



THIS MEETING WILL BE WEBCAST ON THE [CITY'S PUBLIC YOUTUBE SITE](#) (CITYWATERLOO) AND MAY BE TELECAST ON PUBLIC TELEVISION



COUNCIL MEETING
AGENDA - REVISED
Monday, December 12, 2022
2:00 PM

Mayor McCabe in the Chair

1. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
2. **CLOSED MEETING**

Recommendation:

That Council hold a closed meeting for the purposes of considering the following subject matter:

- a) personal matters about an identifiable individual, including municipal or local board employees (labour relations/employee negotiations (Staff Association, CUPE, Waterloo Professional Fire Fighters Association and Management));
- b) labour relations or employee negotiations (labour relations/employee negotiations (Staff Association, CUPE, Waterloo Professional Fire Fighters Association and Management)).

**COUNCIL MEETING WILL RECESS AND
RECONVENE AT 3:00 PM**

3. **TERRITORIAL ACKNOWLEDGEMENT**
4. **MOMENT OF REFLECTION**

5. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

6. APPROVAL OF MINUTES

That the previous meeting minutes be approved.

a) November 14, 2022 – Council Meeting

Recommendation:

That the minutes of the Council meeting held on November 14, 2022 be approved as printed.

b) November 21, 2022 – Inaugural Council Meeting

Recommendation:

That the minutes of the Inaugural Council meeting held on November 21, 2022 be approved as printed.

c) November 22, 2022 – Special Council Meeting

Recommendation:

That the minutes of the Special Council meeting held on November 22, 2022 be approved as printed.

d) November 28, 2022 – Special Council Meeting

Recommendation:

That the minutes of the Council meeting held on November 28, 2022 be approved as printed.

7. CONSENT MOTION

That consent motion items (a) through (e) be approved.

- a) Title: 2023 Annual Debt and Financial Obligation
Limit Calculation**
Report No.: CORP2022-046
Prepared By: Kim Reger

Recommendation:

1. That Council receives the report CORP2022-046 for information.

- b) Title: Interim Spending Authority**
Report No.: CORP2022-056
Prepared By: Paul Hettinga

Recommendation:

1. That Council approves Staff Report CORP2022-056.
2. That Council approves 2023 interim spending authority for City of Waterloo operating expenditures in an amount not to exceed \$50,910,000 which represents 25% of the annual 2022 approved operating expenditure budget of the city.

- c) Title: 2023 Building Standards Fees and Charges**
Report No.: IPPW2022-056
Prepared By: Beth Maxwell; Angela Schneider

Recommendation:

1. That IPPW2022-056 be approved.
2. That Council approve a 12% increase to all Building Standards fees and charges effective January 1, 2023.
3. That Council approve the Building Standards Fees and Charges by-law updates, attached as Appendix A to IPPW2022-056, effective of the dates noted, and that the Fees and Charges by-law is updated accordingly.

- d) Title: Rental Housing and Business Licensing Fees and Charges 2023**
Report No.: COM2022-028
Prepared By: Grant Curlew

Recommendation:

1. That Council approve report COM2022-028.
2. That Council approve a Rental Housing rate increase for 2023 (3.5%) as set out in Table #3 of report COM2022-028.

3. That Council approve the 2024 Rental Housing rate forecast in principle as set out in Table #3 of report COM2022-028.
4. That Council approve the Rental Housing Program Fees and Charges By-Law updates, attached as Appendix A to COM2022-028, effective as of the dates noted, and that Fees and Charges By-Law is updated accordingly.
5. That Council allow the Rental Housing Reserve to be in a deficit position extended to the end of 2027 as per the Rental Housing Reserve Forecast in Appendix B.
6. That Council approve Business Licensing Program Fees and Charges rate increase for 2023 (3.5%) as set out in Table #5 of report COM2022-028.
7. That Council approve the 2024 Business Licensing rate forecast in principle as set out in Table #5 of report COM2022-028.
8. That Council approve the Business Licensing Program Fees and Charges By-Law updates, attached as Appendix C to COM2022-028, effective as of the dates noted, and that the Fees and Charges By-Law is updated accordingly.

e) Title: Cemetery Services 2023 Fees and Charges
 Report No.: COM2022-030
 Prepared By: Deb Piotrowski

Recommendation:

1. That Council approve report COM2022-030.
2. That Council approve the Cemetery Services Fees and Charges By-law updates, attached as Appendix A to COM2022-030, effective as of the dates noted, and that the Fees and Charges By-law is updated accordingly.

8. ITEMS REMOVED FROM THE CONSENT MOTION

9. STAFF REPORTS

**a) Title: 2023 Proposed Budget – Summary:
 Building a Strong and Sustainable
 Community - Together**

Report No.: CORP2022-040
Prepared By: Filipa Reynolds & Brad Witzel

Introductory Remarks: Councillor Freeman
Presentation: Filipa Reynolds & Brad Witzel

2023 Budget Documents and Reports will be released on December 12, 2022 at 3:00pm and can be located here: waterloo.ca/budget

b) Title: Reserves and Reserve Funds Annual Update

Report No.: CORP2022-049
Prepared By: Julie Koppeser

Presentation: Julie Koppeser

Recommendation:

1. That Council approve report CORP2022-049.
2. That Council approve the Community Benefits Charge Reserve Fund Policy attached as Appendix A.
3. That Council approve the Climate Action Reserve Fund Policy attached as Appendix B.
4. That Council approve that the Green Initiatives program within CRF be closed and the balance transferred to the Climate Action Reserve Fund.
5. That Council approve that \$918,000 of the annual CRF funding allocation be redirected as a permanent source of funding for the Climate Action Reserve Fund.
6. That Council approve that the Library program within CIRRF be closed and the balance transferred to the Library Expansion Reserve Fund.
7. That Council approve the following administrative adjustment be updated in the Reserves and Reserve Funds Policies:
 - a. That Council approve that the Parking Reserve Fund City Maintenance program be renamed to the City Parking Infrastructure program to better align with the mainly capital nature of the expenditures.

8. That Council approve that FC-006 Reserves and Reserve Funds Policy, attached as Appendix D, be updated for the changes required through recommendations 1 through 7, inclusive.

c) Title: City Utilities – 2023 Rates
Report No.: IPPW2022-062
Prepared By: Michael Pugliese, Leigh McDermott

Presentation: Michael Pugliese, Leigh McDermott

Recommendation:

1. That IPPW2022-062 be approved.
2. That Council approve the 2023 water rate at \$2.17/m³, comprised of the City portion of the rate at \$1.0102/m³ and the Regional portion of the rate at \$1.1598/m³ as set out in Table 1 of report IPPW2022-062, and that the Fees & Charges By-Law be updated to reflect the water rate effective January 1, 2023.
3. That Council approve the 2023 sanitary rate at \$2.69/m³, comprised of the City portion of the rate at \$1.2947/m³ and the Regional portion of the rate at \$1.3953/m³ as set out in Table 1 of report IPPW2022-062, and that the Fees & Charges By-Law be updated to reflect the sanitary rate effective January 1, 2023.
4. That Council approve the 2023 stormwater rates as outlined below and that the Fees & Charges By-Law be updated to reflect the stormwater rates effective January 1, 2023:
 - Residential; small \$10.28/month, medium \$15.39/month, and large \$21.01/month
 - Multi-Residential; small \$29.49/month, medium \$124.75/month, and large \$664.73/month
 - Institutional; small \$47.79/month, medium \$129.15/month, and large \$264.44/month
 - Commercial/Industrial; small \$39.54/month, medium \$184.65/month, large \$595.06/month, and largest \$1,507.24/month
5. That Council approve the 2024-2032 water, sanitary, and stormwater rate forecast in principle as set out in Table 1 of report IPPW2022-062.
6. That Council approve that the Fees & Charges By-Law be updated for the rates and effective dates as shown on Appendix B of report IPPW2022-062.

d) **Title:** **Uptown CIP Update**
Report No.: CAO2022-013
Prepared By: Joseph Segato

Presentation: Joseph Segato

Recommendation:

1. That report CAO2022-013 be approved;
2. That Council approve the extension of the Façade Improvement Grant, Major Activity Grant and the Parking Exemption Program under the current Uptown CIP until December 31, 2023;
3. That Council discontinue the City-Wide COVID-Relief CIP effective December 31, 2022.
4. That Council direct staff to develop options for the utilization of the remaining COVID-Relief CIP project funding and report back to Council in 2023.

e) **Title:** **Bill 23: More Homes Built Faster Act, Page 9**
 2022 – 10 Point Adaptation Plan
Report No.: IPPW2022-063
Prepared By: Joel Cotter and Filipa Reynolds

Presentation: Joel Cotter and Filipa Reynolds

Recommendation:

1. That Council support, in principle, the 10 Point Adaptation Plan described in IPPW2022-063.

10. CONSIDERATION OF NOTICE OF MOTION GIVEN AT PREVIOUS MEETING

None

11. NOTICE OF MOTION

None

12. COMMUNICATIONS AND CORRESPONDENCE

None

13. UNFINISHED BUSINESS

None

14. QUESTIONS

15. NEW BUSINESS

16. ENACTMENT OF BY-LAWS

Recommendation:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2022-084 and that the Mayor and Clerk be authorized to sign them accordingly.

- a) Fees and Charges By-Law (IPPW2022-056, IPPW2022-062, COM2022-028, COM2022-030, Council December 12, 2022)
- b) By-law to provide for the appointment of Presiding Officers for regularly scheduled meetings of Council between January 1st and December 31st, 2023
- c) By-law to confirm all actions and proceedings of Council, December 12, 2022

17. ADJOURNMENT



STAFF REPORT
Planning

Title: Bill 23: More Homes Built Faster Act, 2022 - 10 Point Adaptation Plan

Report Number: IPPW2022-063

Author: Joel Cotter, Filipa Reynolds

Council Date: December 12, 2022

File: N/A

Attachments: Appendix 'A': Council Resolution (November 14, 2022)
Appendix 'B': Letter to Minister Clark

Ward No.: City Wide

Recommendation:

1. That Council support, in principle, the 10 Point Adaptation Plan described in IPPW2022-063.

A. Executive Summary:

On October 25, 2022, the Government of Ontario introduced **Bill 23: More Homes Built Faster Act, 2022** in respond to Ontario's 'housing supply crisis' and the Province's ambitious goal for 1.5 million new homes to be built within the next 10 years. Bill 23 was posted to the Environmental Registry of Ontario ("ERO") on October 25, with commenting open until December 9th (45 days). Recognizing the highly consequential nature of Bill 23, Waterloo City Council passed a motion (attached as Appendix 'A') on November 14, 2022 requesting that the proposed legislation be deferred. City staff submitted administrative comments on the proposed Bill 23 on November 22, 2022 (attached as Appendix 'B'). Despite the open commenting period, Bill 23 was passed by the Legislature and received Royal Assent on November 28, 2022. Bill 23 is highly consequential legislation, with significant amendments to various Acts including the Planning Act, the Conservation Authorities Act, the Ontario Heritage Act and the Development Charges Act.

Bill 23 follows the earlier passage of **Bill 109: More Homes for Everyone Act, 2022**, which included amendments to the Planning Act to require a pro-rated refund of planning application fees where a site plan application is not approved within the prescribed timeframe, or a decision is not rendered with respect to a zoning by-law amendment application within the prescribed timeframe. The refund provisions of Bill

109 are scheduled to come into force on January 1, 2023, unless delayed by the Province.

With the enactment of Bill 23, the City of Waterloo must now adapt its operations to address the legislation's many changes to land use planning, municipal financing, heritage conservation, and local governance. IPPW2022-063 identifies ten (10) core areas to focus on as the City of Waterloo adapts to Bill 23 and other recent legislative amendments such as Bill 109:

1. Continue to streamline development approvals.
2. Revised approach to planning application consultation.
3. Joint initiatives with other local municipalities.
4. Collaborating with the Development Industry.
5. Adjusting staffing.
6. Evaluating options to mitigate financial impacts.
7. Engagement in Bill 39, *Better Municipal Governance Act, 2022*.
8. Station Area Zoning.
9. Affordable Housing Strategy.
10. Public Communication.

B. Financial Implications

The City of Waterloo maintains support for the widely accepted concept that 'growth should pay for growth'. However, Bill 23 proposes numerous changes to the Development Charges Act and the Planning Act that significantly impact how municipal governments can recover costs associated with growth.

As the City of Waterloo's current Development Charges (DC) By-law was passed prior to January 1st, 2022, there are some aspects of Bill 23 that do not currently apply and will not come into force until a new development charge by-law is passed. The City's existing DC By-law expires December 31, 2024.

For the City of Waterloo, the capital financial impacts of Bill 23 are estimated at upwards of \$23 million to \$31 million (27%-36% lost revenue) over the next five years if all aspects of Bill 23 were applicable today. This is driven mainly by:

- lost DC revenue from the mandatory 5-year DC rate phase-in period (\$8.8 million)
- additional rental housing discounts (\$1.1 million)
- affordable and attainable housing exemptions (estimated at \$8.4 - \$16.5 million for affordable housing; attainable TBD based on Provincial definitions)
- potential loss of certain land purchases as DC eligible (\$1.6 million)
- removal of studies as a DC eligible service category (\$3.4 million)
- replacement of 10-year historical service level calculations with a 15-year calculation (\$0.1 million)

With the City retaining its current DC By-law, immediate impacts are (financial estimates based on a 5-year period starting November 28, 2022):

3 Integrated Planning & Public Works

- additional rental housing discounts (\$1.1 million)
- affordable and attainable housing exemptions (\$8.4 - \$16.5 million for affordable housing; attainable TBD based on provincial definitions)

The remaining items would take effect upon the City passing a new development charge by-law.

The above is understated, as no estimated impacts have been included for attainable housing, nor have operating impacts been factored in. The funding gap created by the lost revenue will need to be filled by senior levels of government, otherwise municipalities will face large increases to property taxes and utility rates, and/or a reduction/deferral of growth related projects in the capital program.

While municipalities maintain certain balances in development charge reserves, this is not “extra cash”. A positive overall consolidated development charge reserve balance ensures that there is money available to move forward with planned investments in multi-year capital growth infrastructure projects. As development charges are not a guaranteed revenue stream, the timing of when development charges are received in comparison to budget is not linear.

For additional context, as of December 31, 2021, the City of Waterloo’s year end DC Reserve Fund (combined) balance was \$22.2 million. Of that amount, \$9.1 million was funding committed to active capital projects, but was returned to the reserve at year end in order to allocate interest to unspent development charge funding, after which the development charge funds were returned to the active projects on January 1st of the proceeding year. Therefore, the January 1, 2022 development charge balance would be reduced to \$13.1 million. Additionally, on September 18, 2022, \$5.8 million of the reserve balance was transferred to the new CBC Reserve due to parking and cemeteries no longer being development charge eligible services pursuant to changes from Bills 108 and 197. The City’s current DC Reserve Fund balance as of October 31, 2022 is only \$3.4 million. The City’s 2023-2032 DC Capital program totals \$228 million. Development charge revenues anticipated over the same period are currently estimated at \$154.7 million, resulting in a significant DC Reserve Fund deficit within the 10-year projection period. The current approved DC Background Study contemplates the recovery of these balances by 2041. Total existing DC Debt as of December 31, 2022 is estimated to be \$2.9 million, and for 2023 an additional \$10.8 million of DC Debt is proposed in order to minimize the deficit in the DC Reserve Fund.

Based on the above, the City of Waterloo does not have a significant unallocated DC Reserve Fund balance, and the substantive financial impacts of Bill 23 cannot be absorbed by the City’s existing development charge reserves.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Objectives: Equity, Inclusion and a Sense of Belonging; Sustainability and the Environment; Safe, Sustainable Transportation; Healthy Community & Resilient Neighbourhoods; Infrastructure Renewal; Economic Growth & Development)

(Guiding Principles: Equity and Inclusion; Sustainability; Fiscal Responsibility; Healthy and Safe Workplace; Effective Engagement; Personal Leadership; Service Excellence)

Fiscal Responsibility. Effective Engagement. Service Excellence.

E. Previous Reports on this Topic

None



Bill 23: More Homes Built Faster Act, 2022 - 10 Point Adaptation Plan IPPW2022-063

On October 25, 2022, the day after the municipal election, the Government of Ontario introduced **Bill 23: More Homes Built Faster Act, 2022**. Bill 23 was posted to the Environmental Registry of Ontario (“ERO”) on October 25, with commenting open until December 9th (45 days). The purpose of Bill 23 is to respond to Ontario’s ‘housing supply crisis’ and the Government’s ambitious goal for 1.5 million new homes to be built within the next 10 years. In simple terms, the Government states that *“Bill 23 proposes changes to the Planning Act and the Development Charges Act to further streamline approvals for housing and reduce barriers and costs to development.”*

Recognizing the highly consequential nature of Bill 23, Waterloo City Council passed a motion (attached as Appendix ‘A’) on November 14, 2022 requesting that the proposed Bill 23 be deferred until the incoming new council can evaluate and comment on the legislation. The term for all municipal councils began on November 15, 2022 and the City of Waterloo held the Inaugural Meeting of Waterloo Council on November 21, 2022. Given the short commenting period, City staff submitted administrative comments on the proposed Bill 23 on November 22, 2022 (attached as Appendix ‘B’). Despite the open commenting period, Bill 23 was passed by the Legislature and received Royal Assent on November 28, 2022. Comments received after November 28th will be considered by the Province as part of the implementation of Bill 23.

Notwithstanding the concerns identified in staff’s November 22nd letter, which are shared by the Association of Municipalities Ontario (AMO), Municipal Finance Officers’ Association (MFOA) and many other municipalities, Bill 23 has been enacted with few modifications. As a result, the City of Waterloo must now adapt its operations to address the legislation’s many changes to land use planning, municipal financing, heritage conservation, and local governance.

Leading up to the passing of Bill 23 by the Legislature:

- a.) The Government of Ontario released **More Homes, More Choice: Ontario’s Housing Supply Action Plan** in May 2019, with a vision to reduce “red tape” to make it easier to build housing, make housing more affordable, and help taxpayers keep more of their income.
- b.) The Government of Ontario passed **Bill 108, More Homes, More Choice Act, 2019** on June 6, 2019, resulting in various amendments to the Planning Act, the Development Charges Act, the Ontario Heritage Act, and Conservation Authorities Act.

- c.) The Government of Ontario passed **Bill 138, *Plan to Build Ontario Together Act, 2019*** on December 10, 2019, amending the Development Charges Act.
- d.) The Government of Ontario passed **Bill 197, *COVID-19 Economic Recovery Act, 2020*** on July 21, 2020, further amending the Planning Act and the Development Charges Act.
- e.) The Government of Ontario passed **Bill 213, *Better for People, Smarter for Business Act, 2020*** on December 8, 2020, further amending the Planning Act and development charges via the Ministry of Training, Colleges and Universities Act.
- f.) The Government of Ontario announced \$45 million in January 2022 to help **streamline development approvals** and increase the supply of housing in Ontario's thirty-nine largest municipalities, including up to \$1 million to the City of Waterloo to fund the implementation of online systems, improve development approvals processes, and hire temporary staff to manage applications until February 28, 2023.
- g.) The Government of Ontario received the **Report of the Ontario Housing Affordability Task Force** on February 8, 2022 which concluded that not enough housing is being built to meet the needs of Ontario's growing population during this affordability crisis. The report contains 55 recommendations, and set an ambitious goal of constructing 1.5 million new homes in the next ten years.
- h.) The Government of Ontario passed **Bill 109, *More Homes for Everyone Act, 2022*** on April 14, 2022 with the intent of streamlining development approvals in order to build homes faster, including imposing financial penalties on municipalities that do not issue a decision on zoning by-law amendment applications within 90 days (or 120 days if submitted concurrently with an official plan amendment application), and imposing financial penalties on municipalities that do not issue an approval of a site plan application within 60 days.
- i.) The Minister of Municipal Affairs and Housing issued a letter to the City of Waterloo on October 25, 2022 asking the City of Waterloo to demonstrate its commitment to accelerating housing supply by issuing a **Municipal Housing Pledge** on or before March 1, 2023 for the construction of 16,000 new homes in the city by 2031, contributing to the Provincial goal of 1.5 million new homes built over the next 10 years.
- j.) The Government of Ontario introduced **Bill 23, *More Homes Built Faster Act, 2022*** on October 25, 2022.
- k.) The Government of Ontario introduced **Bill 39, *Better Municipal Governance Act, 2022*** on November 16, 2022, which has received second reading. Bill 39 seeks to extend strong mayor tools to rapidly growing municipalities in Ontario,

with provincially-appointed facilitators tasked with assessing regional governance in Durham, Halton, Niagara, Peel, Waterloo and York, to determine the optimal mix of roles and responsibilities between upper and lower-tier municipalities and to ensure municipalities are equipped to deliver on the Province's commitment to tackle the housing supply crisis.

The City of Waterloo is supportive of efforts to streamline development approvals and increase the supply of housing in a manner that is context sensitive, responsive to the needs of the community, contributes to good land use planning and quality built form, and that is cost-effective to taxpayers and ratepayers. We estimate approximately 22,000 housing units in the pipeline at various stages of the design, review and construction process. While the City will do our part to plan for development capacity to achieve the Provincial housing target by 2031, it must be recognized that the construction of new housing is contingent upon the development industry doing its part to construct the homes (including affordable and attainable housing units) in a timely manner. A collaborative approach by all is needed to achieve positive results. Since Bill 23 does not impose requirements on the development industry, including requirements for affordable or attainable housing, it is unclear how the legislation will increase the supply of housing beyond the City's current fast pace of growth, or how it will lead to more affordable housing in the community.

It should also be recognized that new construction is influenced by a wide range of factors beyond Provincial and municipal control including economic conditions, a shortage of skilled tradespeople, supply chain disruptions, and developer disputes/appeals.

City of Waterloo - 10 Point Adaptation Plan

Moving forward, with the enactment of Bills 23 and 109, the City of Waterloo must modify its operations to address the new legislation as passed by the Province. To that end, staff have identified ten (10) core areas to focus on as the City of Waterloo adapts to Bills 23 and 109, as follows:

1. **Continue to streamline development approvals.** The City will need to further evaluate and amend current development approval processes to better align with the timelines under Bill 109 and legislative amendments under Bill 23. Various municipal by-laws will need to be amended to prevent conflicts with the legislation. Additional delegated authority from Council to staff will be evaluated, as contemplated in Amendment No. 34 to the City's Official Plan. Mechanisms and tools to achieve local planning objectives and standards will be revisited, recognizing that buildings remain in a community for 50-100 years, and urban design and landscaping matter – both are critical to creating successful built environments and a sense of community identity and comfort, particularly in the context of infill and intensification.
2. **Revised approach to consultation.** The City of Waterloo has long supported inclusive, open and transparent planning processes with meaningful consultation

opportunities for interested persons and community groups. Bill 23 prioritizes approval speed over consultation, in an effort to construct new homes faster. Existing communication and engagement strategies will need to be revisited, with more reliance on electronic submissions with shorter consultation windows.

3. **Joint Initiatives.** City staff are actively engaging and collaborating with our counterparts in Planning, Building, Finance and Legal Services in the region, to identify joint initiative opportunities that align with the intent of the legislation, such as mirroring approaches to processing planning applications going forward with a stronger emphasis on pre-consultation and better supporting documents from consultants before applications are deemed 'complete'.
4. **Collaborating with the Development Industry.** In order for Bills 23 and 109 to yield positive outcomes, a collaborative approach by all is needed. The development industry will need to do its part to construct new housing at the required pace, including affordable and attainable housing units. City staff will continue to engagement the development industry on housing policy, regulations, processes and finances, including the Waterloo Region Home Builders' Association.
5. **Adjust staffing.** Bill 109 combined with Bill 23 will create operational pressures related to development approval processes and further downloading of upper-tier and conservation authority responsibilities to lower-tier municipalities. In the City of Waterloo, it is anticipated that 5-8 additional full-time equivalent positions will be required in various divisions (e.g. Planning, Engineering, Legal Services, and Finance). The use of specialist consultants and contract staff may also be needed. Increased staffing needs are expected to create financial pressure that will be evaluated and addressed through the 2024-2026 budget process.
6. **Evaluation of options to mitigate financial impacts.** We are in a period of high inflation combined with rapidly increasing infrastructure costs, straining our capital budget. Bill 23 will exacerbate existing financial pressures by negatively impacting development charges, community benefit charges, and parkland contributions. In the City of Waterloo, Bill 23 will reduce development charges in the range of \$23 to \$31 million over the next five years – that's a 27% to 36% reduction in funds normally receive from the development industry – and another \$2 to \$3 million per year in operating costs. Collectively, this could equate to a 7% to 10% tax increase:

Potential Range of Tax Implications

Annual Funding	\$23M Capital 5 years	\$31M Capital 5 years
Capital	\$ 4,600,000	\$ 6,200,000
Operating	\$ 2,000,000	\$ 3,000,000
Total Annual Funding Gap	\$ 6,600,000	\$ 9,200,000
Property Tax Impact	7%	10%

In concert with Bill 23, Bill 109 will negatively impact municipal revenues used to fund planning services as a result of monetary penalties tied to processing timelines for zoning by-law amendment applications and site plan applications. It will be extremely challenging and resource intensive to process the quantity, scale and scope of development applications that are typical for an intensifying municipality like the City of Waterloo within the mandated 60-90 days.

Financial impacts will need to be offset by senior government funding, reduced levels of service, delayed or cancelled capital projects, and/or alternative funding sources (e.g. property tax increases, city utility rate increases, advanced timing of infrastructure agreements with developers). Staff will update Council in February 2023 on potential capital adjustments in response to Bill 23 impacts. In the meantime, staff are pausing the review of the Development Charges Background Study / By-law, which was initiated earlier in 2022. By continuing to rely on the City's existing Development Charge By-law #2019-064 (which is effective until December 31, 2024), staff can mitigate some, but not all, of Bill 23's immediate financial impacts until 2024-2025. Financial implications are further discussed in Section B of IPPW2022-063.

7. **Engagement in Bill 39.** Bill 23 proposes to designate the Regional Municipality of Waterloo as an "upper-tier municipality without planning responsibilities". As outlined in our November 22nd letter, staff recommended that this component of Bill 23 be deferred until after Bill 39 is acted upon. It is anticipated that the Provincial facilitator appointed under Bill 39 will recognize the collaborative and efficient working relationship that exists between the Region of Waterloo and each of the lower tier municipalities, the innovative and practical approaches to urban and rural planning in this region, and the merits of the Region remaining involved in select planning functions. The Grand River Conservation Authority (GRCA) have also been an important partner in promoting careful and sustainable land development. In our experience, planning for and coordination of large scale transportation and infrastructure servicing works, and land budgeting is most effectively planned at a regional level. Such planning would extend to important environmental considerations and protection of the:
- countryside line
 - significant cultural heritage
 - natural features / systems (including source water)

Waterloo will constructively and collaboratively engage the Provincial facilitator appointed under Bill 39 to help shape regional planning-related responsibilities, and advocate for inclusive discussions with all stakeholders. In the event upper-tier planning responsibilities are removed from the Region and shifted to the City, we will need to hire additional staff and retain specialized consultants to complete the work currently being undertaken by the Region – this will be evaluated and addressed through the 2024-2026 budget process.

Bill 39 seeks to extent strong mayor tools to rapidly growing municipalities like the City of Waterloo. If strong mayor powers are conferred, an agreed upon approach to the use of such powers should be established by the Ontario Big City Mayors, to provide consistency and reassurance as to how and when such powers may be acted upon, with the public interest in mind.

8. **Station Area Zoning.** Bill 23 provides municipalities one (1) year to update their zoning by-laws for station areas. For Waterloo, we require Provincial approval of Regional Official Plan Amendment No. 6 (ROPA 6) to satisfy the municipal comprehensive review (“MCR”) requirement under the Planning Act, which in turn will allow certain employment areas surrounding the Research & Technology ION Station, Northfield ION Station, and Conestoga ION Station to be modified to accommodate residential uses where appropriate. City staff support the timely approval of ROPA 6 as written, and will commence a zoning by-law amendment application to implement the City’s Station Area Planning, 2017 immediately after Provincial approval of ROPA 6. ROPA 6 was posted to the ERO on December 5, 2022 for a 30 day commenting period ending January 4, 2023.
9. **Affordable Housing Strategy.** A strategic objective of the City of Waterloo is to increase the amount of local affordable housing. In accordance with the City’s Strategic Plan, staff are preparing an Affordable Housing Strategy (“AHS”) for Council’s consideration in February 2023.

As a municipality, our authority is derived from the Province. With respect to affordable housing, the City of Waterloo has very limited authority. Our primary role is to support the Region of Waterloo. The Region is the local housing service provider responsible for policies and programs related to affordable housing. Bill 23 creates a legislative framework to incent affordable housing through development charge exemptions and parkland contribution reductions. This Provincial led approach will require the City of Waterloo to rethink its approach to affordable housing incentives (i.e., affordable housing grant program), in part due to budget pressures created by Bill 23.

10. **Public Communication.** Bill 23 is highly consequential with substantive changes to land use planning, municipal financing, heritage conservation, and local governance. Many local constituents and groups are concerned about diminished municipal land use planning authorities, potential for negative environmental outcomes, and prospects of higher taxes. As we adapt to Bills 23 and 109, it will be important for the City to reassure the community that our strategic objectives, planning principles, and financial standards remain intact and engrained in our municipal ethos.

Appendix 'A'

Excerpt from the City of Waterloo Council Meeting Minutes of November 14, 2022

NOTICE OF MOTION

Moved by Councillor Bodaly, seconded by Councillor Henry:

WHEREAS the Province of Ontario's Bill 23 – "More Homes Built Faster" Act recently passed Second Reading and is now open for comment; and

WHEREAS Bill 23 is a significant piece of legislation that would, if passed, be highly consequential to land use planning at both the City and Regional level, significantly altering municipal responsibilities, restricting appeals, decreasing review timelines and eliminating public consultation for plans of subdivision; and

WHEREAS Bill 23 would have highly consequential financial implications to the City of Waterloo with respect to funding infrastructure and growth, as well as creating staffing pressures related to shifting Regional planning responsibilities, leading to an increased tax burden on ratepayers in the City; and

WHEREAS Bill 23 has far reaching impacts related to environmental protections, ranging from challenges in meeting Regional planning objectives such as the Countryside Line, to limiting of the City's ability to implement Green Development Standards, to restrictions of Conservation Authorities and reduced protections for wetlands; and

WHEREAS the City of Waterloo acknowledges the affordable housing crisis and is in the process of creating the City's first ever Affordable Housing Strategy; and

WHEREAS City of Waterloo staff are preparing comments on Bill 23 that will be submitted to the Province prior to the November 24th deadline, however the timing of introduction of Bill 23 does not permit ample opportunity for newly elected City of Waterloo Council to appropriately assess the significant changes proposed and provide their commentary, given their inaugural meeting is November 21st and their first regular meeting is December 5th; and

WHEREAS the Ontario Big City Mayors have requested that the Government of Ontario extend the comment period on Bill 23, to allow for full municipal participation, in recognition of twelve newly-elected Mayors in Ontario, including in the City of Waterloo;

THEREFORE BE IT RESOLVED that the City of Waterloo requests the Government of Ontario to defer clause-by-clause review of Bill 23 at committee stage until such time as further evaluation and analysis by the incoming City of Waterloo Council has occurred; and

BE IT FINALLY RESOLVED that a copy of this resolution be sent to the Premier of Ontario, the Minister of Municipal Affairs and Housing, to local and area MPP's, the Association of Municipalities of Ontario, the Ontario Big City Mayors, and to the Region of Waterloo and local area municipalities.

Carried Unanimously

Appendix 'B'

The City of Waterloo is committed to providing accessible formats and communication supports for persons with disabilities. If another format would work better for you, please contact Joel Cotter at 519-747-8543 or TTY at 1-866-786-3941.



November 23, 2022

The Honourable Steve Clark
Minister of Municipal Affairs and Housing
17th Floor - 777 Bay St.
Toronto, ON
M7A 2J3

Dear Minister Clark,

Re: Proposed Bill 23, More Homes Built Faster Act, 2022

On behalf of The Corporation of the City of Waterloo, please accept the following comments on the proposed Bill 23, *More Homes Built Faster Act, 2022*.

Bill 23 is proceeding quickly through the legislature. Due to the recent municipal election and council transition, Waterloo City Council has not had an opportunity to review and evaluate Bill 23, nor provide comments. With tight commenting timelines, and highly consequential changes being proposed, the enclosed comments on the proposed Bill 23 are advanced by City staff for Provincial consideration.

The City of Waterloo supports the objectives of increasing the housing supply and streamlining the development approvals process. The City has strategically planned for growth, focusing intensification within designated nodes and corridors, and completing Station Area Planning for Major Transit Station Areas along the ION / LRT corridor in 2017. Intensification is complemented by thoughtfully planned greenfield subdivisions that protect significant natural features and systems, and the countryside line. The result has been robust growth, economic vibrancy, and a broad range of housing opportunities in our community. We currently estimate

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over 20,000 dwelling units in various stages of the development pipeline, which exceeds the 16,000 provincial target for Waterloo. This includes:

- a. Approximately 11,000 units that either have active building permits or are in the site plan review process;
- b. An approved district plan for an additional ~2,300 units in northwest Waterloo; and
- c. Planning applications for 6,900 new housing units are actively being worked on.

We are committed to doing our part to increase the housing supply and meeting the Provincial targets of 16,000 units for Waterloo over the next decade, while achieving the high land use planning standards our community expects.

There are components to Bill 23 that will positively contribute to increasing the housing supply in a manner that is cost-effective to the tax payer, and sympathetic to existing communities.

We support these components, which include:

- As of right permissions for up to three (3) dwelling units on residential properties. Such permissions will create opportunities for gentle density and missing middle housing. In alignment with the proposed Bill 23, earlier this year, the City amended its Official Plan to enable up to three (3) dwelling units on residential properties in a broad range of low-rise residential areas, as well as medium-rise residential areas, to encourage denser forms of context sensitive smaller scale intensification (re: OPA 34).
- Additional resources to support the Ontario Land Tribunal (OLT). This will undoubtedly unlock housing supply by breaking the backlog of OLT cases and expediting hearings.
- Fast tracking new zoning for Major Transit Station Areas (MTSAs) to support transit-oriented development and to ensure significant capital investments are appropriately leveraged. In the City of Waterloo, enabling mixed-use developments in MTSAs has the potential to significantly increase new housing opportunities. As previously noted, the City completed Station Area Planning for MTSAs in 2017, however we have not been able to activate the residential component of our planning framework due to existing legislative barriers that require an upper-tier municipal comprehensive review to be

completed prior to enabling mixed-use developments in employment areas. In August 2022, the Region of Waterloo amended its Official Plan (re: ROP Amendment No. 6), after completing the requisite municipal comprehensive review – we are hopeful that the amended Regional Official Plan will be approved by the Province in the near future, so that we can unlock the potential of Waterloo's lands for more homes by implementing our comprehensive Station Area Planning initiative.

- The 2031 Municipal Housing Target for the City of Waterloo is 16,000 dwelling units. The City's current zoning framework can accommodate multiples of the target. While the City will do our part to ensure development capacity exists, we recognize that the construction of new housing is contingent upon the development industry doing its part to construct the units (including affordable and attainable housing units) in a timely manner, and that new construction is influenced by a wide range of factors beyond Provincial and municipal control including economic conditions, a shortage of skilled tradespeople, supply chain disruptions, and developer disputes. Provincial commitment to supporting municipalities should be clear and deep, including infrastructure funding and investment. Like municipalities, the development industry must pledge to construct new dwelling units at the needed pace, including affordable and attainable housing. Recognizing that we all must do our part, a collaborative approach is needed to achieve positive results.

There are various aspects of Bill 23 that are of concern to the City of Waterloo, and which could result in unintended negative consequences. We request that the Province defer Bill 23 until further evaluation and consultation can be undertaken with municipalities. Municipalities at both the upper-tier and lower-tier levels have significant day to day experience in dealing with the challenges relating to the current planning framework and can offer valuable insights. Let's work together to find solutions and achieve our shared goals. We offer the following comments:

- **Deferral:** In a letter dated November 16, 2022 to Premier Ford (attached), Waterloo City Council advanced a request to the Province to defer Bill 23 at the committee stage until such time as further evaluation and analysis can be undertaken, coupled with

additional consultation between the Province and its municipal partners. We believe the outcome of such a deferral would be positive refinements to the proposed Bill 23 to the benefit of Ontarians. Moving quickly is imperative, but so is getting Bill 23 right, and the full impacts of the proposed Bill 23 must be explored and negative impacts mitigated prior to implementation. As stated by the Ontario's Big City Mayors, there is no such thing as a one-size fits all approach with municipalities, driving the need for more in-depth consultation between the Province and its municipal partners.

- **Operational / Capacity Challenges:** The scope of the proposed Bill 23, in combination with Bill 109, and the recently introduced *Better Municipal Governance Act, 2022* (Bill 39), is significant, and is anticipated to result in significant financial and operating pressures for municipalities, including the City of Waterloo. With limited resources, we are already extremely busy rapidly processing a high volume of development applications, taking an "all hands on deck" approach. The scope and speed of the upcoming and proposed legislative changes is unprecedented. Transition regulations will be critical to achieving a positive outcome, and must be carefully drafted to acknowledge and reflect current municipal operating realities and labour market constraints. In addition, sufficient time is needed for municipalities to retool and pivot in response to Bills 23, 39 and 109. Building up operating capacities to achieve new proposed levels of service will take time, in part due to the limited funding tools available to municipalities to finance new hires, and the small pool of qualified and experienced candidates available in the marketplace. Absent additional funding, it is unclear how municipal financial impacts will be managed. Significant tax and rate increases are not supported by the City, in part because such increases negatively impact housing affordability in the broader community, contrary to our shared housing objectives.

In addition to the concerns set out above, we offer the following preliminary comments based on review of the proposed legislation to date:

- **Development Charges and Community Benefit Charges:** Bill 23 proposes numerous changes to the Development Charges Act and Planning Act that, if passed, will

significantly impact how municipal governments recover the costs associated with growth. We maintain support for the widely accepted concept that 'growth should pay for growth'. As currently proposed the potential loss of DC revenue for Waterloo exceeds \$23M (27% reduction) over the next five years and we believe it is incumbent on the Province to fill this funding gap and not leave it for the general property tax base or rate payer to pay.

Municipalities have limited funding tools. Unless funded by the Province, Bill 23 will shift certain growth costs to the tax base/rate payers. Significant increases to municipal taxes and utility rates to off-set funding shortfalls created by Bill 23 will have a negative impact on affordability for existing homeowners and will surely be met with public outcry, particularly during this time of increased cost of living and high inflation. Further, Bill 23 fails to incent or require developers to pass on any savings to home purchasers or renters.

Unlike many municipalities where growth is primarily low-rise greenfield housing, the majority of growth in the City of Waterloo is infill and intensification, which more effectively leverages existing infrastructure and capital investments in servicing, transit and active transportation. Bill 23 will have significant financial impacts on intensifying municipalities like Waterloo. The mandatory 5-year phase-in, discounts for rental housing, loss of funding for studies, affordable housing exemptions, loss of some land eligibility, a shift to a 15-year service life from 10 years, will collectively reduce the capital funding for growth related infrastructure by an estimated \$23M-\$31M (27%-36% reduction in revenues) in a five year period within the City of Waterloo. These figures are understated as no assumptions have been included for attainable housing, nor have operating impacts been factored in. This funding gap will need to be filled by the Province, otherwise municipalities will face large increases to property taxes, utility rates and/or a reduction in the construction of growth related infrastructure, or a combination thereof.

It should be noted that while there may be some balances in DC Reserves, this is not extra cash. A positive overall consolidated DC reserve balance ensures that there is

money available for the City to move forward with planned investments in multi-year capital growth infrastructure. As DCs are not a guaranteed revenue stream, the timing of when DCs are received in comparison to budget is not linear.

It is recommended that the Province remove the proposed changes to the Development Charges Act and Planning Act that, if passed, would negatively impact how municipal governments recover the costs associated with growth. Alternatively, significant ongoing Provincial funding to municipalities will be required in order to offset or mitigate the potential impacts to the tax base and/or delays in construction of growth related infrastructure.

- **Parkland:** Bill 23 proposes various amendments to the Planning Act with respect to parkland. Of particular concern are two components of the proposed Bill 23. First, the concept of counting encumbered parkland / strata parks and privately owned publicly accessible spaces (POPS) towards satisfying the parkland requirement. Particularly for intensifying municipalities like Waterloo, ample and high quality parkland is critical to meeting community needs, as demonstrated throughout the pandemic. If lowered parkland contributions are an outcome of Bill 23, the lands provided should not be encumbered. Servicing, utility and other encumbrances can significantly limit the function, usability and design of parkland, to the detriment of Ontarians. Strata parks may work, depending on design, location, configuration, and the abutting non-park land use – the acceptance of strata parks could be encouraged by policy, but should be left to the discretion of municipalities to determine how or if the proposed strata park is appropriate based on criteria established through the required Park Plan pursuant to subsection 42(4.1) of the Planning Act. POPS are an emerging concept, and like strata parks, are complicated – the acceptance of POPS towards the parkland contribution (in whole or in part on a prorated basis based on design, location, and public recreational services provided) could be encouraged by policy, but should be left to the discretion of municipalities to determine how or if the proposed POPS is appropriate based on criteria established through the required Park Plan pursuant to subsection 42(4.1) of the Planning Act.

Second, Bill 23 proposes maximum parkland rates for developments containing affordable residential units, attainable residential units, or inclusionary zoning units. As written, the legislation provides no distinction between developments based on the amount of affordable / attainable / inclusionary zoning units provided. A development with one percent (1%) affordable housing units is treated the same as a development with seventy five percent (75%) affordable housing units. It is recommended that the maximum parkland rate provision be prorated based on the number of affordable / attainable / inclusionary zoning units in the development compared to the total number of units constructed for equity in application.

- **Tax-Based Subsidies for Affordable Housing:** Affordable housing is critically needed throughout Ontario. Bill 23 proposes to exempt affordable housing, attainable housing and inclusionary zoning units from development charges, community benefit charges, and parkland dedication. As written, the legislation does not incorporate necessary controls or protections related to the future sale of “attainable units” to ensure they remain attainable. Without such controls or protections, Bill 23 may amount to a subsidized capital gain for the development industry or other real estate investors, to which the City is opposed, and would be contrary to our shared objective of providing long-term affordable and attainable housing in Ontario.
- **Inclusionary Zoning:** Bill 23 proposes a maximum 25-year affordability period for inclusionary zoning units, a five percent (5%) cap on the number of required inclusionary zoning units, and a standardized approach to determining the price or rent of an affordable unit.

The City is supportive of a standardized approach to determining the price or rent of an affordable unit, but would recommend that a definition be provided for *average market rent* (AMR) and *average resale purchase price* to ensure consistent application of IZ regulations.

We are concerned with the 25-year affordability period as a maximum, for reasons including:

- (i.) 25-years is a relatively short period of time in relation to housing;
- (ii.) the significant loss of affordable housing units in the medium term (after 25-years);
- (iii.) the significant loss of affordable housing units in high-order transit areas after 25-years;
- (iv.) the short duration is less attractive to municipalities with respect to subsidizing inclusionary zoning units to create deeper affordability;
- (v.) the approach limits variations in how inclusionary zoning can be implemented, such as a municipality requiring a lower percentage of units (e.g., 3% instead of 5%) but requiring a longer duration (e.g., 99-years rather than 25-years), which may be preferable to the developer.

It is recommended that a period longer than 25-years be considered, under the lens of securing longer term affordable housing within Ontario and creating flexibility in how inclusionary zoning is applied based on the conclusions of the required assessment report pursuant to Ontario Regulation 232/18.

Based on available information and current market conditions in Waterloo, the five percent (5%) cap on the number of inclusionary zoning units appears reasonable. However, if market conditions change and a higher percentage can be justified through the required assessment report pursuant to Ontario Regulation 232/18, it would be unfortunate to not be able to realize the additional affordable housing units due to the proposed legislation. The assessment report and inclusionary zoning by-law are enacted through an open and transparent planning process, creating sufficient certainty to the development industry, in our opinion – we do not believe the cap is necessary.

In addition to the above, there is a missed opportunity to advance Provincial and municipal objectives related to increasing the supply of affordable housing. It is recommended that the Province, through Bill 23, expand the locations to which inclusionary zoning applies beyond MTSAs, to include designated nodes and corridors as delineated and described in an official plan. The City of Waterloo has comprehensively planned for growth and intensification, and would benefit from being

able to apply inclusionary zoning to certain nodes and corridors in the city that are outside MTSAs but are well served by transit and planned for medium and high densities, subject to feasibility being demonstrated through the assessment report required under Ontario Regulation 232/18.

- **Regional Planning:** Bill 23 proposes to designate the Regional Municipality of Waterloo as an “upper-tier municipality without planning responsibilities”. It is recommended in particular that this component of Bill 23 be deferred until after Bill 39 is acted upon. We believe the Provincial facilitator appointed under Bill 39 will observe and realize the collaborative and efficient working relationship existing between the Region of Waterloo and each of the lower tier municipalities, and the merits of the Region retaining select planning functions. Planning for and coordination of large scale transportation and infrastructure servicing works, land budgeting, and protection of the countryside line, significant cultural heritage, and natural features / systems is most effectively planned at the regional level in our experience. Any modifications to planning-related responsibilities should be carefully reviewed and considered in discussion with all stakeholders.

Of note, if certain upper-tier planning responsibilities are removed from the Region of Waterloo and delegated to lower-tier municipalities, the lower-tier municipalities will be required to hire or contract out a broad range of planning services in order to secure expertise currently provided by the Region. This approach is inefficient in our opinion, increases the likelihood of inconsistent results across the region, and will potentially increase costs to developers.

If upper-tier planning responsibilities are removed from the Region of Waterloo, it appears that certain decisions would then rest with the Province (e.g., Official Plans and Official Plan Amendments), which will increase the workload at the Provincial level. We know how busy the ministries are managing current provincial responsibilities. In our opinion, refinement of the current scopes of responsibility would be the most efficient and effective approach for our region through Bill 39, as the Region has

existing staff and processes in place to efficiently complete necessary technical compliance reviews and issue timely decisions.

Absent careful review with all stakeholders, the proposed modifications do not have the effect of increasing efficiency, and risk creating additional cost and delay.

- **Conservation Authorities:** As indicated by AMO, the proposed amendments to the Conservation Authorities Act and the Planning Act in Bill 23 are concerning, as they signal a move away from an appropriate level of environmental review and protection at a time when climate change impacts are being felt more and more at the local level. Environmental protection and sustainable community building is a cornerstone of Waterloo's success, and should be a priority consideration in land use planning.

Like municipalities, conservation authorities are not all the same. The Grand River Conservation Authority (GRCA) is a valued partner in our local development approvals process, and in our experience, fulfills its mandate in a constructive, collaborative and professional manner. Within our municipality, the GRCA has never appealed a development application. The GRCA should be held up as an example of how conservation authorities positively contribute to local planning for floodplains, hazard lands, wetlands, and conservation areas.

The City is concerned with scoping the duties and authorities of the GRCA. For example, the proposed updates to the Ontario Wetland Evaluation System shifts planning-related responsibilities for wetlands solely to municipalities. Wetland ecology and hydrogeology is complicated and relies on specialized expertise currently housed with the GRCA. The proposed modifications would require the City to hire or contract out specialty services currently provided by the GRCA. This is inefficient in our opinion, increases the likelihood of inconsistent results across the watershed, and will potentially increase costs to developers. Further, given the connections that exist between wetlands and flooding, we believe it is best that the GRCA retains its current authorities.

With respect to the removal of wetlands if “net positive impact is demonstrated”, the City is open to the concept where appropriate.

Further information is required to better understand the implications of no permits for regulated areas if the activity is part of a development authorized under the Planning Act. If this amendment is passed, it should be expanded to provide for municipal authority to apply conditions to developments in regulated areas, in order to avoid unintended consequences and/or to avoid municipalities taking a conservative approach to land use planning in regulated areas to minimize risk.

- **Site Plan Control:** Most buildings remain in a community for 50-100 years, and design matters. Landscaping and urban design are critical to creating successful built environments and a sense of community identity, particularly in the context of infill and intensification. The Ontario Professional Planners Institute (OPPI) conference this year centered around strengthening the relationship between planners and landscape architects as key contributors to urban design.

While many developers will make every effort to achieve good urban design because they value and understand its importance, equally many will not unless they are held to minimum standards. We are concerned with the proposed amendments to Section 41 of the Planning Act, and the potential for undesirable outcomes. The controls in question are necessary to ensure positive outcomes, consistency within the built environment, and to maintain property values, prevent offensive design elements, mitigate undesirable impacts (e.g., wind), foster sustainable design, etc. It is appropriate for municipalities to evaluate exterior design (including architectural details) and landscaping through the site plan process. In our experience, such evaluations have minimal impact on application timelines and generally have very positive outcomes. If the Provincial concern relates to one or more municipalities overstepping their authority granted under Section 41, we believe the preferred solution to be restricting exterior design (including sustainable elements) and landscaping authorities under Section 41 to urban design standards embedded into municipal Official Plans – this approach ensures expectations are clear and reasonable, with

appropriate “checks and balances” provided through the planning process and appeal mechanisms in Sections 17 and 21 of the Planning Act.

If the goal is to increase housing supply, it is unclear why the scope of the proposed amendments to Section 41 equally applies to non-residential development.

Bill 23 proposes the removal of site plan control for developments containing 10 dwelling units or less. It is unclear what concern the proposed amendment seeks to address. Bill 109 mandates that site plans be processed quickly (60 days), addressing concerns related to timely approvals. In Waterloo, a 10 unit residential building could house up to 50 individuals, a density sufficient to warrant site plan controls. In our opinion, municipalities should have discretion to apply site plan control to projects containing more than three (3) units to ensure developments are safe, accessible, orderly, aesthetic/functional, and a positive contribution to the area, and to mitigate undesirable impacts related to wind, shadows, and uncompleted sites. This is particularly true for infill development. If the intent of Bill 23 is to encourage denser forms of context sensitive smaller scale intensification, we believe the preferred solution to be exempting certain building typologies from site plan control such as triplexes and townhouses, rather than specifying a unit threshold in Section 41 of the Planning Act.

- **Third Party Appeals:** As originally written, Bill 23 proposes to eliminate third party appeals of planning decisions to the Ontario Land Tribunal (OLT). No one other than the applicant, the municipality, certain public bodies, and the Minister would be allowed to appeal municipal decisions to the OLT (including consents and minor variances) if Bill 23 passes as originally written. The City of Waterloo is encouraged to hear that the Standing Committee is re-evaluating this amendment. Third party appeals are uncommon in the City of Waterloo, and rarely succeed. Notwithstanding the foregoing, the planning system in Ontario is based, in part, on the principles of transparency and inclusiveness, principles which are important to the City of Waterloo. We encourage the Province to further evaluate the impacts of eliminating third party appeals with

respect to inclusiveness, and further amend the legislation to address negative outcomes.

- **Ontario Land Tribunal (OLT):** Bill 23 proposes to increase OLT's powers to order costs against a party, and to dismiss appeals for undue delay. We are concerned with increasing the OLT's powers to order costs against a party. In our opinion, costs awarded against a party should be an exception, not the rule, and the threshold for awarding costs should not be based on the outcome of the OLT decision. Rather, awarding costs should relate to conduct and the existing threshold of "unreasonable, frivolous, vexatious, or bad faith" as determined by the OLT Member.
- **Heritage:** Bill 23 proposes various amendments related to heritage planning. The conservation of cultural heritage resources is an integral part of community planning. Cultural heritage resources contribute to the city's identity and quality of life. If passed, Bill 23 will place a significant burden on municipalities to complete substantive and unbudgeted heritage evaluations within a relatively short period of time by requiring non-designated properties on municipal heritage registers to be evaluated and notices of intent to designate (NOID) being issued within two years, failing which they would be de-listed from the register. In Waterloo, over 150 properties and buildings will need to be evaluated. The demand for specialized heritage consultants to assist municipalities in this important work will exceed supply. We believe that staff resources would be better directed to updating Official Plans, Secondary Plans, Zoning By-laws and the like under the lens of increasing housing supply, rather than evaluating non-designated heritage properties. Bill 23 also proposes that a municipality may give notice of intention to designate a property only if the property is listed on the register as of the date of a prescribed event (not after). We believe the appropriate time to evaluate non-designated heritage properties is concurrent with a development application, rather than before. The impact of the Bill, as proposed, will be the unintended loss of heritage resources that are valuable to the community. It is recommended that Bill 23 be amended to remove the requirement to evaluate non-designated properties on the municipal heritage register within two years, and the provision requiring that a

municipality can give notice of intention to designate a property only if it was on the register as of the date of a prescribed event.

In conclusion, there are many positive components to the proposed Bill 23. Various concerns also exist as described herein. And while moving quickly is imperative, so is getting Bill 23 right. The full impacts of Bill 23 need to be explored and understood, and negative impacts mitigated prior to implementation. From a municipal perspective and for greater efficiency, the governance work under the proposed Bill 39 should occur before the implementation of Bill 23 in relation to upper-tier planning responsibilities. We respectfully request that the Province defer components of Bill 23 until such time as further evaluation and analysis can be undertaken, new councils are engaged, and additional consultation occurs between the Province and its municipal partners.

Thank you for the opportunity to comment on this important legislation. Staff would be pleased to meet with the Province to provide further input on the proposed Bill 23 and Bill 39.

Sincerely,



Tim Anderson, P. Eng
Chief Administrative Officer, City of Waterloo

Cc: MPP Mike Harris
Mayor Dorothy McCabe

November 16, 2022

The Honourable Doug Ford, M.P.P.
Premier of Ontario
Office of the Premier
Legislative Building
Queen's Park
Toronto ON M7A 1A1

RE: Resolution from the City of Waterloo passed November 14, 2022, re: Bill 23

Dear Premier Ford,

Please be advised that the Council of the Corporation of the City of Waterloo at its Council meeting held on Monday, November 14th, 2022 resolved as follows:

WHEREAS the Province of Ontario's Bill 23 – "More Homes Built Faster" Act recently passed Second Reading and is now open for comment; and

WHEREAS Bill 23 is a significant piece of legislation that would, if passed, be highly consequential to land use planning at both the City and Regional level, significantly altering municipal responsibilities, restricting appeals, decreasing review timelines and eliminating public consultation for plans of subdivision; and

WHEREAS Bill 23 would have highly consequential financial implications to the City of Waterloo with respect to funding infrastructure and growth, as well as creating staffing pressures related to shifting Regional planning responsibilities, leading to an increased tax burden on ratepayers in the City; and

WHEREAS Bill 23 has far reaching impacts related to environmental protections, ranging from challenges in meeting Regional planning objectives such as the Countryside Line, to limiting of the City's ability to implement Green Development Standards, to restrictions of Conservation Authorities and reduced protections for wetlands; and

WHEREAS the City of Waterloo acknowledges the affordable housing crisis and is in the process of creating the City's first ever Affordable Housing Strategy; and

WHEREAS City of Waterloo staff are preparing comments on Bill 23 that will be submitted to the Province prior to the November 24th deadline, however the timing of introduction of Bill 23 does not permit ample opportunity for newly elected City of Waterloo Council to appropriately assess the significant changes proposed and provide their commentary, given their inaugural meeting is November 21st and their first regular meeting is December 5th; and

WHEREAS the Ontario Big City Mayors have requested that the Government of Ontario extend the comment period on Bill 23, to allow for full municipal participation, in recognition of twelve newly-elected Mayors in Ontario, including in the City of Waterloo;

THEREFORE BE IT RESOLVED that the City of Waterloo requests the Government of Ontario to defer clause-by-clause review of Bill 23 at committee stage until such time as further evaluation and analysis by the incoming City of Waterloo Council has occurred; and

BE IT FINALLY RESOLVED that a copy of this resolution be sent to the Premier of Ontario, the Minister of Municipal Affairs and Housing, to local and area MPP's, the Association of Municipalities of Ontario, the Ontario Big City Mayors, and to the Region of Waterloo and local area municipalities.

If you have any questions or require additional information, please contact me.

Sincerely,

A handwritten signature in black ink that reads 'Julie Scott'.

Julie Scott
City Clerk, City of Waterloo

CC (by email):

Hon. Steve Clark, Minister of Municipal Affairs and
Housing
Catherine Fife, M.P.P (Waterloo)
Laura Mae Lindo, M.P.P (Kitchener Centre)
Brian Riddell, M.P.P (Cambridge)
Jess Dixon, M.P.P (Kitchener-South Hespeler)
Mike Harris, M.P.P (Kitchener-Conestoga)
Association of Municipalities of Ontario (AMO)
Ontario Big City Mayors

William Short, Regional Clerk, Regional
Municipality of Waterloo
Danielle Manton, Clerk, City of Cambridge
Amanda Fusco, Clerk, City of Kitchener
Ashley Sage, Clerk, Township of North Dumfries
Grace Kosch, Clerk, Township of Wellesley
Arthur Flach, Clerk, Township of Wilmot
Jeff Smith, Clerk, Township of Woolwich