- Proposed changes to wetlands evaluation could lead to development on sensitive and/or flood prone lands. Proposed ecological off-setting could reduce NHS, and assets could be replaced outside of city
- Proposed removal of lands from the Greenbelt, presented as a trade but many lands added were already protected

Next Steps

- Seeking Council endorsement / feedback on comments contained in Corporate Report
 - Council endorsed feedback will be shared with Province via ERO postings
- Legislative process is moving quickly
- Staff will continue to report back to Council, as additional details are released and we are aware of further impacts