

CM-11-19

# Bill 108: More Homes, More Choice Act, Overview Including 2019 Provincial Changes

May 27, 2019

City Council

# Overview of FY 2019 Provincial Changes

- Understanding the Provincial Fiscal Context and Budget Challenge
- Potential Future City & Halton Region Capital Financing /Revenue Reductions
- Proposed Land-Use Planning Policy and Development Approval Process Impacts
- Rapidness and Scale of 2019 Provincial Changes

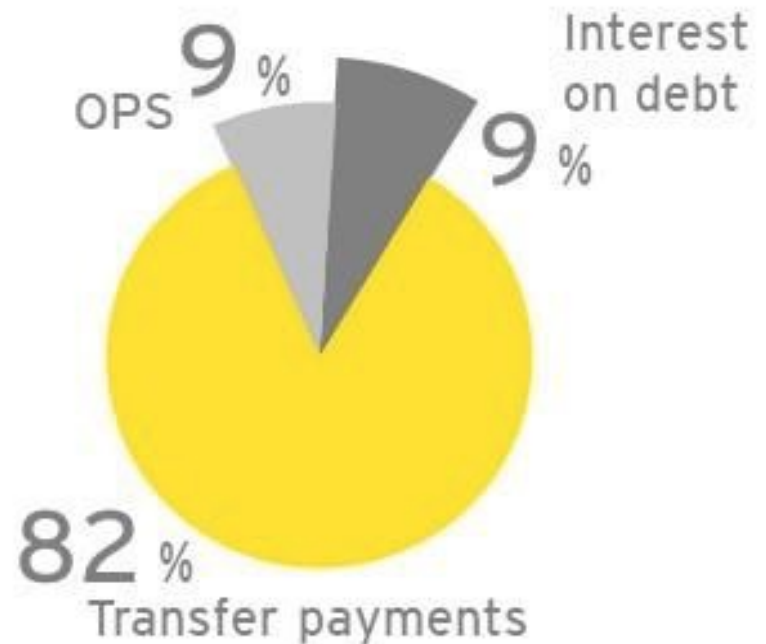
# Ontario Budget FY 2018

## \$ Breakdown of Provincial Spending

FY 2018 Total Exp. = **\$144 B**

- Provincial Ministries = **\$13 B**
- Transfer Payment to Broader Public Service (BPS) = **\$118 B**
- Debt = **\$13 B**
- Projected Deficit FY 2019 = **\$11.3 B reduced to \$0.3 B over 5 years**
- Deficit reduction will require overall program spending increase to be constrained annually to **1.0%**

## % Breakdown of Provincial Spending (EY Report – Sept. 2018)



# Ontario Budget FY 2019

## Province of Ontario (based on detailed budget document)

- FY 2019 Budget includes 4% ***cumulative*** administrative efficiency savings in Provincial Ministries and Operations over 5 yrs. = **\$1.7 B or \$340 Million/yr.**
- **NO** specific target for reduction in municipal conditional grants is included in FY 2019 Provincial budget related to transfer payments (82% of Prov. Exp)
- At LUMCO on May 24, Minister spoke to a *new* **1.0%** efficiency savings target for municipalities.

## Municipalities (based on 2017 FIRs)

- In 2017 FY, total Provincial conditional operating grants to municipalities = **\$7.2 B**
- Of this amount, **\$6.1 B** or % is for Social Service, Child Care, LTC, Public Health, EMS and Housing
- A 4% reduction to total municipal grants = **\$288 million or \$58 million/yr.** if spread out over 5 yrs.
- FY 2019 Budget cuts related to Provincially funded municipal operations are proportionately higher

# Anticipated Future Capital Financing Impacts

Revenue Change	Anticipated Impact
<ul style="list-style-type: none"><li>• Development Charges<ul style="list-style-type: none"><li>– Changes to Eligible Services (Parks, Recreation and Library)</li><li>– Timing of DC Collection and Setting Amount</li></ul></li><li>• Park Dedication<ul style="list-style-type: none"><li>– Will form part of the future Community Benefits Charge</li></ul></li><li>• Other<ul style="list-style-type: none"><li>– Planned increase in Provincial Gas Tax eliminated for municipalities</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Development Charges<ul style="list-style-type: none"><li>– \$8.3 million reduction over 10 years</li><li>– Increased debt borrowing costs to fund growth related infrastructure</li></ul></li><li>• Park Dedication<ul style="list-style-type: none"><li>– Potential for reduced receipts and parkland conveyance</li></ul></li><li>• Other<ul style="list-style-type: none"><li>– \$19.5 reduction over 10 years</li></ul></li></ul>

# Example: 472 Brock Street

Residential Units (115); Commercial Ground Floor; 14 Storey Building

## City funds collected at building permit (2013)...

Development Charges – Hard Services	\$268,094
Development Charges – Soft Services	\$140,960
Park Dedication	\$616,000
Public Benefits	<u>\$500,000</u>
<b>TOTAL</b>	<b>\$1,525,054</b>

# Example: 472 Brock Street

Residential Units (115); Commercial Ground Floor; 14 Storey Building

Based on Bill 108 proposed changes....

Development Charges	\$252,159	
Hard Services (2015-2021)		
Community Benefits Charges (Prescribed rate 25% land value)	\$530,000*	DCs – Soft Services Park Dedication Public Benefits
TOTAL	\$782,159	
Difference	(\$742,895)	

\*Prescribed rate is unknown, as well as how the CBC will apply within two-tier governments

# Land Use Policy and Development Approval Process Impacts

Policy / Process Area	Anticipated Impact
<ul style="list-style-type: none"><li>• Reduced timelines for Council decisions for OPA, ZBA and Plan of Subdivision</li><li>• Changes to the Community Planning Permit System</li><li>• New Community Benefits Charge (CBC). Consolidates DC soft services, parkland dedication, section 37 benefits into single charge.</li><li>• CBC will require strategy and Council approved bylaw and details are to be provided through future regulations.</li></ul>	<ul style="list-style-type: none"><li>• OPA (120 from 210days), ZBA (90 days from 150), PofS (120 days from 180)</li><li>• Can be Imposed by Minister</li><li>• Significant new restrictions on use of CB funding including CBC not exceeding a % of the value of land and 60% of CBC funds spent or allocated in each year</li><li>• Elimination of parkland dedication funding anticipated to significantly reduce City's future financial ability acquire and develop new parkland</li></ul>



# Reduced Timelines for Council Approval

The Burlington planning process in 10 steps

<a href="#">1. Pre-consultation meeting</a>	+
<a href="#">2. Pre-Application Consultation Meeting hosted by property owner/developer</a>	+
<a href="#">3. Development application is submitted</a>	+
<a href="#">4. Notification to neighbouring property owners</a>	+
<a href="#">5. Circulation of application to agencies</a>	+
<a href="#">6. Preparation of information report for members of City Council</a>	+
<a href="#">7. Statutory public meeting</a>	+
<a href="#">8. Preparation of recommendation report to approve, modify or refuse the development application</a>	+
<a href="#">9. Recommendation report to Planning and Development Committee and City Council decision</a>	+
<a href="#">10. Notice of Council decision/appeal period</a>	+

# Land Use Policy and Development Approval Process Impacts – cont.

## Policy / Process Area

- LPAT to revert back to former OMB rule and procedures, including:
  - Changes to appeals process that does not favour local autonomy and support the land use decision making authority of Council
  - Allowance of new evidence and examination of witnesses at LPAT
  - Limiting 3<sup>rd</sup> Party Appeals
- Ontario Heritage Act
  - Introduces “prescribed events” - when a prescribed event occurs in respect of a property Council cannot state an intention to designate the property after 90 days have passed

## Anticipated Impact

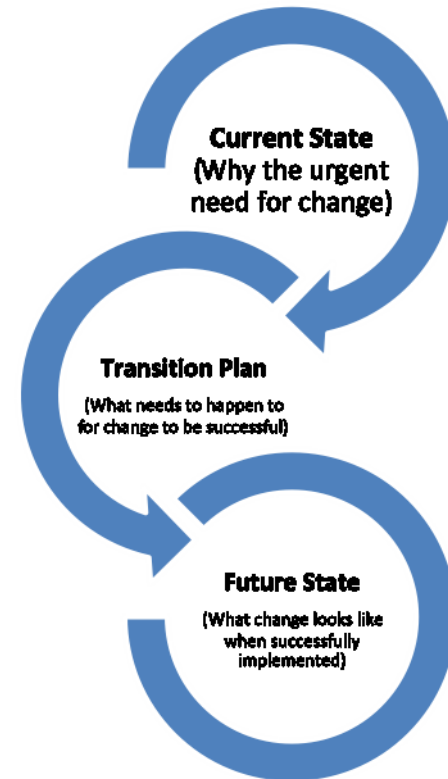
- Shortened decision timeframes and the basis of an appeal are no longer limited to a test of consistency and conformity with provincial policies = more appeals of decisions and non-decisions to LPAT
- Longer hearings due to the examination of witnesses and broadening of issues
- The introduction of prescribed events and associated policies will force the City to make “now or never” decisions on designating a property when a prescribed event occurs

# Rapidness and Combined Scale of Changes

## Provincial Changes

- Bill 108 amends 13 Acts including Planning Act, DC Act and Heritage Act by June 1, 2019
- Significant changes (e.g. Community Benefits Charge) are subject to future review and future confirmation
- Major municipal governance and service delivery rationalization proposed with no details to date (Public Health, EMS)
- Future uncertainty related to impact of Regional Review process anticipated for fall 2019.
- Impact of Provincial Changes not at a combined scale and scope as late 1990's – Who Does What and Local Services Realignment

## Change Management Model



# Report Recommendations

- Receive the comments and feedback within this report and forward to the Province of Ontario, Minister of Municipal Affairs and Housing and the Minister of Tourism, Culture and Sport, as the City of Burlington's comments on Bill 108 (More Homes, More Choice Act), Housing Supply Action Plan; and
- Request that the Province of Ontario continue to consult with the City of Burlington on Bill 108 (More Homes, More Choice Act), with adequate time provided prior to Royal Assent and finalization of associated regulations.

# Questions?