

To: David Creery, Chief Administrative Officer

From: Amy Humphries, Deputy Chief Administrative Officer & City Clerk

Re: The Building Faster Fund and Strong Mayor Powers

AIM

To provide Council with information regarding the Government of Ontario's announcement concerning Municipal Housing Pledges and Targets, the Building Faster Fund, and strong mayor powers.

BACKGROUND

On November 23, 2022, Bill 3, *Strong Mayors, Building Homes Act, 2022* took effect, giving new strong mayor powers and duties to the Mayors of Toronto and Ottawa.

On June 16, 2023, the Government of Ontario announced that strong mayor powers would be extended to an additional 26 large and fast-growing municipalities as of July 1, 2023. The 26 designated municipalities were single or lower-tiers that submitted a housing pledge and have a population over 100,000, or growing to 100,000 by 2031.

On June 16, 2023, the Province also asked 21 additional municipalities, including Woodstock, to identify locally appropriate Municipal Housing Targets and develop a Municipal Housing Pledge. The Pledge must be submitted by December 15, 2023, and showcase the strategies and actions that will be taken to increase and accelerate the housing supply and achieve the housing target.

On August 23, 2023, the Government of Ontario announced the eligibility of expansion of strong mayor powers to these 21 municipalities, all of which have, or are projected to have, populations over 50,000 by 2031. This expansion of strong mayor powers would take effect on October 31, 2023. The announcement also included the Building Faster Fund, a new three-year, \$1.2 billion program (\$400 million annually) available to municipalities that are on track to meet provincial housing targets by 2031. The Building Faster Fund will provide financial support over three years for municipalities that can be directed toward housing-enabling infrastructure and related costs that support community growth. Despite this new announcement, the Province is still requesting a Municipal Housing Pledge be submitted by December 15, 2023, showcasing the strategies and actions that will be taken to meet the assigned housing target.

COMMENTS

Building Faster Fund

The August 23 announcement included a specific housing target for the City of Woodstock of 5,500 new homes constructed by 2031. Each municipality's portion of the \$400 million annually will be determined based on its share of the greater provincial housing supply goal of 1.5 million homes in Ontario by 2031. Ten percent of the overall funding (\$40,000,000) will be reserved for small, rural, and northern communities that have not yet been assigned a housing target. As such, based on the information currently available it is estimated that Woodstock would be eligible for between \$1,320,000 and \$1,466,667 in annual funding, for a total of \$3,960,000 to \$4,400,000 over the three-year life of the fund if 100 percent of the target is achieved each year. Each municipality's funding amount will also be based on their performance compared to their annualized assigned target. Performance will be evaluated by comparing the municipality's number of housing starts and additional residential units created in a given calendar year against its annual target. Municipalities that reach 80 percent of their annual target each year will become eligible for funding. Municipalities that exceed their target will receive a bonus on top of their allocation. An eligible municipality would receive no funding if it is below 80 percent of its annual assigned target. Examples of estimated funding that could be available to Woodstock based on the higher-end eligibility amounts are as follows:

- If Woodstock hits less than 80 percent of the annual target - \$0
- If Woodstock hits 80 percent of the annual target - \$1,173,334
- If Woodstock hits 90 percent of the annual target - \$1,320,000
- If Woodstock hits 100 percent of the annual target - \$1,466,667
- If Woodstock hits 105 percent of the annual target - \$1,613,334
- If Woodstock hits 110 percent of the annual target - \$1,760,000

In order to be eligible for this funding, the Mayor must commit to achieving Woodstock's overall 2031 housing target of 5,500 new homes in writing by October 15, 2023. Details on the funding calculations and performance measurements are limited at this time. The Province will be consulting with the Association of Municipalities of Ontario, the Housing Supply Action Plan Implementation Team, and the City of Toronto on the program design details of the Building Faster Fund, including eligible expenses and ways to track the progress of municipalities. Funding is anticipated to start in 2024-25 based on performance in 2023.

Strong Mayor Powers

If the Mayor commits in writing to achieve the housing target in order to access the Building Faster Fund, strong mayor powers will be triggered in the municipality as of October 31, 2023. These powers are outlined in Part VI.1 of the *Municipal Act, 2001* and are summarized below.

Powers relating to the City Administration

Direction to Staff

The Mayor may direct City staff to undertake research, provide advice to the Mayor and Council on City policies and programs, and direct the implementation of Mayoral decisions related to the strong mayor powers. Such direction must be provided in writing to the Clerk, CAO, and Council and be made available to the public.

Powers of the Chief Administrative Officer (can be delegated)

The Mayor has the power to appoint the municipality's chief administrative officer and assign duties to the role. The Mayor also has the ability to delegate this authority to Council if desired. Currently, Council has assigned the CAO general duties, roles, and responsibilities through Council Policy GA017 - Delegation of Powers and Duties.

Organizational Structure (can be delegated)

The Mayor is given the power to determine the organizational structure of the municipality. This includes the authority to hire and dismiss the head of any division or the head of any other part of the organizational structure. Certain officials are excluded from the Mayor's power to hire and dismiss, being primarily positions that are appointed and/or required by statute such as the Chief Building Official, Fire Chief, Clerk, Deputy Clerk, Treasurer, and Deputy Treasurer. Officers under the accountability and transparency framework of the *Municipal Act, 2001* are also excluded, such as the Integrity Commissioner and Closed Meeting Investigator. The Mayor has the ability to delegate the authority under this section to the Chief Administrative Officer if desired.

Council Committees (can be delegated)

The Mayor is granted power to establish Committees of Council, assign their functions, and appoint the Chairs and Vice-Chairs. This power applies only to Committees that are comprised solely of Members of Council. The Mayor also has the ability to delegate this authority to Council if desired. The legislation also grants power to appoint the Chairs and Vice-Chairs of prescribed Local Boards. At this time, no boards have been prescribed and thus this provision is dormant.

Powers to Advance Prescribed Provincial Priorities

The Mayor has the ability to exercise specific powers related to "Provincial Priorities" as defined in O. Reg. 580/22. The Mayor can exercise these powers in order for Council to consider, advance, and decide on matters that, in the opinion of the Mayor, are related to the Provincial Priorities. Currently, these prescribed priorities are described as:

1. Building 1.5 million new residential units by December 31, 2031.
2. Constructing and maintaining infrastructure to support housing, including,
 - i. transit,
 - ii. roads,
 - iii. utilities, and
 - iv. servicing.

Agenda Setting

The Mayor may add matters to the Council meeting agenda for consideration by Council that could advance a Provincial Priority. There is no requirement for the Mayor to abide by the Procedure By-law or provide notice, and no authority for Council to refuse or deny consideration of the matter.

Veto Powers

The Mayor may veto all or any part of a by-law under the *Municipal Act*, *Planning Act*, or Development Charge By-law under the *Development Charges Act* that, in the opinion of the Mayor, could interfere with a Provincial Priority. There are specific procedural and timeline requirements for the Mayor to exercise this veto authority. Within 21 days of the Clerk providing notice of the veto to Council, Council may override the veto with a two-thirds majority vote (5 members). The Mayor may vote in the Council decision to override the veto.

Bringing Forward By-laws for Consideration

The Mayor may bring forward a by-law for consideration by Council if, in the opinion of the Mayor, the by-law advances a Provincial Priority. By-laws that the Mayor can bring forward may relate to a by-law under the *Municipal Act*, the *Planning Act*, and a Development Charge By-law. Under this authority, the legislation requires that more than one-third of the members of Council must vote in favour to pass such a by-law brought forward by the Mayor.

This authority does not extend to the Tax Levy By-law required for the budget or the Procedure By-law.

Duty to Prepare the Annual Budget

The powers and duties of a municipality with respect to proposing and adopting a budget are assigned to the Mayor. The proposed budget must be presented to Council by February 1, otherwise, the responsibility to prepare and adopt the budget shifts to Council. Upon being presented with the budget, Council may make amendments to the proposed budget subject to specific timelines. The Mayor has the authority to veto these amendments. Council can override the Mayor's vetoes with a two-thirds majority vote of Council. The Mayor does not have the ability to veto resolutions on budget amendments where the Mayor has a conflict of interest under the *Municipal Conflict of Interest Act*.

This report is for information and discussion purposes at this time. If strong mayor powers are granted to the City of Woodstock through the Mayor's commitment in writing to achieve the provincially assigned housing target, further details and required policy amendments will be brought forward.

RECOMMENDATION

That Woodstock City Council receive the report regarding the Building Faster Fund and Strong Mayor Powers as information.

Authored by: Amy Humphries, Deputy Chief Administrative Office & City Clerk

Approved by: David Creery, Chief Administrative Officer