Cassels

Spring Forward on Housing: Landmark Multi-Billion Dollar Funding, Bill 98 and What's Next for Planning in Ontario

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On April 17, 2026 the Province announced an extension of the consultation period respecting the delineation of the roles for Upper-Tier Official Plans, Secondary Plans and Site & Area Specific Policies (SASPs), as well as the generalized Bill 98 consultation from April 29, 2026 to May 14, 2026.

Spring is in the air, and that means Ontario's first housing package has arrived. The package includes significant funding announcements from the Federal and Provincial government, new legislation and consultations on key *Planning Act* changes, such as the potential end of Site Plan and further standardization of official plans. Our breakdown is below.

Funding for Infrastructure & Development Charge Reductions

On March 30, 2026, the first partnership through the Build Communities Strong Fund (BCSF) was announced between the Province of Ontario and Government of Canada.

The BCSF was previously announced as part of the 2025 Federal budget promising to provide $51 billion over 10 years commencing in 2026-27, followed by $3 billion annually on an ongoing basis to revitalize local infrastructure. Of this fund, $17.2 billion has been earmarked for provincial and territorial infrastructure projects and priorities, including housing-enabling infrastructure, health related infrastructure and infrastructure at colleges and Universities. To access this funding, provinces and territories agreed to cost match Federal funding and to substantially reduce development charges and not levy other taxes that hinder housing supply. While details on the Ontario partnership are only beginning to emerge, the Province has announced the following:

1. $8.8 billion of Federal and Provincial cost-matched funding for infrastructure will be available over 10 years, inclusive of reductions to development charges, provincial priority infrastructure projects, and a range of asset classes eligible under the BCSF;
2. Funding will prioritize municipalities that reduce and maintain reductions of development charges;
3. A list of priority municipalities with cost-prohibitive development charges will be created by the Province and Federal government, with the Provincial government requiring reductions of between 30 to 50% over 3 years from these municipalities; and
4. A list of shovel ready projects is to be put forward by municipalities and the Province to receive the

partnership funding.

While the announcement signals a strong commitment to reduce rising development charges with the intention to accelerate development, the extent to which the proposal may impact greenfield development remains to be seen.

Additionally, on March 26, 2026, the Federal Minister of Finance and National Revenue introduced Bill C-26, which if passed, would broadly permit the Minister to make payments to the provinces and territories totaling $1.713 billion to improve housing supply. No further details on this proposed funding have been announced to date.

HST Rebate

Building upon recent announcements to rebate HST for new homebuyers of homes valued up to $1 million, additional funding was jointly announced by the Federal and Provincial governments to rebate home purchases for all eligible homebuyers, not solely first-time homebuyers. The rebate will be up to $130,000 for homes purchased up to $1.5 million, decreasing proportionally to $24,000 for homes valued at $1.85 million and above.

Waterfront East LRT Funding

Cost sharing between the Federal government, Provincial government and City of Toronto was further announced to construct the Waterfront East Light Rail Transit network within the City of Toronto. The new line will run from Union Station, south and east to Parliament Street and Queens Quay East.

Legislation

On the heels of these announcements, the Government of Ontario introduced Bill 98, the *Building Homes and Improving Transportation Infrastructure Act,* which proposes several amendments to the *Planning Act, City of Toronto Act, 2006*, *Building Code Act, 1992* and *Municipal Act, 2001*. Bill 98 builds on prior legislative amendments intended to accelerate the construction of new homes in the Province by reducing barriers to development.

A generalized consultation on the proposed amendments under Bill 98 has been posted to the Environmental Registry of Ontario (ERO), with comments due no later that May 14, 2026 (linked here). Certain proposed changes also have additional, specific ERO consultations.

The amendments proposed by Bill 98 include:

Streamlining and Standardizing Official Plans

Bill 98 proposes to streamline municipal official plans with a standardized structure which includes a set list of land use designations. The Minister may issue written directions regarding the implementation of this structure, including through the use of two or more sub-designations. Absent such direction, the listed designations are the only designations permitted.

The proposed amendments are intended to come into force once a new official plan or a revision to an official plan comes into effect after January 1, 2028 for “fast-growing municipalities” and January 1, 2029 for all other municipalities.

Removing “Sustainable Design” at Site Plan

Proposed amendments to the *Planning Act* remove reference to “sustainable design” as an element of site plan control, limiting municipalities from imposing green building or construction standards at site plan. Municipalities will also be prohibited from imposing certain “prescribed matters” at the site plan stage through future regulations.

Parkland

Bill 23, the *More Homes Built Faster Act, 2022* proposed amendments to the parkland provisions of the *Planning Act* which would permit landowners to self-identify lands, including encumbered lands and privately owned public spaces (POPS), to be counted towards municipal parkland dedication requirements. If the municipality refused to accept the identified lands the owner could appeal the refusal to the Tribunal. These changes have not yet been proclaimed into force.

Bill 98 expands this process by broadening the authority of municipalities to require agreements for encumbered land (such as strata parks), facilitating easements for POPS, introducing a credit system that provides a minimum 70% credit for encumbered lands and POPS and establishing a timeframe of 90 days for municipal decisions after which a landowner may appeal a non-decision to the Tribunal. Public comment on the ERO posting is no later than May 14, 2026.

Minimum Lot Size

The Province previously consulted on removing minimum lot size requirements in low-density urban residential areas on the basis that such requirements may unnecessarily restrict residential development. Bill 98 would remove municipal authority to impose minimum lot area requirements for urban residential land that are not in the Greenbelt Area and which exceed a prescribed area. The ERO posting proposes that the prescribed area be 175m^2.

Comments to the ERO posting are due no later than May 14, 2026.

Additional ERO Consultations

In concert with Bill 98, numerous related consultations have been posted to the ERO for comments as set out below.

Reformation of Site Plan Control, ERO No. 026-0310 - Deadline for Comments: May 14, 2026

This ERO posting largely rebukes lengthy site plan application times for approval and the scope of review, stating that “Site Plan control is an optional land use planning tool … primarily intended as an administrative, technical tool municipalities may use to help ensure that health and safety as well as functional aspects of a proposed development are addressed, prior to the issuance of a building permit,” and “Site Plan control is not meant as a means to revisit the principle of development. Allowable land uses, height, density, setbacks and other matters pertaining to built form would already have been addressed at the zoning stage and should be considered as of right."

In light of these concerns, the Province is consulting on a variety of potential reform measures including:

- Removal of site plan control authority;
- Capping the number of resubmissions a municipality may require prior to a mandatory meeting between the applicant and Municipality to work through and resolve outstanding issues;
- Scope site plan control to a standardized approval checklist with use of certified professionals for acceptance and approval of reports and studies. If the requirements within the checklist are met, site plan control would be issued;
- Directing applications to a municipal arbitration process/site plan review panel (as an alternative to an appeal before the Ontario Land Tribunal) where the 60-day timeline or number of resubmissions has been exceeded;
- Requiring municipalities to create site plan streams to allow less complex development to be expedited.

Delineation of the roles for Upper-Tier Official Plans, Secondary Plans and Site & Area Specific Policies (SASPs), ERO No. 026-0315 - Deadline for Comments, May 14, 2026

The Province is further considering delineation of the roles of Upper-Tier Official Plans, Secondary Plans and SASPs within municipal official plan policy. Specifically, the Province is considering whether modifications of:

- official plans of upper-tier municipalities with planning responsibilities could include limitations on

duplication to lower-tier official plans by creating specific land use designations that would apply only to these specific types of official plans;

- secondary plans and SASPs could include:
    - identifying the types of areas where secondary plans could be used;
    - separating secondary plans and SASPs from the official plan as standalone documents;
    - exempting secondary plans and SASPs from Ministerial Approval (which could provide affected landowners with a right of appeal).

Streamlining information for Complete Applications, ERO No. 026-0313 - Deadline for Comments: May 14, 2026

The Province is proposing to amend existing regulations to further specify the type and scope of reports and studies that can be requested by a municipality in support of a complete application.

The Ministry is considering creating two lists of studies, a “Core” and “Contingent” list. The Core list would be those reports and studies always required to assess development applications, while studies on the Contingent list would be required where applicable to a specific proposal. In addition to a listing of the reports, there would be a defined description of each report to ensure a consistent scope is required by each municipality.

Prohibiting Green Development Standards from land division applications, ERO No. 026-0309 - Deadline for Comments: May 14, 2026

Building on the proposed removal of sustainable design at site plan, the Province is consulting on further prohibiting by regulation “sustainability” conditions as part of land division approvals. In particular, the Province is seeking to include a voluntary approach to “enhanced development standards” (ie. green development standards) that are not required for the purposes of health and safety or environmental functionality. As such, the Province is considering a potential regulatory prohibition on green development standards as part of conditions of subdivision approval or consent approvals.

Conclusion

With April showers, we can expect more legislation to spring forward. We will be monitoring the progress of Bill 98 and any further municipal legislation as it comes forward. Stay tuned!

This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.