



Special Council re Canada-Ontario Development Charge Reduction Program Agenda

Wednesday, June 17, 2026 9:00 AM
Virtual - Zoom

Page

1. OPENING OF THE MEETING

- 1.1. Roll Call

2. ADOPTION OF AGENDA

- 2.1. Special Council Meeting regarding Canada-Ontario Development Charge Reduction Program Agenda Dated June 17, 2026
Recommendation: That the Special Council Meeting regarding Canada-Ontario Development Charge Reduction Program agenda dated June 17, 2026, be adopted as presented.

3. PURPOSE OF MEETING

The purpose of this meeting is to discuss the Canada-Ontario Development Charge Reduction Program and to obtain Council direction on a potential application from the Township prior to the intake deadline of June 19, 2026.

4. DISCLOSURE OF INTEREST

5. FOR DISCUSSION

- 5.1. Development Charge Reduction Program
[TR-03-26 - Development Charge Reduction Program - Pdf](#)
Recommendation: THAT Report TR-03-26 regarding Development Charge Reduction Program be received as information.

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6. CONFIRMATION BYLAW

Recommendation: THAT Bylaw 2026.50, being a bylaw to confirm the proceedings of the Special Council Meeting regarding Canada-Ontario Development Charge Reduction Program held on June 17, 2026, be considered read a first, second, and third time and finally passed.

7. ADJOURNMENT

Recommendation: THAT the Special Council Meeting of the Township of Ramara regarding Canada-Ontario Development Charge Reduction Program held on June 17, 2026, be adjourned at (time).



Staff Report #TR-03-26

Meeting: Special Council re Canada-Ontario Development Charge Reduction Program - 17 Jun 2026

Staff Contact: Carlie Fisher, Acting Treasurer

Subject: Development Charge Reduction Program

Suggested Motion

THAT Report TR-03-26 regarding Development Charge Reduction Program be received as information.

Background & Discussion

On June 1, 2026, the provincial and federal governments launched the Development Charge Reduction Program (DCRP), with applications due by 10 a.m. on June 19, 2026. This program is part of the Canada–Ontario Partnership to Build, announced on March 30, 2026, which would provide up to \$8.8 billion in new infrastructure funding to municipalities that reduce and maintain development charge (DC) reductions. Additional funding will also be made available for rural, small and northern municipalities, with more details to be announced at a later date.

While the program requires DC reductions of at least 30% to 50%, retroactive to March 30, 2026, municipalities are strongly encouraged to be as ambitious as possible in their DC rate reductions to secure as much funding as possible for their communities. Municipalities must put forward shovel-ready projects from their DC background study and capital plan that are anticipated to start construction no later than July 31, 2030, and be complete by October 31, 2035. The DCRP will fund up to a maximum of 90% of eligible project costs, with the Township required to fund all remaining of eligible project costs (minimum of 10%) from non-DC revenue sources. For this reason, staff are bringing forward this time-sensitive report to Council for consideration and decision.

The program requires municipalities that apply to reduce their development charges (DCs) for a period of three years in exchange for potentially receiving grant funding for infrastructure projects. Funding is competitive and not guaranteed.

While there is no explicit guarantee that funding will match the value of the DC revenue forgone, staff understand that the level of DC relief provided will strongly influence the amount of funding received. The program is designed to mitigate the financial impact of DC reductions and therefore suggests that municipalities may receive funding in a range comparable to the value of DC revenue foregone. However, this relationship is not assured, as funding is subject to project eligibility limits, the requirement that no more than 90% of eligible costs be funded, and a competitive evaluation process.

The Township of Ramara needs to decide:

1. Whether or not to apply to the program.

Development Charge Reduction Program

2. If the Township applies, how much of a DC reduction to offer.
3. Which projects to seek funding for.

The DCRP is a competitive, application-based program with a single intake. It requires municipalities to reduce DC rates, in effect on March 30, 2026, by 30% to 50% or greater and apply reductions across all residential development types and maintain reductions for a period of three years.

Analysis/Consideration

The fundamental choice for the Township of Ramara (and all municipalities who charge DCs in Ontario) is whether or not to apply to participate in the program. Participation is not mandatory. There are considerations that Council should be aware of with respect to both options. There are also some significant uncertainties that Council should be aware of prior to making a decision.

It should be noted that the primary beneficiaries of this funding are future taxpayers, as the program is intended to support growth-related infrastructure rather than provide direct financial benefit to the existing tax base.

Applications would be prioritized based on the depth of DC rate reduction and the number of housing units that would benefit from the DC relief provided to builders in their communities. Applications that provide for greater DC rate reductions (i.e. more than 30% to 50%) and higher municipal infrastructure project cost contributions (i.e. more than 10%) would be eligible to receive higher DCRP funding to support more cost-shared municipal infrastructure projects. The program guidelines do not say how much of a reduction is needed to achieve a given level of project funding.

The Township currently levies development charges on a Township-wide basis, with area-specific sanitary sewer and water development charges in place for Brechin/Lagoon City and Bayshore. An area-specific development charge for sanitary sewer and water services has not been established for the Rama Road service area although the relevant DC study has been completed.

It is also important to understand that the minimum 10% municipal contribution, as well as any ineligible expenses, is required will need to be funded from a non-DC revenue source (i.e. tax levy or other reserves).

Project Considerations

The Township has identified two potentially eligible projects through its Development Charges (DC) Background Study:

Project 1 – Rama Road Water and Sanitary Sewer

Identified in the 2024 DC Background Study, this project includes the creation of a new service area, including water and wastewater treatment facilities, linear works (mains, valves, maintenance holes, etc.) and associated equipment required to run these facilities including pumping stations, booster stations, and water towers. The infrastructure has been laid out in three phase buildouts to accommodate the growth; however, under this funding opportunity the full buildout would be considered.

Development Charge Reduction Program

Key Points:

- Total estimated cost: \$275,369,357 (2024 dollars)
- Potential DCRP contribution at 90% funded eligible costs: \$175,681,967
- Potential Township contribution (including ineligible expenses such as soft costs and benefit-to-existing users): \$99,687,390
- Estimated to enable approximately 3,567 new housing units
- Total cost per unit: \$77,199
- Total Township cost per unit: \$27,947
- While development charges are collected on a Township-wide basis, there is no applicable area-specific DC by-law for sanitary sewer and water services in this area.

Implication: As there is no existing DC rate specific to sanitary sewer and water services in this area, there is no rate to reduce for the purposes of the program, which may affect the Township’s ability to meet program requirements and could impact the likelihood of the project being approved.

Project 2 – Brechin/Lagoon City Sewer Servicing

Identified in the 2024 DC Background Study, this project includes the construction of a new treatment facility. The existing treatment facility is constrained with available land, and this facility will require additional property, as well as new facility capable of handling additional flows.

Key Points:

- Total estimated cost: \$51,690,600 (2024 dollars)
- Potential DCRP contribution at 90% funded eligible costs: \$10,817,460
- Potential Township contribution (including ineligible expenses such as soft costs and benefit-to-existing users): \$40,873,140
- Estimated to enable approximately 1,890 new housing units
- Total cost per unit: \$27,350
- Total Township cost per unit: \$21,626
- Subject to an existing area-specific DC bylaw
- Current work under the Health and Safety Water System – Municipal Housing Infrastructure Project (HSWS-MHIP) expands capacity with approximately 700 to 900 units, which will equate to full build out of the existing system

Implication: This project appears to be more directly aligned with program requirements, as the Township can reduce existing DC rates to meet eligibility criteria. The area-specific bylaw was paused when the study was completed to gather more information regarding the project scope and unit potential was better understood. Staff have continued to work with developers in the area; however, this information is still largely undefined.

Key Consideration

Rama Road is a large, high-growth project with no area-specific sanitary sewer and water services DC structure in place yet, while Brechin/Lagoon City is a smaller project, yet financially significant, with an established area-specific DC framework that better aligns with program requirements.

Development Charge Reduction Program

Options for Council Consideration

Option 1 – Do Not Apply to the DCRP

The key pros and cons of not applying to the program are as follows.

Pros

- No foregone DC revenue.
- No risk of being bound to future DCRP terms and conditions.
- No administrative burden (i.e. saved time) for Township staff.

Cons

- No opportunity to benefit from federal and provincial project funding under the program.
- Potential future pressure to make DC reductions outside of the DCRP.
- Pressure to build infrastructure at a later date, at increased costs.

Option 2 – Apply to the DCRP

The key pros and cons of applying to the program are as follows (these assume an application will be successful).

Pros

- Potential access to significant grant funding for shovel-ready projects and demonstration of support for housing supply and affordability.
- Potential ability to advance major infrastructure projects.
- Potential to accelerate growth.

Cons

- Foregone DC revenue is guaranteed.
- Funding is competitive and uncertain, and there is no guarantee that grant funding will offset or exceed the loss in DC revenue.
- Soft costs (e.g. design, engineering, legal fees, permitting, insurance) are ineligible for funding and are in addition to the municipal portion.
- No guarantee that new home sales or construction will increase. There is a risk that the capital infrastructure will not have the users to fund future operating costs.
- No guarantee that home prices will be reduced from what they otherwise would have been, as savings to developers may not be passed on to purchasers.
- Potential cash flow pressure. Funding is reimbursement-based (milestone payments). Lost DC revenue and unfunded costs may exceed grant funding.
- Funding could potentially be clawed back (repayable) if the housing targets are not met.
- Municipality is responsible for any cost overruns and financing costs associated to deliver the infrastructure.
- The benefit to existing share (non-DC share) is not eligible for grant funding and would still need to be funded from non-DC sources.
- There is a requirement that municipalities fund 10% of the eligible cost from non-DC sources.

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- Funding cannot be stacked with other applicable grants or funding programs for the same project, which may limit the Township's ability to access additional external funding opportunities.

Implications to the Township of Ramara

As of March 30, 2026, municipal development charges (County and School Board charges are excluded) levied for single or semi-detached residential dwelling were \$10,465 on a Township-wide basis; \$42,919 in the Bayshore area (inclusive of Township-wide and area-specific charges); and \$31,229 in the Brechin/Lagoon City area (inclusive of Township-wide and area-specific charges).

Single Family/Semi-Detached Residential Development Charges

Area	DC Rate as of March 30, 2026	DC (30% reduction)	DC (50% reduction)
Municipal (Township-wide)	10,465	7,326	5,233
Bayshore (Area-specific and Township-wide)	42,919	30,043	21,460
Brechin/Lagoon City (Area-specific and Township-wide)	31,229	21,860	15,614

Development charge revenue over the past four years has averaged approximately \$246,232 annually.

Year	2022	2023	2024	2025	Average 4-Year
DC Revenue by Year	\$338,524	\$206,321	\$227,011	\$213,072	\$246,232

Based on the historical average annual DC revenue of approximately \$246,232, a reduction of 30% to 50% would result in an estimated annual revenue loss of between approximately \$74,000 and \$123,000, respectively.

Alternatives

The alternative options are listed in the background & discussion portion of the report.

Financial Information

The potential lost DC revenue for a 30% to 50% reduction over three years is estimated at approximately \$222,000 to \$369,000. While funding is intended to help offset this loss, staff anticipate

Development Charge Reduction Program

that funding may be received in a similar range of \$222,000 to \$369,000. Therefore, even if funding is received in the anticipated range, it would represent only a very small portion of the overall project costs, and staff believe the Township would be responsible for the significant remaining balance, as the total cost of Rama Road Water and Sanitary Sewer is \$275,369,357 (2024 dollars), and the total estimated cost of Brechin/Lagoon City Sewer Servicing is \$51,690,600 (2024 dollars).

Strategic Priority Areas:

Do the recommendations of this report advance the Strategic Priority Areas of the Township?

- Yes No N/A

Which Priority Area(s) does this report support?

- Service Excellence
- Sustainable Infrastructure
- Community Connection
- Strategic Growth

It is recommended that Council ratify its decision at today's Regular Council Meeting.

Recommended Action:

THAT Report TR-03-26 regarding Development Charge Reduction Program be received as information.

Attachments:

[Schedule "A" - DCRP Program Guidelines](#)

Reviewed By

Approved By:	Department:	Status:
<i>Gayle Jackson, Chief Administrative Officer</i>	Chief Administrative Office	Approved - 16 Jun 2026
<i>Laura Pye, General Manager of Development and Infrastructure</i>	Building and Planning	Approved - 16 Jun 2026
<i>Rebecca Zanussi, Clerk</i>	Legislative Services	Approved - 16 Jun 2026



Development Charge Reduction Program

Program Guidelines

June 1, 2026

Application Deadline: June 19, 2026

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1. Program Overview

On March 30, 2026, Canada and Ontario announced the historic partnership, known as the Canada-Ontario Partnership to Build (COPB), in support of shared goals, including building more homes faster to make housing more affordable, getting shovels in the ground on key transit projects and supporting economic development.

The Development Charge Reduction Program (DCRP) delivers on a key pillar of the COPB commitment. The DCRP is an application-based program to provide up to \$8.8 billion in federal and provincial capital funding to enable Ontario municipalities to unlock more housing supply by:

- providing partial relief to their builder community from development charges (DCs) for three years; and
- prioritizing investments in housing-enabling infrastructure over ten years.

The following guidelines provide an overview of program details and requirements and act as a reference for municipal applicants. **Please review it in detail before applying for the DCRP and note that there will only be a single intake for this program.**

2. Program Objectives

A DC is a discretionary charge that a municipality can choose to levy on new residential developments **to pay for a portion of growth-related infrastructure costs** for services such as water, wastewater, stormwater, roads, transit, fire, ambulance, police and community centres.

Rising municipal DCs add to the cost of building homes and therefore, are considered a major barrier to unlocking the housing supply. This program is designed to address this barrier.

Eligible municipal applicants must commit to **reduce DC rates across the board (i.e., for all residential development types in all areas of the municipality) from their level as of March 30, 2026 and maintain that reduction for three years** to have eligible projects considered for funding.

The eligibility for the program also extends to municipalities that took early action – i.e., reduced and maintained low DCs prior to March 30, 2026.

Eligible projects must meet the following outcomes:

- Primarily enable the construction of new housing units;
- Accelerate the delivery and implementation of shovel-ready infrastructure projects in the municipality's DC background study and capital plan; and

- Be complete by October 31, 2035.

The funding intake is a competitive process. Funding approval is not guaranteed.

The Province reserves the right to deny any application regardless of whether all criteria have been met, and to reduce or otherwise adjust the funding amount for approved applications.

3. Applicant Eligibility

3.1 Overview

Eligible Applicants

Eligible applicants, (i.e., Ontario single, upper and lower tier municipalities), must meet the following eligibility requirements:

- Levy residential DCs i.e., have an active DC by-law in place as of March 30, 2026
- Provide an agreement-in-principle at the time of application to:
 - reduce DC rates, in effect on March 30, 2026, by 30% to 50% or greater and maintain the reduction for three years;
 - apply the DC rate reduction to all residential development types; and
 - where the application is submitted jointly, take all necessary actions to ensure that all non-signatory applicants expressly agree to and fully comply with all the above-noted obligations.

Please note that:

- the DC rate reduction must be inclusive of area-specific DCs, where those exist.
- the manner in which the DC rate reduction is arrived at – i.e., reducing the DCs for certain services or for all services by the same percentage is a municipal choice.
- actual DC reduction changes are to be in-effect immediately following the execution of the Transfer Payment Agreement (TPA). Any payments would be conditional on the applicant, including any non-signatory applicants, reducing and maintaining the DC rate reductions. In addition, municipalities would need to take such steps to ensure that developments that obtain building permit after March 30, 2026 receive the benefits of the DC reductions from this program. These steps may include where applicable, using the streamlined process introduced through Bill 17, the *Protect Ontario by Building Smarter and Faster Act, 2025*, to immediately reduce their DC rates in their DC by-law and post the new by-law on their website.

Eligibility for Applicants with demonstrated retroactive DC actions

To be eligible for program funding for retroactive actions, the applicable municipalities:

- must provide evidence of having reduced and maintained DC reductions of 30% to 50% across the board (i.e., for all residential development types);
- Maintain the DC reductions for a period of three years; and
- Ensure the DC relief is provided to builders, who created new housing (i.e., had building permits issued) during this three-year period.

Application Requirements

Eligible applicants would need to provide the following information in their application, other than the evidence with respect to the DC rate reduction as outlined above:

- An estimate of the number of housing units that will benefit from the reduced DCs (i.e., the DC relief provided to builders) and the resulting amount of DC relief;
- A reasonable estimate of the number of housing units that will be enabled by the proposed municipal infrastructure project(s);
- Proposed infrastructure projects for DCRP funding from within the municipal DC Background Study, and municipal capital plan. *Please note that municipalities considered for retroactive DC reductions can choose projects from the municipal capital plan that may not be in their DC background study.*
- Commitment to funding at least 10% of eligible municipal infrastructure project costs ; and
- Commitment to complying with the [Housing, Infrastructure and Communities Canada's Buy Canadian Policy](#) or [Municipal Buy Ontario Procurement Directive](#), as set out in the TPA.

Please note that **applications would be prioritized based on the depth of DC rate reduction and the number of housing units that would benefit from the DC relief provided to builders in their communities.**

Applications that provide for greater DC rate reductions (i.e., more than 30% to 50%) and higher municipal infrastructure project cost contributions (i.e., more than 10%) would be eligible to receive higher DCRP funding to support more cost-shared municipal infrastructure projects.

3.2 Joint Applications

Joint applications among municipalities (e.g., joint lower and upper-tier applications, or across municipal boundaries) are eligible, in circumstances where a single infrastructure project might span multiple municipalities. For example:

- Large-scale housing enabling infrastructure projects can span large land areas extending beyond a single municipality's borders.
- Complex infrastructure needs, i.e., where municipalities might require shared infrastructure, such as roads or water/wastewater projects, that necessitates coordination across municipal boundaries to ensure all areas receive necessary services.

If eligible applicants want to submit a joint project, then the primary applicant must submit it in a separate application. All municipalities that are part of the joint application are required to meet the eligibility criteria for the DCRP.

Important: The DC rate reduction commitment and impact information in the joint application should be consistently cross-referenced in all individual applications to enable a comprehensive understanding of the impact of the individual applicants' DC rate reduction relative to funding amounts requested across projects (joint and individual).

4. Project Conditions

4.1 Overview

The provision of the DCRP is governed by the Government of Ontario/Ministry of Municipal Affairs and Housing (Province/Ministry) and the Government of Canada/Housing, Infrastructure and Communities Canada (Federal Government/HICC). The TPAs between the Province and the recipient will set out the terms and conditions under which the Ministry agrees to provide funds to municipal applicants, and will provide additional details on payment schedules, reporting, audit, ongoing compliance and enforcement requirements.

The Province and the Federal Government will fund up to a maximum of 90% of eligible project costs, with the recipient required to fund all remaining of eligible project costs (minimum of 10%).

It is the Province's expectation that TPAs will be entered into with the primary municipal applicant, who is the owner of the infrastructure asset(s) and whose projects are approved by the provincial government and the federal government. The terms of any such TPA would require the recipient to take steps to ensure that all non-signatory applicants continue to meet the obligations outlined in these Guidelines.

4.2 Project Eligibility

Projects must comply with the following conditions to be considered eligible:

- (1) **Project construction start:** Projects must start no later than July 31, 2030.
- (2) **Project construction completion:** Project construction must be complete by October 31, 2035. [Completion means a project can be used for the purpose for which it was intended.]
- (3) **Development charge background study:** Projects must be included in the applicant's most recent DC background study supporting the DC by-law. *Please note that municipalities recognized for retroactive application would be eligible for putting forward infrastructure projects that are not included in their DC background study.*
- (4) **Capital plan:** Projects should be informed by an applicant's capital plan.
- (5) **Infrastructure Type:**
 - **Housing-enabling infrastructure projects would be prioritized, and these are projects that support creation of new housing units.**
 - Community infrastructure projects, that support the development of complete communities, will be considered for funding.
- (6) **Project Type:** A project can be new infrastructure and/or work to increase the capacity, size, scope or reach of existing infrastructure assets or systems to accommodate new growth.
 - Projects can be stand-alone or a component of a larger project.
- (7) **Financial sustainability:** Projects should have a financial plan in place to operate the asset(s) and should not be dependent on or seek senior level government support for operational funding or potential cost over-runs or escalations experienced on a project (unless that funding has been previously secured).
- (8) **Asset management plans:** Projects should be considered in the next update of the asset management plan, including incorporating the plan to fund/finance lifecycle costs.
- (9) **Duty to consult:** Where the duty to consult Indigenous communities is triggered, the municipal applicant must confirm that consultation has been undertaken. The municipality will be notified if the duty to consult has been met or if further consultation needs to be undertaken. If duty to consult has not been met at the time of the application being submitted to the Province, the municipal applicant must undertake to meet the duty to consult prior to undertaking site preparation or construction. The municipality

may be required to provide a complete consultation record and any accommodation measures adopted in response to consultation with Indigenous communities.

(10) **Accessibility standards:** Projects must meet or exceed the requirements of the Ontario Building Code.

The application must include a clearly defined scope of work, schedule, and list of dependencies to enable a comprehensive understanding of the project (financial, technical, risk, etc.).

Ineligible Projects:

- Projects that have started construction prior to a Transfer Payment Agreement (TPA) being fully executed;
- Planning and design work as stand-alone projects; and
- Projects that are for rehabilitating (i.e., extending the life or improve the quality, functionality or safety of an asset) and/or repairing existing municipal infrastructure.

4.3 Eligible Asset Types

Potable Water:

- Drinking water treatment facilities
- Drinking water storage assets
- Drinking water pump stations
- Local drinking pipes (transmit water from municipality to homes/businesses)
- Transmission drinking water pipes
- Metering as part of a larger potable water distribution system project
- Other types of potable water assets

Stormwater:

- Stormwater drainage pump stations
- Stormwater storage assets
- Stormwater pipes
- Stormwater diversion assets
- Stormwater retention assets
- Shoreline protection assets
- Other types of stormwater assets

Wastewater:

- Wastewater treatment
- Wastewater pump stations
- Wastewater lift stations
- Wastewater storage tanks

- Wastewater collection and/or conveyance
- Other types of wastewater assets

Fixed Transportation:

- Maintenance and storage facilities (charging stations)
- Roads and streets
- Bridges
- Tunnels
- Public transit exclusive tracks
- Public transit exclusive roads/lanes
- Public transit exclusive bridges
- Public transit exclusive tunnels
- Passenger stations/terminals
- Transit shelters
- Passenger drop-off facilities
- Other type of public transit fixed assets

Transportation Rolling Stock

- Heavy railcars (subway)
- Commuter railcars (locomotives and passenger)
- Light railcars
- Streetcars
- Specialized transit (para or handi transpo and dial a ride)
- Public transit buses
- Cutaway vehicles
- Service and support vehicles
- Other types of rolling stock

Public Safety and Emergency Services:

- Fire services:
 - Fire stations
 - Fire pumpers, aerials
 - Other fire assets
- Police services
 - Police detachments
 - Other police assets
- Paramedic services
 - Paramedics station space
 - Other paramedics assets

Community Infrastructure:

- Community centres (multi purpose facilities)
- Libraries
- Cultural centres
- Parks (including play structures)
- Local aquatics centres and pools
- Sports and recreation centres
- Local recreational arenas (i.e., ice-skating facilities)
- Child and youth centres
- Senior day centres
- Performing arts centres

4.4 Other Requirements

The application must demonstrate how it will meet the intended outcomes of the program. For example:

- a. **Unlocking Housing Supply:** Applicants must provide a reasonable estimate of the number of housing units that would be enabled as a result of the eligible project(s) and those that benefitted from the DC relief to builders.
- b. **Asset ownership:** Applicants must attest to owning and ensuring the operation of the infrastructure assets put forward for funding. Municipalities without current ownership must attest to acquiring and ensuring the operation of the infrastructure assets by the specified date.
- c. **Payments:**
 - All successful applicants would be funded on a milestone-basis.
 - Milestone-based funding means that provincial and federal funds would be distributed to successful applicants after they have provided a report to the government demonstrating that required milestones, as set out in the TPA, have been met. Milestone-based funding may include a requirement to provide information about project costs incurred.
 - Applicants must have a financing strategy in place to cover project costs upfront and unanticipated shifts in costs during the project such as cost escalations and overruns. **Recipients will be responsible for all cost over-runs and financing costs.**

4.5 Project Shovel-Readiness

Applicants that provide eligible projects that are shovel-ready at the time of application would be prioritized for program funding consideration.

The following are potential shovel-readiness indicators:

- Environment Assessment, as applicable
- Land acquisition
- Conceptual engineering
- Detailed engineering
- Planning and design
- Tender/contract awarded but construction has not started

In addition, availability of dedicated DC reserves towards the project will be considered in determining the shovel-readiness of the project.

Please note that the projects do not need to meet all the shovel-readiness indicators outlined above at the time of application, but the project must start construction no later than July 31, 2030, and be complete by October 31, 2035.

4.6 Development Charge Background Study

Eligible projects must be identified in the applicant's most recent development charge background study as a project that will begin by July 31, 2030.

Only project costs identified as recoverable through DCs (including inflation) based on the background study will be considered as project costs for an eligible project. This means that costs reflected as a benefit to existing development or funding post-period capacity will not be considered as eligible project costs.

4.7 Asset Management Plan

Eligible projects should be incorporated in the municipality's asset management plan by its next update, including the lifecycle management activities and financial management plan.

4.8 Provincial Land-Use Planning

Applications should ensure that the housing enabled by the eligible project is aligned with and supports provincial land use planning priorities and outcomes, as set out in provincial land use policy, municipal official plans and zoning by-laws.

Applicants are required to submit a copy of the applicable official plan schedule(s) and zoning by-law map(s) with the anticipated housing development lands clearly delineated.

5. Application Process

5.1 Number of Project Submissions

Each eligible applicant may submit more than one application individually or jointly with other municipalities. Within an application, applicants are encouraged to limit the number of eligible projects to five and bundle, as appropriate, smaller projects into larger ones. However, municipal commitments to DC reductions must be consistent across all applications (i.e., only projects may vary). The application requires municipal prioritization of projects with rationale.

Applicants are responsible for proposing project(s) and requested funding amounts that are reflective of the estimated amount of DC relief provided to builders and the proposed municipal contribution for each project. In cases, where an applicant will be reducing DC rates beyond 30% to 50%, this should be factored accordingly in the number and scale of project(s) proposed for program funding.

If eligible applicants want to submit a joint project, then the primary applicant must submit it in a separate application that does not include any individual projects.

Please note that projects that are housing-enabling (i.e., water, wastewater, stormwater, roads and transit) will be prioritized over community-building projects for DCRP funding.

5.2 Submissions and Funding Approval Steps

Step 1: Applicants must register or login online through the Province of Ontario's online grant portal, Transfer Payment Ontario (TPON). Step by step support for working with the online grant portal are found [here](#). Full details on the application can be found by following the Submitting for Funding link from the TPON landing page. When filling out the application, please review your organization's contact information carefully. If the Ministry of Municipal Affairs and Housing is unable to contact a project representative in a timely manner, an application may be deemed incomplete. Only authorized representatives of the applicant organization should be included on the form (consultants should not be named as the point of contact). Authorized representatives typically include an individual that can legally bind the organization (e.g., CAO, treasurer).

Step 2: The application form and supporting documents must be submitted online through the Transfer Payment Ontario (TPON) system by 10 a.m. ET on June 19, 2026. For a complete list of supporting documents please see Section 11: Application Package Requirements.

A scanned application form will not be accepted. Failure to meet minimum submission requirements will result in the submission being identified as incomplete and at risk of not proceeding to the evaluation portion of the application process.

For technical issues related to the submission of your application form or if you note any discrepancies in the pre-filled section of the application form, please contact Transfer Payment Ontario Client Care at 416-325-6691 or 1855-216-3090 or email TPONCC@ontario.ca for assistance. For all other program related questions, please contact DCRP@ontario.ca.

Step 3: Once the completed application form has been submitted, an automated acknowledgement of receipt and a file number will be emailed to the primary applicant.

Step 4: Projects decisions will be made by the Province and the federal government.

Step 5: Notification of project approval.

Step 6: TPA development. Once a project has been approved, the Province will provide the necessary TPA to the applicant for signature. The TPA sets out the terms and conditions of funding including:

- Outlining the recipients ongoing obligation to maintain the DC rate reduction, as agreed upon by the parties, for a period of three years, including any associated representations, warranties, covenants and undertakings.
- That any contracts for goods and/or services will be procured through a fair, transparent, competitive, value-for-money process and in compliance with Housing, Infrastructure and Communities Canada's Buy Canadian Policy or [Municipal Buy Ontario Procurement Directive](#), as applicable.
- That the applicant will fulfill all Duty to Consult and other requirements, e.g., Environmental Assessment if applicable.
- A detailed list of eligible and ineligible expenditures (see Section 7.4 and 7.5 for more details).
- Communication requirements (including project signage).
- Mandatory reporting requirements, including insurance obligations.
- Milestones for payment, including compliance and verification requirements.
- Any funding received by that municipality will be subject to the terms of the signed TPA.
- Additional requirements related to greenhouse gas emissions, climate adaptation measures, or other compliance obligations as determined by the Government of Canada, or Province of Ontario based on the nature, scope, and potential impacts of the project.

As the program implementation progresses, TPAs may need to be amended including, but not limited to, changes to the terms and conditions, updates to the program guidelines and requirements for program reporting and/or communications.

5.3 Key Dates

Applications and all supporting documentations must be submitted through TPON by **10 a.m. ET on June 19, 2026**.

Note: applications including all supporting documentation will not be accepted after this time and submissions cannot be changed after this deadline. **Failure to meet minimum submission requirements will result in the submission being identified as incomplete and at risk of not proceeding to the evaluation portion of the application process.**

The TPAs must be executed prior to August 15, 2026.

Projects must start no later than July 31, 2030, and be complete by October 31, 2035.

5.4 Project Description

A technical description of the proposed project should provide the Ministry adequate information to understand the scope of the project. Strong project descriptions include but are not limited to:

- Project location;
- Project Need and Timing;
- Type of asset;
- Length of project work;
- Project objectives and expected outcomes and benefits;
- Project scope and details;
- Nature of work; and
- Project risk and mitigation measures.

6. Assessment Process

6.1 Assessment Criteria

Ontario will assess complete applications with projects that meet program requirements primarily in relation to the following assessment criteria:

Criteria 1 – DC Rate Reduction

Applications will be assessed on the depth of their committed DC rate reductions with reductions beyond the minimum required being eligible for higher program funding.

Criteria 2 – Housing Impact

Applications will be assessed on the number of housing units enabled by DC relief provided to builders.

Projects that support housing-enabling infrastructure and the number of housing units enabled by the project will be prioritized for funding.

Criteria 3 – Municipal Contribution

Applications will be assessed on the amount of municipal contribution for each eligible project. While the minimum required municipal contribution is 10% towards eligible project costs, applications that provide for more municipal contributions for each eligible project would be eligible for higher program funding. Please note that ineligible project costs (i.e., soft costs) would count towards the municipal contribution amount for assessment purposes only.

While applications would be required to provide the estimated amount of DC relief provided to builders over three years, **the estimate provided must be reasonable. It may be audited to confirm variances between estimate and actuals as part of the TPA.**

7. Financial Matters

7.1 Cost-Sharing

Successful projects would be cost shared between municipal applicants, the province and the federal government. This includes a minimum of 10% of project expenditures covered by municipalities with the remaining 90% or less cost-shared by the province and federal government.

7.2 Funding Maximum

The maximum funding for municipal projects depends on the program uptake and the merits of each application.

7.3 Combining Funding from Other Sources (Stacking)

Eligible applicants can combine funding from other provincial and federal programs towards the proposed project(s) costs:

- subject to any existing conditions in previous agreements; and
- as long as the funding is not from housing-enabling infrastructure programs.

In addition, any combined (i.e., stacked) federal and provincial funding cannot count towards the municipal contribution.

Please note that, this program does not supersede previous intergovernmental funding agreements and eligible applicants would need to negotiate TPA changes with other signatory ministries as required.

7.4 Eligible Project Costs

For projects approved under DCRP, eligible project expenditures are those incurred for, and directly related to, specific project costs, incurred solely for the successful delivery of the project, and deemed to be reasonable by the Ministry, in its sole discretion.

Construction costs will not be covered until such time that all duty to consult (DTC) and/or environmental assessment (EA) requirements are fulfilled by the applicant. Costs related to the DTC and EA requirements, incurred after February 26, 2026, are eligible under the program.

Eligible project costs include:

- Land acquisition costs for the provincial share of funds only
- Hard costs (including costs of construction, labour, materials, and equipment)
- EA and DTC costs incurred after February 26, 2026

All project contracts for goods and/or services must be awarded in a way that is fair, transparent, competitive and consistent with value-for-money principles in accordance with Housing, Infrastructure and Communities Canada's Buy Canadian Policy or [Municipal Buy Ontario Procurement Directive](#), as applicable.

7.5 Ineligible Project Costs

Successful applicants are responsible and must pay for all ineligible project costs as well as any potential cost over-runs or escalations experienced on a project, which includes:

- 1) Soft costs, including those related to design, engineering, legal fees, and permitting and insurance. Please note that soft costs can be counted towards municipal contribution for assessment purposes only.
- 2) Other ineligible costs that cannot be counted towards municipal contributions.
 - Costs incurred after October 31, 2035;
 - Costs incurred for cancelled projects;
 - Any overhead costs, including salaries and other employment benefits of any employees of the applicant, any direct or indirect operating or administrative costs of applicants, and

more specifically any costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by the applicant's staff;

- Provincial sales tax, goods and services tax, or harmonized sales tax;
- Any costs eligible for rebates;
- Costs for operating expenses, including maintenance work; and
- Cost related to furnishing and non-fixed assets which are not essential for the operation of the asset/project

A more detailed list of eligible and ineligible expenditure categories will be set out in the TPAs entered into between the Province and the recipient. The Province retains the sole discretion to determine whether a project cost is eligible or ineligible.

7.6 Payments & Reporting

Funding will be disbursed to applicants once a report is submitted to the government demonstrating that required milestones, as set out in the TPA, have been met and the DC rate reduction will be maintained for three years.

Expenditures for projects will be disbursed, conditional on the recipient municipality completing project milestones and submitting appropriate reporting which is deemed satisfactory.

For illustrative purposes only, an example of a payment schedule is included below. Further information on payment schedules and required reporting schedules will be provided in the TPA.

Milestone	Supporting Documentation	Payment Amount
Milestone 1	Taken all necessary actions to authorize the execution of the Agreement and as applicable, updating the DC rates in the DC by-law. Any other reporting requirements requested by the Ministry.	Up to 10% of project Total Eligible Cost (TEC)
Milestone 2	Construction Contract Award confirmation and project progress report, including revised budget forecast. Any other reporting requirements requested by the Ministry.	Up to 10% of project TEC

Milestone	Supporting Documentation	Payment Amount
Milestone 3	Subject to the terms and conditions of this Agreement, the receipt, to the satisfaction of the Province, of the 30% Expenditure Documentation and Project Progress Report	Up to 10% of project TEC
Milestone 4	Subject to the terms and conditions of this Agreement, the receipt, to the satisfaction of the Province, of the 45% Expenditure Documentation and Project Progress Report	Up to 15% of project TEC
Milestone 5	Subject to the terms and conditions of this Agreement, the receipt, to the satisfaction of the Province, of the 65% Expenditure Documentation and Project Progress Report	Up to 20% of project TEC
Milestone 6	Subject to the terms and conditions of this Agreement, the receipt, to the satisfaction of the Province, of the 85% Expenditure Documentation and Project Progress Report	Up to 20% of project TEC
Milestone 7	Completion of project. Any other reporting requirements requested by the Ministry.	Up to 5% of project TEC
Milestone 8	Final Report, may include any or all supporting documents related to the project lifecycle. Any other reporting requirements requested by the Ministry.	Province's acceptance and approval of Final report– release of the final (up to) 10% of project TEC.

Further information on the actual payment schedule and required reporting schedule will be provided in the TPA. Additional reporting requirements may be required as part of ongoing project monitoring that are not outlined above and are not tied to any payment (e.g., project status).

Annual Reports

Recipient municipalities will be required to submit a DCRP annual report using a template to be provided by the Province. The year-end report will outline actual activities undertaken and expenditures incurred.

Reports must include:

- Actual and forecasted expenditures by activity, aligned with eligible categories;
- Reconciliation of funds received and funds spent, including previously banked funds;
- Actual DC relief provided for each year in the three-year DC reduction period;
- New housing units supported as a result of the DC relief for each year in the three-year DC reduction period (as evidenced by approvals for developments and the issuance of building permits);
- New housing units supported through the funded infrastructure project(s); and
- Other data and information, as specified in the TPA, such as use of Red Seal endorsed tradespeople and unionized labour, use of Canadian materials, goods and services, in accordance with Housing, Infrastructure and Communities Canada's Buy Canadian Policy or [Municipal Buy Ontario Procurement Directive](#), as applicable, and applicable climate change reporting.

Year-end reports are to be approved/authorized by municipal council or a delegated authority prior to submission. Year-end reports that are incomplete or not to the satisfaction of the province or not submitted by the deadlines identified in TPA may result in the province withholding the milestone payment.

The province will review year-end reports for alignment with municipal application, including eligible expenditures and to verify compliance with the DCRP TPA, DCRP program guidelines and any other applicable government directive or legislation.

8. Duty to Consult

As part of the application process for funding, applicants will be required to complete the Duty to Consult (DTC) Questionnaire found in the DCRP Application Form. This includes providing information related to outreach, engagement and consultation with Indigenous communities.

The Province reserves the right to withhold funding or recover funds utilized for construction-related activities if they began prior to DTC requirements having been met.

9. Contact Information

For program related inquiries, the Development Charge Reduction Program team can be reached by email at DCRP@ontario.ca. For inquiries related to the TPON system, please contact TPON at TPONCC@ontario.ca.

10. Outcomes and Indicators

Outcome Description	Indicator	Unit of Measure
Municipal DC rates are reduced	Extent to which developments are proceeding (i.e., building permits are issued) in the municipality Baseline: developments that were issued building permit in fiscal year 2025 (i.e., Apr 1, 2024 – Mar 31, 2025)	Year-over-Year increase in the number of building permits issued within the three year-period
New residential growth	Extent of housing units enabled	Number of new housing units that benefit from DC relief.
		Number of new housing units enabled by the investment in infrastructure.

11. Application Package Requirements

As part of the complete DCRP application, applicants will be required to submit the following through TPON:

- ✓ The DCRP Application Form which will provide information about your project proposal. The form also includes an attestation form in the appendices that need to be completed.
- ✓ Project Map clearly identifying all components in the project description in KML format (Refer to Section 12 “Maps in KML Format” below) and submitted as an attachment through TPON.
- ✓ Land use planning information related to proposed housing development (e.g., location, official plan designation and zoning for subject area, status of and information regarding any other land-use planning applications/approvals).
- ✓ The applicant may also be required to submit additional supporting documentation, including but not limited to:
 - DC by-law;
 - The latest DC background study with highlights on pages where the project is listed;
 - DC background study and/or Treasurer’s Statement showing DC reserve funds for the project (if applicable);
 - The capital budget/plan with highlights on pages where the project is listed

- Awarded tender/contract (if applicable);
- Applicable official plan schedule(s) and zoning by-law map(s) with the anticipated housing development lands clearly delineated;
- Lab results;
- Advisory orders;
- Secondary plans;
- Master infrastructure plans;
- Municipal structure inspection form;
- Engineering plans;
- Design reports; and/or
- Photographs.

12. Project Maps in KML Format

The provincial government requires a detailed KML file showing exactly where each work site/asset is located. This is not a picture or PDF map of the project location, but a digital spatial representation of the project location produced by a geographic information system.

12.1 What is a KML File

This simple file type, designed specifically for the visualization of geographic data, provides an accurate and detailed representation of the project and asset locations. Using a KML allows a variety of point, polygon, and line data to be represented spatially with detail and consistency.

A KML file identifies project-specific spatial information which will help reviewers understand the nature and location of your project as well as the work that you are proposing to do.

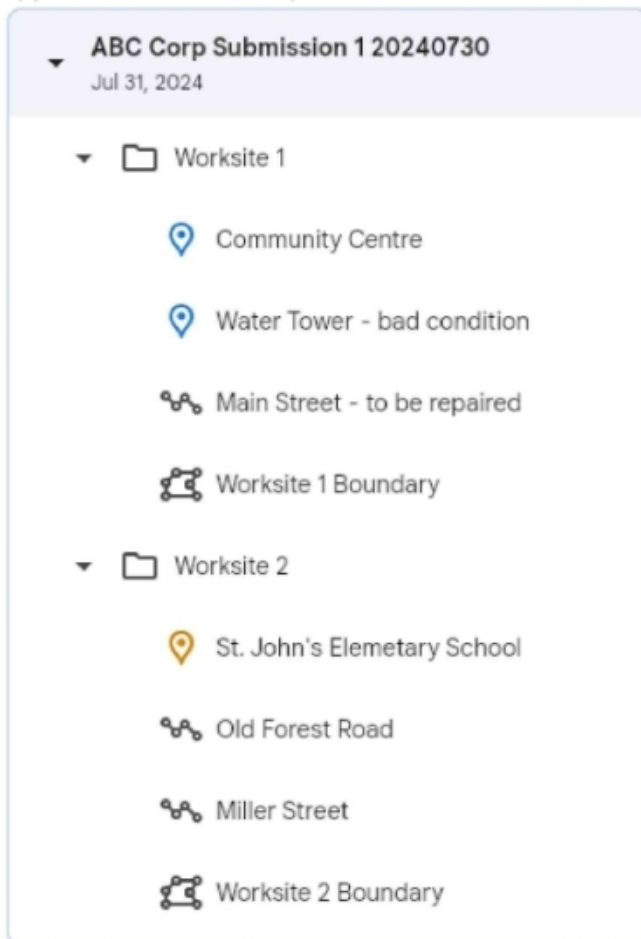
A submitted KML file must include a geometry for each element/asset of the project you are applying for.

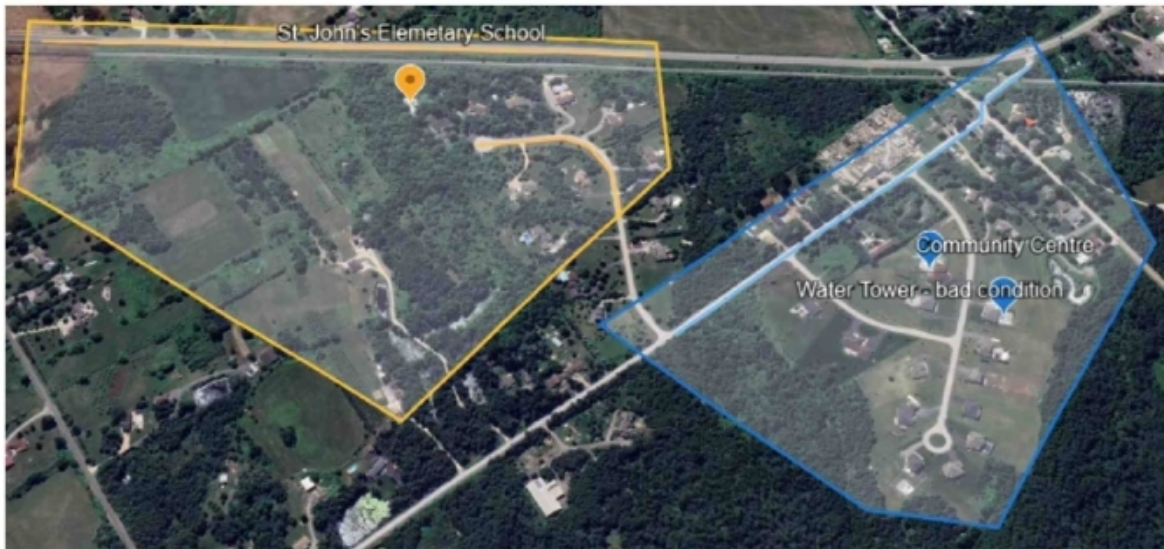
Every submitted KML file must include geometries representing the location of the asset on the ground. Geometries can be of three different types:

- **Placemark (point):**
Use placemarks, or points, to represent discrete points on a map (small areas). Examples include: buildings, water towers, hydro poles, bridges, etc.
- **Path (line):**
Use paths, or lines, to represent elongated features over larger distances such as roads, water mains, trails, rivers/streams, etc.

- Polygon:
Use polygons to represent two-dimensional shapes that cover larger areas. Examples include parks, lots and concessions, project boundaries and large water bodies such as lakes and ponds.

See the below images for an example of a nicely structured KML file in Google Earth. Note that these images are meant for general reference for KML creation and may not reflect the data the applicant is meant to capture.





12.2 KML Submission Structure

- 1) When creating a KML file, the naming convention of the file should include:
 - Applicant name
 - Name of submission
 - Date of submission (yyyymmdd)

An example KML name would be: 'ABC Corp - Submission 1 - 20240730'

- 2) When adding geometries (placemarks, paths or polygons), each geometry should include:
 - Name:

Ensure that each geometry is clearly named with the asset type and key identifying information. For example, the condition of the asset should be included in the name where applicable (and expanded upon in the description – see below). It should be clear to the reviewer what each geometry represents based on the name. Examples:

 - i. A path (line) geometry named 'Main Street – to be repaired'
 - ii. A point bridge geometry named 'Elora Bridge – good condition'
 - iii. A polygon geometry named 'Worksite 1', displaying the boundary of the proposed worksite(s) of the applicant.
 - Description (Recommended):

Add a description to the geometry for any additional information that cannot be captured in the name. Every geometry can be edited and a description added.

- Images/Videos (Optional):
Attach an image or video file/URL to a geometry to provide further context to an asset.

3) When editing a KML file, use folders to categorize key information types. Note that you can further subdivide groups of geometries by adding sub folders. In general, there should be a folder for:

- Key application information:
For example, label the folder 'New infrastructure to be built'
 - i. You may add sub folders by asset type. For example, a 'Bridges' sub folder, or a 'Assets in Critical Condition' subfolder.
- Supplemental application information:
This may or may not be necessary depending on your application. This could include items like site administration centers.

The applicant may choose an alternative folder structure, as long as it clearly identifies intuitive groupings of geometries for the reviewer.

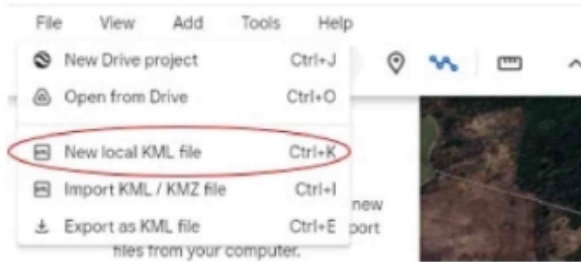
12.3 How to Create a KML File

A KML file can be created easily by anyone using Crown-Indigenous Relations and Northern Affairs Canada's (CIRNAC) publicly available Aboriginal & Treaty Rights Information System (ATRIS) web-based application or Google Earth's free web application, as well as other geographic software packages like ArcGIS or QGIS. This guide will walk you through the steps to do so using Google Earth or ATRIS.

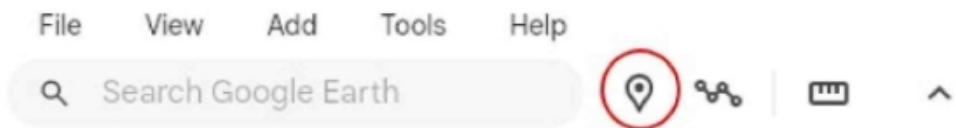
Create a KML File using Google Earth:

1. Open Google Earth.
 - Go to the [Google Earth website](#) and click 'Launch Earth'.
2. Navigate to your area of interest.
 - Use the search bar or manually navigate to the area where you want to create your KML.
3. Create a new KML.
 - In the top left of Google Earth, click 'File', then click 'New local KML file'. This will create a new KML file to add geometries in. Ensure you name the KML file following the conventions in the KML Submissions Structure section, ie. Applicant Name

followed by the date of creation ('yyyymmdd').

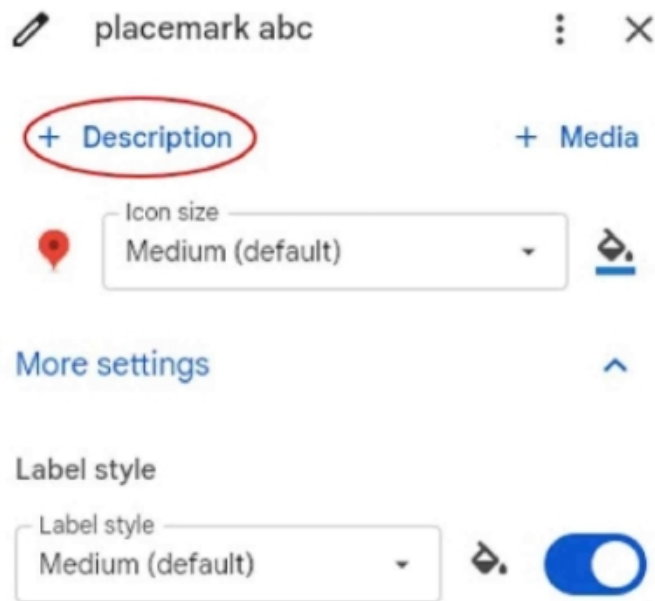


- Note that there is also an option to import existing KML's you've created 'New local KML file'.
4. Draw geometries. There are three types of geometries you can draw; placemarks, paths and polygons. Note that you can edit any geometry after it is created.
- Add Placemarks (point geometries):
 - i. Click on the Placemark button (the pushpin icon) in the toolbar.



- ii. A new placemark will appear at the center of the view. You can drag it to the exact location you want.
- iii. In the pop-up window that appears, give the placemark a name that properly identifies this feature (see KML Submission Structure section). Add a

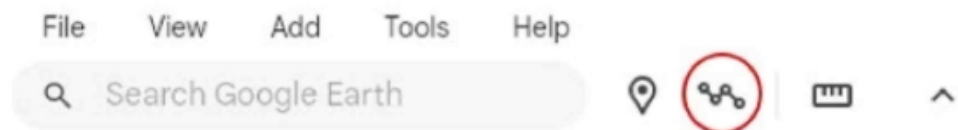
description to provide further context to the feature.



- iv. Optional: click the icon image to change the icon symbol. This helps the viewer to visually differentiate between placemarks. For example, give bridge placemarks that same symbol.
- v. When done, click OK to save the placemark.

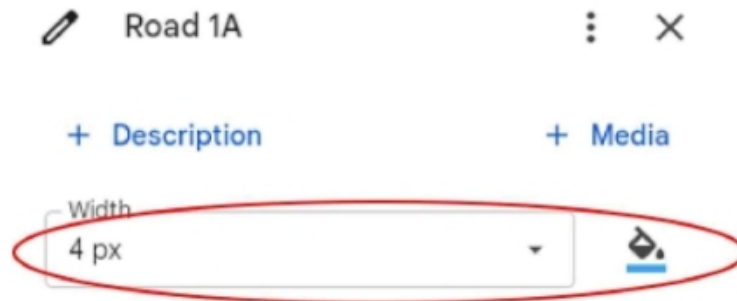
- Add Paths (line geometries):

- i. Click on the Path button (the lines icon) in the toolbar.

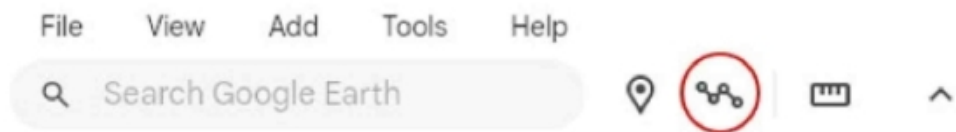


- i. Click on the map to start drawing your path. Each click will add a point to the path.
- ii. Once you finish drawing, give the path a name that properly identifies this feature (see KML Submission Structure section). Add a description to provide further context to the feature.

- iii. Optional: you may adjust the line width and line colour to help visually differentiate different types of lines.



- iv. Click OK to save the path.
- Add Polygons:
 - i. Click on the Path button (the lines icon) in the toolbar.

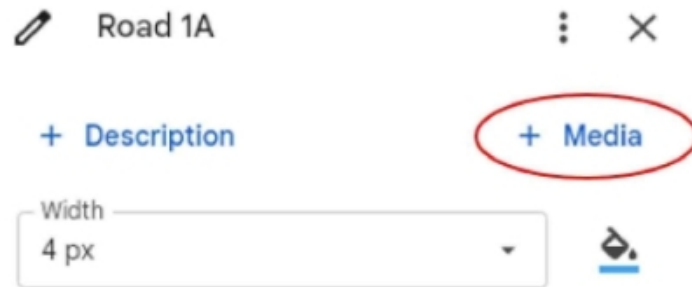


- ii. Click on the map to start drawing your polygon. Each click will add a point to the polygon. Note that this operates identically to creating a path. The only difference is, to make a polygon geometry, you must close the linework by meeting the end of the line with the start of the line. When you hover over the end of the line, you should see 'Close shape' appear. Click to close the line and create a polygon.



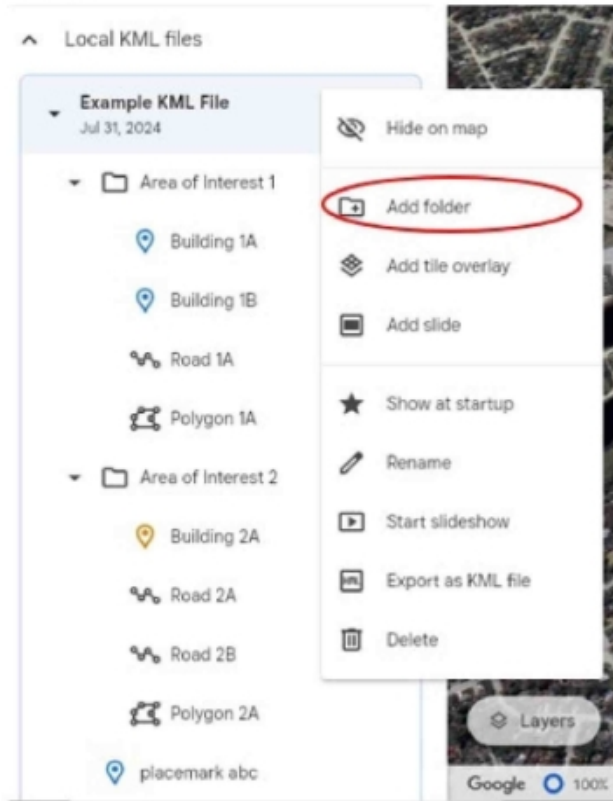
- iii. Once you finish drawing, give the polygon a name that properly identifies this feature (see KML Submission Structure section). Add a description to provide further context to the feature.
- iv. Click OK to save the polygon.

- Note on images:
Every geometry can have an image or video attached to it. It is recommended to do so to provide further context to a geometry. To attach a picture to a geometry, edit the geometry and select 'Media' then 'Upload image file'.



5. Organize your geometries by creating folders:
 - You can create folders in the KML panel to organize your placemarks, paths, and polygons. To do so, hover over the name of the KML file (in the example below, the KML file is named 'Example KML File'), select the three dots, then click 'Add

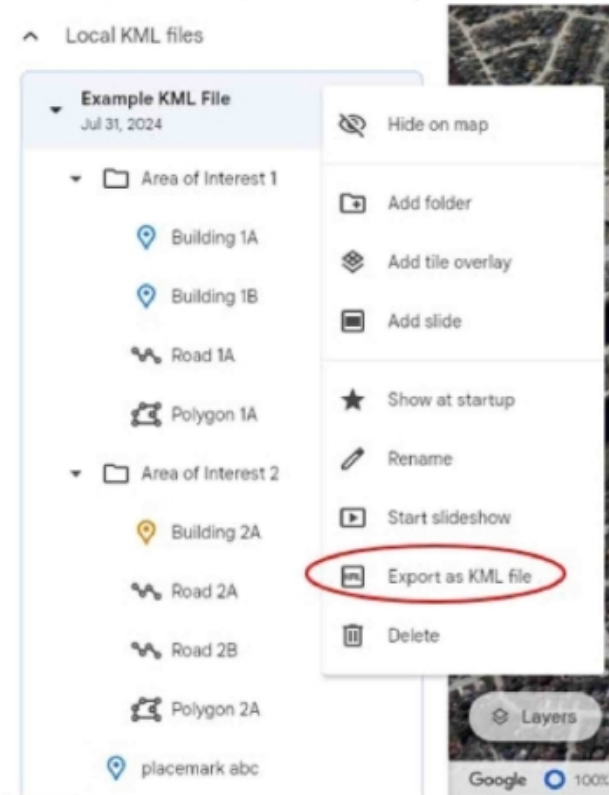
Folder:



- Name the folder appropriately. Use intuitive names for grouping like geometries. You can also create nested sub-folders to further categorize the geometries.
- You can easily drag and drop geometries between folders.

6. Export your KML File.

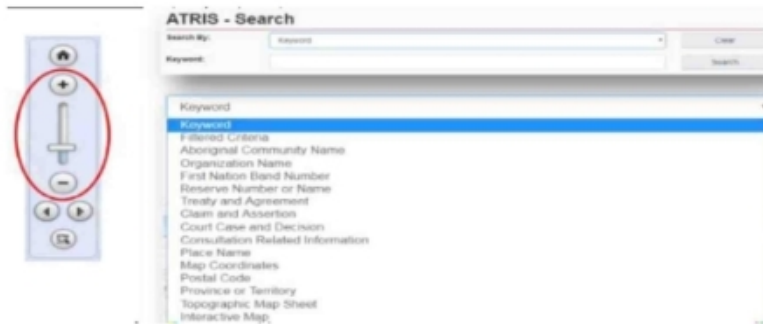
- To export your KML file to your local computer, hover over the name of the KML file, select the three dots, then click 'Export as KML file'.



- The KML file should keep the name you gave it and will save to where your browser downloads.
- You are now ready to submit your finished KML file. If you need to, you can import the KML file back into Google Earth and make edits.

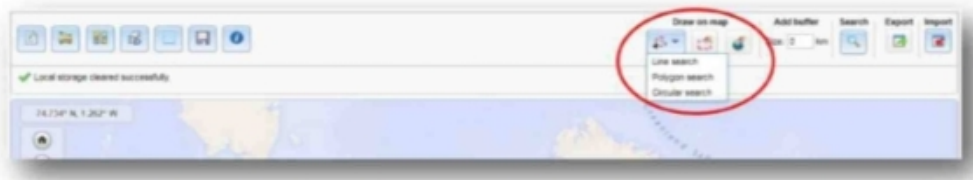
Create a KML File Using ATRIS:

1. Navigate to CIRNAC’s publicly available ATRIS web-based application using this link: http://sidait-atris.aadnc-aandc.gc.ca/atris_online/Content/Search.aspx
2. Navigate to the project location in the map viewer, either by clicking, dragging, and scrolling to zoom, or using the various search options available in the ‘Search By:’ drop down menu.



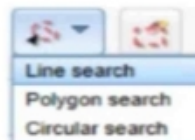
Draw your project on the map in the exact location using the “Draw on map” tools drop down located in the top right of the ATRIS interface. You may draw as many components of varying types (point*, line, polygon) as necessary to be saved as one single KML file.

*ATRIS users will not be able to create a geometry “point” in GIS terms, but the “Circular Search” option allows users to create circular polygons able to mimic points in terms of scale.

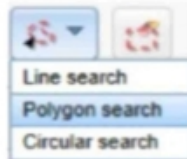


Choose the appropriate drawing tool for the type of component you are drawing:

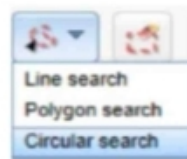
- Line search – Click as many times as necessary to create a line that represents your linear project feature. Double click to complete.



- Polygon search – Click as many times as necessary to create a closed polygon that represents the project feature. Double click to complete.



- Circular search – Click on the map to automatically create a circle. To create a smaller circle similar to a point, zoom in as close as possible on the map before clicking. Alternatively, click and drag, then release to draw a circular project feature yourself.



If at any time you wish to erase anything you've drawn, use the following two options:

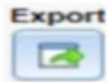
- Erase by Extent: Click and drag to create a shape around what you want to delete. Anything intersecting the box will be deleted when you release.



- Global Erase: This will erase everything on the map. Click OK when prompted to clear the map viewer and start fresh.



3. Once you are satisfied with the drawn representation of your project, click the 'Export' button.



The .KML will download as 'SearchAreas.kml' (unless you have specified otherwise) to the location where your browser saves downloads. The file name can be changed to something that reflects the project name before sending it in with your application.

Once saved, the KML file is ready to be uploaded. Should you need any further assistance with ATRIS, please visit the following link to find more information about ATRIS training webinars:

[Aboriginal and Treaty Rights Information System \(rcaanc-cirnac.gc.ca\)](http://rcaanc-cirnac.gc.ca)

Development Charge Reduction Program – Frequently Asked Questions (FAQs)

June 1, 2026

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Applicant Eligibility

1. Who is eligible to apply to the program?

Eligible applicants include all three tiers of municipalities (i.e., single, upper and lower tier) in Ontario as defined under the *Municipal Act, 2001*, that levy residential development charges with a development charge by-law in place as of March 30, 2026.

For questions on the program or eligibility, please see program guidelines or email DCRP@ontario.ca.

2. Can municipalities that implemented DC relief measures prior to March 30, 2026 apply for this program?

In order to be eligible for program funding for retroactive actions, the applicable municipalities must, in their application:

- provide evidence of having reduced, or committing to continue to reduce, DC reductions of 30% to 50% across the board (i.e., for all residential development types);
- commit to maintaining the DC rate reductions for a period of three years; and
- ensure that the DC relief was provided to builders, who created new housing (i.e., had building permits issued) during the applicable three-year period.

3. How does the application process and eligibility for the program impact upper and lower-tier municipalities?

All eligible lower-tier and upper-tier municipalities that own and levy development charges (DCs) on housing-enabling infrastructure and community infrastructure are eligible to submit applications.

Definitions for lower-tier, upper-tier, and single-tier municipalities are provided in the *Municipal Act, 2001*.

4. Is an applicant allowed to submit more than one application?

Applicants may submit more than one application individually or jointly with other municipalities. Within an application, applicants are encouraged to limit the number of eligible projects to five and bundle smaller inter-related projects into larger project submissions.

However, municipal commitments to DC reductions must be consistent across all

applications (i.e., only projects may vary). For more details, please refer to Section 5.1 of the Guidelines for more details.

DC Reduction Commitment

5. What are the minimum required DC rate reductions?

Eligible applicants must provide an agreement-in-principle to reduce residential development charge (DC) rates in effect on March 30, 2026, by 30% to 50% or greater and maintain the reduction for three years as part of their application.

6. Can the development charge (DC) rate reductions apply to specific types of housing or are they required to be applied to all types of housing?

Eligible applicants would need to reduce DC rates across the board - i.e., for all residential development types in all areas of the municipality from their DC level as of March 30, 2026 and maintain that reduction for three years.

7. How should the DC rate reductions be determined in municipalities with area-specific DCs?

Eligible applicants can determine the manner in which the DC rate reduction is arrived at – i.e., reduce the DCs for certain services or reducing all services by the same percentage is a municipal choice.

8. How long should the DC rate reduction be maintained?

Eligible applicants are required to reduce DC rates by 30% to 50% or greater and maintain the reduction for three years. That means DC rate reductions would need to be applied to effective DC rates as of March 30, 2026 and maintained for a three-year period.

Eligible applicants, if successful, would need to ensure they take the necessary steps to extend the DC relief benefit to builders, who were issued a building permit for an eligible residential development on/after March 30, 2026.

Project Eligibility

9. What type of projects are eligible for funding through the program?

A project can be a new build and/or work to increase the capacity, size, scope or reach of existing infrastructure assets or systems to accommodate new growth. Projects that are for rehabilitation (i.e., extending the useful life or improving the quality, functionality or safety of an asset) and repair are considered ineligible.

Eligible projects also must be included in the applicant's most recent DC background study and capital plan.

The only exception is for municipalities that are applying to get recognition for DC relief provided prior to the March 30, 2026 announcement of the Canada-Ontario Partnership to Build. They can request funding for projects which may only be included in their capital plan.

For more details, please refer to Section 4.2 in the Project Guidelines.

10. Does the project have to be a part of the applicant's most recent development charges background study and capital plan?

Projects **must** be included in the applicant's most recent DC background study and capital plan. The infrastructure projects which are put forward by municipalities that are recognized for retroactive reductions could be in their capital plan but not in their DC background study.

The only exception is for municipalities that are applying to get recognition for DC relief provided prior to the March 30, 2026 announcement of the Canada-Ontario Partnership to Build. They can request funding for projects which may only be included in the capital plan.

11. Which asset types are eligible for the program?

The following asset types will be eligible for the program:

- **Potable water assets** (e.g., treatment plants, reservoirs, local pipes including the distribution system watermain and the recipient's portion of service lines, pump stations).
- **Wastewater assets** (e.g., pump stations, lift station, treatment plants, storage tanks and collection systems).
- **Stormwater assets** (e.g., management facilities, linear assets including conveyance piping/ditches/culverts).
- **Fixed transportation assets** (e.g. roads, bridges, tunnels, maintenance and storage facilities, public transit assets).
- **Transportation rolling stock** (e.g., heavy railcars [subway], commuter railcars, light railcars, streetcars, specialized transit, public transit buses)
- **Public safety and emergency services assets** (e.g. fire stations, pumpers and aerials, police detachments, and paramedic stations).
- **Community infrastructure assets** (e.g. sports and recreation centres, parks, cultural centres, libraries and community centres).

12. Are there minimum project contribution requirements to be eligible for the program?

Eligible applicants are required to contribute a minimum of 10 per cent towards their eligible project(s) costs. Projects with higher municipal contributions would be eligible for higher amount of funding from the program.

Eligible applicants can combine funding from other provincial and federal programs towards the proposed project(s) costs:

- subject to any existing conditions in previous agreements; and
- as long as the funding is not from housing-enabling infrastructure programs.

In addition, any combined (i.e., stacked) federal and provincial funding cannot count towards their municipal contribution.

Please note that, this program does not supersede previous intergovernmental funding agreements and eligible applicants would need to negotiate TPA changes with other signatory ministries as required.

13. What type of project costs are eligible for the program?

Eligible project costs are those incurred for, and directly related to, specific project costs, which include:

- Land acquisition costs for the provincial share of funds only
- Hard costs (e.g., costs related to construction, labour, building materials, and equipment).
- Costs related to the duty to consult (DTC) and Environmental Assessment (EA) that incurred after February 2026, 2026.

Other project costs (e.g., soft costs, overhead costs, taxes, etc.) are considered ineligible. However, soft costs, including those related to design, engineering, legal fees, permitting and insurance, would be counted as municipal contribution for assessment purposes only.

For more details, please refer to Sections 6.1, 7.4 and 7.5 in the Project Guidelines.

14. Does an applicant have to demonstrate shovel-readiness of their projects? What is the definition shovel-readiness?

Yes, eligible projects that are shovel-ready at the time of application will be prioritized based on their state of shovel-readiness. Projects are required to start construction no later than July 31, 2030 and be completed by October 31, 2035.

Eligible applicants will be required to provide evidence that demonstrates the project being

shove-ready (e.g., KML project map, awarded tender/contract etc.).

Shovel-readiness indicators considered include the extent to which the following requirements have been completed:

- Environmental Assessment, as applicable
- Land acquisition
- Conceptual engineering
- Detailed engineering
- Planning and design
- Tender/contract awarded but construction has not started

In addition, availability of dedicated DC reserves towards the project will be considered in determining the shovel-readiness of the project.

15. Does the land need to be acquired before an application is submitted? Is land acquisition an eligible expense under the program?

Priority will be given to those projects that are shovel ready. Projects that have completed land acquisition are considered more shovel-ready than those that have not.

Land acquisition costs are eligible for the provincial share of the DCRP funds only.

16. Do all the necessary Environmental Assessment studies need to be completed to be eligible for this funding? If they are not completed does this make a project ineligible?

It is not necessary to have all of the Environmental Assessment (EA) studies completed. However, priority will be given to those projects that are considered shovel-ready (i.e., construction will commence prior to July 31, 2030) and completion of EA activities is considered a positive indicator of shovel-readiness.

Project costs related to the EA that are incurred after February 26, 2026 will be eligible for program funding consideration.

Projects may not begin construction until applicable EA requirements are met.

17. Does the design and planning phase need to be complete in order for a project to be eligible? What if we have a completed feasibility study, but require funding for design and construction?

Planning and design do not have to be complete at the time of application. However, priority will be given to those projects that are considered shovel-ready and completion of planning

and design activities is considered a positive indicator of shovel-readiness.

Funding under the DCRP will not be provided for planning and design among other soft costs. These costs can be considered to be part of the municipal contribution for assessment purposes only.

18. Will projects that have been tendered/awarded but not actually started yet be eligible? Can we tender before funding is awarded?

Projects eligible for funding can be tendered and awarded but cannot start construction until a Transfer Payment Agreement (TPA) is fully executed.

19. Can a project submission include eligible costs from a combination of assets such as water (e.g., distribution system), transportation (e.g., roads) and wastewater (e.g., pipes). For projects where more than one eligible asset type is included, where can information on the other asset(s) included in the project be submitted?

Applicants must select only one primary asset type per project.

20. If a submitted project scope forms part of a larger construction project, which is tendered prior to notification of receipt of funding, but commencement of funding-related construction is delayed until after notice of successful application is received, is the project still eligible for funding?

Projects can be stand-alone or a component of a larger project.

Tendering for the component of a larger project may occur prior to provincial and federal approval. However, should your project be approved, contract award documentation will need to be provided showing the construction dollar amount and activities for the specific DCRP project.

Funding-related construction must not start prior to project approval and duty to consult requirements being met and communicated by the Province.

However, the eligible funding will flow to eligible municipalities over the next ten years once an annual report is submitted to the government demonstrating that required milestones, as set out in the TPA, have been met and the DC rate reduction will be maintained for three years.

Project Conditions

21. Can a single project include multiple tenders for phased work within a continuous area?

One single project may include multiple tenders. However, tenders may be awarded but construction cannot have started until a Transfer Payment Agreement is fully executed.

22. What kind of documents, engineering studies or plans show a good level of project readiness?

Documentation to demonstrate project readiness would vary depending on the project type.

Project readiness will be assessed based on engineering/geoscience studies (depending on project) that identifies the scope of the issue and the overall impact of the completion of the project (including project planning and engineering status/completed, environmental assessment or Master Plan status, requisite approvals/permits acquired, etc.)

Applicants should identify, among others, the state of completion of their engineering studies (conceptual, basic, and detailed engineering), and the status of their environmental assessment, where applicable.

Key Dates

23. What is the application intake period and how can applications be submitted?

Application intake opens at **9:00 a.m. ET on June 1, 2026**.

Municipal applicants will have until **June 19, 2026, at 10 a.m. ET** to submit their applications.

Applications must be submitted through the [Transfer Payment Ontario \(TPON\)](#) page where applicants can access the application form, the program guidelines document, and can upload supporting documents.

24. What are the eligible start and end dates for projects?

Projects must start no later than **July 31, 2030**, and must be completed **no later than October 31, 2035**. The project start could include pre-construction work (i.e., design, planning, engineering, project management, etc.) or construction (i.e., shovels in the ground). However, construction must not start until the following requirements have been met:

1. the province has approved the project and a Transfer Payment Agreement has been signed, and
2. the successful applicant has received confirmation in writing from the province that duty to consult requirements have been met.

25. What is the duration of the program?

The program will support projects over ten years. Successful applicants will have until October 31, 2035, to complete their project(s).

Assessment Process

26. How will applications be evaluated?

Applications that are complete and include all supporting documentation will undergo a comprehensive evaluation. Applications will be initially evaluated on application completeness, eligibility and meeting program outcomes.

Once an applicant has met program requirements, applications will be assessed on their merits within the context of the overall demand of funds in the program.

Assessment criteria will largely focus on level of DC rate reduction, the housing impact and the municipal contribution to the project.

Projects that are shovel ready and housing-enabling would be prioritized for funding.

27. How will DC reductions be considered in the assessment of applications?

Applications would be assessed on the depth of their committed DC rate reductions and in particular, DC rate reductions beyond the minimum required would be eligible for higher program funding.

28. How will the housing impact be considered in the assessment of applications?

Assessment related to housing impact will consider the level of DC relief provided to homebuilders as projected by municipalities.

However, the number and types of housing enabled by the projects submitted would be considered in the prioritization of projects.

29. Are applicants providing more than the minimum 10% contribution towards eligible project costs scored higher?

Applications that provide for a higher municipal infrastructure eligible project cost contribution (i.e., more than 10%) would receive greater consideration in the amount of funding received under the DCRP. Please note that while soft costs are considered ineligible project costs, they can be counted towards the municipal contribution amount for assessment purposes.

30. Where can applicants submit additional information (e.g., supporting documents)?

Supporting documentation that is required to support your application must be uploaded to TPON. For a list of supporting documentation that may be applicable as part of an application, please see Section 11 of the Program Guidelines.

31. How will applicants with limited internet access and/or barriers to access to TPON be accommodated?

If you experience issues with accessing TPON, applicants can email DCRP@Ontario.ca for additional support. However, applications are expected to be submitted through TPON.

32. What types of maps must be submitted with the application?

Please include a project map clearly identifying all components in the project description in KML format (please refer to Program Guidelines - Section 12 “Maps in KML Format” for instructions). Applicants may also submit a copy of the applicable official plan or housing plan for housing units being maintained/protected by the project.

33. Will the Asset Management Plan be used for assessment?

For the project to be eligible, it is required to be incorporated in the municipality’s asset management plan by its next update, including the lifecycle management activities and financial management plan.

Financial Matters

34. What is the maximum funding available per project?

The maximum funding for municipal projects depends on the number of applicants to the program and the merits of each application.

The province and the federal governments will fund a maximum of 90% of eligible project costs with the recipient required to fund all remaining project costs.

Table 1. Example: Funding for One Recipient.

Value of Project	Provincial Contribution (90% maximum)	Recipient Contribution (10% minimum)
\$5 million	\$4.5 million (90%)	\$0.5 million (10%)
\$48 million	\$38.4 million (80%)	\$9.6 million (20%)

35. What other types of funding (i.e., stacking) are allowed for the program?

Eligible applicants may not combine (i.e., stack) other federal and provincial funding towards their municipal contribution.

In addition, funding from other housing-enabling infrastructure programs cannot be used to fund eligible projects under this program.

36. Can the province advise on how to source the 10% minimum applicant contribution?

The Ministry cannot provide specific advice on how applicants should fund their contribution.

Applications would be assessed on the amount of municipal contribution for each eligible project. While the minimum required municipal contribution is 10% towards eligible project costs, applications that provide for more municipal contributions for each eligible project would be eligible for higher program funding.

Duty to Consult Requirements**37. Will a duty to consult (DTC) review be required?**

Yes. Projects may only begin capital work (e.g., physical construction, removal of vegetation or site preparation), provided that funding approval has been received from the province **and** it has been confirmed in writing that duty to consult (DTC) requirements have been met.

Projects that proceed with construction or site preparation **prior to program approval** or receiving written confirmation from the province that DTC requirements have been met will not be eligible for funding.

Projects must start no later than July 31, 2030 and complete construction by October 31, 2035.

38. What is the duty to consult (DTC) review process?

The Crown may have a Duty to Consult (DTC) and, where appropriate, accommodate Indigenous communities (e.g., First Nation, Inuit and Métis peoples) if an activity is contemplated that may adversely impact an Aboriginal or treaty rights.

Where the duty to consult Indigenous communities is triggered, the municipal applicant must confirm that Indigenous consultation has been undertaken. The municipality will be notified if the duty to consult has been met or if further consultation needs to be undertaken. If duty to consult has not been met at the time of the application being submitted to the Province, the municipal applicant must undertake to meet the duty to consult prior to undertaking site preparation or construction. The municipality may be required to provide a complete

consultation record or any accommodation measures adopted in response to consultation with communities.

Contact Information

39. What is the contact information to ask questions for DCRP?

For program-related inquiries, the Development Charge Reduction Program team can be reached by email at DCRP@ontario.ca. For inquiries related to the TPON system, please contact TPON at TPONCC@ontario.ca.