



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](mailto: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