



CORPORATION OF THE TOWN OF ESSEX

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Honourable Marit Stiles

New Democratic Party of Ontario
Main Legislative Building, Queen's Park
Toronto, ON M7A 1A5

April 20, 2023

RE: More Homes Built Faster Act, 2022

Dear Honourable Marit Stiles,

At its Regular Council Meeting held on April 3, 2023, Council discussed the correspondence dated March 23, 2023, from the Ministry of Municipal Affairs and Housing. This letter was in response to correspondence dated December 1, 2022, from Mayor Bondy regarding the *More Homes Built Faster Act, 2022*. It was discussed that the response received from the Honourable Steve Clark did not address the concerns proposed by Mayor Bondy. In particular, Councillor Hammond indicated the importance of having these concerns addressed by the Ministry as they could negatively impact the financial health of the Town and its residents. Through further consideration, Council determined that it would be imperative to share the same concerns with the Official Opposition Party of Ontario.

As a result of this discussion, Council passed the following resolution:

R23-04-127

Moved By Councillor Hammond
Seconded By Councillor Verbeek

That Council invite the Honourable Steve Clark, Minister, Municipal Affairs and Housing to the Town of Essex to discuss the correspondence dated March 23, 2023 received from the Honourable Steve Clark, Minister, Ministry of Municipal Affairs and Housing; and

That the letter dated December 1, 2022 from Mayor Bondy regarding Bill 23, More Homes Built Faster Act, 2022 be sent to the New Democratic Party of Ontario.

Carried

I trust you will find this satisfactory. If you have any questions or comments, please feel free to contact the undersigned.

Yours truly,

Shelley Brown

Deputy Clerk, Legal and Legislative Services
sbrown@essex.ca

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

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Tél. : 416 585-7000



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



December 1, 2022

Honourable Steve Clark
Minister of Municipal Affairs and Housing
College Park 17th Floor, 777 Bay Street
Toronto, Ontario
M7A 2J3

Delivered via email: minister.mah@ontario.ca

Re: Bill 23, *More Homes Built Faster Act, 2022*

Dear Minister Clark,

Although the Town of Essex recognizes and supports the Province's intent to tackle the housing supply crisis, and although the Town submitted comments before the consultation deadline of November 24, 2022, please accept this letter as additional correspondence in relation to Bill 23, the *More Homes Built Faster Act*, which was given Royal Assent on November 28, 2022.

In our review of the now-approved changes, it is still our position that Bill 23 creates a number of concerns that could compromise the financial health of the Town and its residents. Amongst several matters that the Town submitted as concerns:

- Reductions, exemptions, and freezing of Development Charges (DCs) and Parkland Dedication Fees will impact the ability to fund growth-related infrastructure and community service projects within our community. Unless subsidized by the Province or Federal Government, additional burdens will be placed on taxpayers for growth-related projects, which is contrary to the principle that 'growth pays for growth'.
- The extension of DC-eligible capital costs from 10 years to 15 years poses a risk to DC rates, since DCs are capped based on historical service levels. As our municipality continues to experience significant growth, our service level would thereby be reduced, since the 15 years would pull in 5 (very) historical output years. The DC would likely be reduced due to the cap, even though it is not relevant to the service level that is expected to continue.
- An interest rate cap on phased-in DCs may expose our municipality to interest rate risks. If the Town is faced with higher lending rates, it would now be required to bear those interest costs should the project or service be required to be funded through long-term debt.



- An expiration date of 10 years on a DC study poses the risk that the study becomes irrelevant and therefore the charges themselves irrelevant the older the study becomes. With the rapid changes in the construction industry, as well as significant growth and associated growth-related projects and services, our municipality may face another potential funding shortfall.
- Implementing deadlines for spending funds on community service projects can put larger scale projects at risk where additional funding resources are needed, and prioritizes short term results rather than long term success.

Lastly, the Town of Essex has received your letter to the Association of Municipalities of Ontario dated November 30, 2022 which provides a commitment to ensuring no funding shortfall is experienced by Ontario municipalities as a result of Bill 23. As such, we are eager to take part in your proposed third-party audit of select municipalities to assist the Ministry in obtaining a factual understanding of our finances, including our reserve funds and administration of DCs and Parkland Dedication Fees.

We look forward to working with the Province and Federal Government to meet and exceed our housing pledge levels and growth targets.

Sincerely,

A handwritten signature in black ink that reads "Sherry Bondy". The signature is written in a cursive, flowing style.

Mayor Sherry Bondy