

Third Annual Regional CAOs' Address: Community Building in Uncertain Times: Agility in Regional Government

Speakers:

Elaine Baxter-Trahair, Chief Administrative Officer, Regional Municipality of Durham

Erin Mahoney, Chief Administrative Officer, Regional Municipality of York

Gary Kent, Chief Administrative Officer, Regional Municipality of Peel

Moderator:

Gabriel Eidelman, IMFG Faculty Fellow; Assistant Professor, Teaching Stream, Munk School of Global Affairs and Public Policy; Assistant Professor, Teaching Stream, Institute for Management and Innovation; School of Cities Faculty Fellow

June 13, 2025

@imfgtoronto | #IMFGtalks

Land Acknowledgement

We wish to acknowledge this land on which the University of Toronto operates. For thousands of years it has been the traditional lands of the Huron-Wendat, the Seneca, and most recently, the Mississaugas of the Credit. Today, this meeting place is still the home to many Indigenous people from across Turtle Island and we are grateful to have the opportunity to work on this land.



Community-Building in Uncertain Times: Agility in Regional Government

REGIONAL RESPONSE TO TARIFFS AND TRADE CHALLENGES

Elaine Baxter-Trahair, Chief Administrative Officer, Durham Region

Canada-U.S. trade

- US \$2.5 Billion worth of goods and services crosses the Canada-U.S. border daily
- 8 million U.S. jobs are tied to trade with Canada
- Canada is the largest export market for the U.S.
- 70% of Canadian imports are used to manufacture other U.S. products



Potential impacts of tariffs over time



Economic impacts

Lost competitiveness, prices,
confidence, investment



Community impacts

Higher prices, job loss,
increased service needs

Intergovernmental collaboration

International

- Diplomatic channels
- Counter tariffs



Domestic

- Exploring removal of interprovincial trade barriers
- New \$5 billion trade impact program
- Encouraging businesses to leverage existing programs
- Promoting existing free trade agreements (51 countries)



How tariffs may impact municipal budgets

Since tariffs are passed onto the consumer, examples where municipal costs may go up include:

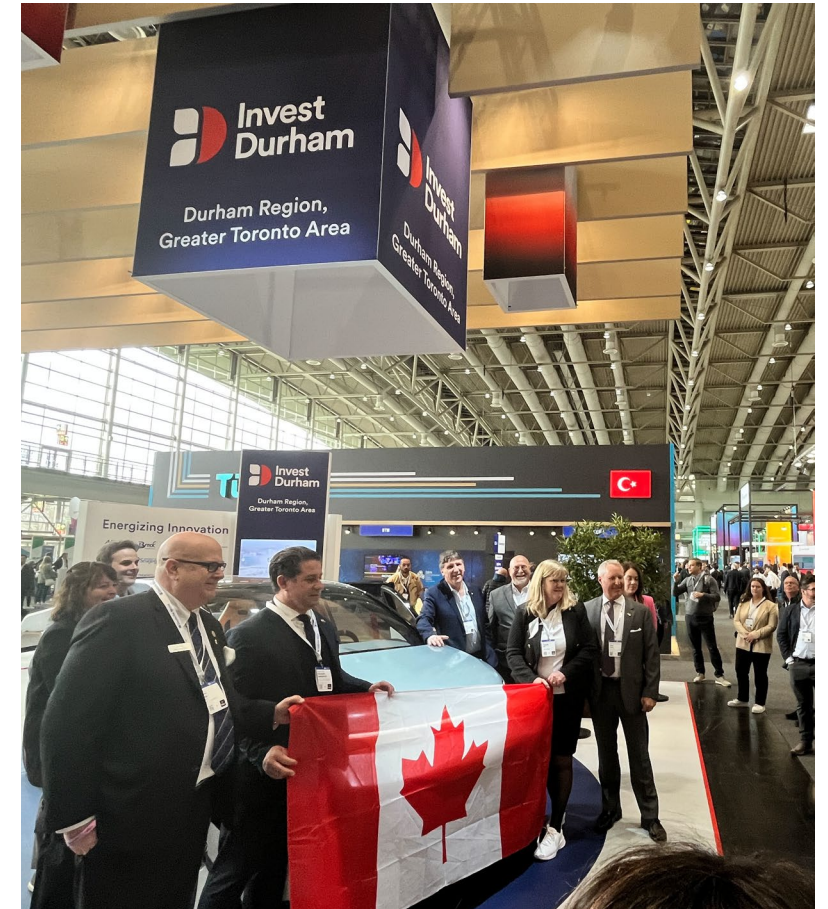
- Infrastructure maintenance, renewal and development
- Municipal fleet and machinery
- IT and consulting services
- Energy use
- Affordable housing projects



Municipal tariff response

Corporate actions

- Established CAO's Tariff Response Working Group
- Trade mission to Hanover Messe to expand trade partnerships
- Conducting comprehensive capital planning review for tariff resilience
- Chairing an inter-regional working group on procurement strategies



Municipal tariff response

Purchasing

- “Restrict U.S. businesses” approach focused on maximum Canadian job protection
- U.S. companies excluded unless they employ Canadians (vs. provincial 250+ threshold)
- Contractors required to source alternatives and avoid tariff-impacted products

Goal: Balance fiscal prudence with job protection



Municipal tariff response

Contractor accountability framework

- Evaluating and verifying contractor price increase requests
- Implementing strategies that continue to be consistent with public procurement principles
 - Recommended that owners continue to bear financial risk (reasonable price adjustments for change in law, etc.)
 - Require vendors to mitigate costs, substantiate costs, provide alternatives, etc.
- Empowering staff to mitigate tariff impacts within their work areas

Durham Economic Task Force

- Industrial and High-Density Residential DC Deferral Program providing up to 5-years of payment relief
- Joint tariff response statement from Regional Chair and eight Local Mayors
- Comprehensive economic impact analysis identifying 450 at-risk businesses (15,000 jobs)



DC Deferral Program

Durham Economic Task Force

- Launched investdurham.ca/tariff resource hub with latest news and support
- Monitoring government assistance programs and conducting outreach to local businesses
- Hosted virtual export market diversification sessions for local businesses
- Planning a “Shop in Durham” campaign promoting local shopping and tourism





Thank you

Elaine Baxter-Trahair

CAO@durham.ca

durham.ca

[@RegionofDurham](#)



DEVELOPMENT CHARGES AND HOUSING AFFORDABILITY

Presented to
Institute of Municipal Finance
and Governance

Presented by
Erin Mahoney,
Chief Administrative Officer,
York Region

Presented on
June 13, 2025



Agenda

- Development Charges
- Current Challenges and Pressures
- Responses to Challenges and Pressures
- Advocacy Efforts
- Recommendations and Next Steps

Development Charges Overview



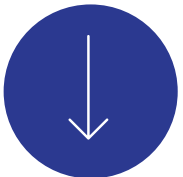
Development Charges are not a general revenue source, they are a cost recovery tool



Development Charges may be imposed against land to pay for increased capital costs to accommodate growth



Eligible services include water, wastewater, roads, police and transit



Ability to use Development Charges to fund growth infrastructure reduced due to recent changes to Act



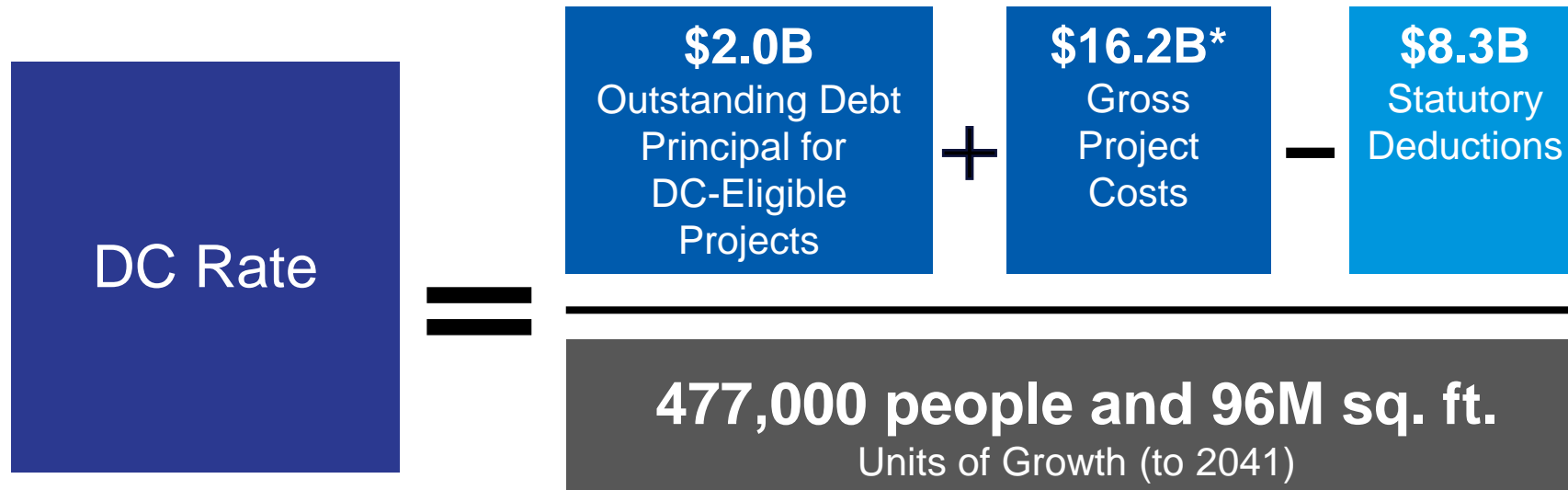
If a municipality does not use Development Charges, tax levy and user rate funds growth infrastructure

Current Challenges and Pressures

- Growth, aging assets and climate change driving unprecedented municipal capital needs
- Erosion of “growth pays for growth” consensus undermining development charge regime without viable alternative
- Growing pressure on property tax base from inflation, downloaded provincial responsibilities, and ongoing affordability challenges make big property tax increases unrealistic
- Less than 30% of annual funding for local infrastructure coming from federal/provincial sources
- Federal government and building organizations have suggested cuts to DCs, with Ontario government tabling legislation to defer or exempt certain development charges
- True cost of building has increased by about 70% in past decade
- Tariffs and trade measures could impact housing starts

2022 property tax revenue would have had to increase by 20% to replace DC revenues

DC Rate Calculation

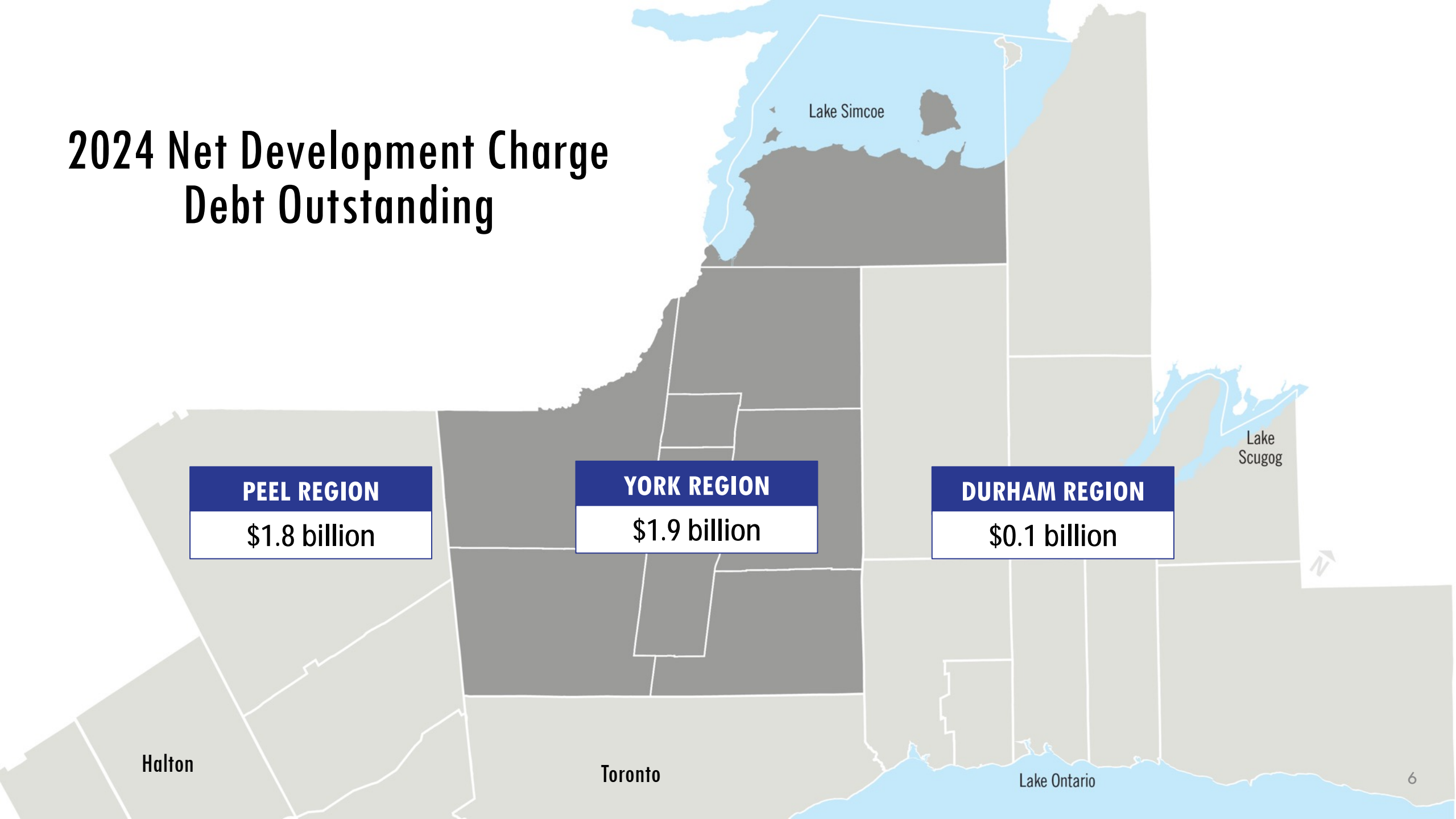


The diagram illustrates the DC Rate calculation as a ratio. On the left, a dark blue square contains the text "DC Rate". To its right is an equals sign, followed by a horizontal line. Above this line are three blue boxes: the first contains "\$2.0B Outstanding Debt Principal for DC-Eligible Projects", the second contains "\$16.2B* Gross Project Costs", and the third contains "\$8.3B Statutory Deductions". These boxes are connected by a plus sign and a minus sign. Below the horizontal line is a grey box containing the text "477,000 people and 96M sq. ft. Units of Growth (to 2041)".

$$\text{DC Rate} = \frac{\$2.0\text{B Outstanding Debt Principal for DC-Eligible Projects} + \$16.2\text{B}^* \text{ Gross Project Costs} - \$8.3\text{B Statutory Deductions}}{477,000 \text{ people and } 96\text{M sq. ft. Units of Growth (to 2041)}}$$

*Includes Housing Services (about \$900M), which is no longer DC-eligible

2024 Net Development Charge Debt Outstanding



DC Rates and Parkland Dedication in York/Durham/Peel (Single/Semi-Detached Unit)

Municipality *	Education DC	GO Transit DC	Provincial Subtotal	Local Municipal DC	Parkland Dedication**	Local Municipal Subtotal	Region DC Rate	Total Due	Region DC Share of Total Due
York: Georgina	\$8,184	\$433	\$8,617	\$26,712	\$8,750	\$35,462	\$89,435	\$133,514	67%
York: Vaughan	\$8,184	\$433	\$8,617	\$94,466	\$11,430	\$105,896	\$89,435	\$203,948	44%
Durham: Clarington	\$3,345	\$863	\$4,208	\$30,486	\$8,750	\$39,236	\$74,078	\$117,522	63%
Durham: Whitby	\$6,335	\$863	\$7,198	\$50,880	\$8,750	\$59,630	\$74,078	\$140,906	53%
Peel: Mississauga	\$5,076	\$844	\$5,920	\$50,980	\$10,000	\$60,980	\$76,051	\$142,951	53%
Peel: Brampton	\$5,076	\$844	\$5,920	\$66,551	\$10,000	\$76,551	\$76,051	\$158,522	48%
Average % Share of Total Due			5%			42%	53%		

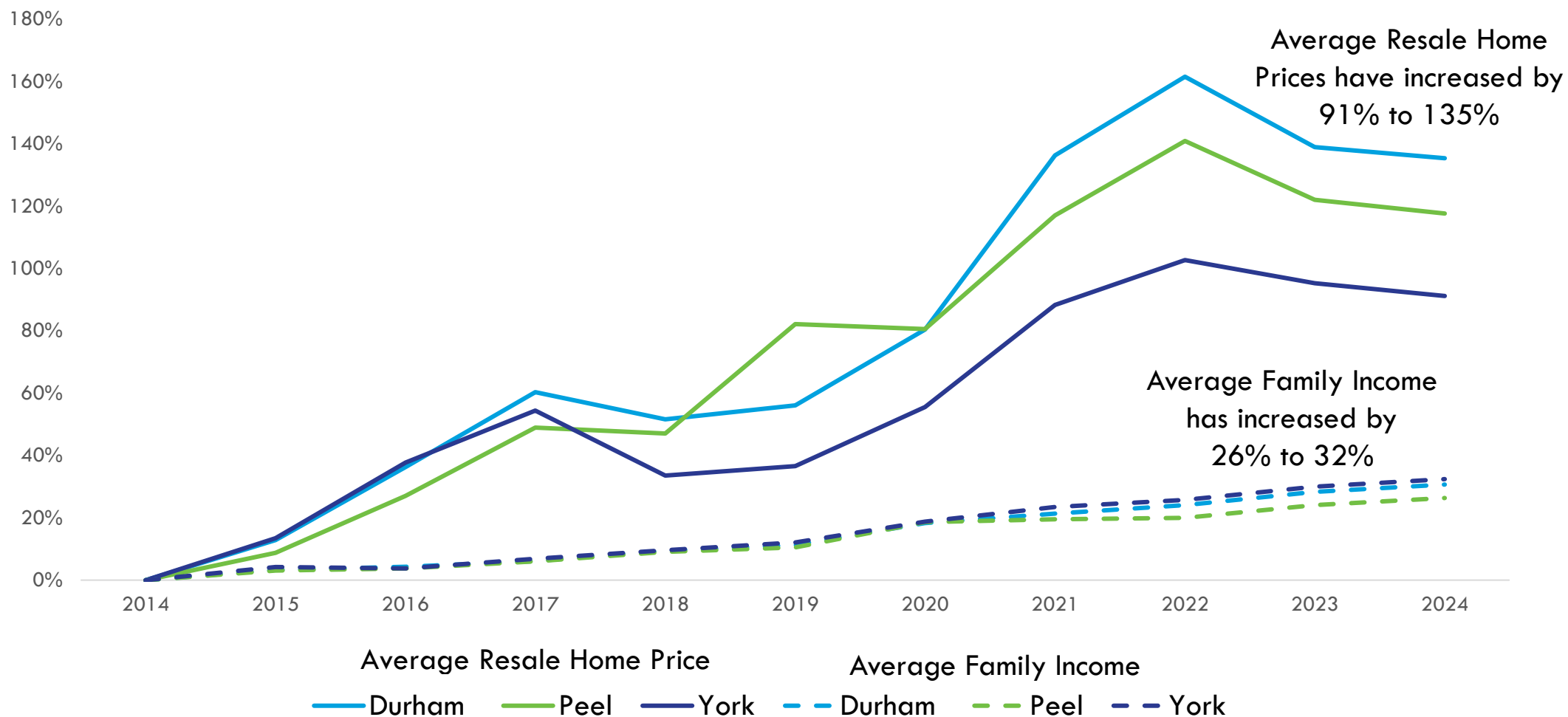
*Source: Local municipal websites, as of March 31, 2025. Vaughan DC rates are before November 2024 reductions. Mississauga DC rates are before January 2025 reductions.

**Source: Hemson - As individual parkland dedication rates were not available, the Oshawa rate was assumed for Durham and the Mississauga rate was assumed for Peel

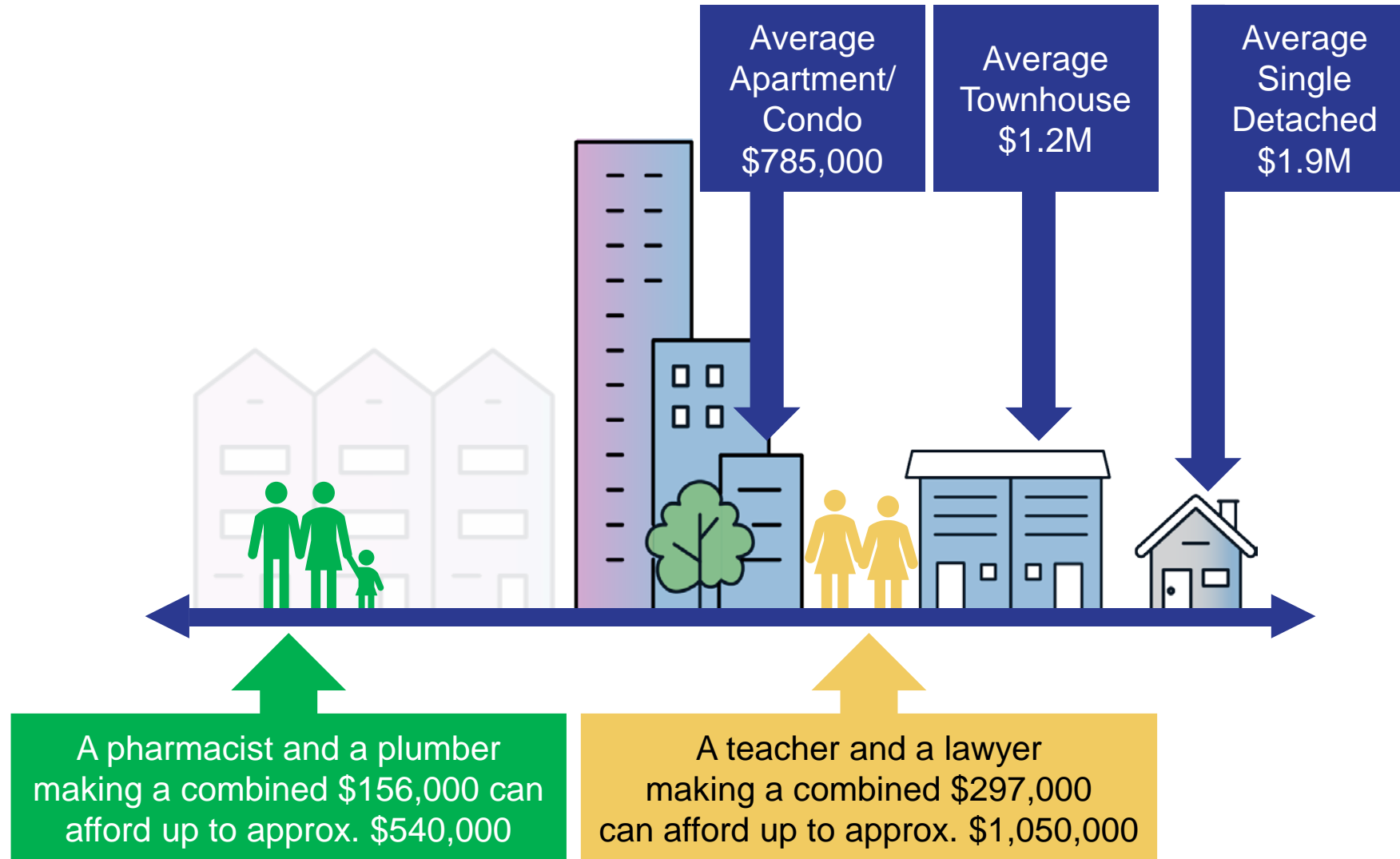
Municipal fees (Regional and local) represent just under 10% of average new home prices in York/Durham/Peel

Incomes Have Not Kept Pace with House Prices

Resale Home Price and Family Income 2014-2024

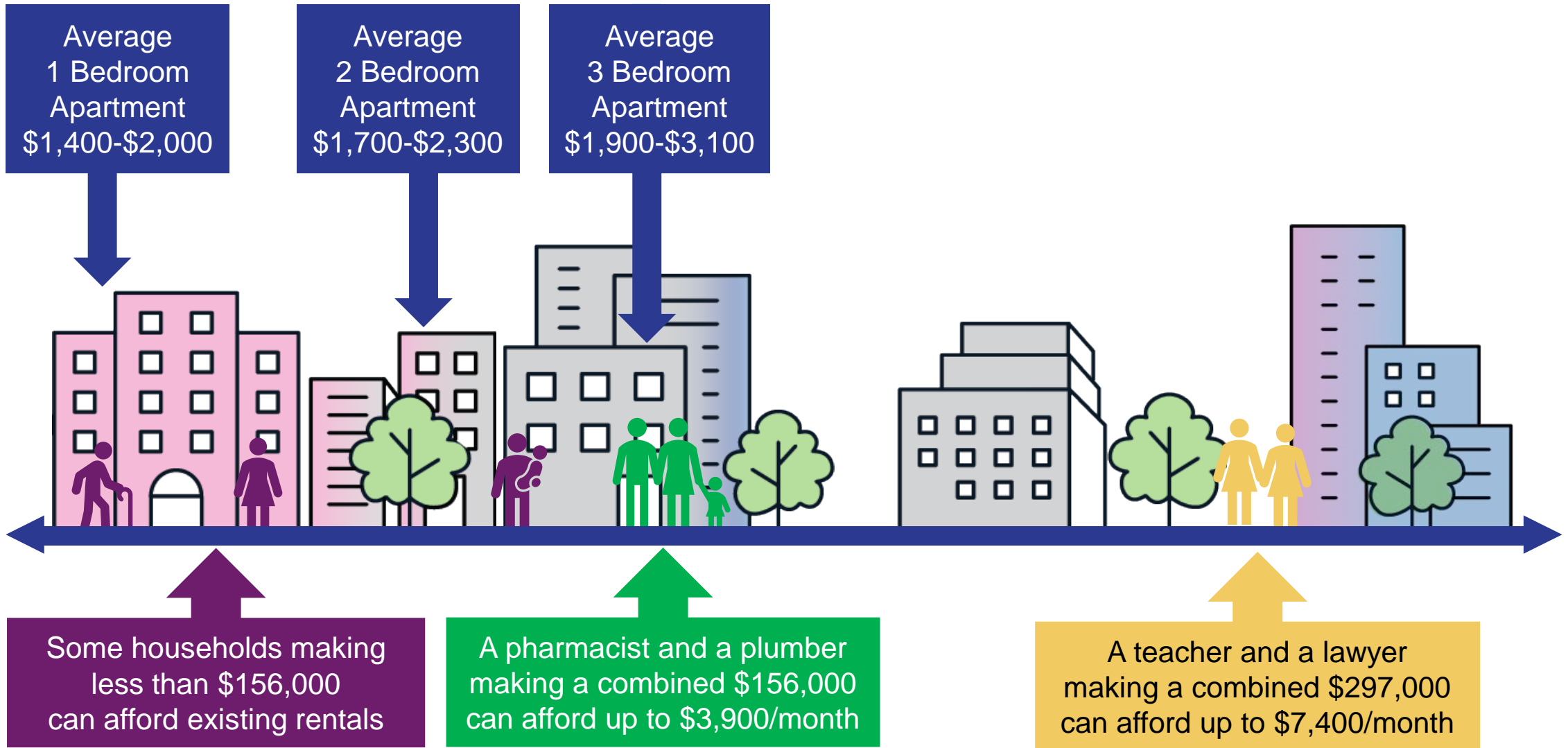


Average Affordability Levels for Housing Ownership



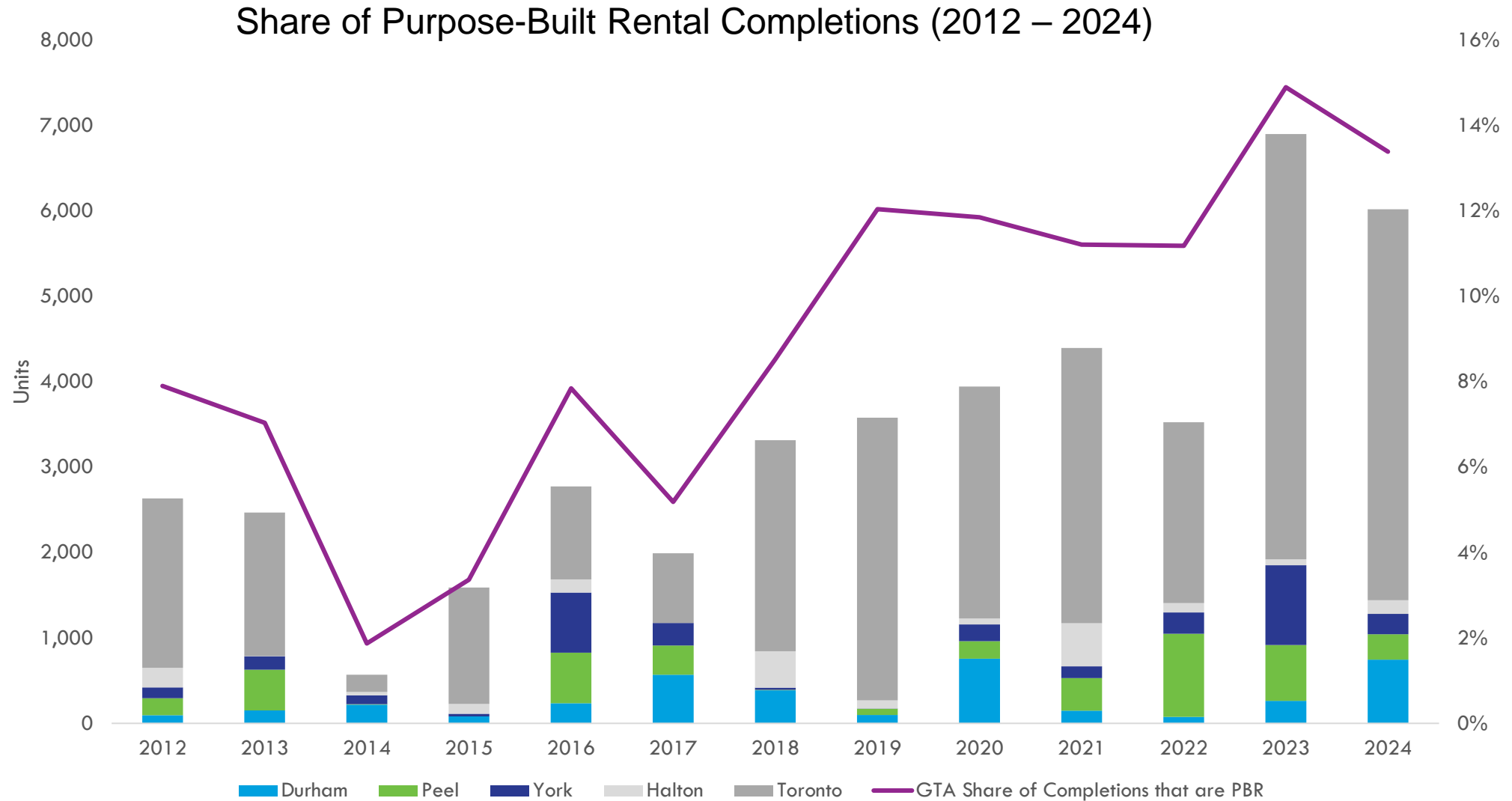
Affordability thresholds assume a maximum of 30% of gross income spent on housing, minimum downpayment (5% for first \$500,000, 10% for portion >\$500,000), 25-year amortization, 5-year conventional posted rate (6.68%), CMHC posted mortgage insurance rate (4%) and average of property tax rates charged by each municipality (0.799%)

Affordability Levels for Purpose-Built Rental



Affordability thresholds assume a maximum of 30% of gross income spent on rent with no adjustment for inclusion/exclusion of utilities.

New Rental Supply Not Sufficient to Fill Affordability Gap



Responses to Challenges and Pressures

York Region

Immediately **deferred** DCs payable for:

High-Rise Building

- Interest free for 24 months and then with interest until the earlier of 4 years or registration of condominium

Low-Rise Buildings

- Interest free until building permit issuance

Referred other DC reduction options to June 12 report back, including:

- Deferring DCs payable on all non-luxury rental until use changes
- Proposing a First Time Home Buyers DC-Equivalent Rebate, contingent on senior government funding

Peel Region

Reviewed DC relief including:

- Deferral of DCs to occupancy for all residential development
- DC discount of 25% to 50%

Staff reported back on June 12

Durham Region

Recommended DC relief for:

Medium and High-Density Developments

- Provided building permit is applied for before December 31, 2025
- DCs deferred to occupancy for apartments, condos townhouses though site plan
- Freehold townhouses hard services deferred to BP through subdivision

Staff to report back December 2025 on program uptake and possible renewal

Bill 17, *Protect Ontario by Building Faster and Smarter Act* received Royal Assent on June 5, 2025

Key Areas	Bill 17 Change	Staff Analysis and Key Comments
Timing of Payment	DCs deferred to earlier of occupancy permit or first occupancy; may require financial security, for prescribed circumstances (Not yet in effect ; In effect on a day to be named by Lieutenant Governor)	<ul style="list-style-type: none"> All residential development paying DCs on occupancy enter agreement, provide security and clarification whether municipalities may charge interest until the date of occupancy permit or first occupancy
*Interest on Frozen DCs	Development pays either frozen DC + interest or a lower DC if rates have been reduced	<ul style="list-style-type: none"> Aligns with current practice and changes confirm municipalities can still charge interest on frozen DCs Regulation prescribe a time limit between application and approval, or alternatively a total freeze period limit between application and building permit
Interest on Installment Payments*	No interest charged on installment payments (Not yet in effect; In effect on a day to be named by Lieutenant Governor)	<ul style="list-style-type: none"> Minimal impact as most developments eligible for legislated installment payments have elected for Council approved deferral policies that do not charge interest
DC Credits	Ability to merge related services, as deemed by regulation, for the purpose of providing DC credits (e.g., roads and transit)	<ul style="list-style-type: none"> Not current practice; sharing credits between services would impact DC reserve balances for specific services Municipalities have existing flexibility to merge service categories as needed, but should not be required to and not limited to DC credits

*Note: Area not subject to comment in Ontario Regulatory Registry posting

Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, received Royal Assent on June 5, 2025 (cont'd)

Key Areas*	Bill 17 Change	Staff Analysis and Key Comments
Eligible Capital Cost Inclusions	Repealed Bill 23 change that land could be ineligible for prescribed services, but through regulatory making authority, the ability to prescribe exceptions and conditions	<ul style="list-style-type: none"> Depending on regulation could impact DC funding for land acquisitions Land be made its own service/class of services and that where foreseeable, municipalities deduct cost of land expected to be conveyed from eligible capital costs
Long-Term Care Homes	Exempt long-term care homes (non-profit and for-profit) from paying DCs	<ul style="list-style-type: none"> Minimal impact as DC collections forecast already factors in exemptions for institutional development, like long-term care homes Reduced DC collection from exemption would require funding from tax levy and user rate to be made whole Recovery of any revenue shortfalls because of exemptions or discounts can be made up from future development Municipalities be made financially whole as a result of exemptions
Streamline Process for Certain DC Bylaw Amendments	Municipalities can remove/extend expiration date, stop/pause indexing, and reduce DCs, through amendment, without having to undertake new background study and hold public consultations	<ul style="list-style-type: none"> Increases flexibility Streamlined process apply to 'policy' changes (e.g., redevelopment credits) when result of amendment does not impact DC rates and rights of appeal for streamlined bylaws should not apply

*Note: Comments related to what constituents a “local service” were deferred to local municipal recommendations

All Levels of Government and Industry Have a Role in Addressing Housing Challenges

Each level of government must maximize tools available to them

- ✓ Increased direct and predictable funding
- ✓ Include Regions in Housing Accelerator Fund
- ✓ Remove DC freeze requirement from Canada Housing Infrastructure Fund
- ✓ Incentivize purpose-built rental through Federal tax system
- ✓ Contribute one-third funding share for new community housing units



- ✓ Increase direct and predictable funding
- ✓ Include York Region in Building Faster Fund
- ✓ Fund York Durham Sewage System North expansion program
- ✓ Allocate share of Non-Residential Speculation Tax revenues to Regions
- ✓ Allocate portion of Provincial Land Transfer Tax revenues to Regions annually
- ✓ Reinstate Housing Services for DC funding and contribute one-third funding share towards new community housing units

***Money must come from somewhere for our Regions
to continue building billions in new infrastructure***

Timing is right now to work together to find solutions

Case Study Peel Region

*Response to Asylum Claimants and
Homeless Encampments*

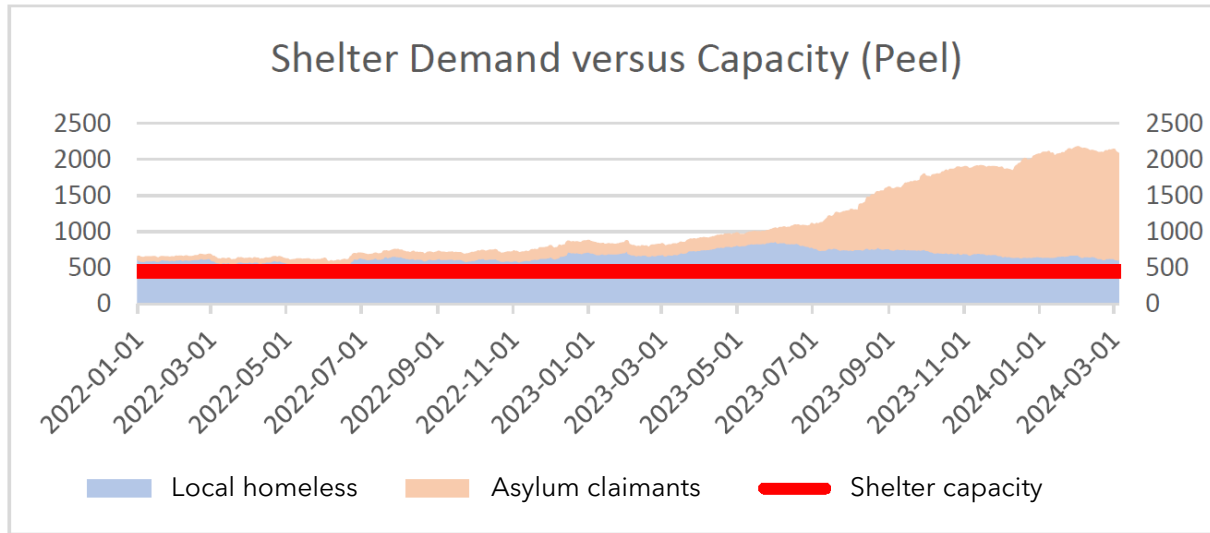
Gary Kent, Peel Region CAO

June 13, 2025



2023 Surge in Asylum Claimants

A System Under Strain



- **1,900** asylum claimants used more than **70%** of shelter beds
- Shelters exceeded **400% capacity** at peak, requiring **16 overflow** hotels

Tragedy & Public Perception

An asylum seeker died after waiting hours for a shelter space. Advocates are demanding action

\$135M gap: Peel Region demanding Ottawa and Queen's Park cover costs before welcome centre for asylum claimants can open

Peel says centre for asylum claimants will not open without federal funding; Ottawa says it already provided \$22M

Second African migrant dies while waiting for shelter space in Mississauga



Our Response: Peel Reception Centre

- 680 spaces for single asylum claimants; 2 hotels for up to 110 families.
- 13,000 annual capacity at full use.
- On-site health, settlement, and wraparound supports.
- Safe, inclusive, trauma-informed environment.

Cost Comparison

Overflow Hotels

\$220

**Including food &
security**

- Ad hoc.
- Scattered.
- Underfunded & unsustainable.

Asylum Claimant Shelter

\$90

**Including food &
security**

- Tailored solution.
- Addresses unique needs with dignity.

Housing subsidy

\$45

**Including service
manager fee**

- Stability and flexibility.
- No food or wrap-around supports.

Key Partners

Government & Public Sector

City of Mississauga
(Planning & Fire)

Local municipalities

Immigration
Refugees
Citizenship Canada

Canadian Border
Services Agency

WCG/Employment
Ontario

Mississauga Legal
Clinic

Health & Social Services

Black Health and
Social Service Hub

- LAMP community health centre
- Roots Community Services
- CMHA Peel Dufferin

Peel Public Health

Mississauga
Community Legal
Services

Newcomer Services

COSTI Immigration
Services

Polycultural
Immigrant and
Community
Services

Local Newcomers
Settlement
Services

Community Partners

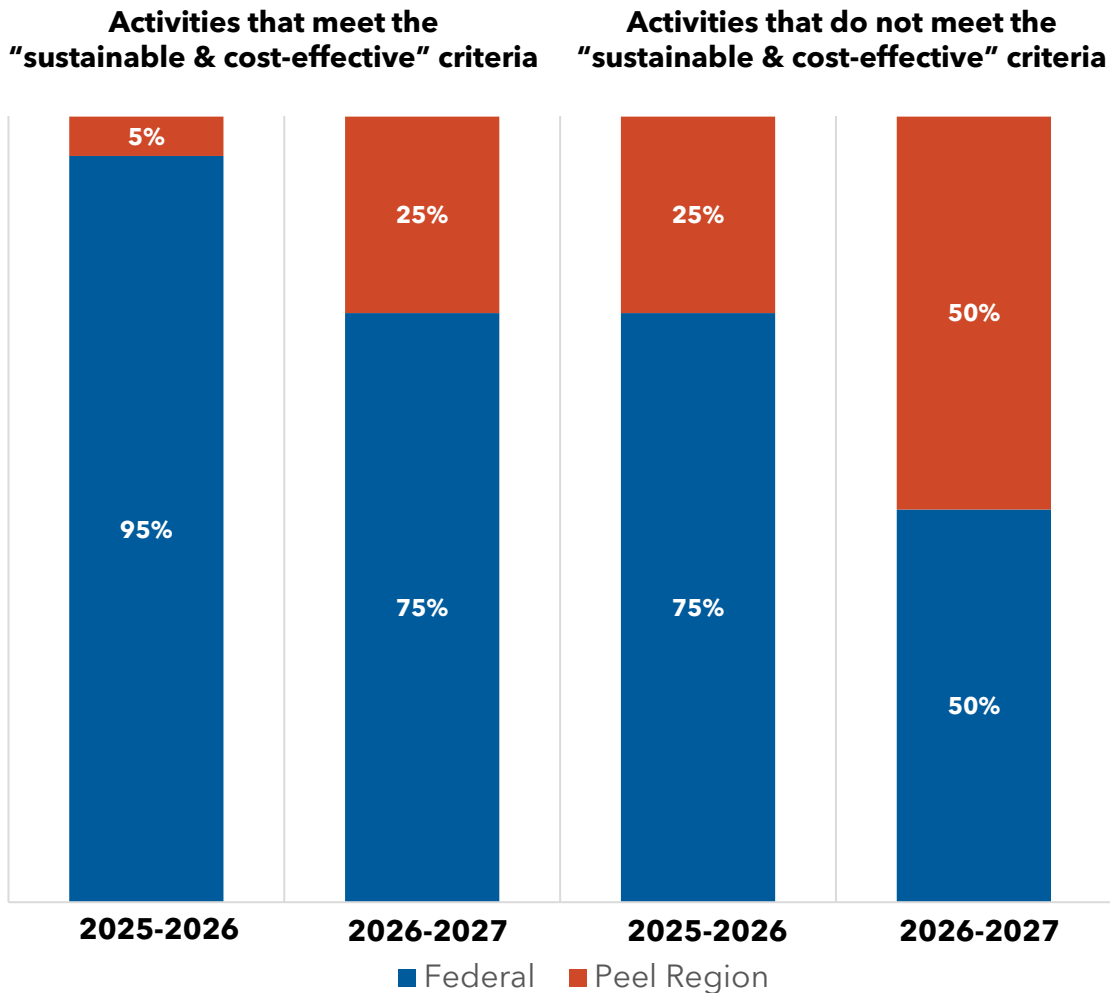
Interfaith Council
of Peel

Invested
community
partners

Changes to IHAP Funding

Federal support ends by 2027, shifting 100% of costs to municipalities.

- Estimated \$15.9M shortfall (Jan 2025–Mar 2027); only \$3.9M covered through reserves in 2025.
- Projected Peel costs escalate:
\$26.2M in 2027
\$33.4M in 2028
- Hotel use penalized under new IHAP rules, yet Peel lacks other options.



Advocacy Positions

Fully funded, sustainable national asylum system

A grey downward-pointing arrow indicating a flow from the first box to the second.

Expanded provincial settlement services

A grey downward-pointing arrow indicating a flow from the second box to the third.

Predictable, long-term funding

A grey downward-pointing arrow indicating a flow from the third box to the fourth.

Enhanced Federal/Provincial cooperation



Encampment Response

AMO: Ontario Homelessness Snapshot

Scale of the Crisis

81,515

Ontarians experienced known homelessness in 2024

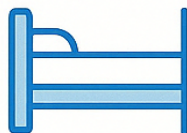
↑51%
increase since 2016

Chronic Homelessness

41,512

people are chronically homeless

51% of all cases
(tripled since 2016)



Emergency System Strain

Of the **27,138**-homelessness-serving spaces:

65.2%
emergency shelters



13% transitional housing

21.6% supportive housing
critically undersupplied,
with only 1 unit per 14
unhoused people

Investment Gaps

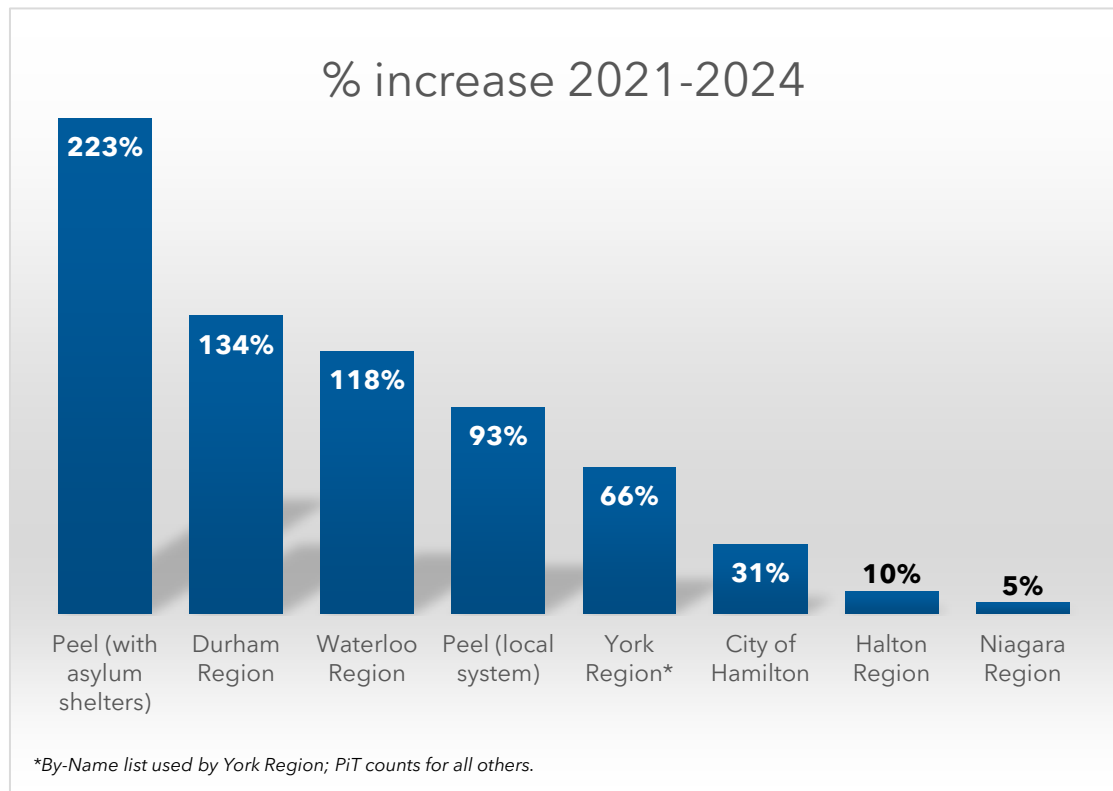
\$4.1B

in total housing/homelessness funding in 2024



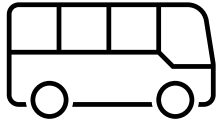
Municipalities cover
51.5% of this
(unsustainable)

Growing Demand & Equity Gaps



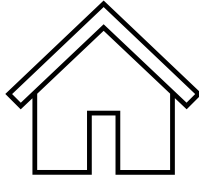
- Increasingly complex needs (trauma, mental health, substance use)
- Rates rising among older adults & women
- Disproportionate impact on Indigenous, racialized, and LGBTQIA2S+

Encampment Response: Balanced, Risk-based, Housing-focussed



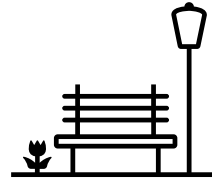
Peel Outreach

- Street helpline
- Mobile & place-based outreach
- We will meet you where you are



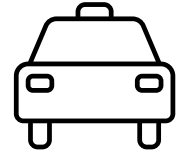
Peel Housing Services

- Funds/manages emergency shelters and Peel Outreach program
- Housing subsidies to help find & keep housing



Brampton & Mississauga

- Fire/EMS: wellness checks, assess & report, education
- Parks: litter, maintenance
- Security services: 311, enforcement



Peel Regional Police

- Wellness checks
- Assess & report
- Build relationships
- Resources & education

Case Study: Dundas St. Encampment

Before



After



Advocacy Positions

Build more affordable housing



Protect the housing we have



Expand supportive housing



Fund wraparound supports



Flexible, multi-year funding

What's Next: Policy Shifts and Local Action

Bill 242 (*Safer Municipalities Act*, December 2024)

- Expanded powers to remove encampments
- Higher trespass penalties, fines, possible jail for public drug use

Peel's Next Steps

- Evaluating local impacts of Bill 242 and alignment with Peel's priorities
- *June 2025*: Encampment Response final draft to Council (with input from pilot & community)
- *2026*: Planned implementation (pending approval and budget)

Thank You

LinkedIn: [linkedin.com/in/gary-kent](https://www.linkedin.com/in/gary-kent)

X: @gkentsco