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MPP Riding University—Rosedale
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Premier Ford
Queen's Park
Legislative Building,
Toronto, ON M7A 1A1

January 19, 2023

Re: Reimburse cities for Bill 23 developer fee cuts

Dear Premier Ford

Budget season has begun. Elected officials representing Ontario's 444 municipalities are deep in the throws of preparing, negotiating, consulting, and approving their operating and capital budgets for the year. The budgeting process is always a challenge, but the government's passage of controversial Bill 23 has made budgeting next to impossible.

I am calling on your government to make a firm commitment and immediately reimburse municipalities for the loss in development fee revenue caused by Bill 23.

Bill 23 reduces and bans municipalities from collecting development fees for housing services, which pay for shelters and affordable housing programs, as well as fees for parks, affordable housing projects and additional units on residential lots.

The Association of Municipalities of Ontario estimates that Bill 23 will reduce municipal revenue from developer fees by \$5.1B over nine years.

By axing development fee charges to help pay for infrastructure and shifting that burden to taxpayers, the Ontario government is forcing municipalities to hike taxes, cut service, and jeopardize the health and livability of our towns and cities.

As the MPP representing downtown Toronto, I have been following Toronto's budgetary process closely to assess the practical impact of Bill 23.

I was appalled to learn that Toronto staff calculate that Bill 23 will cost Toronto \$2.3 billion in lost revenue over 10 years. If the province fails to reimburse the city for development fee losses, Toronto's Housing Now program to build 40,000 homes on public land could lose 57% of its funding.


The municipal budgetary process is providing clear evidence that Bill 23 is only further inflaming the housing affordability and homelessness crisis, not easing it.

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All major parties, including the Ontario NDP, have publicly committed to addressing the housing supply shortage by building 1.5 million homes for Ontarians over the next 10 years, but we do not need to sacrifice affordable housing construction, public service quality and infrastructure investment to meet this important goal.

I urge this government to rethink its approach, and work with municipalities to meet both the housing, service and infrastructure needs of current and future residents. This can only happen if Ontario reimburses municipalities for the loss in development fee revenue caused by Bill 23.

Sincerely,



Jessica Bell
MPP for University—Rosedale

Cc: Minister of Municipal Affairs and Housing Steve Clark