
For Information

REPORT TITLE: **Proposed Advocacy Messaging to Address Development Charges Revenue Funding Shortfalls**

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Administrative Officer

OBJECTIVE

To provide Council with advocacy messaging to address Peel Region’s development charge (DC) revenue funding shortfalls, as directed by Regional Council at the March 26, 2026 meeting.

REPORT HIGHLIGHTS

- Peel Region is doing its part to build homes faster and support housing targets. However federal and provincial funding is needed now to ensure housing and infrastructure stay on track, prevent future bottlenecks and avoid higher costs. The \$1.3B funding support is required to financially sustain Peel’s capital program without pausing infrastructure development .
- Reduced development charge (DC) collections mean Peel Region must front-end billions of dollars in housing-enabling infrastructure with debt. This increases financial risk, threatens credit ratings, pressures taxes and rates, and ultimately forces hard choices that can delay or constrain housing.
- Specifically, the funding support will:
 - Reduce pressure on local taxpayers and utility ratepayers
 - Keep housing-enabling projects moving as the market recovers
 - Ensure infrastructure is ready when homes are ready
 - Support provincial housing targets without future delays
 - Protect Peel Region’s financial sustainability and preserve the ability to meet its financial obligations
- To address revenue shortfalls as a result of reduced development charge collections, at least \$1.3B in federal and/or provincial funding is required immediately.
- Staff have prepared the following advocacy messaging to support Regional Councillors in their efforts to advocate to federal and provincial elected officials for the required funding support.

DISCUSSION

Further to Regional Council’s deliberations on March 26, 2026, regarding the ongoing concerns with revenue shortfalls that Peel Region faces as a result of decreased DC collection to support housing development, staff have prepared the following key messages to support Regional Council’s advocacy for funding support of at least \$1.3 billion.

Proposed Advocacy Messaging to Address Development Charges Revenue Funding Shortfalls

1. Growth is planned well in advance of when homes are built.

Housing does not begin with a building permit. Infrastructure planning and construction take 7–10 years and must start long before homes are built. By prioritizing early investment in roads, water systems, public transit and utilities, communities ensure that essential services are ready when residents arrive. If infrastructure is delayed until the housing market rebounds, then it will be too late to support new occupancy when it is needed.

Key message: Infrastructure must be built well in advance - especially during economic downturns - to avoid housing gaps during recoveries. Proactively addressing infrastructure needs helps municipalities avoid costly delays and ensures smoother transitions when market demand returns.

2. Peel Region is already adjusting to economic reality.

Peel Region reviews and adjusts its capital program annually using information on development demands and priorities, to manage costs and address evolving infrastructure needs, including:

- Adjusting project scope and phasing timelines, where possible
- Partnering with developers to fund infrastructure upfront
- Advancing preliminary planning and design to be “shovel-ready”

Key message: These measures taken within Peel Region’s control help address the challenge at hand, but they do not solve the funding gap. Despite proactive management and collaboration, additional external support and sustainable funding sources remain critical to meeting long-term infrastructure requirements.

3. The funding challenge is structural, not operational.

Three forces are converging:

- Housing construction has slowed, reducing development charge collections
- Legislative changes are discounting and delaying when development charges can be collected and DC incentives must be funded
- Infrastructure delivery cannot pause without major consequences

Key message: To continue supporting growth, Peel Region has had to rely heavily on borrowing. This is a short-term stop gap solution and is not sustainable.

4. The risks of inaction are significant.

Without timely provincial and/or federal support:

- New housing approvals may be paused in some areas
- Development capacity may need to be rescinded, affecting builders and buyers
- Transit projects and road works may be disrupted if infrastructure cannot be coordinated
- Costs will rise due to inflation and lost construction efficiencies

Key message: These outcomes directly conflict with provincial housing and affordability objectives. Immediate funding support is required to address current needs. A new approach to how growth is funded by all levels of government is required.

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CONCLUSION

Federal and provincial funding is needed now to ensure housing and infrastructure stay on track, prevent future bottlenecks and avoid higher costs. \$1.3 billion in funding is the additional funding support required to sustain Peel Region.



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