

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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234-2023-198

March 23, 2023

Your Worship
Mayor Sherry Bondy
Town of Essex
sbondy@essex.ca

Dear Mayor Bondy:

Thank you for your letter regarding your concerns over the financial impact of the changes in the *More Homes Built Faster Act, 2022* (the Act). I appreciate the time you have taken to write.

Everyone in Ontario should be able to find a home that is right for them. But too many people are struggling with the rising cost of living and with finding housing that meets their family's needs. Ontario needs more housing, and we need it now.

In October 2022 our government introduced our most recent housing supply action plan, [More Homes Built Faster](#). The [More Homes Built Faster Act, 2022](#) received Royal Assent on November 28, 2022. Our newest plan takes bold action to address the housing crisis by building 1.5 million homes by 2031. More Homes Built Faster builds upon initiatives in [More Homes More Choice](#) and [More Homes for Everyone](#), our first and second housing supply action plans.

Our plan is complemented by an investment of nearly \$4.4 billion over three years to grow and enhance community and supportive housing and to address homelessness for vulnerable Ontarians.

Our Housing Supply Action Plans have been built on extensive consultations with municipalities, the industry and the public. We are also using recommendations from the [Housing Affordability Task Force Report](#) as our long-term housing roadmap.

Our plan also draws on many elements from The Association of Municipalities of Ontario's (AMO) 2022 A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis, and ROMA's 2022 Task Force Report on Attainable Housing and Purpose-Built Rentals.

Our changes are designed to lower the cost of housing and spur residential development for a range of housing options. Some municipalities have continued to increase charges on new housing. According to a recent study conducted by Altus Group, Municipal fees are adding an average \$116,900 to the cost of a single-family home in the Greater Toronto Area (GTA).

Our government is taking a balanced approach to help our municipal partners plan for responsible growth and help build housing where it makes sense, while protecting the environment, so Ontario can continue to be the best place to live, work, and prosper.

Our government's changes to the *Ontario Heritage Act* have been made to renew and update Ontario's heritage policies and strengthen the criteria for heritage designation and update guidelines. These changes will promote sustainable development that conserves and commemorates key places with heritage significance and provides municipalities with the clarity and flexibility needed to move forward with priority projects.

By exempting and discounting municipal fees for affordable, non-profit and purpose-built rental housing through the More Homes Built Faster plan, the province will help lower the cost and increase the supply of such housing units across Ontario.

This study also noted that average approval timelines have increased by 41 per cent since 2020, and municipal fees and charges have increased by 30 to 36 per cent on average in the same time frame. These increases have corresponded to an increase in municipal reserves over the same period. Province-wide, municipalities have reported 2021 development charge reserve balances of approximately \$8.6 billion. The use of reserves can be an alternative to increasing fees and charges on homebuyers and renters.

Transformative change is never easy, but our government stands ready to make the necessary decisions that will improve Ontario's housing sector and benefit the province in the short and long term. At the same time, it is critical for us that municipalities are able to fund road, water, sewer, and other housing-enabling infrastructure and services that our growing communities need. That is why we are launching a third-party audit of select municipalities to get a factual understanding of their finances, including their reserve funds and development charge administration. Together with our municipal partners, we will use this process to get the facts, make improvements, and better serve Ontarians by exploring alternative tools to appropriately pay for growth rather than continuing to raise development charges on new homebuyers.

The federal government shares our objective of building 1.5 million homes in Ontario by 2031, particularly at a time when it has set ambitious new targets for immigration. The majority of these newcomers will be welcomed to Ontario in search of jobs and opportunity. To this end, the province looks forward to working with our municipal partners to ensure we receive a proportional share of the federal government's new \$4 billion national Housing Accelerator Fund.

Since 2019, our government has made available up to \$350 million to support municipalities to find better, more efficient ways to deliver services for residents and businesses.

Now more than ever, the province needs a commitment from our municipal partners to do their part in providing housing for future population growth while also addressing the housing needs of Ontarians today.

I am also committed to working with stakeholders across the residential development sector to ensure that they are doing their part to help the province meet its housing targets.

Once again, thank you for bringing your concerns to my attention. Please accept my best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Clark', written in a cursive style.

Steve Clark
Minister