

City of Mississauga
Corporate Report



<p>Date: September 17, 2024</p>	<p>Originator's files:</p>
<p>To: Chair and Members of Planning and Development Committee</p> <p>From: Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building</p>	<p>Meeting date: December 9, 2024</p>

Subject

Building By-law modernization.

Recommendation

1. That the Building By-law 0203-2019 be repealed effective December 31, 2024.
2. That the new Building By-law be enacted, as outlined in Appendix 1 of the report from the Commissioner of Planning and Building dated September 17, 2024 entitled "Building By-law Modernization".
3. That the Commissioner of Planning and Building, or designate, be delegated the authority to approve amendments to Schedules A and B of the new Building By-law to reflect annual adjustments to the building permit fees, in accordance with the non-union cost of living wage adjustment for City employees for the year immediately preceding, without the need for a corporate report to be submitted to the Planning and Development Committee, as set out in the report from the Commissioner of Planning and Building dated September 17, 2024 entitled "Building By-law Modernization".
4. That the new Building By-law be effective January 1, 2025.
5. That all necessary by-laws be enacted.

Executive Summary

- The *Building Code Act, 1992* authorizes Council to pass by-laws (a "Building By-law") prescribing the classes and applications for building permits and the required information and fees for such applications.
- The City periodically reviews the existing Building By-law and fees to ensure legislative compliance and cost recovery for permit review and inspection services.
- Building By-law 0203-2019 Schedules "A-3" (Permit Fees and Refunds) and "B-3" (Building Classification and Permit Fees) expire on December 31, 2024.
- Based on feedback from the development industry, a deposit structure has been

introduced to lower the initial costs of applying for a permit.

- Permit fees can now be calculated on the basis of partial scopes of work, allowing for the full cost of the permit to be paid over multiple stages of the construction.
- The proposed Building By-law indexes fees annually on February 1 based on the City's annual cost of living wage adjustment and allows for indexing holidays where there have been successive years of contribution to reserves.

Background

The Building Code Act, 1992 (the BCA) and *O. Reg. 163/24 as amended: Building Code* (the Code) regulates the construction, renovation, demolition and change of use of buildings. *The BCA* and *the Code* are enforced locally through municipal building divisions that review building permit applications, issue permits, inspect construction, and take enforcement action when contraventions occur.

The BCA is the legislative framework for the construction, renovation and change of use of buildings. It specifies the technical standards (*the Code*), applicable laws, administrative procedures and enforcement powers, among other matters.

Section 7(1) of *the BCA* authorizes a municipality's council to pass a by-law (a Building By-law) concerning construction, demolition, change of use permits, inspections, and related matters.

Section 7(1)(c) grants Council the authority to impose fees and requires them to establish an appropriate fee structure for permits, inspections and other services.

Section 7(6) requires municipalities to provide public notification and hold one public meeting before introducing or changing fees. Staff provided the required public notice, and the Planning and Development Committee meeting fulfills the statutory requirements of *the BCA*. Upon discussions with the City Clerk's office, no persons or organizations have preexisting requests for notice.

Present Status

Building By-law

Council enacted Building By-law 0203-2019 and its schedules in 2019. Council subsequently amended this bylaw and Schedules "A-1" (Permit Fees and Refunds) and "B-1" (Building Classification and Permit Fees).

Fee Schedules

Schedules "A-3" (Permit Fees and Refunds) and "B-3" (Building Classification and Permit Fees) specify building permit fees. These schedules expire on December 31, 2024.

The Building Code

The Province of Ontario released an amended Ontario Building Code this year. These amendments come into effect on January 1, 2025. The City must ensure that its Building By-law complies with this legislative change.

Industry Feedback

The Mayor's housing taskforce has expressed interest in more flexibility around the timing of the collection of building permit fees.

Comments

Building By-law

Staff periodically amend or replace the Building By-law to address legislative and industry changes. Changes to Provincial legislation and the increased demand for housing require a review and modernization of the present Building By-law.

An administrative review of the existing Building By-law revealed duplication and cross-referencing to higher-order legislation (*the BCA and Code*). Their removal in the proposed by-law reduces administrative maintenance. These changes do not impair the applicability or enforcement of *the BCA or Code*.

A technical review of the existing Building By-law has revealed several omissions that have resulted from regulatory amendments that have occurred since the enactment of the by-law. Furthermore, a new Building Code comes into force on January 1, 2025.

For these reasons, it is proposed that the existing Building By-law be repealed and that a new Building By-law be enacted.

Fees

The financing model for development is continually evolving based on economic trends and banking policies. The new by-law allows for greater flexibility in the calculation and collection of permit fees.

A deposit structure has been introduced to lower the initial costs of applying for a permit; deferring the full payment until the permit is ready to be issued.

Permit fees can now be calculated on the basis of partial scopes of work, allowing for the full cost of the permit to be paid over multiple stages of the construction.

Fees charged by the municipality, through the Building By-law, should be set to recover the reasonably anticipated costs for the administration and enforcement of *the BCA and Code*.

Starting in January 2026, the new Building By-law proposes that fees be indexed annually using the annual non-union cost of living wage adjustment, if any, for the year immediately preceding. Where the fees collected have exceeded the total operating costs of the Division for three consecutive years, the indexing of fees shall not be applied. The indexing programme eliminates an annual repeal and replacement of fee schedules and will, over time more accurately reflect the costs to administer and enforce the Act and regulations.

Financial Impact

The proposed fees and indexing structure will recover costs for services prescribed by the *Building Code Act, 1992* and provide balance between the revenues and expenditures of the Division.

Conclusion

The repeal of By-law 0203-2019 and the enactment of a new Building By-law sets appropriate fees to cover the Building Division's current and future operating costs, in compliance with the *Building Code Act, 1992*, as amended. The proposed administrative improvements enhance corporate agility for best-in-class building permit review and inspection services.

Attachments

Appendix: Building By-Law



Andrew Whittemore, M.U.R.P., Commissioner of Planning & Building

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