

February 25, 2026

**Re: Agenda Item 9.1, n – Options for the temporary elimination of Development Charges (DGM-03-26 ) (SD)**

Dear Mayor and Members of Council,

I am writing with respect to Agenda Item 9.1 concerning the options for the temporary elimination of Development Charges (DGM-03-26), scheduled for consideration at the upcoming Special Meeting of Council.

While it is recognized that Development Charges (DCs) are often incorporated into the final purchase price of new homes and therefore ultimately borne by homebuyers, their elimination requires careful scrutiny. The long-standing principle that growth should pay for growth exists to protect existing taxpayers from absorbing the infrastructure costs associated with new development.

It is my understanding that Development Charges are generally payable at the time of building permit issuance. If the concern is primarily related to developer cash flow in the current economic climate, Council may wish to explore deferring payment until occupancy or closing, rather than eliminating the charges outright. Such an approach would preserve the principle of growth funding infrastructure while addressing timing concerns.

In addition, in taller residential developments where a significant percentage of units may be rental, consideration could be given to a more tailored methodology. Many residents rent because they cannot afford home ownership. A blanket elimination of DCs does not guarantee improved affordability or attainability outcomes. A more nuanced approach that distinguishes between tenure types may better align policy objectives with housing affordability goals. For further clarity “attainable” housing conforms to the standard definition of affordable housing developed by Canada Mortgage & Housing Corporation, that holds that housing is affordable (attainable) when it consumes no more than 30% of a household’s gross, pre-tax income.

The current economic environment has highlighted pressures within the development industry; developers do operate within a profit-driven model, which is entirely appropriate in a market economy. Currently, DCs are imposed upfront, before a unit is built or sold, creating significant cash flow constraints for developers. This is especially problematic for large-scale projects or during periods of high interest rates.

Public policy, however, must balance private sector viability with fiscal responsibility. Eliminating Development Charges risks transferring infrastructure costs onto existing taxpayers or future property tax increases.

Before proceeding with any temporary elimination, I respectfully urge Council to undertake a thorough review of municipal spending, capital priorities, and long-term financial sustainability.

If reform is required, this is the time to thoughtfully recalibrate the framework – such as, removing interest, and allowing installments over the life of the project versus one-time up-front payments before intentionally shifting the financial burden.

I encourage Council to approach this decision with caution, and within the broader interests of our current and future residents and the parties involved.

Respectfully submitted,

Joseph A. Gaetan BGS

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