

Ministry of Infrastructure

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October 31, 2025

REGION OF PEEL

OFFICE OF THE REGIONAL CLERK

October 31, 2025

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Dear Delegates:

On behalf of the Ministry of Infrastructure, I would like to thank you for attending the 2025 Association of Municipalities of Ontario Conference. It was a pleasure for Minister Surma to meet with you and your delegation. With Minister Surma currently on parental leave, I am pleased to be serving as Acting Minister of Infrastructure and to continue supporting the important work initiated during the conference.

Thank you for the discussion on the importance of building homes and keeping pace with infrastructure demands evident in municipalities. I understand that Peel Region is offering an \$89 million rebate and has reduced development charges to support housing – changes which will permanently reduce revenue by \$400 million. The delegation also mentioned actively reaching out to the federal government for infrastructure funding support.

Delegates had raised the following requests during the delegation meeting:

- Partnerships to support housing development, including infrastructure funding.
- Updated funding formulas, including development charges and HST components.
- Better coordination between provincial and federal funding streams to avoid project delays.
- Multi-year capital funding models to support long-term infrastructure planning.
- Collaboration on debt financing, recognizing the delayed repayment from residents.

I acknowledge the importance of balancing the need to fund housing-enabling infrastructure with reducing municipal fees, such as development charges, in order to enable housing construction. Please note that development charge deferrals do not eliminate revenue – they delay collection, depending on market conditions. I would encourage municipalities to review budgets and prioritize essential spending. Regarding development charges, I would encourage you to reach out to the Ministry of Municipal Affairs and Housing for further discussions on this topic. The province is actively engaging with the federal government for infrastructure funding.

Delegates had requested staff-level discussions regarding funding formulas and funding models. The ministry will reach out to municipalities to set up these meetings – please let us know the municipal contacts to be included.

Earlier this year, the federal government announced 10 successful Ontario-based projects under the Direct Delivery Stream of the Canada Housing Infrastructure Fund (CHIF), totalling \$168 million in funding for Ontario’s housing-enabling drinking water, wastewater, stormwater and solid waste infrastructure. The need for municipal infrastructure investment is far from fully met. I encourage all municipalities to call on the federal government to request more infrastructure funding to help address local needs of municipalities across the province.

In the absence of federal funding, Ontario took action to respond to local infrastructure needs. As you are aware, Ontario is investing \$4 billion in provincial funding for critical infrastructure that makes new housing possible. This investment is part of our government’s more than \$200-billion capital plan to build infrastructure capacity and support growing communities.

To date, Ontario has awarded over \$2 billion through the Municipal Housing Infrastructure Program (MHIP) to support more than 185 projects which will enable the construction of approximately 800,000 new homes across Ontario.

In April 2025, we launched the \$175 million MHIP-Health and Safety Water Stream (HSWS) to help municipalities and First Nations build, rehabilitate and expand core water, wastewater, stormwater, and water management, flood, and erosion infrastructure. These projects will help protect communities, address critical health and safety issues while maintaining the current housing stock. The Ministry is currently reviewing applications to announce successful projects in Fall/Winter 2025.

The \$4 billion investment in MHIP includes the recently announced increase of \$1.6 billion to further support communities across Ontario build the infrastructure needed to unlock more housing and support economic growth. Further details will be announced in the near future.

I recognize the importance of investing in critical core infrastructure to support growth and long-term economic prosperity in Ontario, as well as the importance of supporting all municipalities. Your input on our shared priorities is very valuable, and I appreciate your perspective.

Thank you again for meeting with representatives of the Ministry of Infrastructure. I look forward to continuing to work with you in the future.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd J. McCarthy". The signature is fluid and cursive, with a long horizontal flourish extending to the left.

The Honourable Todd J. McCarthy
Acting Minister of Infrastructure

CC. MPP Charmaine Willians
 MPP Graham McGregor
 MPP Prabmeet Sarkaria
 MPP Hardeep Grewal
 MPP Amarjot Sandhu
 MPP Sylvia Jones
 MPP Natalia Kusendova-Bashta
 MPP Nina Tangri
 MPP Silvia Gualtieri
 MPP Sheref Sabawy
 MPP Deepak Anand