

City Council

Notice without Motion

MM5.44	ACTION			Ward: All
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Provincial/Municipal Bill 23 Audit - by Deputy Mayor Jennifer McKelvie, seconded by Councillor Gary Crawford

** Notice of this Motion has not been given. A two-thirds vote is required to waive notice.*

** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

** This Motion has been deemed urgent by the Chair.*

Recommendations

Deputy Mayor Jennifer McKelvie, seconded by Councillor Gary Crawford, recommends that:

1. City Council adopt the Terms of Reference contained in Attachment 1 to this motion and direct the Chief Financial Officer and Treasurer to provide any information needed for the Audit.

Summary

In November 2022, Minister of Municipal Affairs and Housing Steve Clark provided a letter regarding next steps surrounding Bill 23. In this letter the Minister promised to compensate the City of Toronto for any lost revenues as a result of the provincial Bill. To determine the costs borne by the City as a result of changes to the Development Charges the Province suggested a third-party Audit with joint terms of reference developed by the Province and City.

With this report I am submitting the Terms of Reference for the Audit to City Council for discussion and approval. The Terms of Reference reflect several rounds of discussions with Provincial and Municipal staff to ensure an Audit that is expeditious, scoped properly, and effective. As with all negotiations, the attached Terms of Reference represents a compromise by both parties.

As we know I am confident that the City of Toronto collects, spends and forecasts Development Charges and related housing infrastructure effectively. For this reason, it is my strong desire to have this Audit go forward as it will validate the claims we have made around the impacts of Bill 23 and its impacts on the City. Clearly, if we are to be made whole for any changes in revenue, we need this audit to be undertaken as soon as possible – and given the City’s 10-year capital needs, I am anxious to proceed without delay.

Finally, the November letter from Minister Clark indicated an openness to discussing potential revenue, the magnitude of the City’s immediate COVID-19 “hangover” and its long-term capital needs are beyond the ability of simple property tax increases or service cuts to address. The City of Toronto needs a new fiscal framework, including exploring potential revenue tools

with other orders of government. The Province has indicated an interest in moving forward with this discussion following this Audit.

The reason for urgency is that the audit is to be reported on by July 1st and so these Terms need to be approved as soon as possible to get this underway.

Background Information (City Council)

Member Motion MM5.44

Public Attachment 1

<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-235525.pdf>