
Report of the Commissioner of Finance

Financial Impacts of Provincial Decisions

1. Recommendations

1. The Region advocate to senior levels of government for additional funding to support housing-related infrastructure, transit, healthcare, social services, and policing, to address the financial impacts of recent and ongoing provincial decisions.
2. The Regional Clerk circulate this report to the Ontario Ministry of Finance, Ministry of Municipal Affairs and Housing, and local Members of Provincial Parliament representing York Region for information.

2. Purpose

At the January 29, 2026 Regional Council meeting, Council requested a consolidated overview of recent provincial decisions, legislative changes, mandates, and directives that created financial impacts for the Region. This report fulfills that request.

Key Points:

- Recent provincial decisions and funding frameworks result in an estimated \$4.9 billion in total financial impacts for York Region over the next 10 years, including \$3.4 billion in growth capital-related needs, \$112 million in other housing system capital pressures, \$0.2 billion in reduced development charge revenues, and \$1.2 billion in cash flow impacts from delayed development charge collections that could impact delivery of the 10-Year Capital Plan
- Provincial changes to the *Development Charges Act, 1997*, through Bill 23, have already reduced DC revenues by \$96.2 million since 2022 and further reductions of \$202.8 million are expected over the next 10 years. Additionally, the deferral to each occupancy introduced through Bill 17 will result in approximately \$1.2 billion in delayed DC collections over 10 years

- Provincial growth expectations, legislated responsibilities, and specific infrastructure requirements result in approximately \$3.4 billion in growth-enabling capital pressures over the next 10 years, including \$1.6 billion for bus rapid transit, \$204 million for new community housing, and \$1.6 billion for the provincially mandated York-Durham Sewage System expansion
- Province continues to fund less than its legislated or intended cost-shares in areas where legislation requires the Region to deliver provincially mandated services, requiring over \$297 million in supplemental tax levy funding to sustain these services since 2022

3. Background

York Region has consistently advocated for adequate and predictable senior government funding to support provincially directed growth and delivery of provincially mandated services, including most recently through the Region’s submission to the 2026 Ontario Budget Consultation. This submission, revised per Council direction received on [January 29, 2026](#) and submitted to the Province prior to the January 30, 2026 consultation deadline, is included as Attachment 1 to this report.

At the January 29, 2026 meeting, Council also considered financial implications of recent provincial legislative and policy changes, including amendments to the *Development Charges Act, 1997*, and requested consolidated financial impacts arising from provincial decisions, to support informed advocacy with senior levels of government.

Consistent with that request, this report provides a cumulative assessment of financial impacts associated with provincial decisions made since 2022. The scope includes direct financial impacts of provincial legislative and regulatory changes, as well as indirect impacts of provincial policy, such as Council decisions and Regional investments made to address provincial growth expectations and meet service demands where funding was insufficient.

4. Analysis

Amendments to the Development Charges Act reduced or delayed revenues available to fund infrastructure needed to support growth

Recent amendments to the [Development Charges Act, 1997](#) (DCA) have materially reduced the Region’s ability to fund growth-related infrastructure needed to support housing and employment growth, within the Council-approved fiscal strategy objective of maintaining a AAA credit rating. Changes introduced through the [More Homes Built Faster Act, 2022](#) (Bill 23) and the [Protect Ontario by Building Faster and Smarter Act, 2025](#) (Bill 17) expanded development charge exemptions, discounts and deferrals applicable to residential development.

Based on current estimates, these measures are projected to lower development charge collections by approximately \$1.4 billion over the next ten years, including both foregone revenues from exemptions and discounts and delayed collections arising from deferrals. While the timing gap

between infrastructure delivery and development charge collections is typically managed through debt financing, delayed collections create an additional fiscal gap that must be carried over time, increasing financing requirements and associated costs until deferred revenues are ultimately realized or the deferral framework sunsets. Reduced development charge collections may be insufficient to meet financial obligations and require the Region to reduce capital spending to maintain long-term financial sustainability. This places ongoing pressure on the Region to sustainably deliver growth-enabling infrastructure to support housing and employment growth.

While the recently announced Canada-Ontario Partnership Fund may help address development charge-related pressures, providing municipalities with earlier funding certainty and support for infrastructure readiness, predictable and adequate senior government funding remains critical to avoid delays, re-prioritization of projects, or increased reliance on debt to advance provincially supported growth.

Provincial legislation directly requires the Region to build the North York Durham Sewage System project to support growth in northern York Region

The [Supporting Growth and Housing in York and Durham Regions Act, 2022](#) required the Region to pivot from the previously proposed Upper York Sewage Solutions to the higher-cost, York-Durham Sewage System expansion to enable growth in northern York Region. While the Province has committed almost \$140 million toward Phase 1 through the Municipal Housing Infrastructure Program – Housing Enabling Water Systems stream, this represents less than 10% of the remaining project costs, totaling approximately \$1.6 billion. Additionally, \$63.8 million for work previously completed on the former Upper York Sewage Solutions project is no longer applicable as a result of the change and was written off.

Provincial growth policy and legislation drive requirements for growth-related infrastructure ahead of secured funding

Provincial policy direction continues to establish significant growth expectations for York Region. Under the [Provincial Planning Statement, 2024](#), York Region is expected to grow to approximately 2.06 million residents and 989,200 jobs by 2051, requiring substantial investment in water and wastewater infrastructure, roads, transit and community housing.

On [November 27, 2025](#), Council endorsed a record \$14 billion 2026 10-Year Capital Plan to support forecasted growth and related service needs, aligned with provincial growth expectations. More than \$2 billion in critical investments in bus rapid transit and community housing were not yet included in the plan, pending senior government funding.

Community housing investment is linked to provincially assigned responsibilities

In addition to aligning with growth expectations, York Region, as Service Manager under the [Housing Services Act, 2011](#), is responsible for planning, administering and funding housing and homelessness services within its service area. Program delivery must align with provincial legislation and regulatory requirements. York Region is required to develop a 10-year housing and

homelessness plan consistent with [provincial policy statements](#) and addressing [matters of provincial interest](#).

In that context, both new community housing supply and capital repairs to existing non-profit and co-operative housing are part of the Region's response to provincially assigned service responsibilities: new supply is needed to help address unmet housing need, while repair investments are required to preserve existing community housing stock and support the long-term sustainability of housing providers.

The 2026 10-Year Capital Plan includes funding for 580 new community housing units, and 244 emergency and transitional housing units. However, with a growing number of people experiencing homelessness and over 22,000 households on the subsidized housing waitlist in 2025, the funding required to both expand and maintain community housing in York Region exceeds the capacity of the municipal tax base, necessitating long-term senior government funding.

The estimated cost to deliver approximately 1,350 new community housing units is approximately \$647 million over ten years, including unfunded projects and projects the Region has temporarily advanced using internal reserves. The Region continues to request that the Province and Federal government each contribute to these costs. Accounting for committed funding, a \$408 million senior government funding gap remains, including a \$204 million provincial share. A further \$90 million in costs for repairs to existing non-profit and co-operative housing also requires senior government support.

Funding for provincially mandated services has not kept pace with costs, increasing reliance on the tax levy

The [2025 York Region Health and Well-Being Review](#) identified ongoing pressures in long-standing provincially mandated program areas where the Province has not updated funding formulas, caps,

allocations or cost-sharing frameworks to keep pace with population growth, rising service demand and increasing regulatory requirements, resulting in continuing financial impacts on the Region.

These pressures arise in service areas delivered within provincially established frameworks. This includes homelessness community programs administered by service managers under the *Housing Services Act, 2011* and the Homelessness Prevention Program, long-term care homes operating under the *Fixing Long-Term Care Act, 2021* and Ontario Regulation 246/22, paramedic services delivered under the *Ambulance Act, 1990* and related response time and cost-sharing regulations, and public health programs delivered under the *Health Protection and Promotion Act, 1990* and the Ontario Public Health Standards.

While Council is not legislatively required to fully offset every provincial funding shortfall, provincially assigned responsibilities, service standards, regulatory requirements and cost-sharing arrangements constrain the Region's discretion in these areas. In practice, maintaining service delivery consistent with provincial service standards and growing community needs requires supplemental tax levy support.

Since 2022, more than \$297 million in estimated cumulative tax levy support above legislatively required municipal cost-shares was required to sustain provincially mandated services. This has limited the Region's long-term fiscal flexibility and ability to respond to growth, affordability pressures, and other infrastructure and community priorities.

Without Provincial action, this pressure is expected to continue. Based on the Region's 2026 approved operating budget, there is a \$79.1 million provincial funding shortfall for four provincially mandated services: Homelessness Community Programs (\$26.2 million), Long-Term Care Homes (\$30.8 million), Paramedic Emergency Services (\$3.7 million) and Public Health (\$18.4 million).

Recommended advocacy supports Good Government toward Vision

This report supports Good Government by providing Council with a consolidated, evidence-based understanding of the financial impacts of recent and ongoing provincial decisions, supporting responsible financial stewardship and informed advocacy. It supports Economic Vitality, Healthy Communities, and Sustainable Environment by identifying funding pressures affecting growth-enabling infrastructure, housing, and provincially mandated services that support economic growth, community well-being, and environmental and water stewardship.

5. Financial Considerations

This report does not present current or anticipated financial changes to the Region's budget or fiscal position. The information provided is intended to inform Council of the scale, timing, and nature of financial impacts arising from provincial decisions and funding frameworks. While no immediate budget action is requested, the pressures identified may have future implications for capital delivery, operating flexibility, and the Region's ability to manage growth and provincially mandated services within existing funding sources.

6. Local Impact

There are no local municipal implications associated with this report.

7. Conclusion

This report summarizes impacts of Provincial decisions as requested by Council. If accepted by Council, this report will serve as the basis for future advocacy with higher levels of government.

For more information on this report, please contact Bonny Tam, Director, Treasury Office at 1-877-464-9675 ext. 75885. Accessible formats or communication supports are available upon request.

Recommended by:



Laura Mirabella

Commissioner of Finance and Regional Treasurer



Approved for Submission:

Erin Mahoney

Chief Administrative Officer

April 24, 2026
17245397

Appendix A – Financial Impacts of Provincial Decisions Since 2022
Attachment 1 – 2026 Ontario Budget Consultation Submission (17252361)

Financial Impacts of Provincial Decisions Since 2022 and Continuing Impacts of Past Legislation

Provincial Decisions	Details	Impact (\$ Millions)	
		2022- 2026	Over next 10 years
Development Charge (DC) Revenues			
<i>Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025</i>	Bill 17 defers DC payments for non-rental, residential development to occupancy for each unit, resulting in delayed collections for residential developments.	-	1,205.4*
<i>Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025</i>	Bill 17 exempts Long-Term Care Homes from DCs, creating an estimated impact of approximately \$20M over the next ten years.	-	20.0
Long-Term Care DC exemptions			
<i>Bill 23, More Homes Built Faster Act, 2022</i>	Bill 23 introduced DC relief for housing, including discounts for market rentals and exemptions for affordable rental and ownership housing, which increased pressure on taxes and user rates.	96.2	174.7
Housing DC Discounts and Exemptions			

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<i>Bill 23, More Homes Built Faster Act, 2022</i>	Bill 23 removed municipalities' ability to collect DC revenues to fund housing services, such as expanding emergency housing or building new community housing. This resulted in \$8.1M in expected lower collections over 10 years, requiring other sources of revenue to fund community housing growth capital. If community housing continued to remain a Development Charges (DC)-eligible service, Housing Services' 2026 10-Year Capital Plan would have included \$152 million in DC funding.	-	8.1
Removal of Housing Services as DC-eligible service			
Development Charge Revenue Impacts Subtotal		\$96.2	\$1,408.2
Growth-enabling Capital			
	Legislation requires York Region to expand the YDSS to support growth in Aurora, Newmarket, and East Gwillimbury through 2051.		
<i>The Supporting Growth and Housing in York and Durham Regions Act, 2022</i>	Phase 1 of the project is underway, financed by Regional debt; however, an additional estimated \$1.6B is required to continue the construction of Phases 2 and 3 of the project, to 2036 and beyond.	-	1,600.0
North York Durham Sewage System (YDSS) expansion	If prepaid development charge agreements and development charge revenues do not materialize, the Region may need to borrow further to complete this project.		
	(User rate-funded)		

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<i>The Supporting Growth and Housing in York and Durham Regions Act, 2022</i>	Legislation required York Region to expand and upgrade the York Durham Sewage System to carry sewage to jointly owned Duffin Creek Plant in Durham for treatment and discharge into Lake Ontario. As a result, the Upper York Sewage Solutions project ceased, and its Environmental Assessment was deemed withdrawn and no Minister's decision was needed. As the work completed for Upper York was no longer applicable, it was written off.	63.8	-
Upper York Sewage Solutions Individual Environmental Assessment Withdrawn	(User rate-funded)		
<i>Housing Services Act, 2011</i>	The Region is seeking a 1/3 share of costs from each level of senior government to deliver 1,350 new community housing units. Accounting for confirmed funding, the 2/3 senior government funding gap is \$408 million, including unfunded projects and those temporarily advanced using internal reserves to support shovel-readiness. Provincial support of \$204 million would cover half of the remaining funding gap.	-	204.0
Provincial share towards new community housing units	(Tax levy-funded)		
<i>Provincial Planning Statement, 2024</i>	Priority BRT projects along Jane Street and Highway 7 East will support growth under the Provincial Planning Statement, 2024 , including housing and employment targets in delineated Major Transit Station Areas, but a \$1.6B funding gap remains.	-	1,600.0
Priority BRT (Jane St & Hwy 7 East)	(Tax levy-funded)		

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
Growth-Enabling Capital Impacts Subtotal		\$63.8	\$3,404.0
Mandated Services			
<i>Housing Services Act, 2011</i> Homelessness Community Programs – Provincial Funding Shortfall	York Region is one of 47 Service Managers responsible for planning, funding, implementing, delivering and administering housing and homelessness prevention. Provincial support is not sufficient to meet growing needs, with funding for homelessness prevention programs remaining flat since 2023, while homelessness has risen 35% since that time. To fund programs, a supplemental tax levy continues to be required.	75.1	Impact Ongoing
<i>Fixing Long-Term Care Act, 2021</i> Long-Term Care Homes – Provincial Funding Shortfall	York Region is required to maintain at least one long-term care home, complying with level-of-care and service requirements. The Province sets out the revenue parameters (resident copay limits, program funding), but actual operating costs have outpaced Provincial funding for long-term care homes.	129.1	Impact Ongoing

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<i>Ontario Regulation 257/00 Ambulance Act</i> Paramedic Emergency Services – Provincial Funding Shortfall	York Region Paramedic Services is mandated to cost-share 50/50 with the Province, with a limit on the total provincial funding portion based on the prior year's budget. This means there is a one-year lag in funding. As annual costs rise faster than funding, additional tax levy support is required to maintain service levels.	21.1	Impact Ongoing
<i>Health Protection and Promotion Act and Ontario Public Health Standards</i> Public Health – Provincial Funding Shortfall	In 2025, the provincial share of Public Health funding has covered just over 50% of mandated program costs (against the intended 75%/25% cost-share). Since 2018, provincial funding grew by less than 1% annually while costs rose 4% per year.	72.3	Impact Ongoing
Mandated Services Tax Levy Impacts Subtotal		\$297.6	-
Housing System Capital Pressures			
<i>Housing Services Act, 2011</i> Capital repairs for non-profit and cooperative housing providers	As a Service Manager, York Region oversees housing maintenance, but the system has been underfunded since the early 2000s. Despite the Region's investments, over \$90M in non-profit and co-operative housing repairs continue to require Provincial funding.	-	90.0

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<i>Anti-Human Trafficking Strategy Act, 2021</i>	While legislation defines housing responsibilities, the Province has neither funded nor delegated emergency housing or supports for sex-trafficking victims. Existing homelessness prevention funds are fully allocated, while demand is rising. Without provincial support, the safe house and service hub for sex trafficking victims cannot move forward. (Excludes estimated costs to operate Safe House)	-	21.8
<i>Housing Services Act, 2011</i>			
Safe House & Service Hub capital costs			
Housing System Tax Levy Capital Pressures		-	\$111.8
Other Impacts			
<i>Community Safety and Policing Act, 2019</i>	The Province mandates the development and implementation of the Community Safety and Well-Being Plan but did not dedicate operating funding towards this plan. With supplemental temporary federal funding having expired on March 31, the Region will be required to fund an estimated \$1.8M annually to sustain initiatives under the Plan, unless senior government funding is provided.	1.8	Impact Ongoing
Community Safety & Well-Being Plan			

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<p><i>Ontario Regulation 398/19 Highway Traffic Act - Automated Speed Enforcement</i></p> <p><i>Bill 56, Building a More Competitive Economy Act, 2025</i></p> <p>Elimination of Automated Speed Enforcement (ASE)</p>	<p>The Province previously authorized the use of Automated Speed Enforcement (ASE) programs, and on November 14, 2025, mandated their removal.</p> <p>Elimination of ASE is expected to result in approximately \$26.2M in lost net revenues in 2026, that were offsetting Regional expenditures, including traffic and road safety initiatives such as roundabout installations at key rural intersections, new signage and school zone pavement markings, and enforcement measures outlined in the 2024-2028 York Region's Vision Zero Traveller Safety Plan.</p>	26.2	Impact Ongoing
<p><i>Bill 23, More Homes Built Faster Act, 2022</i></p> <p>Building Faster Fund</p>	<p>While the Region is responsible for emplacing vital housing-enabling infrastructure, the Region is ineligible for the province's Building Faster Fund, which provides funding based on performance against provincial housing targets.</p> <p>Of the \$800M earmarked for 2023 and 2024, only \$409.6M was allocated to eligible municipalities, leaving nearly half unutilized. Based on local municipal housing targets, York Region could have been eligible for up to \$120M over three years.</p>	120.0	-

Provincial Decisions	Details	Impact (\$ Millions)	
		2022-2026	Over next 10 years
<i>Conservation Authorities Act, 1990</i>	The Province announced plans to consolidate 36 conservation authorities into nine, aiming to deliver more consistent services, strengthen watershed management and enhance community protection.	TBD	Impact Ongoing
Consolidation of Ontario's Conservation authorities	Although the new program is intended to be revenue neutral, there is potential for the Region's costs to increase under the consolidation, depending on how funding shares are allocated among the newly merged authorities.		
Other Tax Levy Impacts Subtotal		\$148.0	-
Provincial Decisions Impacts Total		\$605.9	\$4,924.0

* Impacts estimated based on rates in proposed 2026 Development Charges Bylaw