



# MEMBER UPDATE

May 12, 2025

## Province Introduces Welcome Reforms to Accelerate Housing and Infrastructure Development

The Ontario Home Builders' Association (OHBA) is pleased to share significant news from the Ontario government regarding a suite of proposed reforms aimed at streamlining municipal development processes, modernizing the development charges framework, accelerating infrastructure delivery, and supporting housing through faster approvals and more consistent rules.

Today, the Ontario government introduced the [\*Protect Ontario by Building Faster and Smarter Act, 2025\*](#). If passed, the proposed measures would eliminate unnecessary barriers to construction, accelerate critical project delivery, and safeguard Ontario workers amid rising U.S. tariffs. The package supports economic growth, investment, job creation, and market expansion as part of the government's ongoing response to U.S. trade actions.

These changes mark meaningful progress toward a more consistent, transparent, and efficient system that supports increased housing supply while offering greater certainty for home builders and municipalities. Many of the reforms—particularly those related to local approvals and development charges—reflect the recommendations and technical advice OHBA has submitted to the Ontario government. They represent system-focused solutions designed to foster an environment where more homes can be built faster and at prices Ontarians can afford.

The proposed changes reflect extensive feedback from industry stakeholders and the municipal sectors alike and signal the government's continued strong commitment to reducing red tape, removing bottlenecks, and enabling more housing and infrastructure to be built faster. We applaud the Ministries of Municipal Affairs and Housing, Transportation and Infrastructure for their leadership and responsiveness to the critical state of the housing crisis.

### Highlights of the Proposed Changes:

- **Streamlining of Municipal Development Processes:**
  - The government proposes measures to eliminate municipal barriers to housing by limiting local construction mandates, putting reasonable limits on the type and number of studies in the local approvals process, allowing certain zoning variances without extra approvals, and increasing accountability and innovation.
- **Standardization of the Development Charges Framework:**
  - Ontario is proposing changes to the *Development Charges Act*, 1997 methodology and framework to improve standardization, predictability, and transparency in how development charges are calculated, applied, and captured across municipalities.
- **Enabling Authorities to speed up Transportation Permitting:**
  - Ontario intends to work with municipalities to standardize road building specifications and modernize the highway corridor permitting process—speeding up construction timelines, reducing costs, and accelerating permit approvals.

- **Accelerating Transit and Provincial Infrastructure Development:**
  - Ontario proposes to expand the Building Transit Faster Act measures to apply to all provincial transit projects, enabling faster delivery by streamlining approvals and processes.
- **Accelerating Transit-Oriented Community Projects:**
  - Ontario plans to expand the Transit-Oriented Communities (TOC) program by reducing red tape and designating GO Heavy Rail and LRT projects as priority transit projects to accelerate their delivery.

## **Proposed Changes – Development Charges and Municipal Processes – Ministry of Municipal Affairs and Housing**

1. **Clarifying Municipal Authority Under the Building Code Act:**
  - Municipalities would be explicitly prohibited from passing or enforcing local bylaws related to the construction of buildings, reaffirming that the Ontario Building Code takes precedence.
2. **Limiting Municipal Study Requirements for Development Applications:**
  - Municipalities would be prohibited from adding or altering required studies and reports for complete development applications under the *Planning Act* and *City of Toronto Act*. Only the province would have the authority to allow additional requirements.
3. **Provincial Authority Over Required Studies:**
  - Ontario would gain regulation-making powers to:
    1. List topics that cannot be required for a complete application,
    2. Specify all allowable study types, and
    3. Require municipalities to accept studies signed off by certified professionals.
4. **"As of Right" Relief from Certain Zoning Standards:**
  - Proposed changes would allow minor zoning relief, such as reduced setbacks, in most residential areas without needing approval from a municipal committee of adjustment, if within a prescribed percentage of the required standard.
5. **Conditions on Minister's Zoning Orders (MZOs):**
  - The Minister of Municipal Affairs and Housing would be able to impose conditions that must be fulfilled—typically by the developer—before an MZO comes into effect.
6. **Easing Installation of Public-School Portables:**
  - Public school portables would be exempt from site plan control across Ontario, while still required to meet Building Code standards.
7. **Explicit Zoning Permission for Schools and Childcare:**
  - Publicly funded K–12 schools and associated childcare facilities would be explicitly permitted on residentially zoned urban lands under the *Planning Act*.
8. **Eliminating Redundant Approvals for Innovative Building Products:**
  - Ontario proposes to remove the requirement for secondary provincial approval of construction products already approved by the federal Canadian Construction Materials Centre.
9. **Reducing Barriers for Canadian Manufacturers:**
  - The province is considering Building Code changes to make it easier for Canadian manufacturers to submit products to the Building Materials Evaluation Commission.
10. **Discretionary Application of Provincial Policy for Ministerial Planning Decisions:**
  - Ontario is exploring case-by-case discretion for the Minister to make decisions under the *Planning Act*, such as official plan approvals, without being bound to provincial policy consistency.
  - *Note:* This would not affect the Greenbelt or Oak Ridges Moraine Conservation Plan.
11. **Streamlining and Standardizing Municipal Official Plans:**

- Ontario will consult with municipalities to explore ways to simplify and harmonize land use designations and official plans across the province.
- 12. Updating Official Plans Based on Revised Population Forecasts:**
  - Municipalities in high-growth areas will be asked 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.
- 13. Digitizing and Modernizing Planning and Permitting Systems:**
  - Ontario is exploring digital solutions—including AI—to improve the standardization, transparency, and accessibility of municipal planning data, the Building Code, and building permit systems.
- 14. Supporting Viability of Four-Storey Townhomes:**
  - Ontario is exploring potential changes in the Building and Fire Code to improve the economic feasibility of four-storey townhomes while maintaining necessary safety standards.
- 15. Expanding Use of Communal and Off-Grid Water Systems:**
  - The province will consult on the expanded use of communal water and sewage systems, as well as modular, proponent-funded “off-grid” water treatment facilities to enable housing development in unserved small communities.
- 16. Exploring Public Utility Models for Water and Wastewater Services:**
  - Ontario remains committed to examining a public utility model, such as a new type of municipal services corporation, to offer more flexible governance and financing options for delivering water and wastewater infrastructure.
- 17. New DC Credit Flexibility for Combined Services:**
  - Ontario is proposing a new regulation-making authority to allow eligible development charge (DC) services to be combined for the purpose of applying DC credits—an idea put forward by OHBA and AMO.
- 18. Defining Local Service Infrastructure:**
  - A new regulation-making authority is proposed to define what qualifies as local service infrastructure for DC purposes, as recommended by OHBA and AMO.
- 19. Deferring DC Payments Until Occupancy:**
  - Based on recommendations from the Mississauga Housing Task Force, Ontario proposes to defer all residential (non-rental) DC payments until occupancy, rather than at permit issuance, and to remove interest charges on all deferred DCs—including rental, institutional, and ownership projects.
- 20. Aligning Occupancy Permit Requirements with the DC Act:**
  - The province proposes to amend regulations to ensure residential occupancy permit requirements are consistent with the *Development Charges Act*.
- 21. Simplifying DC Rate Reductions for Municipalities:**
  - As suggested by the City of Toronto, Ontario proposes to allow municipalities to reduce DC rates without completing a full DC background study or other procedural steps.
- 22. Regional Construction Cost Indexing for DC Rates:**
  - In response to recommendations from OHBA, BILD, and the City of London, Ontario proposes to add the Statistics Canada London Non-Residential Construction Price Index to the approved list of indexes for DC rate adjustments, enabling rates to reflect local construction costs.
- 23. Eliminating DCs for Long-Term Care Homes:**
  - Ontario proposes to permanently eliminate development charges for long-term care homes moving forward.
- 24. Freezing DC Rates at the Lower of Two Points in Time:**
  - As recommended by OHBA and BILD, future developments would pay either the current DC rate or the frozen rate from the time of site plan or zoning application—whichever is lower.
- 25. Limiting Eligible Capital Costs in DC Calculations:**

- Ontario is proposing new regulation-making authority to set clear limits and exceptions on which capital costs (e.g., land, buildings, computer equipment) can be included in DC rate calculations, as suggested by OHBA and AMO.
- 26. Clarifying “Benefit to Existing” Calculations:**
- The province will consult on establishing consistent rules for calculating the “benefit to existing” population—ensuring municipalities properly account for existing resident benefit when setting DC rates.
- 27. Mandatory Spending of DC Reserve Funds:**
- Ontario proposes regulatory changes requiring municipalities to spend or allocate at least 60% of their DC reserve funds annually for all DC services and will consult on ways to improve public reporting of DC information.

## **Proposed Changes – Ministry of Infrastructure (MOI) & Ministry of Transportation (MTO)**

- 1. Extension of Building Transit Faster Act, 2020 Provisions to All Provincial Transit Projects**
  - Measures that accelerated key transit builds (e.g., Ontario Line) under the *Building Transit Faster Act* will now apply to *all* provincial transit projects.
- 2. Modernization of Corridor Management Permitting Processes**
  - New tools and approaches will be introduced to speed up the review and issuance of permits for work in and around highway corridors.
- 3. Standardization of Road Construction Standards Across Ontario**
  - The government will consult with municipalities and industry to harmonize road-building standards, reducing complexity and variability across jurisdictions.
- 4. Expansion of the Transit-Oriented Communities (TOC) Program**
  - The scope of TOC projects will be broadened to accelerate delivery, with reduced red tape and streamlined processes.
- 5. Acceleration of Critical Infrastructure Projects**
  - Measures will be taken to expedite the construction timelines for key infrastructure such as transit, roads, water, and wastewater projects.
- 6. Amendment to the Ministry of Infrastructure Act, 2011 (MOIA)**
  - A new legislative authority will allow the Minister of Infrastructure to *direct municipalities or municipal agencies* to provide data or information necessary to support provincially funded infrastructure projects.

OHBA will remain actively engaged as implementation regulations are developed and will keep members informed throughout this process. These reforms represent a strong step toward unlocking housing supply, improving infrastructure coordination, and building a better Ontario, supporting Ontario’s growing communities. We will continue to advocate for effective, fair, and efficient policies that support housing delivery across Ontario.

To read the technical briefing, please click [here](#).

To watch the full announcement from this morning, please click [here](#).

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