



Meeting Date: June 4, 2025

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Report No: CAO-15-2025

Subject: Protect Ontario by Building Faster and Smarter Act

Recommendation:

THAT Report CAO-15-2025 re: Bill 17: Protect Ontario by Building Faster and Smarter Act be received for information.

Purpose:

The purpose of this report is to advise Council on actions taken by the Ontario government in introducing the [*Protect Ontario by Building Faster and Smarter Act*](#) intended to streamline development approvals and modernize development charges (DCs). The government also announced its intent to consult with municipalities on high impact proposals and that is noted in the correspondence dated May 12, 2025 from the Minister of Municipal Affairs and attached to this report.

Background:

The Protect Ontario by Building Faster and Smarter Act, 2025, if passed, would remove unnecessary barriers to building, so Ontario can get shovels in the ground faster for vital projects and protect Ontario workers through increased US tariffs. The package includes legislative and related initiatives to fuel growth, create the conditions for investment, open up new markets and create good-paying jobs, and is the next step in the Ontario government's plan to protect Ontario by building a stronger, more resilient economy.

In particular, provincial efforts to standardize and streamline development approvals to boost housing and economic growth, is a shared priority for municipalities. DCs are a critical tool for ensuring that municipalities can fund the infrastructure necessary to support growth, but modernization is needed.

There are four key initiatives as outlined in the technical briefing document dated May 12, 2025 that is appended to this Report:

- Initiative One – Accelerating Transit and Provincial Infrastructure Development
- Initiative Two – Accelerating Transit-Oriented Community Projects
- Initiative Three – Enabling authorities to speed up transportation permitting
- Initiative Four – Streamlining/Standardizing municipal development processes and development charges framework

Analysis:

Bill 17 proposes the following changes, if enacted:

Development Charges:

- Payment may be deferred from building permit issuance to occupancy permit, which is currently only available to rental housing and institutional development
- No interest would be payable, and existing deferrals for rental housing and institutional development would be exempted from interest payments
- If no occupancy permit is required, securities (the type of which will be prescribed by regulation) could be required at the time of building permit issuance
- Rates are currently frozen as of the date that a zoning by-law or site plan application is made. The charges payable will be the lower of the frozen rate, or the DC rate in place at the time of payment
- A reduction in DCs by a municipality would not require a background study or consultation
- Long-term care homes will be exempt from paying DCs
- The Minister will be able to make regulations (not yet released) in relation to:
 - Prescribing limit and exceptions to eligible capital costs, including land costs
 - Merging related service categories for the purpose of DC credits, expanding the ability of developers to receive credits for the construction of infrastructure
 - Following consultation, prescribing a methodology to calculate the benefit to existing development of new infrastructure. Also known as BTE, the amount that existing development benefits from new infrastructure

reduces the amount that can be charged to new development in a DC by-law.

- Expand the requirement that municipalities must spend or allocate 60% at the beginning of each year to all services covered by the Development Charges Act
- Define local services to standardize what infrastructure is captured under development charges versus local services

Planning Act:

- Inclusionary zoning: a [regulation has been released setting out](#) a 5% maximum rate and a 25 year maximum affordability period within Protected Major Transit Station Areas that will be put in place. The implementing regulations are not currently available.
- Complete application rules are proposed to be changed to limit what can be required as part of a complete application. A [proposed regulation](#) will limit the scope of permitted studies, and proposes to exclude Sun/Shadow, Wind, Urban Design and lighting reports.
- Conditional MZO: the Minister will be given the jurisdiction to impose conditions prior to uses in an MZO being permitted. Where a condition is imposed, it can be enforced by way of an agreement that can be registered on title.
- School zoning will be permitted as of right on urban lands zoned for residential uses, and site plan approval will not be required for the placement of portables on any school sites.
- Variations to minor variances: the Minister of Municipal Affairs and Housing would have regulation-making power to allow certain variations that would be permitted as of right. The Act proposes to establish a regulation that will set a percentage of a setback that will be permitted as of right. A [proposal for a regulation that has been posted for comment](#) states that the percentage will be 10%.

Building Standards:

The Building Code Act is proposed to be updated to prevent municipalities from passing by-laws respecting the construction or demolition of buildings. This would appear to make green building standards obsolete, and ensure that the same standards (the OBC) apply province-wide.

Transit-oriented communities:

A number of changes are proposed to advance the province's priorities in delivering transit-oriented communities. While not contained in the Act, the Minister of Infrastructure has been given the authority to exercise the power to enact Minister's zoning orders under Section 47 of the *Planning Act*. This was done by an Order in Council, and is in full force and effect.

The Building Transit Faster Act is proposed to be amended to apply to all provincial transit projects. This will mean that all these projects will be exempt from the provisions of the *Expropriations Act* that permit a hearing of necessity to be requested. Additional permit requirements for development near these projects will be required, and additional powers are given to the province/Metrolinx on lands within 30 metres of transit corridors.

Municipal Review & Response

As per the correspondence attached, the Ministry is undertaking consultation through a number of regulatory registries from May 12, 2025 to June 11, 2025. In summary:

Building Code Act

- A number of municipalities have construction standards specific to energy efficiency which exceeds the minimums of the Ontario Building Code. The proposed legislation is intended to provide a basic level of construction standards through the Ontario Building Code which must be acceptable across the province.
- Middlesex Centre does not have mandatory energy efficiency or increased construction standards, but does have its Green Builder Recognition Program. This program is voluntary for builders to qualify, and staff sees no impact of the proposed legislation on this voluntary recognition program.
- This legislation may, however, impact the municipality's ability to pass architectural design guidelines specific to individual developments. These guidelines set standards to ensure a diverse housing design in development. Details on its impact on guidelines is currently unknown.

Development Charges Act

- The proposed amendments are development-focused and staff will be reviewing these measures against the current DC policies as some proposed changes are detrimental to having the financial resources to grow--such as removing the authority for municipalities to charge interest on DC deferrals.
- The Development Charges Act revisions specific to delayed payments until occupancy and acceptance of securities in lieu of

DCs will create a significant change in processes and tracking for our staff

- The deferral of DC payments to occupancy for residential development will add to the administrative burden for staff. A new process will need to be created and implemented. Additionally, removing the ability to charge interest on deferrals and payment plans will decrease revenue and cost recovery.
- With respect to exempting long-term care homes, the D.C.A. does not allow reductions in D.C.s to be funded by other types of development. As such, the exemption will have to be funded from other municipal revenue sources. At Middlesex Centre this is our Development Charge Exemption reserve fund which is funded from the tax levy, water and wastewater rates.
- With respect to the future regulations that the Minister will be able to make, the impacts will need to be reviewed once more information is available. However, reductions to eligible capital costs in the DC study will also have to be funded from other municipal revenue sources, therefore, this could result in a significant financial burden on the current rate payers.
- Simplified DC process for amendments as proposed would decrease the administrative cost of completing, however, this will reduce transparency for the public.
- The implementation of the lower charge for rate freezes is a positive change and is supported by staff.
- Defining local service in the regulations may be a positive change that provides consistency for the development community. However, as every municipality is different, this may also be a burden.
- The province is considering expanding the Annual Treasurer's Statement reporting requirements related to allocating 60% of monies in their DC reserve funds to projects. Staff have no concerns with this change as Middlesex Centre already does more than the current requirement as outlined in CPS-23-2025.

Planning Act

- Inclusionary Zoning – note that this does not apply to Middlesex Centre (only to areas with Protected Major Transit Station Areas).
- Minor Variances – Staff are generally supportive of this change, which will significantly reduce staff time associated with processing minor variance applications. Staff will continue to review and discuss potential implementation challenges.
- Complete Application Requirements – Staff have concerns with this proposed change, which would limit our ability to require certain technical studies associated with development applications.

Technical studies are an important tool to assess potential impacts of proposed development.

- Conditional MZOs – Staff are supportive of this change which will allow the Province to hold developers accountable for development commitments, where an MZO has been issued.
- School Zoning – Staff are generally supportive of this change.
- Minor Variances – Staff are generally supportive of this change, as it will significantly reduce staff time and costs for landowners for minor exceedances; however, staff are continuing to review the proposed regulation and considering implementation

Ministry of Infrastructure Act

No objection to this change as the Municipality would continue to dialogue and work collaboratively with the Province on any initiated provincially funded infrastructure projects.

Transit-Oriented Communities Act

No comment.

Based on the above review of each of the proposed changes, staff will prepare submissions to the EROs by the deadline date.

Financial Implications:

N/A

Strategic Plan:

This matter aligns with following strategic priorities:

- Balanced Growth

The proposed changes have been made in consultation with the Association of Municipalities of Ontario (AMO) and other key stakeholders. Although the intent is to increase the supply of housing which serves well, there are some concerns related to how changes to development charges – which are a critical revenue for municipalities – will be affected. Continued consultation is important to ensure that municipalities have the financial resources required to be a partner in building more homes.

Attachments:

Attachment – Correspondence from Minister of Municipal Affairs dated May 12, 2025

Attachment – Technical Briefing Document dated May 12, 2025