

# Canada Housing Infrastructure Fund Update

Corporate Services Committee

February 5, 2025

# Agenda

1. Program Overview & Available Funding
2. Program Conditions
3. Development Charge (DC) Challenges
4. Scan of Housing Enabling Projects (Local & Regional)
5. Conclusions & Next Steps

# Program Overview

- The CHIF was announced in April 2024 by the federal government to support accelerating construction and upgrading of growth-related infrastructure.
- \$6 billion over 10 years to be delivered through two streams

## Direct Delivery (DD)

\$1 billion available across Canada

\$0.4 billion already awarded to 2 municipalities

## Provincial/Territorial (PT)

\$1.5 billion identified for all of Ontario

PT must enter into bilateral agreements with the Government of Canada

As of January 21 - no Ontario agreement

# Program Condition

- Municipalities with a population >300,000 are required to freeze DC rates at April 2, 2024 for a period of 3-years.
  - For local municipalities to be eligible, the Region is required to freeze DC's across all Niagara municipalities
  - There would be no commitment required at the local level to institute a DC rate freeze since population is below 300,000

# Development Charge Challenges

Annual DC Loss

\$23.1 Million

3-year DC Loss

\$69.3 million

- The Region would be required to fund this lost DC revenue through its levy and water/wastewater rates.
  - Represents a 4.3% increase to the 2026 levy in addition to 9.97% currently estimated for 2026
- Council does not have the authority to freeze DC rates at April 2, 2024 without adopting a DC By-law amendment.

# Scan of Housing Enabling Projects (Local & Regional)

- 4 local area municipalities have indicated interest in pursuing an application with approximate gross expenditures of \$102 million
- Cursory scan of Regional projects identify \$1 billion in gross expenditures
  - Require further analysis to assess financial impacts, including future budget approvals, and determine feasibility of completing projects by September 2031, as required under the Direct Delivery stream.

# Conclusions & Next Steps

- Contributions from the CHIF are not expected to exceed the foregone DCs that are needed to be offset by tax increases.
- Region staff continue to monitor and assess program developments and announcements regarding the PT stream but are not currently pursuing program applications.
- Local municipalities can still consider applications and propose alternative measures to the DC freeze condition within their application.

# Questions?