



Town of Niagara-on-the-Lake

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REPORT #: CDS-25-085

COMMITTEE DATE: 2025-06-03

DUE IN COUNCIL: 2025-06-24

REPORT TO: COTW-Planning

SUBJECT: Bill 17 - Protect Ontario by Building Faster and Smarter Act, 2025 and related Regulations

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 Council **RECEIVES** Staff Report CDS-25-085 titled Bill 17 - *Protect Ontario by Building Faster and Smarter Act, 2025* and related Regulations; and
- 1.2 Council **DIRECTS** Staff to submit comments on the proposed changes on behalf of the Town, as outlined in this report, with any additional Council input, prior to the June 11/June 26, 2025, commenting deadline.

2. EXECUTIVE SUMMARY

- The purpose of this report is to provide a summary of the legislative changes proposed through Bill 17, another omnibus Bill of legislative changes proposed by the Province, released on May 12, 2025.
- Over the last several years, the Province has passed several aggressive legislative changes to address the housing crisis. Bill 17 continues the trend of introducing a variety of amendments to streamline municipal planning approval processes.
- Changes proposed that may have the most impact to the Town include:
 - Changes to reduce or eliminate enhanced building standards (i.e. green building standards);
 - Changes to the how and when a municipality can collect development charges, exemptions to development charges, and proposes to permit the Minister to make regulations (not yet released) to limit eligible capital costs, eliminate public notice periods for reductions in Development Charges, deferring payment of Development Charges from building permit to occupancy, and how and when a municipality may spend or allocate Development Charge reserves;
 - Changes to what a municipality can request as part of a complete planning application; and,
 - Proposed ability to permit for variation to a municipal Zoning By-law “as-of-right” if a proposal is within 10% of setback requirements applicable to the lands.
- The Bill is open for comments on the Environmental Registry of Ontario (ERO) for a 30-45 day consultation period, with public comments accepted until June 11 and 26, 2025.

- Staff have provided a summary of the changes throughout this report, including commentary on Staff's position, and intend to submit a letter to respond to the respective ERO postings prior to the deadline. Additional comments from Council will also be included in the submission.

3. PURPOSE

The purpose of this report is to provide a summary of the legislative changes proposed through Bill 17, another omnibus Bill of legislative changes proposed by the Province. The Bill was introduced on May 12, 2025, and is currently in second reading (as of May 26, 2025). The Province is seeking feedback on the proposed changes within 30-45 days (deadlines noted below). Staff have reviewed the proposed legislation in the local context, and comments are summarized throughout this report. Staff welcome feedback from Council for inclusion in the final submission to the Province. Staff intend to submit a letter to the respective ERO posting prior to the end of the commenting deadline.

Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*

<https://www.ola.org/en/legislative-business/bills/parliament-44/session-1/bill-17>

ERO #	Title	Link	Deadline
025-0461	Proposed Planning Act and City of Toronto Act, 2006 Changes (Schedules 3 and 7 of Bill 17 - Protect Ontario by Building Faster and Smarter Act, 2025)	https://ero.ontario.ca/notice/025-0461	11-Jun-25
025-0462	Proposed Regulations– Complete Application	https://ero.ontario.ca/notice/025-0462	26-Jun-25
025-0463	Proposed Regulation – As-of-right Variations from Setback Requirements	https://ero.ontario.ca/notice/025-0463	26-Jun-25
025-0450	Bill 17: Protect Ontario by Building Faster and Smarter Act, 2025 – Amendment to the Building Transit Faster Act, 2020	https://ero.ontario.ca/notice/025-0450	11-Jun-25

4. BACKGROUND

Over the last several years, the Province has passed several aggressive legislative changes to address the housing crisis, including:

- Bill 108, which shortened Council decision timelines for planning applications to allow appeals for non-decision sooner;
- Bill 109, which applied a punitive scale of refunds for development application processing that goes beyond the *Planning Act* timelines and delegated certain responsibilities to local Staff to expedite approval processing;
- Bill 23, which built on the Province's strategy to construct 1.5 million homes by 2031;
- Bill 185, which reversed a number of previous changes to the *Planning Act* and *Development Charges Act* introduced through Bills 109 and 23, and notably removed appeal rights for third parties for Zoning By-law Amendments and Official Plan Amendments;

- New Provincial Planning Statement document, which combined the previous Provincial Policy Statement and Growth Plan into one consolidated policy document, and proposed significant changes to how municipalities undertake land-use planning; and
- Bill 5 (still under review) is the most recent proposed amendments across several areas related to Ontario's energy, environmental, heritage, and conservation policies.

Like the above legislation, Bill 17 continues the trend of introducing various amendments to streamline municipal planning approval processes, thereby expediting the construction of more homes. The proposed *Protect Ontario by Building Faster and Smarter Act, 2025*, introduces significant changes to the province's development framework. If passed, Bill 17 will impact all stages of the development planning process – from what can be requested and submitted as part of complete applications to the timing and calculation of development charges and implementing construction standards. The Bill proposes amendments to the following Acts:

- *City of Toronto Act, 2006*
- *Building Transit Faster Act, 2020*
- *Building Code Act, 1992*
- *Development Charges Act, 1997*
- *Transit-Oriented Communities Act, 2020*
- *Ministry of Infrastructure Act, 2011*
- *Metrolinx Act, 2006*
- *Planning Act, 1990*

The following discussion/analysis provides a summary of the proposed changes that could affect Niagara-on-the-Lake and Staff commentary on these changes.

5. DISCUSSION / ANALYSIS

The proposed changes to legislation through Bill 17, including the changes to regulations, are summarized below. The following is organized by each Schedule to be amended through the Bill. Each section also includes staff's initial comments/review of how the proposed changes may impact the Town. This commentary, as well as any input provided by Council, will form the basis for the comments to the Province on each ERO posting.

SCHEDULE 1: BUILDING CODE ACT, 1992

Proposed amendments to the *Building Code Act, 1992*, will:

- limit a municipality's ability to pass by-laws respecting the construction or demolition of buildings, beyond the requirements of the Code. The changes proposed would appear to make enhanced standards, such as green building standards, obsolete and ensure that the same standards apply province-wide.
- limit the authority of the Building Materials Evaluation Committee (BMEC) by removing the ability for the BMEC to initiate research and examine construction materials, systems and building designs if the Canadian Construction Materials Centre (CCMC) has already examined or expressed its intention to examine an innovative material, system or building design.
- remove the Minister's authority to approve the use of innovative materials, systems or building designs that have been evaluated by the CCMC, thus removing the need for manufacturers to obtain secondary approval for use of innovative materials in Ontario.

The intent seems to be to establish consistency throughout the Province. While the Town does not currently have green building or other enhanced standards, Staff believe that they are an important tool for climate change adaptation and mitigation. A municipality should be able to continue to implement or create these standards to ensure that new development is climate ready and sustainable.

This appears to be more of an effort to reduce the "red tape" for approvals of innovative materials. The proposal appears to eliminate the need for multiple governing bodies to examine and approve new materials. If the CCMC has examined and approved the new material, then it is deemed in compliance.

SCHEDULE 2: BUILDING TRANSIT FASTER ACT, 2020 and SCHEDULE 5: METROLINX ACT, 2006

The Schedule adds a definition of "provincial transit project" to the *Building Transit Faster Act, 2020* and extends streamlining measures to all Metrolinx transit projects. This designation would support the implementation of all future expansions to Metrolinx's rapid transit network of upgrades, including the GO network delivered by the Province.

The Schedule proposes amendments to the *Metrolinx Act, 2006* to provide that the Minister may direct a municipality or its municipal agencies to provide the Minister or the Corporation with information and data that may be required to support the development of a provincial transit project or transit-oriented community project.

The Town does not have identified GO Rail or Rapid Bus Transit Major Transit Station Area; however, the transit hub identified in Glendale could support transit operations within the municipality, the region, and beyond. Streamlining measures to deliver on transit projects sooner will support housing affordability, address traffic congestion on our provincial highways, and support sustainability efforts.

Additional information is required to understand how permits for development near these projects will be required, as well as how the additional powers given to the Province/Metrolinx on lands within 30 metres of transit corridors may be utilized in terms of expropriation and property rights.

SCHEDULE 3: CITY OF TORONTO ACT, 2006

Reflects the changes to the *Planning Act*. This Act is not applicable to the Town.

SCHEDULE 4: DEVELOPMENT CHARGES ACT, 1997

Bill 17 proposes many changes to the *Development Charges Act, 1997* that are intended to simplify and standardize how and when the municipality may collect development charges (DC) and may reduce DCs in some cases to lower the cost of housing construction.

Bill 17 proposes deferring DC payments for all residential developments from the issuance of building permits to the point of occupancy. This change is intended to accelerate project initiation, enabling faster development by alleviating upfront financial burdens for developers. Currently, this is only available for rental housing and institutional development. If no occupancy permit is required, securities could be required at the time of building permit issuance (the type of which will be prescribed by regulation).

The Bill seeks to eliminate interest charges on deferred DC payments for residential and institutional developments, except for interest accrued up to the amendment's effective date. Existing deferrals for rental housing and institutional development would be exempted from interest payments. This measure aims to reduce overall development costs. Municipalities would also be permitted to amend DC by-laws to reduce charges or eliminate indexing without conducting a background study or public consultations, but only in cases where the amount of the Development Charge is decreasing. This provision is designed to enable quicker adjustments to DCs in response to market conditions.

DC rates are currently frozen as of the date that a zoning by-law amendment 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.

Bill 17 also proposes expanded use of DC credits and exemptions. Developers could apply DC credits across merged service categories, providing greater flexibility in offsetting charges for various infrastructure services. The Province proposes to exempt the development of long-term care facilities from DCs, to encourage more investment in this sector.

In addition to the proposed changes above, the Bill proposes to permit the Minister to make regulations (not yet released) in relation to:

- prescribing limits 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% of the reserve funds at the beginning of each year to all services covered by the *Development Charges Act* (currently required for the parkland reserve and water, wastewater, roads)
- define local services to standardize what infrastructure is captured under development charges versus local services

The changes proposed through Bill 17, as well as the potential changes proposed through future regulation, will result in administrative and funding impacts to the Town. The changes to the timing of the DC collection and exemptions may increase the Town's need for debt financing and/or impact the timing of capital projects for infrastructure. The changes contemplated through future regulations may affect how growth-related infrastructure is funded and the extent to which growth pays for growth. When development charges cannot be used, there will be more pressure to use debt and/or increase property taxes. Staff will continue to monitor to understand the full implications of these changes.

SCHEDULE 6: MINISTRY OF INFRASTRUCTURE ACT, 2011

The Schedule amends the *Ministry of Infrastructure Act, 2011* to provide that the Minister may, by directive, direct a municipality or its agencies to provide the Minister or Ontario Infrastructure and Lands Corporation with certain information, data and documents. This proposed change appears to assist with facilitating the efficient planning and execution of provincially funded infrastructure projects.

SCHEDULE 7: PLANNING ACT

The regulations propose changes to the *Planning Act*, as well as certain related regulations, for Minister's Zoning Orders (MZOs), streamlining planning approval for schools, and new provisions related to Minister's approval for certain Official Plan Amendments. The proposed changes build on previous legislative changes by further streamlining application processes and reducing obstacles to achieve approvals to accelerate housing and schools.

With regard to MZOs, the regulation proposes to allow the Minister of Municipal Affairs and Housing to impose conditions (i.e., on municipalities or proponents) for zoning approvals that must be met before a use permitted by a Minister's zoning order comes into effect. The conditions would act similar to a "holding" provision and would allow the Minister greater authority over the development process at the local level than previously permitted.

Previously only the Ministry of Municipal Affairs and Housing only had authority to exercise MZOs. The Minister of Infrastructure has also been granted authority for MZOs under the *Planning Act*. This change appears to already be in effect.

Staff recognize potential benefits to allowing for some flexibility in the MZO process provided there is transparency to the process which includes Town involvement. Staff recommend that clarification be provided regarding which types of conditions may be imposed, and additional clarity surrounding the process, consultation, and timeline to satisfy said conditions.

With regard to the proposed changes contemplated to the planning approvals process for schools, Bill 17 proposes to exempt all public schools from site plan control when placing portable classrooms, and to allow for public schools and ancillary uses (such as associated childcare) to be permitted as-of-right on urban lands zoned for residential purposes. Currently, the *Planning Act* only exempts the site plan process when the school was built prior to 2007.

New provisions would require that local municipal Official Plans and Zoning By-laws permit an elementary school, a secondary school or a use ancillary to such schools on any parcel of "urban residential land" (as defined within the *Planning Act*). Within the Town's Zoning By-law, schools are generally only permitted within the 'Institutional (I) Zone.' While Bill 17 is a departure from the Town's current permissions, Town Staff recognize the importance of appropriate school placement and ensuring efficient process that would facilitate the construction of new schools. This will be achieved by removing the potential requirement for an Official Plan Amendment or Zoning By-law Amendment. However, it is important that public schools are planned in a way that promotes health and safety for those accessing the school, which includes access to adequate services and appropriate means of access to and from the site. This can be achieved through the site plan control process.

The Bill also proposes new subsections which would require Council to obtain the Minister's approval before making certain amendments to an Official Plan. The intent of this change appears to be to limit the ability to add additional study requirements within the Official Plan, than what is currently permitted. Staff are not supportive of this change as the local municipality should have the opportunity to make changes needed to ask for the studies which support an application to ensure appropriate, safe, and compatible development.

ERO #025-0462: Complete Application Changes (Request for input on Complete Application and Certified Professionals Requirements)

The Province is proposing regulations under the *Planning Act* which would have the effect of prescribing a list of reports and studies that would be required as part of a complete application, in addition to specifically excluding specific studies from complete application requirements. The proposed regulation indicates that studies related to sun/shadow, wind, and lighting impacts, as well as urban design, cannot be required as part of a complete planning application. These studies are requested to demonstrate compatibility with the adjacent properties and surrounding area, and assist Staff in evaluating development proposals.

Applications for new, taller buildings are typically accompanied by a sun/shadow study to understand the extent of shadowing impacts on neighbouring properties and the Town's right-of-way. Wind studies would be required for proposals where there is a cluster of taller buildings to assess any potential impacts (i.e. wind tunnels). Lighting plans are consistently requested as part of site plan applications, to ensure that all lighting meets Town specifications and does not result in light pollution. Town Staff has always required that applicants address the Town's urban design policies through their application submissions, whether that be through a Planning Justification Report or a separate Urban Design Brief.

Town Staff do not consider these reports/studies to lead to delays or complications in the planning application process. Given the degree of change that the Town is facing with proposals for infill and higher density within the urban area, the submission of these types of studies is paramount to ensuring compatibility, desirable built form, accessibility, and a vibrant public and private realm. Further, Town Staff have been preparing standard Terms of Reference documents for Sun/Shadow Studies, Wind Studies and Urban Design Briefs, in an effort to better streamline the application submission process. Based on the proposed changes, it is unclear if the studies may be requested and submitted at a later date (after complete application submission) at the request of the Planner reviewing the file. This should be clarified.

The proposed regulations also request feedback on which professionals (e.g., professional engineers) should be included in the list of professionals whose reports/studies would be required to be accepted by a municipality as part of a complete application. The intent of this regulation is to require a municipality to accept a report, if stamped/signed by a professional. Clarity is needed if this proposed change means that there is no municipal review of the report and it accepted as the final report, or if it means there is no ability to refuse a report thereby deeming an application incomplete.

If the direction is to ensure professionals are submitting reports and the Town must accept the report for review, Town Staff already request that reports/studies/plans be prepared by qualified professionals. As noted, Staff are working towards process improvements that will help to guide submission on studies and set expectations. Staff welcome clarification on the professionals who may be qualified to prepare reports, to assist with greater consistency with other municipalities across the Province.

If the direction is to mandate acceptance without review, this could result in significant issues based on the potential lack of coordination, incomplete information, or lack of local knowledge from the professional. It is through the review process, and often resubmission(s), where issues can be identified, addressed, and resolved.

ERO #025-0463: As-of-right Variations from Setback Requirements

The proposed regulations regarding as-of-right variations from setback requirements applies to the Town's Zoning By-laws (500A-74, for the rural/agricultural area, and 4316-09, for the urban area). The regulation proposes that variations would be permitted "as-of-right" if a proposal is within 10% of setback requirements applicable to the lands. The intent of this regulation is to reduce the number of Minor Variance applications including the need for public hearing for these applications, which may assist in expediting construction.

The Town will be embarking on a comprehensive review and consolidation of the Zoning By-law immediately following the completion of the Official Plan conformity review. Staff believe having up-to-date and clear parameters for development will assist in addressing many requirements for minor variances; however, the minor variance process is needed to address zoning regulations that may need to be appropriately varied to support new/evolving development patterns.

Currently, any proposal to make minor changes to the zoning provisions of the Town warrants a Minor Variance Application. These applications are heard by the Committee of Adjustment. From the date of submission, a decision on a Minor Variance application is made within 6 weeks (including the timeline to deem the application complete). Applications are processed efficiently, while providing the required public decision-making process under the *Planning Act*.

Examples of the implementation of this proposed regulation are below:

1. Within the 'Established Residential (ER) Zone,' in Old Town, an as-of-right variation to the front yard and rear yard setbacks may be permitted, which would have the effect of reducing both setbacks from 7.5 metres to 6.75 metres without the requirement for a Minor Variance. Within this zone, the as-of-right variation for an interior side yard setback could be reduced from 1.22 metres to 1.098 metres without the requirement for a Minor Variance.
2. Within the 'Rural (A) Zone,' in the agricultural area of the Town, an as-of-right variation to the front yard and rear yard setbacks may be permitted, which would have the effect of reducing both setbacks from 15.24 metres to 13.72 metres without the requirement for a Minor Variance. Within this zone, the as-of-right variation for an interior side yard setback could be reduced from 3.05 metres to 2.5 metres without the requirement for a Minor Variance.

It is important to note that the regulation does not limit the number of as-of-right variations to setbacks within each zone; this means that every setback provision within a zone can be reduced by 10% without the need to submit and receive approval of a planning application.

The Province is also looking for feedback for further opportunities to allow variations as-of-right for additional performance standards, including building height and lot coverage. If the 10% as-of-right variation were applied to building height and lot coverage, the following would be permitted without the need for a planning application:

1. Within the 'Established Residential (ER) Zone,' in Old Town:
 - a. Height may be increased from 10.0 metres to 11.0 metres; and,
 - b. Lot coverage may be increased from 33% to 36.3%.
2. Within the 'Rural (A) Zone,' in the rural/agricultural area:
 - a. Height may be increased from 10.67 metres to 11.74 metres; and,
 - b. Lot coverage may be increased from 15% to 16.5%.

Town Staff have concerns with the as-of-right variation approach, given the flexibility that is added to the Town's zoning. Should the regulations be adopted, a landowner would be entitled to vary every setback provision by 10% as-of-right, leading to buildings being located closer to the street and closer to neighbours. The application of as-of-right variations will lead to greater diversity in building locations and setbacks.

Staff note that the proposal may also complement previous changes to the regulation related to additional residential units where the Province has provided detailed direction related to zoning to facilitate the construction of these units.

Staff note a lack of clarity related to the proposed provision for setbacks in relation to the Greenbelt Plan. Changes to the *Planning Act* Schedule indicate that the provision for the as-of-right permissions does not apply to a building or structure located in the Greenbelt Area. The definition of *Greenbelt Area* includes the Niagara Escarpment Plan Area and the Protected Countryside. The urban areas in Niagara-on-the-Lake are considered Villages / Towns in the Greenbelt Plan which compromise the Protected Countryside. With this in mind, all of Niagara-on-the-Lake is located within the Greenbelt Area. Staff need clarification, based on our understanding of this definition the *Planning Act* changes noted above do not apply in the Town of Niagara-on-the-Lake.

SCHEDULE 8: TRANSIT-ORIENTED COMMUNITIES ACT, 2020

Similar to the changes proposed the *Building Transit Faster Act, 2020* and the *Metrolinx Act, 2006*, this Schedule adds a definition of "provincial transit project." It also proposes to streamline decision-making authority with the Minister responsible for the *Transit-Oriented Communities Act, 2020*. Staff offers no further comments on these changes.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

2. Good Governance

Priority

2.3 Advocacy & Government Relations

Action

2.3 a) Advocacy Strategies

7. OPTIONS

- 7.1 **Option 1:** Support Staff's review of Bill 17, provide any additional input, and direct Staff to submit comments to the Province on behalf of the Town. (**Recommended**)
- 7.2 **Option 2:** Receive this report only. Staff are not directed to send comments. (Not Recommended)

8. FINANCIAL IMPLICATIONS

This report has no immediate financial implications; however, Staff will work with Finance to understand the long-term financial implications of the provincial changes related to the collection of development charges, the impact to applications/fees and any other financial implications.

9. ENVIRONMENTAL IMPLICATIONS

There are no direct environmental implications associated with this report. Town Staff will continue to monitor the future implementation of the proposed regulations with regard to environmental impacts.

10. COMMUNICATIONS

There is no notification requirement associated with this report. Following the Council's receipt of this report, a letter will be prepared with the Town's comments on Bill 17. The final letter will be provided to Council in a future information package.

11. CONCLUSION

The Province has made it clear, through various pieces of legislation, that they are looking to remove barriers to expedite new housing. However, municipalities are tasked with reviewing development that fits within the community's context. At the local level, Staff are building a community, one that residents want to live in now and in the future.

Staff have noted concerns with Bill 17 specifically as it relates to changes proposed to the *Development Charges Act*, and the *Planning Act* and regulations. The Town recognizes the need to support the economy and address the housing shortage; however, local municipalities must fund the infrastructure required to deliver housing, and the services to support our current and future residents. The changes proposed to development charges may shift this financial burden to the existing tax-payers to make up the difference. If the Province wants to provide this financial incentive to encourage development, funding support from the Province is required for municipalities to ensure infrastructure and service levels can be maintained.

Over the last several years, the Province has released numerous ERO postings and approved many changes to the municipal planning process in a short timeframe. Staff will submit comments on the ERO postings, as outlined in this report, before the applicable deadlines. The comments will also include any additional comments/feedback provided by Council at the COTW-Planning meeting.

It is important to note that some of the changes would take effect upon Royal Assent of Bill 17, or a date proclaimed by the Lieutenant Governor in Council, and others would take effect through future regulations. Staff will continue to monitor the changes and discuss potential implications internally with Staff and externally with municipal partners.

12. PREVIOUS REPORTS

N/A

13. APPENDICES

N/A

Respectfully submitted:

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Submitted by:



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