Cassels

Spring Forward: Ontario's Push for Development - Streamlining Planning, Enhancing Transit Infrastructure with Bill 17 and Other Measures this Spring 2025

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The province of Ontario has maintained its spring tradition of introducing measures to support its Housing Supply Action Plan, passing two omnibus bills, filing regulations, and continuing to consult on additional measures to support speedier construction of infrastructure and homes. While we wait and see if these measures are enough, read our report on the highlights of the recent changes and future direction below.

Introduction

Introduced less than a month ago, the *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17) received Royal Assent June 5, 2025.

The legislative amendments are intended to support economic and community growth, keep workers on the job, accelerate provincial infrastructure including transit, and simplify and standardize municipal development approval processes and charges. The latest of numerous enactments to facilitate the Province's Housing Supply Action Plan and encourage development, Bill 17 seemingly takes a more cautious approach, with many of the details left to future regulation.

The Bill amends 8 statutes: the *Building Code Act, 1992* (BC Act), *Building Transit Faster Act, 2020*, *City of Toronto Act, 2006*, *Development Charges Act, 1997* (DC Act), *Metrolinx Act, 2006*, *Ministry of Infrastructure Act, 2011*, *Planning Act*, and *Transit-oriented Communities Act, 2020.*

While Bill 17 is the central piece of the province's spring building update, Ontario has taken a number of other steps to support its development agenda this spring. This includes Bill 5, the *Protect Ontario by Unleashing our Economy Act, 2025*, which also received Royal Assent on June 5, 2025, and regulations to streamline permits related to development site dewatering and establish inclusionary zoning maximums.

Highlights of Ontario's Spring Development Legislative Update

Key Changes	The Details	Implementation

Development application process standardization through Bill 17 Amendments to *Planning Act* and *City of Toronto Act, 2006* to introduce provincial oversight and standardization into complete application requirements for development applications	• Introduction of requirement for Ministerial written approval for the addition, amendment or revocation of any complete application requirements in official plans; this applies to official plan amendment, zoning by-law amendment, site plan, plan of subdivision and consent applications	Amendments are in effect June 5, 2025 (Royal Assent), but transitioned to apply to any official plan amendment adopted on or after May 12, 2025 The requirement for written approval is temporary, with the Bill pre-emptively providing for the repeal of this provision, to come into force a day to be proclaimed
	• Introduction of regulation making power governing the information and material that may be required to complete an application, including specifying information or material that may or may not be required and providing that any such requirements or prohibitions prevail over local official plan policies	Amendments are in effect June 5, 2025 (Royal Assent), subject to regulations yet to come The province's proposed regulation (see here) would prohibit sun/shadow, wind, urban design, and lighting information and material from being required as part of a complete application
	• Introduction of regulation making power to prescribe that information and material submitted by persons authorized to practice a prescribed profession will be deemed to meet applicable complete application requirement	Amendments are in effect June 5, 2025 (Royal Assent), subject to regulations yet to come
Support for public schools in Bill 17 Public school uses are now permitted as of right in serviced areas where residential uses are	• Amendments to the *Planning Act* prohibit official plan policies and zoning by-laws that have the effect of prohibiting the use of urban residential land for a school board's elementary and secondary schools and its ancillary uses (such as daycares); any by-	Amendments are in effect June 5, 2025 (Royal Assent)

permitted and portables are now exempt from site plan control on school sites regardless of the age of the school site	laws to the contrary are deemed to be of no force and effect • Amendments to the *Planning Act* and C*ity of Toronto Act, 2006* exempt the placement of a portable classroom on a school site of a district school board from site plan control	
Elimination of minor variance applications for prescribed zoning provisions through Bill 17	• Minimum setbacks from parcel boundaries on urban residential land (subject to certain exceptions) can vary up to a prescribed percentage, without need for a *Planning Act* approval	Amendments are in effect June 5, 2025 (Royal Assent), but made operative by regulations yet to come The province's proposed regulation (see here) sets this variance as 10%
Expansion of MZO powers regarding conditions and agreements through Bill 17	• Section 47 of the *Planning Act*, which authorizes Ministerial Zoning Orders (MZOs) has been amended to include the power to impose conditions and enter into agreements, registrable on title (against the land), and enforceable against the owner; this is similar to the powers the Minister had under the short-lived Section 34.1 municipality request/community infrastructure and housing accelerator orders (CIHAs)	Amendments are in effect June 5, 2025 (Royal Assent)
Bill 17's *Development Charge Act, 1997* (DC Act) changes to streamline and reduce costs of residential development	• Residential development that is not rental (ownership etc.) will now benefit from deferral of development charge (DC) payment to occupancy, similar to the rental housing development, but will not benefit from installment provisions • An additional regulation making power permits the province to prescribe financial securities a municipality could require to secure payment of deferred DCs • New express permission to pay a DC before it is due without an early payment agreement	TBD; amendments are in effect on a day to be named by the Lieutenant Governor in Council

• Repeal of authority to require payment of interest on installments (transitioned to permit the continued accrual of interest prior to June 5, 2025); the authority to impose interest for deferred payment (between complete application and first payment) remains
• The provision of the DC Act which provided for immediate payment of a DC for a deferred development type (institutional, rental housing development) is repealed
• A development that is subject to a frozen DC rate benefits from the current rate at payment if such prevailing rate is lower than the frozen rate, enabling applicants to benefit from recent municipal actions to reduce DC charges
• New regulation making powers to:
  ◦ Define local services to support consistency across the province
  ◦ Prescribe limits or exceptions to eligible capital costs
  ◦ Prescribe methodology for determining “benefit to existing”
  ◦ Permit grouping of prescribed service categories for the purposes of DC credits to ensure builders that complete municipal works receive credit against payable DCs
• Long term care homes are now statutorily exempt from the DC Act (transitioned to exclude DCs payable before June 5, 2025 but eliminate requirement to pay future installments payable after June 5, 2025)
• Similar to prior recent DC Act amendments, Bill 17 reduces the procedural requirements for amendments to DC bylaws to repeal or amend by-law expiration dates, repeal indexing, or decrease DCs
	Amendments are in effect June 5, 2025 (Royal Assent)

Bill 17's streamlining of process under the *Building Code Act, 1992* to support innovation and avoid duplication	• Provincial review of proposed building innovations is eliminated where federal review has or is intended to occur • BC Act is amended to expressly restrict the Ontario Building Materials Evaluation Commission's power to authorize the use of any innovative material, system or building design, if the Canadian Construction Materials Centre of the National Research Council of Canada has examined or expressed its intention to examine such material, system or design • BC Act is amended to restrict the Minister of Municipal Affairs and Housing authority to make rulings approving the use of innovative materials, systems or building designs evaluated by a materials evaluation body designated in the building code (i.e. the Canadian Construction Materials Centre)	Amendments are in effect July 1, 2025
Bill 17's clarification of scope of municipal building construction by-laws	• BCA amended to confirm that municipal by-law powers under the *Municipal Act, 2001* and the *City of Toronto Act, 2006* do not authorize by-laws respecting the construction or demolition of buildings As the BC Act and Building Code already supersede municipal by-laws, the potential impact or relevance of this "clarification" is unknown. Municipal authority to pass by-laws relating to the protection or conservation of the environment remain.	Amendments are in effect June 5, 2025 (Royal Assent)
Bill 17 expands ministerial and provincial agency powers in support of advancing transit projects and TOCs	• Bill 17 extends Metrolinx's powers and rights under the *Building Transit Faster Act, 2020* to all provincial transit projects; all Metrolinx projects will have the potential benefit of an expedited expropriation process and access to mechanisms to better ensure utility coordination and municipal access	Amendments are in effect June 5, 2025 (Royal Assent) As of May 8, 2025 through Order in Council 589/2025 (see here), the Minister of Infrastructure has been given the

	• Under the *Metrolinx Act*, *2006* the Minister of Transportation on behalf of itself or Metrolinx may direct a municipality or its municipal agencies to provide information and data that may be required to support the development of a provincial transit project or transit-oriented community project (TOC project) • Similarly, under the *Ministry of Infrastructure Act, 2011*, the Minister of Infrastructure on behalf of itself or Ontario Infrastructure and Lands Corporation (IO) may direct a municipality or its municipal agencies to provide information and data • Amendments to the *Transit-Oriented Communities Act, 2020* changes the responsible Minister from the Minister of Transportation to the Minister of Infrastructure, expands the definition of priority transit project, removes requirements for Lieutenant Governor in Council approval for certain Metrolinx dealings, permits the delegation of Ministerial powers to IO, and provides broad authority to the minister or its delegates to enter into agreements respecting TOC land	authority to issue MZO's under section 47 of the *Planning Act* in respect of transit-oriented community land designated under the *Transit-Oriented Communities Act, 2020*
"Unleashing" the economy through Bill 5's reduction of regulations for infrastructure, mining, and other economic projects See our full Cassels Comment on Bill 5 here	• Introduction of the *Special Economic Zones Act, 2025* which permits the designation of projects and proponents (subject to any conditions) within designated zones (to be determined by regulation), which would be exempt from any requirements specified, including provincial legislation and by-laws • Further amendments to 8 statutes including the *Ontario Heritage Act*, *Environmental Assessment Act*, *Mining Act*, *Environmental Protection Act*, and *Endangered Species Act, 2007*	Bill 5 received Royal Asset June 5, 2025 Implementation of the new *Special Economic Zones Act, 2025* is TBD*,* subject to regulations yet to come The province has stated it will first utilize this Act to advance mining and critical minerals in the Ring of Fire

Red tape reduction through construction site and foundation drain dewatering regulatory changes	• Amendments to two regulations, O. Reg 63/16 under the *Environmental Protection Act* (EPA) and O. Reg 387/04 under the *Ontario Water Resources Act* (OWRA) to eliminate need for requirement to obtain a Permit to Take Water (PTTW) in certain circumstances; under the EPA, the Environmental Activity and Sector Registry (EASR) threshold for construction dewatering has been increased and under OWRA, the volume threshold for low-risk foundation drainage systems has been increased	Amending Regulations under the EPA (see here) and OWRA (see here) were filed May 22, 2025 and come into force on July 1, 2025
Inclusionary zoning maximums prescribed to standardize and implement statutory requirements to provide affordable housing units	• Previously unconstrained and awaiting prescribed maximums for several years, inclusionary zoning requirements (applicable in major transit station areas) are now capped in two ways: 1. Prescribing 5% as the maximum percent of units or total floor area that are part of the development that must be affordable housing units 2. Prescribing 25 years as the maximum period of time for which affordable housing units would be maintained as affordable	Amending Regulation under the *Planning Act* filed and in effect May 12, 2025 (see here) The Province has indicated the definitions of "affordable residential unit" in the DC Act and "affordable" Provincial Planning Statement 2024 can be used (see here)

Next Steps

The province's May 12, 2025 technical briefing (see here) released with Bill 17 identifies further initiatives undergoing consultation. These include:

- use of a public utility model for water and wastewater infrastructure
- streamlining small scale infrastructure consents, e.g., community water and sewage systems and off-grid water treatment facilities
- updates to growth planning methodology guidance
- potential changes to simplify and standardize official plans, including consideration of expanding permitted uses
- amendments to the DC Act to standardize DC background studies

We will continue to monitor the implementation of these measures and whether this enhanced transit framework and proposed fixes to development pinch points help boost development. With Ontario actively consulting on other proposals, we expect more changes and will continue to advise on these changes as they come forward. More to come…

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