



GRAND VALLEY

STAFF REPORT

To: Mayor and Members of Council
From: Meghan Townsend, CAO/Clerk
Meeting Date: September 23, 2025
Report Number: 2025-164
Subject: Request for Development Charge Reduction

Recommendation

THAT Council receive Report – Request for Development Charge Reduction
AND FURTHER THAT Council directs staff to proceed as follows:

Executive Summary

Purpose

To present Council with a request for the reduction of the Town's Development Charges.

Key Findings

A request has been received to lower Development Charges as a means of encouraging growth to continue. Council direction is required.

Financial Implications

If the Development Charges are lowered, an evaluation of potential funding shortfall for growth related infrastructure will be helpful to advocate for funding from other sources. If Development Charges are kept as is, growth may continue to be stalled in our community.

Report

Background

In 2024, the Town passed a new Development Charge By-law. The by-law increased the charges from \$41,767 (2023 rate, single detached home) to \$78,826. The charge for all types of development increased through this updated by-law.

Issues of affordable housing have been top-of-mind for governments for years. With the significant increase in costs arising during the last five years affecting construction prices, various approaches to reducing costs are being explored.

Discussion

There are several municipalities that have lowered their development charges (DCs) in order to assist with the cost of building. Mississauga, Vaughan and Hamilton's decisions have been well publicized in the media. Grand Valley is in receipt of a request to follow the example of these municipalities. If Council wishes to consider this option to assist with housing development, further consultation with the Town's development charge consultants will be needed to present an amendment to the current by-law this is aligned with legislation and best practice.

Should Council agree to lower the DCs, Council should notify the Province of this decision and request assistance from them to compensate for the loss of revenue. The larger municipalities have received access to funds through several funding mechanisms not available to smaller communities whose growth targets will not produce as many homes.

Financial Impact

Lowering the Development Charge will significantly impact our ability to fund growth-related infrastructure projects. However, Council may direct staff to lower the charge in order for the Town to play a role in addressing the housing shortage and affordability issues, and direct staff to amend the funding plan for growth-related infrastructure accordingly.

Consultations

Miller Thomson – Rethinking Development Charges -

<https://www.millerthomson.com/en/insights/real-estate/rethinking-development-charges-in-ontario-a-path-to-affordable-housing/>

BiLD – Housing Affordability <https://www.bildgta.ca/housing-affordability-requires-modernization-of-ontarios-development-charge-system-bild-and-ohba-study/>

City of Mississauga – Motion on Housing Affordability [https://pub-](https://pub-mississauga.escribemeetings.com/filestream.ashx?DocumentId=66777)

[mississauga.escribemeetings.com/filestream.ashx?DocumentId=66777](https://pub-mississauga.escribemeetings.com/filestream.ashx?DocumentId=66777)

City of Hamilton – City taking critical action [https://www.hamilton.ca/city-council/news-](https://www.hamilton.ca/city-council/news-notices/news-releases/city-taking-critical-action-effort-support-building-homes)

[notices/news-releases/city-taking-critical-action-effort-support-building-homes](https://www.hamilton.ca/city-council/news-notices/news-releases/city-taking-critical-action-effort-support-building-homes)

City of Hamilton – Report to City Council: Development Charges By-law Amendment

<https://pub-hamilton.escribemeetings.com/filestream.ashx?DocumentId=461659>

Attachments

Attachment 1 – Letter from Thomasfield Homes – DC Reduction Request

This report was submitted by

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This report was approved by

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