



## City of Hamilton

# Report for Consideration

**To:** Chair and Members  
Audit, Finance and Administration Committee

**Date:** May 7, 2026

**Report No:** FCS26044

**Subject/Title:** Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026 as it Relates to the Development Charges Act, 1997

**Ward(s) Affected:** (City Wide)

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### Recommendations

That Council **ENDORSE** the staff submission and recommendations to the Province of Ontario, as outlined in Appendix "A" to Report FCS26044, regarding Schedule 3 of the proposed Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026, submitted through Regulatory Registry 26-MMAH009.

### Key Facts

- The purpose of Report FCS26044 is to provide an overview of the proposed changes to the Development Charges Act, 1997 that would occur if Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026 as it Relates to the Development Charges Act, 1997 is enacted and to seek Council endorsement of staff submissions to the Province through Regulatory Registry 26-MMAH009.

- At the time of writing, Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026 has not yet been enacted. However, it is possible that the legislation may be passed prior to Council's consideration of Report FCS26044.

## **Financial Considerations**

There are no financial implications associated with the recommendations to Report FCS26044. The financial impact of each proposed amendment to the Development Charges Act, 1997 (DC Act) through Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026 (Bill 98) are detailed in the corresponding sub-section of the Analysis within Report FCS26044.

While not directly related to Bill 98, the Office of the Premier released a Backgrounder on March 30, 2026, titled "Details of the Canada-Ontario Partnership to Build" which identified a potential Ontario wide \$8.8 B funding pool over 10 years for Ontario municipalities which reduce their DCs by up to 50% for a three-year period. Details of this program will be communicated as information is released. At this time, it does not appear that the fund will be available to offset statutory deduction such as the additional exemption provided through Bill 98.

## **Background**

Development Charges (DC) are a development fee collected by the City of Hamilton to help fund the capital costs associated with new growth. These funds contribute significantly to the expansion of infrastructure services such as roads, water and wastewater systems, parks and emergency services which are required to support growth. DCs are calculated in accordance with the DC Act and the City of Hamilton Development Charges By-law, 24-072, as amended (DC By-law).

On March 30, 2026, the Minister of Municipal Affairs and Housing introduced Bill 98, which proposes to amend nine pieces of legislation which directly impact municipalities. Schedule 3 to Bill 98 pertains to proposed amendments of the DC Act.

In the last five years, the Province has enacted various pieces of legislation amending the DC Act with the intent of facilitating the construction of 1.5 million new homes in Ontario by 2031. These legislative changes have rapidly altered the regulatory landscape of DCs and generally decreased the ability of municipalities to fund growth related costs while increasing the administrative burden of collecting DCs.

## **Analysis**

The purpose of Report FCS26044 is to provide an overview of the proposed changes to the DC Act through Bill 98. The proposed changes include:

- Exemption for Non-Profit Retirement Homes
- Administrative Amendments to Correct Cross-Referencing

Staff submitted formal comments on Schedule 3 of Bill 98 to the Province on April 24, 2026 through Regulatory Registry 26-MMAH009. Staff comments, as submitted (Appendix “A” to Report FCS26044), have been recommended for Council endorsement. Submitted staff comments are based on a comprehensive review of the proposed amendments to the DC Act and identify key opportunities for enhancement of Bill 98 and potential impacts to the City’s ability to plan for and fund growth-related infrastructure.

### **Exemption for Non-Profit Retirement Homes**

Bill 98 proposes to amend the DC Act by introducing an exemption from DCs for retirement homes developed by non-profit corporations. Specifically, the new Section 4.5 would exempt any part of a building or structure intended for use as a retirement home, as defined under the Retirement Homes Act, 2010 and developed by a non-profit corporation. This exemption would apply to all DCs payable after the legislation comes into force, including the waiving of any existing instalment plans already in place. There are no non-profit retirement home developments that are paying DCs through instalments under the DC Act in Hamilton. The City would be required to fund the exemption through other sources, including property tax and rate payers.

Staff has identified a potential risk associated with a proposed amendment that would allow a non-profit entity affiliated with a for-profit corporation to develop a retirement home and subsequently transfer operational control to the for-profit corporation. The language of the proposed amendment only requires that the retirement home be developed by a non-profit corporation, without requiring that it be operated by a non-profit in order to qualify. Staff comments to the Province have recommended that the language be strengthened to mitigate the risk of circumvention.

**Financial Impact:** The financial impact of the proposed amendment is expected to be minimal based on historical development trends, as staff is not aware of any non-profit retirement home developments that have occurred within the past five years. It is noted that corporate status has not been historically collected, as it was not previously relevant for development charge purposes. However, if the unintended regulatory gap identified above is not addressed, the potential financial impact to the City could be significant, although the magnitude of this impact cannot be reliably forecasted at this time.

### **Administrative Amendments to Correct Cross-Referencing**

Bill 98 proposes minor technical amendments to address cross-reference errors from earlier amendments. Staff has no comments or concerns with these changes.

### **Alternatives**

Not Applicable

### **Relationship to Council Strategic Priorities**

Report FCS26044 is being presented to the Audit, Finance and Administration Committee by staff to support Council Priority 3: Responsiveness & Transparency through the prioritization of customer service and proactive communication (outcome 3.1) to ensure members of Council, the public and the development community have access to current information that supports fully informed decision making.

### **Previous Reports Submitted**

Not Applicable

### **Consultation**

City of Hamilton staff from Legal Services, Corporate Services were consulted in the preparation of Report FCS26044.

### **Appendices and Schedules Attached**

Appendix “A” to Report FCS26044 – City of Hamilton Staff Submission on the Proposed Changes to the Development Charges Act, 1997 through Schedule 3 to the Building Homes and Improving Transportation Infrastructure Act, 2026 (Bill 98)

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