

Appendix B: Temporary Development Charge Reductions Background

Key Dates & Milestones

November 23, 2021: City of Burlington Housing Needs and Opportunities Report is published.

June 21, 2022: Burlington's Housing Strategy was approved by Council. The Housing Strategy established a road map and acts as a guiding document for the City to use in order to take action and work towards meeting the housing needs of the community and moving the city closer to the Vision for housing in Burlington.

February 14, 2025: City of Burlington Growth Analysis Review is published.

May 12, 2025: Adoption of the Affordable Rental Housing Community Improvement Plan (CIP).

September 16, 2025: Council approved motion memorandum directing the Commissioner of Development & Growth Management and the Chief Financial Officer to report back on options for a 2-year temporary development charge (DC) reduction with an appropriate impact analysis.

November 3, 2025: Residential Development Charges have been deferred to occupancy as set out in the *Development Charges Act, 1997*.

November 27, 2025: Planning Act modified to empower Upper-tier municipalities without planning authority to enable the development of a CIP and clarified that any existing CIPs in force and effect prior to July 1, 2024 are deemed to be in effect.

February 10, 2026: Staff presented Recommendation Report, Options for the temporary elimination of Development Charges DGM-03-26, at Committee of the Whole. Staff Direction provided (see below).

February 11, 2026: Mayoral Decision 2026-03 presented to staff.

March 2nd, 2026: Special Meeting of Council held where staff presented Supplemental Staff Memos Financial Impact and Funding Strategy for Temporary Residential Development Charges Exemptions, and additional information regarding a temporary elimination of Development Charges. Staff referral and direction provided.

On September 16, 2025, Council approved the Motion Memorandum directing the Commissioner of Development & Growth Management and the Chief Financial Officer to report back to Pipeline to Permit Committee on October 9, 2025, with options for a 2-year temporary development charge (DC) reduction with an accompanying impact analysis.

The [Motion Memorandum](#) and its [attached correspondence from WE HBA](#) outlined approaches used in other municipalities to support meeting housing targets, economic development objectives, and the development industry. In response to this direction, Finance and Development & Growth Management Staff prepared an Information [Report titled Two-year temporary City Development Charges reduction \(FIN-41-25\)](#).

The report presented an impact analysis of implementing a temporary, partial reduction to City DCs for two years. The impact of a tax-supported, temporary 20% reduction of City DCs for two years was estimated to range between \$3M-\$7.5M. The report acknowledged the difficulty of estimating potential DC revenues given their dependency on development activity which is in turn, closely related to the state of the economy. The report also confirmed that the City's growth-related capital program for 2026 and 2027 totals almost \$27M. As discussed in this report and during the 2026 Budget discussions, significant inflation pressures and potential cash-flow constraints could delay delivery of the City's growth-related capital program.

After considering the report the following Staff Direction was provided:

Direct the Commissioner of Development & Growth Management to bring back a report to Committee of the Whole in January 2026 on options including a potential Community Improvement Plan amendment and a Development Charge bylaw update to eliminate development charges for two years subject to the following conditions:

- *That the reduction is tied to some degree of achieving policy goals for housing units (for example purpose-built rental, market affordable under Halton Region definitions, three-bedroom units);*
- *That the reduction is conditional on being made whole for the DC reductions by the provincial and/or federal governments;*
- *That the reduction would only apply to projects that have achieved a defined level of start/completion. (SD-12-25)*

On February 10, 2026, staff presented a Recommendation Report [Options for the temporary elimination of Development Charges DGM-03-26](#) at Committee of the Whole,

addressing **Staff Direction SD-12-25**. The report outlined options for the temporary elimination of Development Charges based on prior CIP work, reviewed opportunities for other levels of government to take action, and noted challenges faced by the development community in the short and medium-term. With no commitment or action from upper levels of government to make municipalities whole regarding DC exemptions, staff highlighted that input from stakeholders and direction from Council is vital to ensure directions and decisions reflect Burlington's housing needs.

The report organized options into Development Charge approaches, Community Improvement Plan approaches, and a theoretical 'Do-Nothing' approach for Council consideration. Approaches were conceptual in nature as funding sources were yet to be determined. To ensure the next iteration of this body of work not only meets housing objectives but remains in accordance with the city's Official Plan and champions other critical projects such as the Integrated Mobility Plan, staff recommended working alongside the region and the development community to calibrate programs, enable a broader mix of housing types, tenures, unit sizes and locations, and ultimately maximize outputs for the benefit of the city.

After considering the report, the decision was deferred to the next meeting on March 2, 2026.

The following day, on February 11, 2026, [Mayoral Decision 2026-03](#), in response to Report DGM-03-26, Options for a Temporary Elimination of Development Charges, was shared with staff. This Mayoral Decision directed staff to provide further information on the following:

- Development Charge Exposure Assumptions
- Forecast of 2026 Residential Completions
- Associated Development Revenues
- Historical Residential Assessment Growth
- Historical and Recent Residential Development Charge Revenues
- Anticipated Funding Source – Realistic Scenario
- Alternative Implementation – Development Charge Grant Program
- Eligibility Criteria for Grant Program

On Monday, March 2nd, 2026, a Special Meeting of Council was held where staff presented two Supplemental Staff Memos in response to Council Direction from February 10, 2026, and Mayoral Decision 2026-03. The first memo was a [Financial Impact and Funding Strategy for Temporary Residential Development Charges Exemptions](#), and the second memo addressed the Mayoral Decision request for [additional information regarding a temporary elimination of Development Charges](#).

Through discussion with Council, staff recognized an opportunity to expand or evolve current CIP programs. Further review and understanding of the needs of stakeholders, particularly those in the development industry and the public, has been considered. For example, current programs such as the Development Charges Assistance Programs, that focus on full or partial development charge exemptions when development projects meet certain criteria, have not yet been initiated. There is now an interest in broadening the scope of Development Charge assistance and introducing temporary, alternative financial mechanisms to better support diverse housing typologies and affordability needs in locations across the city. An iteration of CIP programs could help to unlock opportunities for the creation of more housing options while ensuring that these programs are funded in a way that does not rely on sources such as property taxes. Staff recommend relying on future Council decisions to define, fund and implement any program(s) in the CIP.

The report was *not* received by Council and Council unanimously approved the following referral and direction:

Refer report DGM-03-26 regarding Options for the temporary elimination of Development Charges to the Commissioner of Development & Growth Management and the Chief Financial Officer to report back to Committee of the Whole on April 13, 2026 on option 2 b as referenced in the staff report and a new or amended Affordable Rental Housing Community Improvement Plan funded from a source other than property taxes; and

That Council offer a binding commitment to the provincial and federal governments that for every dollar of earmarked new funding provided to reduce development charges the City of Burlington shall commit to reduce its development charges by the same amount, up to and including a total elimination of development charges on a permanent basis with matched funding; and that council commit to not make any reductions to development charges without first being made whole through federal or provincial programs, such as the HAF or through other federal, provincial or other level of government programs.