

Sent by email to: [minister.mah@ontario.ca](mailto:minister.mah@ontario.ca)

October 30, 2025

The Honourable Rob Flack  
Minister of Municipal Affairs and Housing  
College Park, 17<sup>th</sup> Floor  
777 Bay Street  
Toronto, Ontario M7A 2J3

Dear Minister Flack,

Municipalities are committed to doing everything they can to meet the goal of building 1.5 million homes by 2031. AMO appreciates your government's significant investments in municipal infrastructure in recent years, however, the current approach to funding housing-enabling infrastructure is failing to address the housing crisis or deliver the conditions for long-term prosperity. Action is needed to more efficiently and effectively use provincial funds to enable housing construction across Ontario and incent municipalities to improve local building.

Tying the Building Faster Fund (BFF) to outdated provincial housing targets ultimately undermined its purpose. Macroeconomic factors including skilled worker shortages, a trade war driving up building material costs and economic uncertainty, among others, have contributed to the recent housing market downturn. 2024's dip in starts left fewer than half of eligible municipalities able to access necessary BFF funding this year.

AMO appreciates Minister Flack's commitment to reviewing the BFF in consultation with municipalities. Drawing from recent experience with the BFF, AMO is responding with advice on program improvements on behalf of our municipal members. We propose a two-phase approach to evolving the program.

### Phase 1

In 2026, AMO recommends the Province prioritize getting unspent funding out to municipalities to enable housing development. To achieve this, we recommend broadening eligibility criteria to reflect market conditions with lower housing targets and a weighting for other metrics, such as building permit approvals or planning approvals. Housing starts remain an important target for municipalities, but AMO recommends the whole system (including industry) be held accountable for delivering them. AMO would also welcome any residual 2025 underspends supporting municipalities to implement the *Protect Ontario by Building Faster and Smarter Act*.

## Phase 2

AMO calls on the Province to extend BFF beyond 2026 and change the design to further incent municipalities to tackle systemic barriers to housing development. Different changes will make sense in different municipal contexts, depending on factors like:

- speed and size of planned growth, according to Official Plans
- how much excess capacity municipalities have to support growth
- the extent of local zoning amendments made to date
- the implementation of measures to accelerate planning and permit approvals
- if and how the municipality has used development charge discounts locally
- use of local grants to encourage development of specific missing housing types (e.g., purpose-built rentals)
- municipal financial position
- availability and use of municipally owned land.

Through BFF, the Province could incentivize municipal reforms to make new home development faster, cheaper, and easier. Funding could be contingent on a municipality adopting and acting on new, locally specific measures that create more favourable building conditions and make sense in their local context.

Sustained funding for housing-enabling infrastructure remains a top priority for municipalities and we hope you extend the BFF program to deliver this. Extending this funding beyond 2026 would also have a wider benefit of stimulating Ontario's economy, creating jobs, and building the long-term infrastructure needed for a resilient and competitive provincial economy.

Karen Nesbitt, Director of Policy and Government Relations, would be pleased to discuss further should you have any questions.

Sincerely,



Robin Jones  
AMO President  
Mayor of the Village of Westport

cc: The Honourable Todd McCarthy, Acting Minister of Infrastructure  
Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing  
Ali Veshkini, Deputy Minister, Ministry of Infrastructure