



A People Place, A Change of Pace
SHELBURNE
ONTARIO, CANADA

Meeting Date: Monday, January 23, 2023

To: Mayor Mills and Members of Council

From: Denyse Morrissey, CAO
Steve Wever, Town Planner
Carey Holmes, Director of Financial Services
/ Treasurer

Report: CAO2023-04

Subject: Bill 23 – More Homes Built Faster Act, 2022
and Potential Impacts

Recommendation

THAT Report CAO2023-04 summarizing Bill 23, the *More Homes Built Faster Act, 2022*, and Potential Impacts to the Town, be received; and that

The tendering and construction of the WPCP capital project be delayed until a financial strategy is developed; and that

WHEREAS Bill 23, the *More Homes Built Faster Act, 2022*, was introduced by the Province on October 25, 2022 and received Royal Assent on November 28, 2022, amending several Acts including the *Planning Act* and the *Development Charges Act*;

AND WHEREAS the Town of Shelburne has and continues to plan for and accommodate housing needs including significant residential growth nearly doubling the Town's population over the past 15 years, including approximately 40% population growth between 2011 and 2016 making Shelburne the fastest growing small Town in Ontario during that period;

AND WHEREAS the Town of Shelburne is planning to accommodate additional residential growth to the year 2051 including over 2,000 new homes providing housing for approximately 5,500 people, bringing the Town's 2051 population to over 15,000 as per the County Municipal Comprehensive Review (MCR) to contribute to meeting the growth targets for the County in accordance with the Growth Plan for the Greater Golden Horseshoe;

AND WHEREAS the Town of Shelburne supports the Province's initiative to address the housing crisis by increasing the supply of available housing;

AND WHEREAS the required housing to meet these needs locally in Shelburne is already the subject of active development applications and plans in process, including plans for new seniors rental housing, a new retirement home project that has been awarded grant funding by the Province, several other subdivision and intensification projects, and development of the Shelburne West Secondary Plan area via urban expansion as proposed in the County MCR;

AND WHEREAS the timing of these housing projects in Shelburne is impacted by the lack of available servicing capacity and is dependent on sufficient available funding for critical infrastructure including required capacity upgrades to the Town's Wastewater Pollution Control Plant (WPCP);

AND WHEREAS the Town of Shelburne has completed an Environmental Assessment and is in the process of completing detailed design work for the planned WPCP upgrades which are expected to cost \$2 million in order to service the planned growth to 2051, on the basis that the eligible growth-related capital cost will be funded by Development Charges;

AND WHEREAS, to service this growth, the Town of Shelburne has also recently constructed a new water tower at a cost of \$7.2 million, on the basis that the eligible growth-related capital cost will be recovered through Development Charges;

AND WHEREAS the timing of implementation of the WPCP upgrades, originally planned for 2024-25 to enable currently proposed housing projects to proceed in a timely manner, is entirely dependent on available funding from Development Charges including front-ending by the development community and will be deferred in the absence of sufficient available funding;

AND WHEREAS any shortfall in Development Charges revenues will be required to be made up in the form of in-kind contributions by the development community and/or funding assistance from senior levels of government, or the planned housing projects will be delayed by the lack of available servicing capacity;

AND WHEREAS the Town of Shelburne's ability to fund the WPCP upgrades and other critical infrastructure projects that are required to accommodate the planned housing projects is directly impacted by the legislative changes introduced by Bill 23;

AND WHEREAS the Town of Shelburne has adopted the principal that "growth pays of growth" and is not supportive of shifting the burden of the capital costs for growth-related infrastructure projects to the property tax base;

NOW THEREFORE BE IT RESOLVED

The Town of Shelburne requests the Province identify by June 2023 how the DC shortfall will be addressed through new provincial funding programs for required infrastructure; and that

Council directs staff to contact provincial representatives in an effort to work towards a collaborative approach and investigate potential opportunities to advance the WPCP project in partnership with the Province including a financial strategy and proposed timeline, so that planned housing projects can proceed contributing to achieving the Province's goal of 1.5 million new homes by 2031, and report back to Council in August 2023; and that

Council directs staff to circulate a copy of Report CAO2023-04 to the Premier Ford, Deputy Premier and MPP Sylvia Jones, Minister of Municipal Affairs and Housing Steve Clark, Dufferin County and lower tier municipalities in Dufferin County.

Background

Bill 23, the *More Homes Built Faster Act, 2022*, was issued by the Province on October 25, 2022 and received Royal Assent on November 28, 2022, amending several Acts including the *Planning Act*, the *Development Charges Act*, the *Conservation Authorities Act*, the *Ontario Land Tribunal Act* and the *Ontario Heritage Act*, among others. The overall purpose of Bill 23 is to increase the speed and volume of housing to be made available to accommodate housing needs in the Province, while reducing the cost to construct housing, towards the goal of delivering 1.5 million new homes by the year 2031.

Bill 23 was posted for comments on the Environmental Registry of Ontario (ERO) for 45 days from October 25th to December 9th, 2022. The ERO posting indicates that the government received 582 written submissions and summarizes three (3) changes that were made to Bill 23 as a result of the comments received. Most of the legislative amendments in Bill 23 came into effect on the date of Royal Assent, while others came into effect on January 1, 2023, and still others will become effective by proclamation dates to be determined by the Province.

This report highlights some of the significant legislative changes that Bill 23 had made and related potential impacts to the Town.

Appendix 1 provides a summary of the key changes.

Financial implications related to the future delivery of growth-related infrastructure and services are discussed and although these impacts are not fully quantified at this time they are considered to be significant.

Analysis

The Town has taken major steps and invested significantly over many years to accommodate a large share of housing, business and employment growth within Dufferin County. Working with the County and area municipalities through the County Municipal Comprehensive Review (MCR) process, and through related infrastructure and servicing studies, Environmental Assessments and Master Plans, the Town is currently working towards accommodating further significant growth to the year 2051. The County Land Needs Assessment (LNA) projects over 2,000 new housing units will be required in Shelburne to accommodate approximately 5,500 people, bringing the Town's population to over 15,000 by 2051.

A large portion of this growth is intended to be accommodated through planning for the servicing and development of the remaining vacant west side land including the area proposed for urban expansion, in the Shelburne West Secondary Plan Area, as well as continued intensification within the built-up area.

The following housing projects are planned but are dependent on the timing of implementation of the planned servicing capacity upgrades and cannot proceed until the required infrastructure capacity is available:

Housing Projects	# of Units
Emerald Crossing / Shelburne 89 Developments Ltd. (Fieldgate Homes) – Plan 7M-79 Block 215 (Future Medium/High Density/Mixed Use)	60
416, 428, 428 Main St. W. - NMJ Developments Inc. / Sahyog Investments Inc. & 2728476 Ontario Ltd. – Draft Plan of Subdivision – Shelburne West Secondary Plan Area	179
501-505 Main Street West – 1005024 Ontario Ltd. – Draft Plan of Subdivision – Shelburne West Secondary Plan Area	74 +50 future phase
124 Owen Sound Street – Owen Green Developments – Site Plan	44

Shelburne Meadows – Highway 89 & 4 th Line – 796413 Ontario Limited (Flato Developments) – Draft Plan of Subdivision – Shelburne West Secondary Plan Area	93 +463 future phases
434 Main Street West – Harpreet S. Goraya	38
Southbridge – New Retirement Home	128 beds
DiPoce Lands – East of 4 th Line - Shelburne West	250+
Intensification Potential within Built-up Area	513
Total Planned and Proposed Residential Units	1,764+ +128 beds

Major infrastructure projects required to achieve this growth include the Wastewater Pollution Control Plant (WPCP) upgrades and the recently completed new water tower, as well as sanitary system and pumping station upgrades, water system improvements and an additional future municipal well supply.

Further, a Transportation Master Plan to be completed in partnership with the MTO will address future intersection and roadway improvements particularly along Main Street West to facilitate access for the planned development of the urban expansion area (Shelburne West), and planning for a much-needed truck by-pass to unlock the intensification and redevelopment potential of the Town's main streets and downtown area.

Additionally, a Parks and Recreation Master Plan is currently underway to plan for community services needs which will continue to be shaped by rapid population growth and change over the next decade and beyond.

As in the past, the Town's ability to implement these projects to accommodate growth and development, and its continued commitment to the principal of "growth pays for growth", are reliant on Development Charges (DC) revenues. Without adequate DC's, critical capital projects will be delayed or may become cost-prohibitive altogether based on the Town's limited borrowing capacity and impacts to property taxation.

Financial Impact

As the Town continues to plan and progress as a complete community in accordance with the Provincial Growth Plan, the legislative changes under Bill 23 will have a significant detrimental impact on the Town's ability to continue to fund the necessary infrastructure and municipal services that is necessary to make this growth happen.

Although the long-term financial impacts of Bill 23 have not been fully quantified, it is clear that the Town will not be financially positioned to proceed with major infrastructure projects such as the WPCP upgrades, without which

the required housing growth cannot be accommodated, unless the projected loss of Development Charge revenues is made up by other funding sources such as senior government grants and/or voluntary capital contributions by the development community.

Waste Pollution Control Plant project estimated timelines:

- In 2021, Council approved using \$2M from capital reserves to fund the design and tendering portion of the WPCP upgrades which are currently ongoing.
- The final WPCP EA Public Information Center (PIC) was held in 2022.
- Final EA documents and Notice of Completion will be issued in early 2023.
- Initial timing was based on completion of the detailed design and tendering the works by the end of 2023
- Construction occurring in 2024 to 2026, contingent on funding.

The upgrades to the Water Pollution Control Plant (WPCP) estimated cost was \$33 Million to \$34 Million in 2022. It is expected due to significant inflationary impacts the project cost will increase.

However, the impacts of Bill 23 and the Town's ability to offset construction costs with Development Charges may significantly effect these timelines.

This report has recommended that the tendering and construction of the WPCP capital project be delayed until a financial strategy is developed. This could mean the construction of the WPCP is delayed for years, or even the WPCP expansion that was to support growth would not be completed.

With the recent borrowing of \$5 million dollars in 2022 for the Water Tower and no other existing loans ending until the end of 2026, the Town's borrowing capacity is limited until 2027. Even then the Town will fall short of the amount needed to fund the WPCP upgrades and expansion without the commitment of other guaranteed revenue sources.

Policies & Implications (if any) Affecting Proposal

N/A

Consultation and Communications

As Bill 23 will significantly affect the Town's financial position and future planning for growth and development and infrastructure projects, the CAO, Director of Financial Services / Treasurer, Town Planner and Town Engineer have collaborated on this report. The Director of Development and Operations was also consulted in the preparation of this report.

Council Strategic Priorities

Council's Strategic Priorities has three Goals - Sustainable, Engaged and Livable. There are a total of 12 targets with the three Goals.

This report aligns with the Sustainable and Livable Goals and with the Engaged Goals within the Targets:

Target T1 Develop long term (10 – 15 year) financial plan
Target T2 Municipal services review and evaluation
Target T3 Invest and fund critical infrastructure for future
Target T4 Promote balanced growth

Target T6 Promote more open communication
Target T7 Promote partnerships and collaboration

Supporting Documentation

Appendix 1 – BILL 23 SUMMARY OF LEGISLATIVE CHANGES AND IMPACTS

Prepared by:

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Carey Holmes, Director of Financial Services/Treasurer