

Report Staff Report The Corporation of the City of Brampton 6/11/2025

Date: 2025-06-06

Subject: Recommendation Report - City Building and Financial

Implications of Bill 17, "Protect Ontario by Building Faster and

Smarter Act, 2025."

Contact: Carolyn Crozier, Strategic Leader, Office of the Commissioner,

Planning, Building and Growth Management

Amit Gupta, Senior Manager, Revenue, Finance, Corporate Support

Services

Report number: Planning, Bld & Growth Mgt-2025-506

RECOMMENDATIONS:

- That the report from Carolyn Crozier, Strategic Leader, Office of the Commissioner, Planning, Building & Growth Management, and Amit Gupta, Senior Manager, Revenue, Finance, Corporate Support Services, to the Council meeting of June 11, 2025, re: Recommendation Report – City Building and Financial Implications of Bill 17 "Protect Ontario By Building Faster and Smarter Act, 2025" be received;
- 2. That Staff be directed to submit detailed comments based on concerns and proposed recommendations contained in this report to the Province;
- 3. That the City Clerk forward this report to the Ministry of Municipal Affairs and Housing, Brampton's Members of Provincial Parliament, the Association of Municipalities of Ontario, and the Region of Peel;
- 4. That Council not endorse the amendments implemented through Bill 17 for the reasons summarized below and further articulated in this report:
 - i. The Province's goal of accelerating housing through Bill 17 undermines the City's duty and ability to deliver complete, sustainable communities that meet Bramptonians' needs now and into the future.
 - ii. Reduced municipal autonomy in planning, zoning and urban design erodes Brampton's ability to align development with local priorities, risking undesirable built forms and community character.

- iii. Reduces development charge revenues by further expanding exemptions and deferring payments, delaying critical growth-related funding. This creates infrastructure funding gaps that will require higher property taxes, increased debt reliance, or reduced capital delivery.
- 5. That Council request the Province to engage in further dialogue with municipal partners, prior to final approval of Bill 17 related implementation regulations, to ensure a balanced approach that supports local objectives rather than a blanket mandate;
- 6. That Council request direct funding from the Province to offset lost development charge revenue and request new revenue tools to sustainably fund growth infrastructure that supports local and provincial housing goals; and
- 7. That staff conduct a funding review of the existing capital program and report back to Council with options to address the Development Charge revenue shortfall, including options to defer approved capital projects as a consequence of this legislative change.

OVERVIEW:

- The City of Brampton supports the Province's goal to increase housing supply; however, Bill 17 presents significant risks to the City's ability to deliver complete, healthy, and livable communities.
- The legislative changes, enacted on June 5, 2025, shift growth-related infrastructure costs to existing property taxpayers by reducing development charge revenues without introducing equivalent, sustainable funding mechanisms.
- Standardized planning rules proposed, and currently open for comment, by the Province will reduce municipal flexibility to respond to local conditions and may undermine Brampton's demonstrated success in achieving housing targets through context-sensitive planning.
- Limiting municipal authority to manage and fund infrastructure needed to support new development will delay the servicing and occupancy of new housing, regardless of the speed of approvals.
- The City is seeking a partnership approach that includes predictable, dedicated provincial funding and additional revenue tools to support the delivery of infrastructure required to enable housing growth.
- Deferring development charge collections is projected to reduce Brampton's cash flow by \$84 million to \$112 million in Year 1, with ongoing annual shortfalls of \$13 million to \$21 million, significantly impacting the City's ability to fund growth-related infrastructure or meet local and provincial housing targets.

 These revenue delays, combined with \$0.6 million to \$0.9 million in additional borrowing costs and \$1.2 million to \$2 million in inflationrelated cost increases, are expected to result in total annual fiscal pressures of \$1.8 million to \$2.9 million.

BACKGROUND:

Enacted on June 5, 2025, Bill 17, *Protect Ontario by Building Faster and Smarter Act,* 2025 (Bill 17) is the Province's most recent legislation introducing changes to either the Planning Act, the Development Charges (DC) Act, or both.

These include:

- Bill 108, More Homes, More Choice Act, 2019;
- Bill 138, Plan to Build Ontario Together Act, 2019;
- Bill 197, COVID-19 Economic Recovery Act, 2020;
- Bill 109, More Homes for Everyone Act, 2022;
- Bill 23, More Homes, Built Faster Act, 2022;
- Bill 134, Affordable Homes and Good Jobs Act, 2023;
- Bill 185, Cutting Red Tape to Build More Homes Act, 2024; and,
- Bill 5, Protect Ontario by Unleashing our Economy Act, 2025.

These varying pieces of legislation were introduced by the Province with the intent of facilitating the construction of 1.5 million new homes.

Brampton supports the objective of increasing housing supply, as evidenced by the City's Housing Pledge, signed in 2023, to support the creation of an additional 113,000 new homes in Brampton, by 2031.

Brampton has made substantial progress in working towards these ambitious Provincial housing targets, which are 22% higher than what Brampton's Official Plan had forecasted for household growth by 2031. Between January 2023 and March 2025, Brampton has achieved 65% of its housing target within this timeframe, delivering 13,480 new housing units.

Brampton remains committed to meeting its housing goals, however, the focus on rapid housing development through recent legislative changes has prioritized quantity over quality, leading to unintended negative City building outcomes and the undermining of the City's ability to create complete, sustainable communities, as highlighted in Brampton's response on ERO 019-9210 on Additional Residential Units.

Bill 17 amends eight existing acts. The Province states the purpose of Bill 17 is to accelerate infrastructure and housing development; reduce red tape and administrative delays; protect jobs amid rising U.S. tariffs; and support economic growth, investment and job creation.

The changes promote faster, more affordable development; however, these changes will reduce the City's autonomy with respect to planning, zoning and urban design considerations; create financial strain by cost-shifting from developers to the City; and require resources to implement policy and procedural changes.

CURRENT SITUATION/ BILL 17 ANALYSIS

Bill 17 received Royal Assent on June 5, 2025. Many of the proposed changes identified in the Bill are now in force and effect.

Implementing regulations for some of the more substantive policy changes are still under review and open to comment by municipalities. Bill 17 identifies that these changes will come into force and effect "on a day to be determined by the Lieutenant Governor."

This report identifies for Council policy changes that are now applicable law, and where opportunity to provide feedback and request additional consultation are available.

Amendments to Acts identified as No Concern/No Impact

Through the staff analysis of the now in-effect changes contemplated through Bill 17, it has been determined that the amendments proposed to the following Acts have no impact or create concerns for the City:

- Building Code Act, 1992
- City of Toronto Act, 2006
- Ministry of Infrastructure Act
- Building Transit Faster Act, 2020
- Metrolinx Act, 2006
- Transit-Oriented Communities Act, 2020

Evaluation of Amendments to the Planning Act and Proposed Implementing Regulations

Amendments to the Planning Act aim to reduce developer costs and approval times but limit municipal control and consideration of local context, echoing concerns raised in Brampton's response to ERO 019-9210 (Additional Residential Units), which highlighted risks to neighborhood character, enforcement, and infrastructure.

Components of the amendments to the Planning Act have been evaluated to be supportable by staff however, the proposed regulations on standardized application requirements, mandatory acceptance of certified professional reports, and as-of-right permissions have been deemed to be unsupportable by staff as they reduce and limit municipal autonomy in planning, zoning and urban design, eroding Brampton's ability to align development with local priorities, risking undesirable built forms and community character.

Changes for Complete Applications and Certified Professionals – In Force and Effect

When a development application is submitted to the City, planning staff review the submission to ensure all necessary documents, reports and fees required have been provided. This is a formal evaluative step in the development application review process that is enshrined in the Planning Act. An application cannot be circulated for review, or public notice provided, until it has been 'deemed complete.'

Required studies (e.g. functional servicing or traffic impact studies) are preliminarily assessed by planning staff, to ensure that the materials meet municipal and provincial standards before proceeding to detailed evaluation. This prevents poor quality or incomplete materials being advanced and ensures Brampton's priorities are accounted for.

The Province has amended the Planning Act to require municipalities to automatically accept studies or materials prepared by certified professionals (e.g. engineers, others to be specified by regulation) as complete, without further scrutiny for completeness.

The Province indicates this change will support streamlining land use planning processes, build more homes faster; and create more certainty in the development approvals process.

Staff have identified while there may be modest improvements for the developer, this change diminishes the City's ability to ensure integrity in the planning process, reduces the ability to be context-sensitive, and increases risks generally, as shown in the table below:

| Impact | Description | Unintended Consequences |
|---|--|---|
| No Subjective Review | Servicing) as complete, without evaluating content against Brampton's Terms of | Inadequate studies may miss local needs (e.g., flood-prone areas), risking infrastructure issues and increased costs. |
| Loss of Local | revisions, limiting alignment with Brampton | Development may clash with Brampton's growth and development vision. |
| IIDIII RICKIAL | Automatic acceptance speeds up approvals, but bypasses quality checks. | Overlooked deficiencies (e.g., unsafe traffic patterns) may lead to safety issues and postapproval fixes. |
| Shift to Post- Approval Oversight | Planners rely on inspections to catch issues, as completeness review is curtailed. | Increased workload and costs for the City post-approval. |

This change eliminates staffs ability to review certified professionals' materials for completeness, streamlining approvals but reducing local control and increasing risks of poor-quality and developments that do not align with Brampton's overall planning vision. Local context, transparency and municipal oversight are essential for responsible planning and public trust.

Proposed Regulations - Changes to Study Requirements (Complete Applications) ERO-025-0462

The Province is proposing to limit the information and material that municipalities can request as part of a development application to streamline and standardize planning processes. Bill 17, through yet to be enacted regulations, proposes to prohibit sun/shadow, wind, urban design and lighting studies for complete applications.

Study requirements, or complete applications, are critical tools in the City's planning process. They provide the data, analysis and recommendations needed to ensure that development aligns with Brampton's city-building goals and vision for growth. Studies asked for from developers by City staff are used to inform decision-making and recommendations to Council, enhance community livability and design, and protect public health and safety. Studies that can be requested as part of a complete application are listed in Brampton Plan, and the need for certain studies is identified early in the application review process. These studies are made available to the public, enhancing community engagement and transparency.

These types of studies ensure developments enhance public spaces and resident quality of life, aligning with Brampton Plans focus on "people-friendly spaces.

Excluding these studies from the development application review process will undermine the City's ability to align development with local priorities, risking undesirable built forms and community character, as noted in the table below:

| Study | Purpose | Potential Impact on Brampton |
|-----------------------|--|--|
| Sun/Shadow Studies | buildings cast shadows on surrounding areas to ensure adequate sunlight for public | Without these studies, new developments may overshadow parks, schools, and residential areas, reducing livability and potentially affecting mental and physical health of residents. This could also lead to disputes and delays if unforeseen shadow impacts arise post-construction. |
| Wind Studies | patterns to prevent | Skipping wind assessments may result in wind tunnels or gusty conditions that deter pedestrian activity, affecting the vibrancy and safety of streetscapes. This can particularly impact areas with high-rise developments adjacent to low-rise neighborhoods. |

| Study | Purpose | Potential Impact on Brampton |
|-------------------------|--|---|
| Urban Design Studies | Guide the aesthetic and functional aspects of developments to ensure they align with the character and needs of the community. | Without urban design guidelines, developments may not integrate well with existing neighborhoods, leading to a mismatch in architectural styles and reduced community cohesion. This could also affect Brampton's efforts to create distinct and attractive urban environments. |
| Lighting | Analyze artificial lighting from developments to prevent light pollution and ensure safety in public spaces. | Omission of lighting studies may lead to over- illumination or dark spots, affecting residents' comfort, disrupting ecosystems, and increasing energy consumption. Poor lighting design can also compromise safety and security in public areas. |

As a high-growth community, Brampton faces unique challenges in balancing rapid development with livability and sustainability. While eliminating these studies may reduce developer costs, streamline approvals, and improve approval timelines, these studies are vital to achieving Brampton Plan's vision for vibrant, sustainable and complete communities.

Staff recommend that Council advocate for a more balanced approach that allows municipalities to determine when such studies are necessary based on context, scale and local planning policies. The province should engage municipalities to develop clear, standardized criteria for requiring these studies to ensure fairness, transparency, consistency and effectiveness.

Proposed Regulations - Changes for As-of-right Variations from Setback Requirements ERO- 025-0462

The Province is proposing changes to Planning Act regulations that would allow setback variations to be permitted "as-of-right" if a proposal is within 10% of setback requirements applicable, eliminating the need for a minor variance or zoning by-law amendment. They are also seeking feedback on other "as-of-right" performance standards (e.g. height, lot coverage, etc). These regulations have not yet been enacted.

Setback requirements are outlined in the City's zoning by-law, specifying the minimum distances that buildings and structures must be set back from property lines, streets and sometimes other features such as natural heritage areas. Setbacks are essential for maintaining neighbourhood character, protect privacy and livability, and for providing adequate space between structures for emergency access and proper drainage.

In the regulatory post, the Province states they anticipate that this initiative will further support streamlining land use planning process and create direct cost and time savings for landowners.

Through their review, staff have identified significant concern with this proposal as it removes municipal oversight and public participation. Staff foresee that the 'as-of-right' provision would erode urban form and increase disputes between neighbours. Setback reductions will reduce buffer space between buildings, especially on narrow lots, leaving:

- Less room for on-site garbage/recycling movement and storage (bins not permitted in front yard).
- Exacerbate drainage issues, especially if near lot lines.
- Less space for permeable landscaping, leading to water runoff and drainage issues.
- Reduced privacy between properties.
- Restricted maintenance access and emergency services movement.

Further, the Province has not considered the operational implications such a regulation would have on municipal by-law enforcement, which has been a consistent, and growing concern for the City of Brampton. Areas of concern include:

- Front-line enforcement officers rely on clear, measurable standards. A 10% flexibility window introduces ambiguity and creates challenges in enforcing and prosecuting contraventions. Likewise, regulations become less transparent to residents.
- By-law and property standards staff will see more complaints, often after-the-fact, when construction is complete and problems arise. Staff will have fewer tools to manage site-specific issues.
- Without the Committee of Adjustment process, neighbours lose the chance to raise concerns (e.g., blocked sightlines, fire exits) and may increase civil litigation where the city becomes involved.
- No requirement for local review or approval means the city has no recourse if setback reductions compound broader zoning or servicing issues (e.g. storage of garbage containers, snow storage, free access, pool safety).

Staff recommend Council advocate for exemptions for sensitive areas, as determined by the City, and more robust evaluative tools to determine the appropriateness of 'as-of-right' variations for setbacks.

As-of-Right Variations from Setback Requirements and Implications for Additional Residential Units

While no new specific provisions for ARUs are proposed, the Province states within the regulation that the "as-of-right" regulation would "work with Ontario Regulation 299/19: Additional Residential Units to help create additional residential units, such as basement suites, by eliminating additional barriers related to setbacks."

Past city comments submitted to the Province have communicated concerns around a "one size fits all approach', especially when it comes to zoning provisions. Changes

introduced in 2024 to the Province's Additional Residential Unit Regulation (299/19) have already removed the ability for the City to regulate zoning related to angular plane requirements, lot coverage, floor space requirements, minimum distance separation requirements, parking and the number of ARUs permitted per lot.

Brampton has experienced a proliferation of ARUs, with over 26,000 registered ARUs. In the first five months of 2025, 60% of all the City's new housing supply was created through ARUs.

Blanket planning permissions for ARUs have had a demonstrable, measurable negative impact on the City. Neighbourhood character is being eroded and established streetscapes and community cohesion has been disrupted. The significant volume of ARUs in Brampton have created resource strains for building inspections and by-law enforcement.

In 2024 alone, Brampton conducted:

- 148,957 building inspections for 4,908 ARUs
- 14,500 property maintenance investigations for ARUs

Brampton's ARU experience demonstrates why local autonomy and context-specific planning regulations are so critical. Additionally, the City is not realizing increases in housing starts, indicating that the blanket mandate policies of the past 6 years are not achieving the Province's intended outcomes.

Staff recommend that Council advocate for refined regulations to ensure a balanced, effective, and context sensitive approach. Local context, transparency and municipal oversight are essential for responsible planning and public trust.

<u>Evaluation of In-Effect and Additional Proposed Changes to the Development Charges Act, 1997</u>

Bill 17 introduces significant amendments to the Development Charges Act, 1997, shifting the framework from legislative-based to regulation-based decision-making.

Key changes now in effect include collecting DCs for residential development at occupancy permit, or first occupancy, a new development charges exemption for long-term care buildings and streamlining the process to pass a DC Bylaw amendment when related to the repeal/pausing of indexing or to provide DC relief or reduced rates.

The table below summarizes the changes now in force and effect:

| Current Situation | Change |
|---|---|
| Residential DC Deferrals | |
| DCs generally paid at building permit issuance other than rental housing where it can defer to occupancy along with interest payments | DCs shall be deferred to earlier of occupancy permit or first occupancy with no interest payments |
| Exemptions | |
| DCs are payable by long-term care homes | Long-Term Care Homes fully exempt |
| DC By-law Amendments | |
| DC Background study required before City can implement changes to DC By- laws | Changes can now be made to DC By-laws without having to undertake new background study and public consultations. |
| Funding Calculation | |
| DC frozen at site plan or zoning bylaw amendment application | DC frozen at site plan or zoning bylaw amendment application shall pay either frozen DC including interest or a lower DC if rates have been reduced |

Bill 17 also indicates additional changes will be introduced through implementing regulations, at a date to be determined by the Lieutenant Governor. This includes some of the most impactful changes, including redefinition of capital costs, grouping of services, and treatment of local services, as outlined in the table below

| Current Situation | Change |
|---|--|
| Operational and Policy Implications | |
| DC eligible costs include capital cost and land | Through regulatory making authority, the ability to prescribe limit and exceptions to eligible capital costs, including land costs |
| Credits used towards DCs for same service as infrastructure advanced by developer | Merge related service categories for the purpose of DC credits |
| Act prohibits levying DCs on 'local services'; no definition in Act | Through regulation, define what infrastructure services captured under local services |
| Bylaw amendment, regardless of impact has set out prescribed timelines and processes, regardless of whether the amendment results in an increase in | No indexing, and reduce DCs, through amendment, without having to undertake new background study and hold public consultations |

| rates, a reduction, introduces a discount, etc. | |
|--|---|
| Funding Calculation Reforms | |
| DC frozen at site plan or zoning bylaw amendment application | DC frozen at site plan or zoning bylaw amendment application shall pay either frozen DC including interest or a lower DC if rates have been reduced |
| There is no fixed requirement for municipalities to spend and they spend when needed based on capital plans. | Municipalities must spend or commit at least 60% of each DC reserve fund annually |

The Province has indicated they will conduct consultation with municipalities in advance of these implementing regulations being brought into force and effect. Staff will monitor the Environmental Registry for opportunities to review and provide comment.

Fiscal Impacts of Residential DC Deferrals

The deferral of Residential Development Charge (DC) collections will have substantial financial implications for the City, impacting both its ability to fund growth-related infrastructure and meet housing targets.

Delaying DC collections will result in significant near-term revenue shortfalls, requiring increased reliance on alternative revenue sources to bridge the gap.

Contributing factors include:

- New exemptions for long-term care homes (both non-profit and for-profit);
- The elimination of interest payments on existing DC deferrals for rental housing and institutional developments; and
- Provisions that lock in DCs at the site plan or zoning bylaw amendment application stage, applying either the frozen DC rate with interest or a lower rate if reductions occur.

Shifting DC collection from building permit issuance to occupancy will substantially reduce cash flow into DC reserves, creating challenges in financing capital projects. Staff analysis estimates a Year 1 DC revenue deferral of \$84 to \$112 million, with average annual deferrals ranging from \$13 to \$21 million in subsequent years. This reduced cash inflow will constrain the City's ability to finance planned capital infrastructure investments — \$567 million over 2025–2029, of which \$342 million is expected to be funded from DCs.

| | Deferred DC Revenues |
|-----------------------|-------------------------------|
| Year 1 Impact | \$84 Million to \$112 Million |
| Ongoing Annual Impact | \$13 Million to \$21 Million |

Without alternative funding tools or mechanisms, key projects may be delayed or cancelled, potentially stalling the delivery of necessary infrastructure and contributing to inflation-related cost increases of \$1.2 to \$2 million annually.

Additionally, lower reserve balances will increase the City's reliance on debt financing, raising borrowing costs by an estimated \$0.6 to \$0.9 million per year to meet existing and future obligations. Table below summarizes the fiscal impact of the Residential DC Deferrals.

| Impact Area | Annual Impact |
|---------------------------|--------------------------------|
| Borrowing Costs | \$0.6 Million to \$0.9 Million |
| Cost of Deferring Capital | \$1.2 Million to \$2 Million |
| Total Costs | \$1.8 Million to \$2.9 Million |

These financial pressures underscore the importance of adopting strategic measures to mitigate the impacts of DC deferrals while maintaining momentum toward infrastructure delivery and housing growth targets.

Mitigation Measures to Address Development Charge Deferral Impacts

The deferral of Development Charge (DC) collections presents significant challenges to the City's ability to fund essential growth-related infrastructure. The following strategic approaches may help mitigate the financial impacts of these deferrals.

Rethink Levels of Service:

Deferral of DCs will slow spending on critical growth-related infrastructure projects, potentially hindering the City's ability to support future housing development and meet the needs of a growing population. To effectively manage these constrained resources, the City will need to prioritize essential infrastructure projects, focusing on core services and deferring lower-priority initiatives to align with available funding.

For reference, Attachment A provides a list of approved projects with unspent capital charges of \$1M or greater.

Seek Provincial Funding

Municipalities have consistently emphasized that legislative changes reducing or deferring DCs create funding shortfalls for growth-related infrastructure. To address this

the City should actively seek provincial funding or grants to offset the revenue shortfall and impact to the City's cashflow.

Use of Alternative City Revenue Sources:

DCs, alongside federal or provincial grants, are the primary tools for funding growthrelated capital infrastructure. In the absence or reduction of these funds, the City must consider alternative approaches, including:

- Utilizing property tax revenue to bridge funding gaps could be explored, though this deviates from the principle that growth should pay for growth and may increase tax burdens on existing residents.
- The City should advocate for legislative changes to provide municipalities with additional revenue tools to support growth-related infrastructure funding.

<u>Updates on Housing-Enabling Water Systems Fund & Municipal Housing Infrastructure</u> <u>Funds</u>

The Province has established several funding opportunities with an intent of supporting provincial housing targets, and housing-enabling infrastructure, including the Housing-Enabling Water Systems Fund (HEWSF) and the Municipal Housing Infrastructure Fund (MHIP).

The first application intake for the Housing-Enabling Water Systems Fund (HEWSF) closed on April 19, 2024. Under this intake, the province announced \$970 million in 54 water infrastructure projects across 60 municipalities. A second application intake closed on November 1, 2024 and provided funding of additional \$325 million in 23 projects across 26 municipalities. Through the first and second intakes the province anticipates the housing-enabling water infrastructure will help enable approximately 600,000 new homes. Applications for funding are now closed.

The City of Brampton has received \$29.8 million through a successful HEWSF funding application towards the City's Riverwalk project through infrastructure enhancements in the downtown area creating a more resilient and accessible urban environment and supporting development of 12,900 housing units.

The Municipal Housing Infrastructure Fund (MHIP) consists of two streams the Housing-Enabling Core Servicing (HECS) and the Health and Safety Water Stream (HSWS). The Housing-Enabling Core Servicing (HECS) funding is intended to support municipalities build, maintain and repair municipal roads, bridges, and culverts. To-date the government has announced \$400 million in 58 projects across 60 municipalities. Applications closed on October 18, 2024.

The City of Brampton has an active application for funding through the Housing Enabling Core Services Stream of MHIP for \$19.9 million.

The Health and Safety Water Stream (HSWS) helps municipalities and First Nations build, expand or rehabilitate aging water, wastewater, stormwater, flood and erosion

infrastructure. The province is providing \$175 million in funding through the HSWS. Applications are now open and the deadline for municipalities to apply is June 26, 2025. City staff are reviewing an opportunity for a joint funding application with the Toronto Region Conservation Authority (TRCA) through the HSWS.

The 2025 Ontario Budget indicates that the additional \$400 million announced together with Bill 17, is intended to address the high demand of Housing-Enabling Water Systems Fund (HEWSF) and Municipal Housing Infrastructure Fund (MHIP) and existing investments through the various streams and intakes that are underway.

The City appreciates the much-needed funding secured through HEWS and HECS. However, while the newly announced additional funding will support infrastructure investments across Ontario, it is unclear if Brampton will be eligible to put forward an application.

The additional \$400 million is broken down into \$315 million for HEWSF and \$85 million for MHIP. Furthermore, it is important to note that while this additional funding is to support housing, it targets the traditional 'hard' infrastructure such as roads, water, bridges.

In the context of Bill 17 municipal DC charges support creation of complete communities including community centers, and fire stations in that contexts additional funding through HEWS and MHIP will not help to address the potential shortfalls in funding non-traditional infrastructure that is critical to health and well-being of our communities. Staff note, that the City has long been advocating for stable and predictable funding for municipalities that supports and enables growth and helps deliver the necessary housing-enabling infrastructure.

Contrary to development charges, application-based funding, while helpful, introduces uncertainty and adds pressures related to timeline requirements, administrative burden, and one-time nature of grant funding.

<u>Advocacy</u>

Following the introduction of Bill 17, the province launched four public consultations through the Ontario Environmental Registry, including Proposed Regulation As of Right Variations from Setback Requirements (ERO-025-0463), Proposed Regulations – Complete Application (ERO-025-0462), Proposed Planning Act and City of Toronto Act Changes (ERO-025-0461) and the Ontario Regulatory Registry, Changes to the Development Charges Act, 1997 to Simplify and Standardize the Development Charge (DC) Framework (25-MMAH003).

These postings represent a direct opportunity for a formal input and comments from the City of Brampton. This staff report will form the City's formal response to these consultation postings subject to Council approval.

Furthermore, while a significant number of changes proposed through Bill 17 come into force on the day the Act receives Royal Assent (becomes law), a number of substantive changes to the Development Charges Act, 1997 that are likely to have significant impact to the City are deferred until such time that new regulations are established and/or until a date named by the Lieutenant Governor. This delay allows staff to conduct a further, detailed analysis of impacts to the City and conduct required engagement and advocacy to the province. Additionally, the Association of Municipalities of Ontario (AMO) welcomed further consultation on a number of key elements to inform the development of regulations for Bill 17. AMO indicated that it would participate in the Bill's Standing Committee process, oral deputations and beyond, with continued advocacy for predictable, sustainable and adequate funding for municipal infrastructure. The City works closely with AMO to ensure Brampton perspective is included.

In the mid to longer term, City staff will leverage additional advocacy opportunities to flag impacts Bill 17 may have on Brampton's ability to facilitate more housing options to our residents. This includes the upcoming 2025 Association of Municipalities of Ontario (AMO) Conference and AGM to be held in Ottawa, August 17 to 21, and the planned Brampton Advocacy Day at Queen's Park in the fall.

<u>Staff Response to Council Motion – Review of Parkland Dedication Impacts for Small-</u> Scale Residential Redevelopment

At the May 14th Council meeting, motion C107-2025 was passed:

"Now Therefore Be It Resolved that as part of staff's forthcoming analysis on Bill 17, particular attention be given to the impacts and opportunities the legislation presents for private property owners undertaking redevelopment of their own lots, including streamlined approvals for minor variances, reduced study requirements, deferral of development charges, and other measures that may facilitate gentle intensification and more efficient small scale project delivery."

In response to this direction, staff will incorporate a review of parkland calculation impacts for these types of residential redevelopments. This work will be undertaken as part of the broader review of the Parkland Dedication By-law and efforts to simplify the calculation methodology.

CORPORATE IMPLICATIONS:

Financial Implications:

Bill 17 has received Royal Assent and will now result in significant impacts on Development Charge Revenues.

The deferral of DC collection is projected to reduce Brampton's cash flow by \$84 million to \$112 million in Year 1, with ongoing annual shortfalls of \$13 million to \$21 million, significantly impacting the City's ability to fund growth-related infrastructure.

The combined effect of the proposed changes will be a material reduction in anticipated DC revenues, which will necessitate deferral of approved and/or planned capital projects, greater reliance on alternative funding sources, including property taxes, or increased debt to bridge the funding gap. Increased debt reliance, in turn, will raise the City's borrowing costs, estimated annual impact of \$0.6 Million to \$0.9 Million. Additionally, without alternative funding tools, key projects maybe delayed which will contribute to inflation related cost increases ranging potentially from \$1.2 Million to \$2 Million annually.

| | Deferred DC Revenues |
|-----------------------|-------------------------------|
| Year 1 Impact | \$84 Million to \$112 Million |
| Ongoing Annual Impact | \$13 Million to \$21 Million |

| Impact Area | Annual Impact |
|---------------------------|--------------------------------|
| Borrowing Costs | \$0.6 Million to \$0.9 Million |
| Cost of Deferring Capital | \$1.2 Million to \$2 Million |
| Total Costs | \$1.8 Million to \$2.9 Million |

The 2025 Budget and capital funding strategy required the collection of Development Charge revenues as per normal practice, in order to fund the approved capital program. Now that Bill 17 has received Royal Assent, those revenues will not materialize for 2025, which necessitates a funding review of the existing capital program.

Staff will report back to Council as soon as possible with a funding review of the existing capital program, including potential project deferrals to offset the reduced revenues. Attachment A of this report highlights all approved capital projects with over \$1 million of unspent development charge reserve funding.

STRATEGIC FOCUS AREA:

This report and recommendations are consistent with the Strategic Focus Areas of **Growing Urban Centres and Neighbourhoods**, and **Government and Leadership**.

CONCLUSION:

Municipalities are partners in delivering housing but need tools to protect community well-being and enable complete communities. A balanced approach that provides local autonomy in planning, zoning and development financing, while expediting and incentivizing housing is the right path forward, not just for Brampton, but for Ontario.

| Authored by: | Reviewed by: |
|--|---|
| | |
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Attachments:

 Attachment A – Approved Projects with Unspent Development Charges - \$1 Million or Greater