April 10, 2026

To: **Members of Committee of the Whole**
City of Burlington, 426 Brant St
Burlington, ON L7R 3Z6

From: **West End Home Builders' Association**
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WE HBA Letter: Draft Housing Community Improvement Plan Amendment (Report DGM-27-26)

The West End Home Builders' Association ("WE HBA") is the voice of the land development, new housing and professional renovation industries in Hamilton, Burlington, and Grimsby. WE HBA represents 300 member companies made up of all disciplines involved in land development and residential construction. In the Hamilton CMA in 2024, which includes Burlington, residential construction contributed over $4.6 billion in investment value and provided over 21,000 jobs paying about $1.6 billion in wages[1]. These jobs and investments have been in steep decline as the residential construction industry plunges into the most severe downturns in decades.

WE HBA appreciates the opportunity to provide comments on the City's proposed menu of options for amendments to the *Affordable Rental Housing Community Improvement Plan*, as outlined in Report DGM-27-26. We want to acknowledge that the City's efforts to advance a suite of tools aimed at supporting housing delivery are both necessary and timely. The recognition within the report that the housing sector is experiencing a historic downturn aligns directly with what our members are facing. Slowing housing starts, constrained financing conditions, and declining project viability are serious challenges impacting the GTHA.

As such, we must also express our frustration with the delays that have brought us to this point. Had the City made a bold and decisive move in the fall, rather than engaging in prolonged debate and internal disagreement, Burlington would have been ahead of many peer municipalities. It would have been better positioned to capitalize on the current window of opportunity and save good paying jobs, particularly in light of recent provincial and federal funding announcements. The Prime Minister and the Premier have been crystal clear in their public remarks that those municipalities that have already made significant reductions to their development charges would be the top priorities to receive infrastructure support from the *Build Communities Strong Fund* (BCSF) Provincial and Territorial (PT) Stream. Instead, months of momentum have been lost. Now, Burlington risks being slower to respond then other communities and not capitalizing on the opportunity as the residential construction industry and senior government funding partners pivot to communities that are ready to meet the moment and the narrow window of opportunity.

We want to recognize that the Mayor demonstrated precisely the kind of leadership that was required. Her initial motion to temporarily remove development charges reflected both sound judgment and a clear understanding of the direction senior governments were heading. Importantly, many members of Council

[1] *CHBA Economic Impacts 2024 Fact Sheet, Hamilton CMA.*

appeared to agree with that approach. WE HBA advocated for that approach based on clear statements being made by both the Premier and Prime Minister.

Unfortunately, that momentum was undermined, and the new highly scoped direction will not yield the broad tax relief that the either the Premier or Prime Minister are seeking and planning to financially support. This is potentially a significant lost opportunity for the City, in a moment when decisive action was needed most.

Turning to the menu of programs contained within DGM-27-26, the second program in the menu “Development Charge Reduction Grant – Ownership” neglects to consider project viability. By prescribing unit mixes that don’t reflect market realities, the City is effectively rendering projects unviable. Residential construction faces strict financing conditions, that would be challenging to meet with the ratios proposed. While the objective of family sized units is understood, the reality is those family sized units are not in high demand and even with all three levels of government providing relief, the prescribed two and three bedroom requirements are potentially too high for projects to be financially viable. The required pricing to meet financial targets is in line with comparable existing low-rise residential resale properties which significantly limits the market appeal for these larger units.

We are concerned the proposed unit mixes are too stringent to support projects that are currently shovel-ready. WE HBA is concerned that in a time when projects are not currently “penciling” as economically viable, the City is suggesting unit mixes that make projects less viable. To put it bluntly, program parameters that increase financial risk will not be embraced by the private sector as a solution.

Under the third program in the menu “Missing Middle Affordable Housing Grant” WE HBA notes that to truly entice homes in the missing middle format, limiting grant funding to buildings containing six or more units will limit small scale infill housing important to this housing format. Not all lots are suitable for six units so this policy would place a limit on the gentlest form of density by discouraging smaller builds like fourplexes. If anything, in the current high risk market conditions, it is the smaller projects that may be the most likely to proceed and the City is proposing the exclude those projects.

WE HBA also has concerns that the *Missing Middle Affordable Housing Grant*, creates hurdles to ownership opportunities. It is extraordinarily difficult to secure financing on homes with a minimum affordability period of fifteen years from first occupancy. Affordability of the unit should align with the purchaser’s income at the time of closing, and the fifteen-year requirement should be removed to help the purchaser secure financing.

Our final concern with the *Missing Middle and Affordable Housing Grant* is the definition of affordable using the *Affordable Residential Units for Purposes of Development Charges Act, 1997 Bulletin*. Projects will not pencil for projects mandated to sell this low. The DC reduction is unlikely to come close to filling the gap. While the objective of affordability is understood and shared, it must be calibrated carefully against feasibility. If the requirements are too rigid or misaligned with market conditions, the result will not be more affordable housing, it will be no housing of any kind at all. We recommend the City align their affordability requirements with the provinces criteria for HST reductions otherwise, builders are forced to navigate and satisfy too many sets of conditions.

We also caution against layering complexity into program design. The report itself notes that overly complex or onerous criteria can undermine uptake. In the current environment, simplicity, clarity, and flexibility are essential to ensuring participation. If the program is set too far out of reach or becomes overly complex, it will see little to no uptake from developers and risks becoming an administrative exercise that consumes time and resources without delivering any actual housing outcomes.

The City of Burlington has shifted the entire consultation and discussion away from economic stimulus to boost housing supply, increase assessment and protect jobs to a small-scaled boutique affordable housing program. As such, WE HBA does not believe that the City of Burlington would be eligible for any housing enabling infrastructure support from the provincial and federal governments.

The report notes, “every level of government as well as all actors in the housing sector, have a role to play.” Prime Minister Mark Carney has stated “By partnering with the Ontario government, we’ll cut development charges by up to 50%, lower taxes on new homes, and build new transit infrastructure to reimburse municipalities who reduce development charges.” Premier Ford was blunt, stating “If you don’t cut DCs, you aren’t getting any money … but if you do, we will be there to support you”. It is critical Burlington meet the moment and reduce development charges across the board with a program that enables homes to be built.

Finally, we would remind Council of a fundamental reality that we remain in an historic downturn. Projects are not moving forward because they are not financially viable, not because the industry is unwilling. There is no municipal cost borne from unrealized income. If projects do not proceed, the City does not gain assessment growth, does not see new housing supply, and does not advance its housing objectives or build healthy assessment growth. The priority must be enabling projects to move, not perfecting programs to the point where they become unusable.

The options proposed in the staff report would support a small-scale boutique program that will likely have little to no take-up from the private sector. These proposals will not have the broad impacts that the Provincial and Federal Governments are seeking as potential funding partners and would not result in any financial support from senior levels of government. We are supportive of a flexible, ready-to-deploy framework that immediately responds to the new funding opportunities from other levels of government.

We appreciate the opportunity to provide input, however, we are extremely disappointed by the lack of vision, and the choice to not participate in the massive opportunity presented by the Prime Minister and the Premier to partner with municipalities in reducing development charges.

Sincerely,

Mike Collins-Williams, MCIP, RPP
Chief Executive Officer
West End Home Builders’ Association