

MEMBER UPDATE



May 12, 2025

Dear BILD members,

This morning, the Honourable Robert Flack, Minister of Municipal Affairs and Housing, announced significant and exciting initiatives related to planning and development charges, many of which BILD and OHBA have been advocating for in order to assist with the economic and housing supply crisis.

The *Protect Ontario by Building Faster and Smarter Act, 2025* is designed to help speed up the construction of new homes and infrastructure, including by streamlining development processes and reducing costs in close partnership with municipalities. The province is also increasing its historic investment in housing-enabling infrastructure by adding \$400 million in immediate funding to the Housing-Enabling Water Systems Fund (HEWSF) and Municipal Housing Infrastructure Fund (MHIP) for a total of nearly \$2.3 billion over four years across the HEWSF and the MHIP.

Complete details of the bill will be available for viewing later this afternoon at the following link:

[Current bills | Legislative Assembly of Ontario](#).

Additional background material from the Ministry of Municipal Affairs and Housing can be found here:

[Municipal Affairs and Housing | Ontario Newsroom](#).

A copy of the BILD press release can be found [here](#). In it, Dave Wilkes, BILD President and CEO, notes the following: "In this period of economic and tariff uncertainty, prioritizing housing is both a strategic imperative and a socio-economic imperative. Today's proposed legislation provides a much-needed focus on homes in a region facing a housing deficit and affordability challenges, while also protecting Canadian jobs and stimulating the economy. In the Greater Toronto Area, 100% of the labour and 90% of the materials used to build housing are Canadian. We welcome the consultation on these important changes, however, given the magnitude of the current housing crisis and persistent economic threats, swift implementation and consistency with the spirit and intent of this proposed legislation are absolutely vital. I encourage all parties to support this effort to expand housing supply and provide economic stimulus."

HIGHLIGHTS OF TODAY'S ANNOUNCEMENT

A summary of the proposed changes are available [here](#).

Through this bill, the government is signaling significant updates to the framework governing development charges (DCs), land use planning, and building regulations to enhance housing supply, reduce red tape, and create a more consistent, transparent approval process across Ontario. A summary of the changes that are most impactful to you, are outlined below:

Development Charge Reforms

1. Public Utility Model Exploration

Consideration is being given to a public utility model for water and wastewater infrastructure to support long-term funding sustainability.

2. Credit Flexibility

New regulation-making authority would allow merging of DC service categories for credit purposes, enabling developers to receive credit for work that they perform over a broader range of categories.

3. Clarification of Local Services

The province could define local service infrastructure through regulation, ensuring greater consistency across municipalities.

4. Deferral of DC Payments

Payment timing for all residential developments may shift from the building permit stage to occupancy, easing upfront financial pressure on developers.

5. Simplified DC Rate Reductions

Municipalities could be empowered to reduce DC rates, including indexing adjustments, without following current procedural requirements.

6. Limits on Recoverable Costs

A new regulatory authority may be established to cap recoverable capital costs (e.g., land acquisition), enhancing cost control and fairness.

7. Lowest Applicable DC Rate Protection

Developments could benefit from the lowest DC rate available during the frozen rate period, encouraging timely approvals.

8. Benefit to Existing Calculation – DC Methodology

Standardized methods may be introduced to calculate the benefits of new infrastructure to existing developments.

9. Increased Transparency

Regulatory amendments would expand reporting requirements under the Development Charges Act, ensuring municipalities allocate or spend 60% of their reserve funds annually.

Many of the changes being proposed for the Development Charges Act are drawn from a research paper undertaken by Keleher Planning and Economic Consulting for BILD/OHBA. This study, *The State of Development Charges in Ontario*, can be found [here](#).

Planning Act, Building Code Act, and Other Legislative Updates

1. Building Code Compliance

Clarifications would reaffirm that municipalities must adhere to the provincial Building Code and cannot impose additional unique standards.

2. Application Study Requirements and Certified Professionals

Municipalities would be limited to requiring only those studies specified in Official Plans unless otherwise approved by the Ministry of Municipal Affairs and Housing.

3. As-of-Right Minor Variances

Variations within a defined percentage (e.g., 10%) of setback requirements on specific lands (e.g., urban residential areas) could be automatically permitted.

4. Inclusionary Zoning Parameters

Standardization of inclusionary zoning would cap requirements at a 5%-unit set-aside and a 25-year affordability term within Protected Major Transit Station Areas.

5. Official Plan Streamlining

Consultation with municipalities will guide legislative and regulatory changes aimed at simplifying and standardizing land use designations, increasing clarity and expanding permitted uses.

6. Official Plan Population Updates

Requiring municipalities in high-growth areas to update their official plans to align with the Ministry of Finance's October 2024 population forecasts, or with an approved upper-tier forecast — whichever is higher.

7. Digitizing and Modernizing Planning and Permitting Systems

Exploring digital solutions — including AI — to improve the standardization, transparency, and accessibility of municipal planning data, the Building Code, and building permit systems.

RELATED TO BILD'S ADVOCACY:

- BILD has continuously stressed that urgent solutions are required to address this crisis. Immediate implementation of short-term measures is essential, including enabling municipalities to reduce development charges, suspending annual indexing requirements, and allowing for payment deferrals. BILD will also be working with municipalities and the province to define transition measures for projects that are currently being initiated and where permits may be/have been pulled prior to regulations being finalized.
- We will continue to advocate for new home purchases to be exempted from the provincial portion of the HST.
- BILD will be working with municipalities who have currently engaged us and/or have standards in place that now contravene this provincial direction, and request a conversation with them to reinforce that they must now adhere to the new provincial intent.

NEXT STEPS:

- The Ministry of Municipal Affairs and Housing is expected to begin consultations over the summer on the proposed legislative and regulatory changes. BILD will ensure our industry's voice is represented in those discussions. Additionally, if key priorities are not included in the proposed legislation—whether at the provincial or municipal level—BILD will continue to advocate for their inclusion.
- BILD will actively participate in these consultations, including through written submissions, and we will organize a technical briefing in the coming days for our members.
- BILD is committed to working collaboratively with municipalities to support the immediate implementation of any measures that help address housing affordability and supply challenges.

For more information, please contact Paula Tenuta at ptenuta@bildgta.ca.

Sincerely,



Dave Wilkes
BILD President & CEO