



AMO Policy



AMO Policy Update – Funding Development Charge Reductions under the Canada-Ontario Partnership to Build & [Bill 98](#) *Building Homes and Improving Transportation Infrastructure Act*

Top Insights

- Federal and Ontario governments announce [Canada-Ontario Partnership to Build](#) initiative to lower development charges with an \$8.8 billion investment.
- Provincial [omnibus](#) bill focuses on increasing housing supply and moving goods and people across the province faster. Key areas of change **directly** impacting the municipal sector are land-use planning, development charges, municipal services corporations, communal systems, Building Code, and transit system integration and innovation.

Canada-Ontario Partnership to Build

Yesterday, Premier Ford and Prime Minister Carney signed the “Canada-Ontario Partnership to Build” in support of shared goals to strengthen national and provincial economies by:

- Building more homes faster to make housing more affordable. Initiatives included joint funding to reduce Ontario municipal development charges (DCs) and the HST tax vacation for new homes [announced last week](#).
- Getting shovels in the ground on select transit projects including ALTO and various projects across the Greater Toronto and Hamilton Area (GTHA).

The [provincial](#) and [federal](#) governments made coordinated announcements.

AMO members share the provincial and federal governments' commitment to accelerating housing and infrastructure development to support housing affordability and economic growth, and we are pleased to see new initiatives come with funding.

Reducing Development Charges

The Building Communities Strong Fund (BCSF) provincial-territorial stream will provide \$8.8 billion in cost-matched federal and provincial investment over ten years. This funding is focused on temporarily reducing or maintaining low DCs.

Although announced yesterday, we understand the program design is in the early stages and the full program parameters will be developed next. While AMO has yet to see the details of the agreement, it's positive that there appears to be recognition that reduced municipal DCs need an offset from other levels of government. Further, the province has indicated infrastructure funding may be available for municipalities without DCs, which supports equitable access.

The province has committed to working with AMO to design the program. As part of this process, AMO will identify key questions requiring clarity such as:

- What is the extent of the DC reductions? What are the mechanisms for determining and applying them?
- What is the timing for both the DC reductions and the delivery of offsetting funding?
- How will municipalities without DCs access this funding?

We look forward to working with the province to develop an equitable, efficient, and flexible program design that accounts for the diverse ways municipalities fund growth and use DCs.

Building Homes and Improving Transportation Infrastructure Act

The province introduced its intention to move forward with [14 pieces of legislative and regulatory amendments](#) first introduced last year under [Bill 17 Protect Ontario by Building Faster and Smarter Act](#), and [Bill 60 Fighting Delays, Building Faster Act](#). It's also proposing to consult on an additional 16 policy ideas. AMO continues to support the province's goals of achieving more consistent and timely approvals that deliver the housing and economic projects Ontarians need while improving how people move across the province.

A summary of province-wide and regional changes are provided below, organized by housing and transit themes. Many of the adopted changes address recommendations AMO raised in our [Bill 17](#) and [Bill 60](#) ERO submissions. Examples include:

- Ensuring municipal service corporation water systems remain under public ownership.
- Applying the same rigorous drinking water standards to private communal systems as those required for municipal systems; this ensures uniform standards and avoids costly upgrades should a municipality ever assume responsibility for a private system.
- Relieving pressure on municipalities by having the province backstop failed systems.

AMO will participate in the Bill's public consultation process. AMO will also work with the province to ensure municipalities have other opportunities to provide expert insights for pending regulations.

Land-Use Planning Changes

- i. **Standardized official plans.** A new simplified official plan format that includes: a mandatory and standardized set of land-use designations, and a common structure for table of contents and schedules. The Bill requires the new Official Plan format to be used following the 2028 and 2029 implementation dates, ensuring no impact on plans currently under development or approval.
- ii. **Site plan reforms.** Prohibiting enhanced development standards. Municipal standards beyond mandatory health and safety requirements, such as soil composition and landscaping are prohibited. The province will consult on the feedback process governing site plan controls.
- iii. **Minimum lot sizes.** Introduce new legislative authority to set provincial rules for minimum lot sizes for urban residential land through regulation. Concurrently, the province is consulting on a regulation that would set an approximately 175 square metre (1,884 square foot) minimum lot size standard.
- iv. **Encumbered parkland.** Introduce a new framework that would allow high-quality encumbered land to count towards parkland dedication requirement. The framework would include publicly available spaces such as courtyards.
- v. **Minister zoning orders (MZOs).** Remove the legislative requirement to post MZO amendments and revocations for public comment.

Substantive amendments that impact the functioning of MZOs will continue to be posted for comment.

Development Charges (DC)

- New DC exemption for not-for-profit retirement homes, which provide supportive housing for low-income seniors.
- New requirement to disclose DCs, taxes, and fees on home purchases and sales agreements.

Municipal Services Corporations (MSC)

- Changes to the *Water and Wastewater Public Corporations Act, 2025* that would enshrine, into law, public ownership of municipal water and wastewater assets.
- Create a framework for wider MSC adoption.

Communal Water and Wastewater Systems

- Introduce a new regulatory framework for communal water and wastewater systems. The framework encompasses standards for municipal approval while addressing system operations, maintenance, financial sustainability and water safety considerations including instances where the province would act as a backstop when systems fail, both operationally and financially.

Building Code Review

- A section-by-section review of the Building Code.
- Establishing an expert third-party advisory body — consisting of engineering, construction and Code specialists — to identify where rules can be modernized or streamlined.

Transit System Integration and Innovation

- Extend the One Fare program into Hamilton and Halton Region. Introduce legislation to enable regulations that would allow for a unified fare structure with common fares, discounts and free transfers across transit systems in the Greater Toronto and Hamilton Area.
- Northlander Rideshare program. Develop a framework to permit rideshare services in communities along the Northlander corridor.

An online version of this Policy Update is also available on the [AMO Website](#).

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155 University Ave Suite 800 | Toronto, ON M5H 3B7 CA