

THE REGIONAL
MUNICIPALITY OF
HALTON



2026 Provincial Pre-Budget Consultation Submission to the Minister of Finance

January 30, 2026

Introduction

Halton Region is home to more than 656,000 residents and 13,500 businesses across four communities (the City of Burlington, the Town of Halton Hills, Town of Milton, and Town of Oakville) and is expected to grow to a population of more than 1.1 million by 2051. With a growth rate of 8.8% between 2016 and 2021, Halton has seen the highest rate of growth across all upper- and single-tier municipalities in the Greater Toronto and Hamilton Area (GTHA) and is one of the fastest growing communities in Canada.

Halton Region's citizen-focused reliable services, safe communities and high quality of life are key reasons why people and businesses continue to choose Halton. The Region is an effective upper-tier government responsible for delivering many essential programs and services, including providing high-quality drinking water, building housing-enabling infrastructure, delivering homelessness supports, operating long-term care homes, and administering public health and paramedic services. Fiscal responsibility, risk management and continuous improvement have remained key drivers for the Region, with Halton maintaining top credit ratings from S&P Global Ratings (AAA) since 2002 and Moody's Investors Service (Aaa) since 1989.

Halton continues to benefit from a strong partnership with the Provincial Government and supports the Province's goal of building 1.5 million homes by 2031 and developing the infrastructure needed to support growth. The Region is also committed to keeping costs as low as possible for residents and businesses, particularly as we continue to navigate global economic and US trade uncertainty. Budget 2026 presents an opportunity for the Provincial Government and Halton Region to continue to work together to advance the following priorities for the Halton community:



1. Delivering critical infrastructure to support housing



2. Providing housing for those with the greatest need



3. Keeping property taxes and water/wastewater rates as low as possible for Halton residents and businesses



4. Expanding affordable child care spaces to meet demand

Delivering Critical Infrastructure to Support Housing

Halton Region remains committed to working with the Provincial Government to build more homes faster. Our Local Municipalities have endorsed housing pledges totaling 92,500 units in support of the Province's goal to build 1.5 million homes by 2031. To support them in achieving their housing targets, **Halton Region is proactively planning for, financing, and delivering more than \$5.9 billion of growth-related infrastructure**. This includes the development of the Region's Integrated Master Plan which identifies the water, wastewater and transportation infrastructure strategies needed to support growth across Halton. Given the Region's forward-looking approach to planning for infrastructure, **the Region will have the water and wastewater infrastructure capacity to support 104,000 housing units by 2031** – 11,500 units more than the housing pledges endorsed by our Local Municipalities.

To further support growth and build more homes faster, Halton Region has quickly and proactively responded to Provincial directions to transition planning services to our local municipalities and jointly signed a Memorandum of Understanding to ensure an integrated, effective and timely transition of service delivery. Halton Region's continued success in supporting the Province's goal of building more homes faster, and delivering the critical infrastructure needed to support housing, is dependent on the expansion of the Housing-Enabling Water Systems Fund and other infrastructure funding programs. Partnerships with the development community and the Provincial and Federal Governments, as well as the exploration of alternative sources of funding, in addition to the collection of development charges, are also required.

There continues to be significant interest from the development community to build more homes in Halton including 103,394 housing units in the development approvals pipeline across Halton. To support the development of these new homes, the Region has developed a strong partnership with the development community in financing water and wastewater infrastructure and has executed agreements to ensure infrastructure is available when needed. Development charges remain a key source of financing for the Region's infrastructure program as they pay for the infrastructure needed to support new homes and businesses.

Provincial funding programs to support municipal infrastructure projects, including the Housing-Enabling Water Systems Fund (HEWSF), Health and Safety Water Stream (HSWS) and the Housing-Enabling Core Servicing (HECS) stream of the Municipal Housing Infrastructure Program, are a welcomed tool and critical to support municipalities and the Provincial Government in working together to advance housing-enabling infrastructure. Halton Region was successful in the second intake of the HEWSF program

and will be receiving a maximum of \$20,812,700 to support increased production capacity at the Oakville Water Treatment Plant. By working together, the expansion of the Oakville Plant will provide additional capacity for approximately 25,000 new housing units throughout Halton Region's integrated water supply system and enable the development of more than 9,000 new housing units in North-East Oakville. The project began in 2025, and completion is expected in fall 2027.

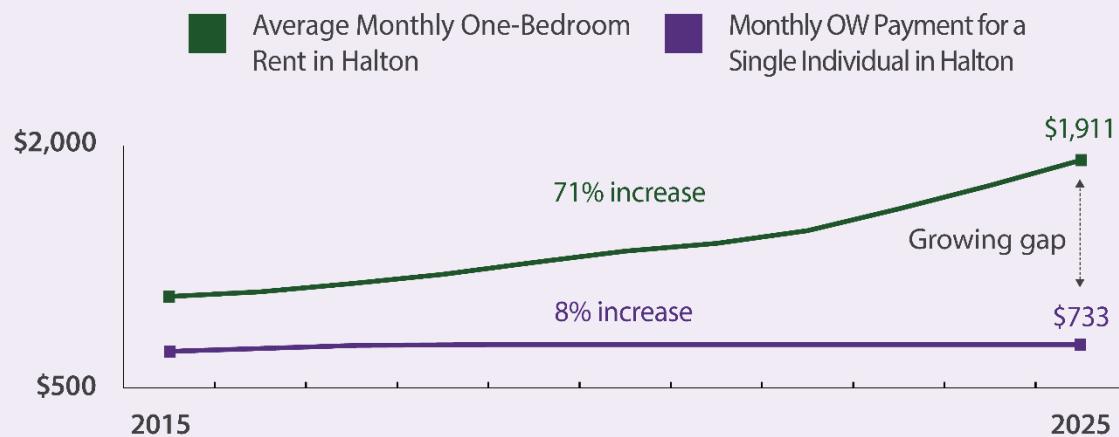
Let's Work Together

The Provincial Government can support the continued successful delivery of critical housing-enabling infrastructure in Halton by:

- Working with the Region to explore alternative sources of funding to finance growth-related infrastructure that does not impact property tax and water/wastewater rate payers - this includes expanding infrastructure funding programs for net-new infrastructure and the maintenance and repair of existing assets that service current development and will support intensification

Providing Housing for Those with the Greatest Need

Across Ontario, average market rent has continued to increase while social assistance programs, like Ontario Works (OW), have remained static. Halton's average monthly rent is currently one of the highest in the GTA, leaving a growing number of households unable to participate in private market rental housing. While the average monthly rent in Halton has increased by 41% since 2018, Ontario Works benefit amounts for shelter and basic needs have remained unchanged during this time.



These high market rental costs, static social assistance programs and the growing mental health and addictions crisis are increasing the demand for homelessness services and supports including emergency shelter. [Research](#) from the Association of Municipalities of Ontario (AMO), in partnership with the Ontario Municipal Social Services Association (OMSSA) and the Northern Ontario Service Deliverers Association (NOSDA) has found that nearly 85,000 Ontarians experienced homelessness in 2025, a number that has grown by 8% since 2024 and more than 50% since 2021. **In Halton, there has been an 185% increase in unsheltered homelessness since 2018 and the Region's emergency shelter system is currently operating at 140% capacity.** AMO's research indicates that without significant intervention, homelessness in Ontario could double by 2035, and reach nearly 300,000 people in an economic downturn.

Municipal governments, including Halton Region, are often the first point of contact for people facing struggles with mental health and addictions, many of whom require intensive supports and experience challenges with securing and maintaining stable housing. Individuals require supports in their homes for better health outcomes and to maintain successful tenancies. Without these supports, people are at risk of recurring homelessness. A study commissioned by the Region in 2024 found that a minimum of 165 additional dedicated supportive housing units are required to address demand and prevent higher emergency shelter use, street homelessness and encampments in Halton. While progress continues to be made, including 22 purpose-built supportive housing units recently completed and 35 currently in development, there remains a significant gap in specialized housing options for individuals with high support needs.



76% of individuals experiencing homelessness in Halton are struggling with their mental health



47% of individuals experiencing homelessness in Halton are facing substance use issues

There also continues to be significant demand for assisted housing in Halton Region for individuals and families unable to afford market rent. **All 5,608 existing assisted housing units in the Region are fully occupied, with 8,519 households on the wait list. At current rates, only 9% of Halton's existing waitlist will be housed each year.** The significant unmet demand in the community for assisted housing continues to put increased pressure on the Region's housing programs and services including the emergency shelter system.

Halton Region has a multi-pronged approach to delivering new supportive and assisted housing units to meet community demand including:

- Acquiring properties to preserve assisted housing units;
- Purchasing properties and converting them into supportive housing units;
- Developing supportive housing on Regionally owned land;
- Exploring modular housing options; and
- Strategically investing to deliver and operate new supportive and assisted housing units, including through partnerships with the development community and the Federal and Provincial Governments.

Halton Region appreciates the Provincial Government's recent initiatives to deliver additional supportive and assisted housing including funding available through the \$20 million Encampment Response Initiative, and \$50 million in last-mile funding for ready-to-build long-term affordable housing projects. In January 2025, Halton received \$503,000 in Encampment Response Initiative funding to support the expansion of modular shelter units in the City of Burlington. These modular units were quickly operationalized and began welcoming residents in October 2025.

In September 2025, we celebrated the grand opening of 265 Kerr Street in Oakville. 265 Kerr Street offers 52 assisted housing units for low-income older adults, including supportive housing units for seniors with chronic health and mobility needs. The building also offers an innovative ground floor Community Wellness Hub through the Connected Care Halton Ontario Health Team and operated by Links2Care. 22 individuals have been housed directly from homelessness into the supportive housing units offered at 265 Kerr Street. Alongside \$16.4 million in Regional funding and \$9.3 million in Federal funding, the project received \$11.9 million in funding through the Canada-Ontario Community Housing Initiative and \$3 million in Provincial Last Mile funding in early 2025 to help complete construction.

The Region currently has [535 shovel-ready assisted housing units](#) in our portfolio of housing development opportunities and proceeding to construction on these projects is contingent on securing funding. The Region continues to actively explore different partnership models for strategic investment in order to deliver these shovel-ready projects as quickly as possible; however, increased Provincial partnership and investment is also essential. These new units are critical in preventing higher emergency shelter use, street homelessness and encampments and, once realized, will contribute to achieving Provincial housing targets.

While recent Provincial investments are valuable in helping us address community need for assisted and supportive housing, continued increases to funding programs such as the Homelessness Prevention Program (HPP) also remain essential in helping Halton address the homelessness, mental health and addictions crisis. In Halton, HPP funding

supports emergency shelter, street outreach, supportive housing and homelessness prevention initiatives to temporarily house vulnerable residents or keep them housed safely in their current homes. Halton Region's HPP allocation for 2025-2026 is \$14,279,700. This amount has remained unchanged over the last three years, despite a significant increase in community need and average inflation of 3% over the past three years. Housing is a shared responsibility among the Federal, Provincial and Municipal levels of government, with each playing an important role in policy development, funding, and service delivery. The homelessness system in Halton has become more complex and requires increased base Provincial funding to support vulnerable populations on a permanent, sustained basis.

Let's Work Together

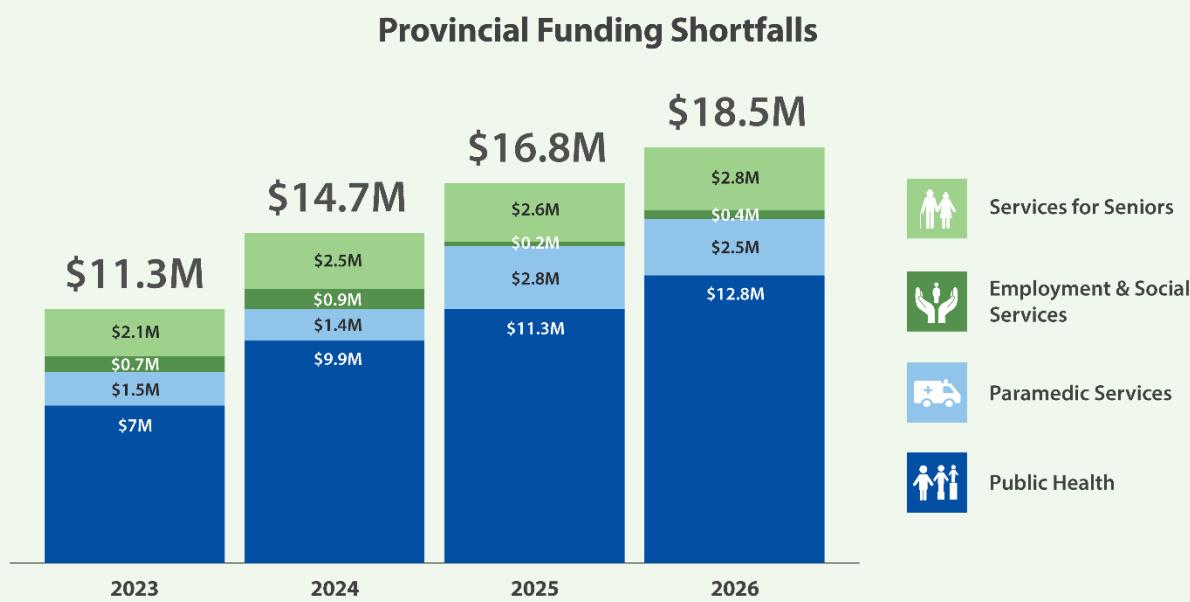
The Provincial Government can support Halton in providing housing for those with the greatest need by:

- Increasing social assistance rates and providing greater flexibility to improve housing stability outcomes
- Increasing coordination across all three levels of government including key provincial ministries and agencies (MMAH, MCCSS, Ontario Health) to address the homelessness, income security, mental health and addictions crises
- Providing dedicated capital funding for new supportive housing units
- Partnering with Halton Region to get shovel-ready assisted and supportive housing properties built as fast as possible to meet increasing demand – Halton Region's [Portfolio of housing opportunities](#) provides an overview of Halton's shovel-ready and in progress projects and opportunities to partner in funding these projects
- Increasing funding through the Homelessness Prevention Program as a source of long-term, sustainable funding to support the Region in providing housing and supports for individuals who are homeless or at risk of homelessness and to mitigate street homelessness and encampments in Halton

Keeping Property Taxes and Water/Wastewater Rates as Low as Possible for Halton Residents and Businesses

Halton and the Provincial Government share the costs of critical health and social services including public health, paramedic services, employment & social services, and services for seniors. The current Provincial funding received for these critical services delivered by the Region has not kept pace with population growth, increasing demand

and inflation. For example, over the past 3 years, inflation averaged 3% whereas Provincial Public Health funding increases remained at 1% each year. Funding shortfalls require the Region to increase contributions to maintain service levels and support the community. The amount the Region funds over and above Provincial cost-share models is increasing by \$1.7 million to a total of \$18.5 million in the 2026 Budget. It is not sustainable for property taxpayers in Halton to continue funding the increasing costs for critical health and social services without the Provincial Government contributing its intended share.



Development charges are a key source of financing for Halton Region's growth-related infrastructure as we work to deliver the \$5.9 billion of water, wastewater and roads infrastructure that is needed to support the housing pledges endorsed by our Local Municipalities. The *Development Charges Act, 1997* (DCA), limits the recovery of growth-related costs from new development and creates uncertainty in funding the critical infrastructure needed to support growth. In Halton, the total estimated funding gap under the DCA versus the "growth pays for growth" principle is currently \$20.5 million which consists of:

- \$12.4 million per year for Ineligible Services
- \$3.9 million in DC recoverable costs based on the average service level calculation
- \$4.2 million for the 50% industrial expansion exemption

The impacts of many of the recent legislative changes to the DCA are unknown at this time. Without alternate sources of funding, the changes to the DCA may impact the timing

of the delivery of the housing-enabling infrastructure needed to support growth and/or could have a significant negative impact on existing tax and rate payers.

Fiscal responsibility is a key driver for Halton, with the Region consistently maintaining top credit ratings from S&P Global Ratings (AAA) since 2002 and Moody's Investors Service (Aaa) since 1989 while keeping tax increases below the rate of inflation. Continuous improvement and risk management are central to the Region's commitment to fiscal responsibility. For example, in 2025, Halton Region completed a Strategic Program Review of our Public Health Department which assessed the effectiveness, efficiency, and alignment of programs and services with organizational priorities, community needs, and Provincial mandates. The review identified efficiencies and reallocated resources to areas of greatest public health need, while maintaining or enhancing desired public health outcomes.

In 2026, 6.2% of Halton's total property taxes collected will be used to cover Provincial funding shortfalls for health and social services and limitations on DC revenues. Municipalities have limited revenue tools available and any increase in financial need translates into an increase in property taxes, utility rates and user fees, which many households cannot afford. Unlike Provincial and Federal taxes, property taxes are not tied to income.



A review of the municipal fiscal framework is required to ensure that municipalities across Ontario, including Halton Region, are better positioned to champion the Province's priorities and address pressing community challenges. Halton Region supports the Federation of Canadian Municipalities' (FCM) calls for a National Prosperity Partnership

and the Association of Municipalities of Ontario's (AMO) calls for a comprehensive social and economic prosperity review to ensure municipalities can continue to address the priority issues affecting communities.

Let's Work Together

The Provincial Government can support Halton in keeping property taxes and water/wastewater rates as low as possible for our residents and businesses by:

- Increasing the Provincial funding allocation by \$18.5 million for cost-shared programs in health and social services and ensuring Provincial funding keeps pace with inflation and growth
- Working with the Region to explore alternative sources of funding to finance growth-related infrastructure, that does not impact property tax and rate payers
- Participating in further discussions with the Federation of Canadian Municipalities' on the potential for a National Prosperity Partnership and the Association of Municipalities of Ontario as part of the call for a Provincial Social and Economic Prosperity Review

Expanding Affordable Child Care Spaces to Meet Demand

Halton Region appreciates the Province's leadership and ongoing work to implement the Canada-Wide Early Learning and Child Care (CWELCC) System, including the one-year extension reached with the Federal Government to continue to support Ontario families. Across Ontario, CWELCC is saving families an estimated \$10,440 per child, per year.¹ These significant savings are critical to Halton families, many of whom are struggling with high mortgage rates/rental costs and other rising household expenses.

As one of the fastest growing communities in the country, Halton Region is facing significant demand for high quality and affordable child care spaces. The need for additional CWELCC spaces from Halton families and child care operators is expected to continue as Halton grows. To address this significant and growing demand, it is critical that the Province reassess Halton's space allocation and revise the methodology used to allocate CWELCC spaces to more accurately reflect community need. **Child care operators in Halton remain ready to quickly operationalize over 4,200 additional CWELCC spaces for Halton families if the Province allocates more funding and spaces.** Immediate Provincial investment would respond to growing

¹ Government of Canada, 2025. <https://www.canada.ca/en/employment-social-development/news/2025/03/toward-10-a-day-an-early-learning-and-child-care-backgrounder0.html>

community need, prevent long wait-times for affordable child care, and ease financial hardship for families.

Halton appreciates ongoing Provincial funding provided through the Local Priorities Fund. This program supports a variety of local needs including fee subsidies for low-income families, supports for children with special needs, and workforce compensation, attraction and retention. For 2026, the Ministry of Education has allocated more Local Priorities funding at the expense of local flexibility. While Halton welcomes increased Local Priorities Funding, the reduction in the flexibility of its use will create funding challenges that may impact child care operators and families. As Service System Manager for child care, Halton Region is best positioned to determine local needs and priorities. To support local decision making, Halton has developed a multi-year Early Learning and Child Care Plan that was informed by significant community consultation. Flexibility in Local Priorities funding allows the Region to best respond to local needs.

The Provincial Government recently allocated one-time capital and start-up funding to support the creation of new CWELCC spaces in 2026. This welcome investment has enabled Halton to approve three large-scale capital projects in communities with high demand. The Ministry of Education requires all capital projects to be fully built, licensed, and new spaces operational by December 31, 2026, with no flexibility. This tight timeframe puts projects at significant risk given their vulnerability to construction delays beyond the direct control of the Region or funded child care operators, including permitting, supply chain issues, and labour shortages. The Ministry has informed all Service System Managers, including Halton Region, that all capital and start-up funding allocated to a project must be repaid to the Ministry if the project is not fully completed by December 31, 2026, even if significant progress has been made. This could mean that much needed child care spaces, do not materialize for the Halton community. Allowing flexibility beyond December 31, 2026, would help ensure projects are completed successfully.

The CWELCC funding model that came into effect on January 1, 2025 transformed the child care sector from a revenue replacement to a cost-based funding approach. This change has required greater oversight, administrative effort, planning, policy and audit requirements from Halton Region, including reconciling funding, performing child care operator reviews, and supporting child care operators to improve efficiency and effectiveness. It is essential that Halton Region have the resources to effectively deliver upon these increased Provincial expectations. The CWELCC Agreement 2021 to 2026 signed between the Federal and Provincial Governments permits up to 10% of total funding to be used for administrative purposes. Halton Region has only received approximately 1% of CWELCC funding for administrative purposes to date. To effectively

manage risks, safeguard the sizable public investment in child care, and ensure CWELCC funded child care is efficient, effective and of high quality, it is essential that administrative funding be increased to reflect operational realities and Service System Manager accountabilities.

Working together, the Province and Halton Region have made great progress in implementing the CWELCC System. The Region strongly supports the Provincial and Federal Governments' efforts to achieve a longer-term agreement beyond the current 2026 CWELCC extension, ensuring stability for Halton families. These ongoing partnerships are pivotal to meet the growing demand for affordable, high quality child care spaces in the Halton community and to sustain the positive progress made to date.

Let's Work Together

The Provincial Government can support Halton in delivering affordable child care by:

- Providing increased funding and at least 4,200 additional CWELCC spaces
- Revising the methodology used to allocate CWELCC spaces to more accurately reflect current and future community need
- Restoring local flexibility to the Local Priorities Fund
- Extending the deadline for the completion of new capital projects beyond December 31, 2026
- Providing increased administrative funding to enable Halton Region to allocate more resources to support oversight and auditing of the CWELCC program

Conclusion

Working together, Halton Region and the Provincial Government have taken some key steps forward on priority issues, and there is much more that can be done. A continued strong, collaborative partnership with the Provincial Government is critical to a successful and growing Halton community now, and into the future. Thank you for your consideration and the opportunity to provide input into the 2026 Provincial Budget. For more information about Halton's advocacy priorities, please visit halton.ca/advocacy.



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