



## Report to Council

Department: Office of the CAO  
Division: Office of the CAO  
Date: April 20, 2026  
Prepared by: Kate Giurissevich, CAO  
Report Number: Office of the CAO-2026-04  
Subject: Ontario Bill 98 Overview and Potential Impacts  
Number of Pages: 8

### **Recommendation(s)**

**That** CAO-2026-04 entitled “Ontario Bill 98 Overview and Potential Impacts” prepared by Kate Giurissevich dated April 20<sup>th</sup>, 2026 be received, and

**That Council** direct administration to forward Appendix 1 and 3, Recommendations for Commentary Submission, to the appropriate consultation intakes.

### **Purpose**

To provide Council with an overview of Ontario Bill 98, identification of potential impacts on the Town of Essex, and recommended submissions to the Province during the public consultation period

### **Background and Discussion**

#### *Canada-Ontario Partnership to Build*

On March 30, 2026, the Prime Minister and Premier announced the Canada-Ontario Partnership to Build, a joint commitment to provide \$8.8 billion in funding over the next 10 years to a variety of housing and infrastructure projects across Ontario. Information available

on the Partnership can be found here: [Details of the Canada-Ontario Partnership to Build | Ontario Newsroom](#).

Highlights of the partnership which will have a more direct impact on the Town of Essex and our residents are detailed below.

**Development Charges Reduction:** Ontario and Canada agree to a cost-matched structure to provide a combined \$8.8 billion over 10 years for infrastructure investments in Ontario with Canada's share of the funding flowing through the Build Communities Strong Fund's (BCSF) stream. Ontario and Canada agree that the goal of the initiative is to support housing-enabling infrastructure projects in Ontario, and that the funding will be prioritized for municipalities that reduce and maintain reductions on development charges (DCs), which can add hundreds of thousands of dollars to the cost of a new home in some areas of the province. This new infrastructure funding will offset much of the financial impact of DC reductions on municipalities. Directly from the release are the following detail:

- Municipalities will also be expected to support DC reductions, through other non-DC revenue sources) so that all three levels of government are supporting increased housing supply and affordability.
- Funding will also be made available for non-DC levying municipalities as well as for infrastructure projects prioritized by Ontario, and across a broader range of asset classes and recipients eligible under the BCSF stream.
- Canada and Ontario will also agree on a list of priority municipalities where DCs are seen as cost-prohibitive and where growth is essential to support Ontario's future. For these municipalities, Ontario would require a commitment of substantial residential DC reductions (of between 30 to 50 per cent) for a duration of three years.
- Ontario will work to recognize municipalities that have already reduced their residential DCs provided they maintain the reductions for a minimum three-year period.
- Municipalities would work with Ontario to put forward a list of projects that this funding could be used against, which must be ready-to-build and meet any other requirements agreed to between Ontario and Canada.

- Ontario will also commit to not instituting other taxes that hinder the housing supply for a period of three years.

**Harmonized Sales Tax (HST) Rebate on New Homes:** The federal government will provide Ontario a payment in the amount of \$875 million, subject to passage of federal legislation, that may be applied against the federal five per cent portion of the HST that is being removed from new homes in Ontario. Together, the combined rebate would remove the full 13 per cent of the HST for eligible buyers of new homes valued up to \$1 million, for a maximum rebate of \$130,000. This maximum rebate of \$130,000 would be maintained for new homes valued up to \$1.5 million, and would decrease proportionally from \$130,000 at \$1.5 million to a maximum of \$24,000 for homes valued at \$1.85 million and above, building on the province and federal government's previous move to [rebate the HST for all first-time buyers of new homes](#) valued at up to \$1 million.

**Impacts to the Town are detailed in Appendix 1**

- Could spur housing development
  - Possibility of lower home prices, but a tool needs to exist for the DC savings to be passed on to the Homeowner
- New infrastructure funding support
- Reduced municipal revenue from DCs
  - Currently no commitment on what federal/provincial funding support looks like, even with funding support, municipalities are still expected to share the financial burden.
- Need to balance budgets and prioritize infrastructure
- Managing faster growth and service demand
- To date, no additional information has been provided by the federal or provincial government. It is anticipated that further details will be provided by the Province when available.

### Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026

The Minister of Municipal Affairs also introduced Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026. Ontario Bill 98, titled the *Transportation and Housing Act, 2026*, is a wide-ranging (omnibus) bill introduced by the Province to address housing supply, infrastructure coordination, and transit integration. The changes are primarily focused on speeding up housing development and giving the Province more control over how and where growth happens. It appears the Bill is an effort of the Province to try and remove or mitigate what it sees as delays or barriers in the current system.

A letter sent to the Town detailing this announcement from Mr. Robert Flack, Minister of Municipal Affairs and Housing, is included as **Appendix 2**. The letter from Mr. Flack invites feedback on the proposals within the Bill, however with a very limited window as most links only remain open until April 30<sup>th</sup>, 2026. Given this, administration prioritized this and has worked to consolidate all impacts and recommended commentary into **Appendix 3**. It should be noted that the proposals within the Bill are extensive, they propose to amend 9 separate pieces of legislation, and the limited time to review and submit comments means that an all-encompassing review is not possible. Administration had to review and provide feedback on the areas most impactful to the Town, but the list is by no means exhaustive or fully comprehensive given the time constraints.

### **Financial Impact**

There is no immediate financial impact because of the announcements or because of this report. Any resulting Financial Impacts from the recently announced Canada-Ontario Partnership to Build or Ontario Bill 98 will be brought forward to Council through Budget Deliberations or through future reports to Council.

## **Consultations**

Kate Rowe, Director, Corporate Services

Jake Morassut, Deputy CAO/Director, Community Services

Kevin Girard, Director, Infrastructure Services

Joseph Malandrucollo, Director, Legislative Services

Lori Chadwick, Director, Development Services

## **Link to Strategic Priorities**

- Embrace asset management best practices to build, maintain, and continuously improve our municipally owned infrastructure.
- Leverage our Town's competitive advantages to promote jobs and economic investment.
- Take care of our natural environment and strengthen the sense of belonging to everyone who makes Essex "home".
- Deliver friendly customer service in an efficient, effective, and transparent manner while providing an exceptional working environment for our employees.
- Build corporate-level and community-level climate resilience through community engagement and partnership and corporate objectives.