From: "van Dyk, Donny"
To: "Direct to Mayor and Council - DL"
Date: 6/18/2026 2:34:16 PM
Subject: Summary: Canada-BC housing and infrastructure partnership

Dear Mayor and Council,

This afternoon, Prime Minister Mark Carney and Premier David Eby announced a new agreement on infrastructure funding between the provincial and federal governments. The agreement includes $3.2 billion in combined federal and provincial funding over 10 years to support housing-enabling infrastructure investments, a new Canada-British Columbia Partnership on Condo Conversion, and co-operation and financial support for major transit projects.

Below is a high-level summary of the agreement:

- Build Canada Strong Fund and Development Charges Reduction:
  - BC and Canada agree to a cost-matched structure to provide a combined $3.2 billion over 10 years for infrastructure investments in BC with Canada's share of the funding flowing through the Build Communities Strong Fund's (BCSF) Provincial and Territorial (PT) steam.
  - Funding will be used to lower development charges for multi-unit housing by up to 50 per cent in priority communities, saving up to $40,000 per unit, and expand housing-enabling infrastructure such as water systems, wastewater systems, and local roads.
- Canada-British Columbia Partnership on Condo Conversion:
  - Through Build Canada Homes and BC Housing, the federal and provincial governments will leverage financing tools to convert more than 2,200 vacant condo units in priority growth areas into affordable homes, with a completion target of fall 2026.
- Health Care Infrastructure:
  - The federal government will contribute over $600 million over three years, matched by BC for a total of up to $1.2 billion, to modernize and expand health infrastructure such as hospitals, emergency rooms, urgent care centres, and other critical facilities.
- Transit Infrastructure Projects:
  - The federal government will invest $2.5 billion over 10 years through the Canada Public Transit Fund to build new projects, such as the Surrey-Langley Sky Train extension.
- One Time Transfer of $284 Million:
  - The federal government will provide a one-time transfer of $284 million to BC to reduce barriers to new construction.
- Tumbler Ridge Infrastructure:
  - The federal and provincial governments will each provide $100 million to build new infrastructure for the community of Tumbler Ridge, including a new secondary school and renovations to the local health centre.

Comparison with the Canada-Ontario agreement signed earlier this spring :

- At the April 22, 2026 meeting of the Standing Committee on City Finance and Services, Vancouver City Council passed the motion Reconciling Provincial Housing Funding with Mandated Housing Targets, which requested "that the Province work with the Government of Canada to establish the same cost-shared

- infrastructure and housing-enabling funding program recently introduced in Ontario that cut municipal development charges by 50% while ensuring stable funding for the infrastructure required to deliver housing at scale".
- Like the agreement with Ontario, the Canada-BC agreement includes federal funding through the Build Communities Strong Fund's Provincial and Territorial stream, which was allocated using a base + per capita model, and the Canada Public Transit Fund.
- The BC agreement does not include any measures related to PST or GST on new homes, unlike the Ontario agreement.
    - New homes in BC sold for up to $1.1 million are already exempt from PST.
- Unlike the Ontario agreement, requirements for development charge reduction requirements are limited to multi-unit residential buildings in specific communities.
- The Ontario agreement does not include any one-time transfers, or funding for healthcare infrastructure.

Additional Resources:

- The Prime Minister's Office news release can be found here.
- Additional information on the Build Communities Strong Fund Provincial and Territorial stream can be found here.
- Additional information on the Canada-Ontario agreement can be found here.

Should you have any questions, please contact Celeste Dempster, Senior Director, Intergovernmental Relations and Strategic Partnerships.

Thanks,
Donny

Donny van Dyk (he/him)

City Manager

City of Vancouver

The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the xʷməθkʷəy̓əm (Musqueam), Sḵwx̱wú7mesh (Squamish), and səlilwətaɬ (Tsleil-Waututh) Nations.