

Ontario Home Builders' Association calls on province to audit major municipalities' collection and use of growth funding charges

Greater Toronto Area, November 30, 2022 — The Ontario Home Builders' Association (OHBA) is calling on the Government of Ontario to audit the collection and use of growth funding charges in major municipalities. Given the accumulation of significant reserves at the municipal and regional levels of government, it is in the interest of the public and new home buyers to ensure that there is transparency and accountability around the collection of growth funding charges and that funds collected are used for their intended purpose.

“Municipalities across the Greater Toronto Area collect, on average, \$116,000 per new housing unit in development charges, parkland fees and other growth funding charges, and these fees are reflected in the cost of new homes,” said Luca Bucci, CEO of OHBA. “We know from municipalities’ financial information returns, filed annually with the Ministry of Municipal Affairs and Housing, that municipalities in the GTA are holding in reserve more than \$6 billion in development charges, parkland cash-in-lieu and Section 37 fees, and they are spending a fraction of what they collect on an annual basis. Municipalities across the province hold reserves in excess of \$9 billion and these reserves are growing rapidly.”

In their reaction to Bill 23, More Homes Built Faster Act, municipalities have been vocal on the purported impact on municipal finances of capping, freezing and discounting certain development fees. An [independent analysis](#) conducted for the OHBA demonstrates that municipalities are overstating the impact and that there is overlap, particularly in the development charges and incentives for affordable housing.

Taking into account the totality of their reserves and the grants they have received, major municipalities in Ontario, and Toronto in particular, are well positioned to accommodate the changes. For example in 2021, the City of Toronto generated more than \$15 billion in revenues, of which less than one-third was from the property tax base. It received \$4.4 billion in provincial and federal grants and held a tax rate stabilization reserve of \$1.12 billion (up from \$66.8 million in 2018), a development charge reserve of \$2.2 billion (up from \$1.15 billion in 2018) and parkland cash-in-lieu/Section 37 reserve of \$1.2 billion (up from \$912 million in 2018).

“Why does the municipalities’ own data, submitted to the province, show large and growing surpluses?” asked Mr. Bucci. “Why have certain municipalities spent far less than they have collected, every year for more than a decade, and why are municipalities crying poor over changes intended to help bring housing affordability back to Ontario? We are in the middle of a housing crisis in the province. We are calling on the provincial government to initiate an audit for select municipalities to ensure that funds collected are used for their intended purposes and that there is transparency for ratepayers and new home buyers. The people of Ontario deserve the facts.”



The Ontario Home Builders' Association is the voice of the residential construction industry in Ontario, representing 4,000 member companies organized into 27 local associations across the province. The residential construction industry contributes over \$76 billion dollars to Ontario's economy, employing more than 550,000 people across the province. Our members have the vital responsibility to build the housing supply that current Ontario residents are counting on at all stages in their life and be the voice of future home buyers who want to call our province home.