

June 16, 2026

SUBJECT: Information on the new Development Charge Reduction Program (FIN-06-26)

Please be advised that at its Special Council meeting held Monday, June 15, 2026, the Council of the City of Burlington approved the following resolution:

Whereas on March 30, 2026, the federal and provincial government signed the Canada-Ontario Partnership to Build agreement to support the shared goals of building more homes faster, making housing more affordable and accelerating key infrastructure projects to protect jobs and help communities grow, and the agreement included \$8.8 billion in federal and provincial funding over 10 years to support housing-enabling infrastructure investments for municipalities; and

Whereas on June 1, 2026, the Province released information on the Development Charge Reduction Program, including details on the application process, eligibility and assessment criteria and funding requirements; and

Whereas municipalities had limited opportunity to provide input on the program design prior to its release, despite the commitment of up to \$8.8 billion for housing enabling infrastructure representing a significant investment in municipal infrastructure and housing priorities; and

Whereas eligible projects must primarily enable the construction of new housing units, accelerate the delivery and implementation of shovel-ready infrastructure projects in the municipality's DC background study and capital plan, begin construction by July 31, 2030, and be complete by October 31, 2035; and

Whereas applications will also be assessed based on the percentage of committed DC rate reduction, the number of housing units projected to be built as a result of the proposed DC relief, and the municipality's financial contribution, with at least 10 per cent of eligible project costs to be funded by the municipality; and

Whereas the City supports the objectives of the Canada-Ontario Partnership to Build and recognizes the importance of senior government investment in housing-enabling infrastructure; and

Whereas the City has already taken significant Council-approved actions to reduce its DC rates, which are among the lowest in Halton Region and low compared to other GTHA municipalities, and has also used other municipal and planning tools, including the City of Burlington Housing Community Improvement Plan, to support housing supply, affordability and complete communities; and

Whereas the current DCRP design, including the requirement for an across-the-board 30 per cent to 50 per cent residential DC reduction, the minimum municipal contribution requirement, the March 30, 2026 measurement date and the absence of a mechanism to cap municipal exposure, presents significant municipal financial exposure; and

Whereas in addition to the risk that the program could result in a subsidy from City taxes, there does not appear to be consideration given to early and creative actions already enacted by municipalities to support the creation of new housing while also meeting specific housing targets and goals to deliver complete communities; and

Whereas a number of Council-approved actions have been implemented that support the creation of housing and do not impact the tax base, including:

- Staff-driven initiative to reduce the proposed DC rates to mitigate the proposed increase in the DC Background Study that has been in effect since June 2024, resulting in residential DC rates being reduced by 28 per cent and non-residential DC rates being reduced by 32 per cent;
- Development of the City's first Affordable Rental Housing Community Improvement Plan, including 10 programs in 2025;
- Amendments to the Affordable Rental Housing Community Improvement Plan in May 2026 to broaden the scope of the CIP and develop a suite of new temporary programs in the now named City of Burlington Housing Community Improvement Plan, approved in May 2026 and currently within the appeal period, including DC grant programs to incentivize purpose-built rental units and ownership units with criteria related to built form, bedroom numbers and unit size, including within midrise and tall buildings, as well as other temporary programs including a Missing Middle Municipal Fee Waiver, Tax Increment Equivalent Grants and Accessible Design Grant;
- Modernized Official Plan policies and associated Residential Zoning By-law to support the creation of new residential units;
- Completion of all Housing Accelerator Fund Action Plan items; and

Whereas in considering the DCRP, staff also note that Council recently reviewed options to support housing through development-related financial incentives, and through that work, broad DC reductions were identified as presenting financial and implementation risks, including reduced flexibility in future DC by-law updates, limitations in targeting specific housing policy objectives and pressure on tax-supported funding sources; and

Whereas Council ultimately approved amendments to the City's housing-related Community Improvement Plan as a more targeted, temporary and controlled approach to supporting housing while protecting existing taxpayers;

Therefore, be it resolved that staff submit a list of projects and apply to the Development Charge Reduction Program on the basis that, through the application, the City requests to receive credit for:

1. The significant development charge reductions for new residential units, being 28 per cent, already made and in effect; and
2. The development charge exemptions available for a broad range of housing through the amended Community Improvement Plan; and
3. The City's 10 per cent portion being eliminated or funded from non-tax-supported sources, including Housing Accelerator Fund funding and development charges;

Therefore, be it further resolved that the CAO provide an accompanying letter to the City of Burlington's application under the DCRP detailing these considerations and requesting that the Ministry of Municipal Affairs and Housing and Housing, Infrastructure and Communities Canada evaluate program applications with fair consideration for previous municipal actions to reduce DCs and provide flexibility in working with municipalities to ensure successful program implementation;

Therefore, be it further resolved that a copy of this motion be shared with the Premier, the Minister of Municipal Affairs and Housing, the Minister of Finance, Halton Regional Council, all Ontario municipalities, the Association of Municipalities of Ontario and the Federation of Canadian Municipalities.

Sincerely,



Mike de Rond
City Clerk, Director of Legislative Services