

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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December 22, 2022

Andrea Holland
Clerk
City of Hamilton
clerk@hamilton.ca

Dear Ms. Holland:

I am writing to you today in the spirit of the long-standing partnership between Ontario and the City of Hamilton in response to a recent letter that was sent to MPPs Donna Skelly and Neil Lumsden.

Since the day our government took office, we have been steadfast in our support and empowerment of our municipal partners. Working together, Ontario has provided tens of billions of dollars in new funding to support municipal services and build critical infrastructure, spurring job creation and creating the conditions for long-term economic growth. We have also been clear about the importance of working together to tackle Ontario's housing supply crisis and build the homes Ontarians need.

I am writing today to address municipal feedback regarding the *More Homes Built Faster Act*. In particular, I would like to address the suggested impact the legislation could have on the ability of municipalities to fund infrastructure and services that enable housing.

The central intention of the *More Homes Built Faster Act* is to build more homes that are attainable for our growing population. We are doing this in part by discounting and exempting municipal fees and taxes for affordable, non-profit and purpose-built rental housing, and new homebuyers who otherwise face these significant costs. For example, municipal fees and taxes currently add more than \$61,000 to the cost of an average single-family home in Hamilton before a single shovel is in the ground, a cost that is putting the dream of homeownership out of reach for far too many Hamiltonians.

I know councillors and residents of Hamilton share our goal of building communities that are welcoming to all residents, including new Canadians – towns and cities where everyone can have a place to call home. That is why our decision to rein in unsustainable and out-of-control municipal fees on new homebuyers is the right thing to do, and that is why our position on Bill 23 will not waver.

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At the same time, it is critical that municipalities are able to fund and contract road, water, sewer, and other housing enabling infrastructure and services that our growing communities need. There should be no funding shortfall for housing enabling infrastructure as a result of Bill 23, provided municipalities achieve and exceed their housing pledge levels and growth targets.

As we undertake this work together, we are committing to ensuring municipalities are kept whole for any impact to their ability to fund housing enabling infrastructure because of Bill 23.

Furthermore, as good partners and in recognition of most municipalities making best efforts to accelerate the issuance of housing permits and approvals to meet and exceed their pledge targets, the government will introduce legislation that, if passed, would delay the implementation of development application refund requirements set out in Bill 109 by six months, from January 1, 2023, to July 1, 2023.

The federal government shares our objective of building 1.5 million homes in Ontario over the next 10 years, 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. We also expect that all municipalities will make an application to the federal Housing Accelerator Fund for funding that will support housing enabling infrastructure and relieve municipal charges levied on new homebuyers.

Together, we will ensure we can achieve our shared goal of building desperately needed homes. A strong partnership between the Province of Ontario and municipalities is critical if we are to solve our housing supply crisis – and we look forward to continuing our work together.

Sincerely,



Steve Clark
Minister

- c. Donna Skelly, MPP Flamborough – Glanbrook Donna.Skelly@pc.ola.org
The Honourable Neil Lumsden, MPP Hamilton East – Stoney Creek
Neil.Lumsden@pc.ola.org