

**Ministry of
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234-2022-4624

October 25, 2022

Good afternoon,

On October 25, 2022, our government released [More Homes Built Faster: Ontario's Housing Supply Action Plan 2022-2023](#) that proposes bold and transformative action to get 1.5 million homes built over the next 10 years.

Details about the range of measures in our plan can be found in the [news release here](#).

The More Homes Built Faster Plan proposes policies and tools that reflect recommendations from the [Housing Affordability Task Force Report](#) and builds on [More Homes, More Choice](#) and the [More Homes for Everyone Plan](#). Our plan also draws on many elements from AMO's 2022 A Blueprint for Action: An Integrated Approach to Address the Ontario Housing Crisis and ROMA's 2022 Task Force Report on Attainable Housing and Purpose-Built Rentals. These changes are providing a solid foundation to address Ontario's housing supply crisis over the long term and will be supplemented by continued action in the future.

Our government has also introduced the More Homes Built Faster Act, 2022, and is seeking feedback on the changes proposed under the legislation and associated regulations. Additionally, various housing and land use policy reviews – including a housing-focused policy review of A Place to Grow and the Provincial Policy Statement, with a theme of supporting rural and northern housing – are being undertaken to identify and remove barriers to getting more homes built. These and other related consultations can be found through the [Environmental Registry of Ontario and the Ontario Regulatory Registry](#).

We encourage you share this information with senior staff in the municipality and to inform the newly elected head of council and council members. Our government is building a strong foundation for action that will continue to ensure Ontario is a prosperous and growing province – and the best place in the world to call home. We look forward to continued collaboration with our municipal partners to get more homes built faster.

Sincerely,

A handwritten signature in blue ink that reads 'Steve Clark'.

Steve Clark
Minister

- c. The Honourable Michael Parsa, Associate Minister of Housing
Kate Manson-Smith, Deputy Minister
Ryan Amato, Chief of Staff, Minister's Office
Joshua Paul, Assistant Deputy Minister, Housing Division
Municipal Chief Administrative Officers

**Summary of Bill 23, More Homes Built Faster Act, 2022
Changes to Development Charges Act and Planning Act**

Development Charges Act, 1997

Area (ERO# 019-6172)	Summary of Changes
Duration of Development Charges (DC) by-law	Maximum by-law term is extended from 5 to 10 years.
Mandatory phase-in of new DC by-law rates	New DC by-law rates, resultant from a by-law update/amendment, phased in over first 5 years; no more than 80% in year 1 to 100% by years 5 and onwards. Applies retroactively to by-laws passed on, or after, June 1, 2022 and for subsequent by-laws.
<p>New DC exemptions or partial exemptions/discounts</p> <p>Proposed definitions:</p> <p>*Average market rent - the average market rent for the year in which the residential unit is occupied by a tenant, as identified in the bulletin entitled the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin", as it is amended from time to time, that is published by the Minister of Municipal Affairs and Housing</p> <p>**Average purchase price - the average purchase price applicable to a residential unit is the average purchase price for the year in which the residential unit is sold, as identified in the bulletin entitled the "Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin", published by the Minister of Municipal Affairs and Housing</p>	<p>1. Affordable housing (full exemption)</p> <p><i>Rental</i> - rent is no greater than 80% of the average market rent*. Tenant is at arm's length to landlord.</p> <p><i>Ownership</i> - price of the residential unit is no greater than 80% of the average purchase price**; sold to a person who is dealing at arm's length. Requires agreements with the local municipality, which may be registered against the lands.</p> <p>2. Attainable housing (full exemption)</p> <p>Must meet the following criteria:</p> <ul style="list-style-type: none"> • Unit is not an affordable unit • Not intended for use as a rental • Developed as part of a <u>prescribed development or class of developments</u> • Sold to a person who is dealing at arm's length with the seller <p>Requires agreements with the local municipality, which may be registered against the lands.</p> <p>3. Not for profit housing (full exemption)</p> <p>Means a corporation to which the Not-for-Profit Corporations Act, 2010 applies; a corporation without share capital to which the Canada Not-for-profit Corporations Act applies; a non-profit housing co-operative.</p> <p>4. Inclusionary zoning units (full exemption)</p> <p>Residential units that are affordable housing units required to be included in a development or redevelopment pursuant to a by-law passed under section 34 of the Planning Act to give effect to the</p>

	<p>policies described in subsection 16 (4) (Inclusionary zoning policies).</p> <p>5. Rental housing (discount/partial exemption)</p> <p>Rental means development of a building or structure with four or more residential units all of which are intended for use as rented residential premises. Discounts are as follows:</p> <ul style="list-style-type: none"> • 3 bedrooms or more – 25% discount • 2 bedrooms – 20 % discount • Any other – 15% discount
Exemptions for second suites in existing and new buildings (including additional units in rental buildings, limited to the greater of 1 or 1% of existing units)	Moves from regulations to legislation with minor changes.
Removal of service - Housing	Municipalities are no longer able to collect development charges for Housing Services, as at Royal Assent.
Removal of DC-eligible costs – studies and land	<p>Growth studies, including other studies, no longer eligible for subsequent by-laws.</p> <p>Costs to acquire land or an interest in land, including a leasehold interest <u>except in relation to such services as are prescribed for the purposes of this paragraph</u> (underlined is new).</p>
<p>Interest rate changes on frozen DCs/installment payments</p> <p>Proposed Definition:</p> <p>* Average prime rate, means the mean, rounded to the nearest hundredth of a percentage point, of the annual rates of interest announced by each of the Royal Bank of Canada, The Bank of Nova Scotia, the Canadian Imperial Bank of Commerce, the Bank of Montreal and The Toronto-Dominion Bank to be its prime or reference rate of interest in effect on that date for determining interest rates on Canadian dollar commercial loans by that bank in Canada.</p>	Capped at average Prime plus 1%.
Historic average service level timeframe	Extended from 10 years to 15 years.

Allocation of monies in reserve fund	Beginning in 2023 and in each calendar year thereafter, a municipality shall spend or allocate at least 60% of the monies that are in a reserve fund for services at the beginning of the year. Applies to water, wastewater and roads. Additional services to which this change applies may be prescribed.
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Planning Act

Area (ERO# 019-6163)	Summary of Proposed Changes
Additional Residential Units	<p>Allow up to three units per lot (i.e., up to three units in the primary building, or up to two in primary building and one in ancillary building or structure). These changes would apply to any parcel of urban residential land in settlement areas with full municipal water and sewage services.</p> <p>Prohibit municipalities from imposing development charges (regardless of unit size), parkland dedication or cash-in-lieu requirements, applying minimum unit sizes or requiring more than one parking space per unit with regard to new units built under this permission.</p>
Planning Appeals	Limit third-party appeals. Appeals would only be maintained for key participants (e.g., applicants, province, public bodies, First Nations, and utility providers that participated in the process) except where appeals have already been restricted (e.g., Minister’s decision on new official plan).
Upper-tier and Lower-tier Municipal Planning Responsibilities	<p>Remove planning responsibilities in the County of Simcoe, and the Regional Municipalities of Halton, Peel, York, Durham, Niagara and Waterloo.</p> <p>Regulation-making authority to prescribe additional upper-tier municipalities as an “upper-tier municipality without planning responsibilities” in the future if needed.</p> <p>Where upper-tier planning responsibilities are removed:</p> <ul style="list-style-type: none"> • Existing upper-tier official plans would be deemed to form part of the applicable lower- tier municipality’s official plan, until the lower-tier official plan has been updated • Lower-tier official plans and amendments would be approved by the Minister of Municipal Affairs and Housing (Minister’s decision on new official plans and section 26 updates would not be appealable) • The upper-tier municipality would not be able to appeal land use planning decisions

Area (ERO# 019-6163)	Summary of Proposed Changes
	<ul style="list-style-type: none"> • The approval authority for subdivisions and consents would be assigned to lower-tier municipalities, unless the Minister provides otherwise through regulation <p>The proposed changes would also have the effect of removing the following upper-tier municipal roles and requirements for an “upper-tier municipality without planning responsibilities”:</p> <ul style="list-style-type: none"> • Requirement to have planning advisory committees • Ability to have land division committees • Ability to have a local appeal body • Ability to assume any authority, responsibility, duty or function of a lower-tier municipality • Ability to use the protected major transit station area tool. <p>As a result of the proposed changes, the following provisions would no longer be applicable in an “upper-tier municipality without planning responsibilities”:</p> <ul style="list-style-type: none"> • Allowing the Minister to delegate approval authority for official plans/amendments to/from upper-tier municipalities, and provisions for upper-tier municipalities to delegate to/from upper-tier municipal staff/committees or lower-tier municipalities • Requiring lower-tier official plans to conform with upper-tier official plans • Limits on appeals of official plans/amendments that are only relevant to upper-tier municipalities • Requiring lower-tier official plan policies for a community planning permit system (CPPS) to conform with the upper-tier municipality’s CPPS policies.
Role of Conservation Authorities	<p>Streamlined processes to sever and dispose of land. Expedite the existing processes associated with the severance and conveyance of land, regardless of whether provincial grant money was provided under the Conservation Authorities Act, for the purposes of projects related to flood control, erosion control, bank stabilization shoreline management works or the preservation of environmentally sensitive lands.</p> <p>Limit conservation authority appeals, when acting as a public body, other than when acting as an applicant, of land use planning decisions under the Planning Act to matters related to natural hazards policies in provincial policy statements issued under the Planning Act.</p>
Zoning Around Transit	Require municipalities to amend their zoning by-laws to conform with official plan policies that establish minimum densities and heights around transit Major Transit Station Areas (MTSA) and

Area (ERO# 019-6163)	Summary of Proposed Changes
	<p>Protected MTSA's within one year of the official plan policies being approved by the Minister.</p> <p>Restriction on appeals of the implementing zoning by-law amendments regarding permitted heights and densities and permitted uses would expire after one year of the protected major transit station official plan policies coming into effect.</p>
Community Benefit Charges (CBC)	<p>The maximum CBC payable could not exceed the prescribed percentage of the value of the land (maximum CBC of 4% of land value) multiplied by a ratio of the floor area of the new building or structure that is proposed to be erected as part of the development or redevelopment to all buildings and structures on the site.</p> <p>Maximum CBC payable (4% of land value) for a development or redevelopment to be discounted based on the floor area of affordable housing units, attainable housing units and inclusionary zoning affordable housing units as a proportion of the floor area of the total development.</p>
Site Plan Control	<p>Remove all aspects of site plan control for residential development proposals up to 10 units, except for land lease communities. The proposed changes would also limit the scope of site plan control by removing the ability to regulate architectural details and limiting the ability to regulate aesthetic aspects of landscape design.</p>
Parkland Dedication	<p>Affordable and attainable housing units as well as affordable housing units required by inclusionary zoning exempt from parkland dedication requirements. The maximum 5% basic rate for residential development would be discounted based on number of these units relative to total units in the development. These units would also not be included for the purposes of determining the maximum alternative rate. Not-for-profit housing developments would also be exempt from parkland dedication requirements.</p> <p>A second, or second and third residential unit in a detached-house, semi-detached house or rowhouse would be exempt from parkland dedication requirements, as would one residential unit in an ancillary structure.</p> <p>Require parkland dedication rates to be determined at time of zoning/site plan application.</p> <p>The maximum alternative parkland dedication rate for land conveyed of 1 hectare for each 300 dwelling units would be</p>

Area (ERO# 019-6163)	Summary of Proposed Changes
	<p>changed to 1 hectare for each 600 net residential units and for payments in lieu, the current rate of 1 hectare for each 500 dwelling units would be changed to 1 hectare for each 1000 net residential units.</p> <p>No more than 15% of the amount of land subject to the development proposal (or equivalent value) could be required for parks or other recreational purposes for sites greater than 5 hectares and no more than 10% for sites 5 hectares or less.</p> <p>Require municipalities to develop a 'parks plan' before passing a parkland dedication by-law instead of developing such a plan before adopting the official plan policies required to be able to use the alternative parkland requirement.</p> <p>Beginning in 2023, the proposed changes would require municipalities to allocate or spend at least 60% of their parkland dedication reserve balance at the start of each year.</p>

New Act: Supporting Growth and Housing in York and Durham Regions Act, 2022

Area (ERO# 019-6192)	Summary of Proposed Changes
General	Mandate the planning, development and construction of two wastewater projects. Both exempt from the Environmental Assessment Act, however environmental impact reports must be prepared. The Act creates a mandatory consultation process for Indigenous communities.
York Region Sewage Works Project	Expand the existing York Durham Sewage System to accommodate growth to 2051. Revokes instruments for the Upper York Sewage Systems Solution and terminates that Environmental Assessment application.
Lake Simcoe Phosphorus Removal Project	One or more prescribed municipalities to develop, construct and operate a new treatment facility that will remove phosphorus from drainage water that flows from the Holland Marsh to Lake Simcoe.

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**Summary of Bill 23, More Homes Built Faster Act, 2022
New Act and Changes to Other Acts**

Conservation Authorities Act

Area (ERO# 019-2927 and ERO# 019-6141)	Summary of Proposed Changes
Proposed Regulation	Repeal the 36 individual regulations under the Conservation Authorities Act, a single regulation is proposed for all 36 Authorities in the province.
Identify Lands for Housing	Require a land inventory to identify conservation authority-owned or controlled lands that could support housing development. Disposition (sales, easements, leases) of conservation authority owned land will be streamlined to facilitate development of these lands.
Limitation on commenting	Prevents a review or commenting role for a wide array of legislation, which cannot be included under an agreement with a municipality.
Community Infrastructure and Housing Accelerator	Require conservation authorities to issue permits for projects subject to a Community Infrastructure and Housing Accelerator order and allow the Minister to review and amend any conditions attached to those permits to expedite zoning changes.
Minister's Zoning Order conditions	Gives authority to the Minister to prescribe conditions on a permit issued by a conservation authority where there is a Minister's Zoning Order, and to also prescribe limits on what conditions a conservation authority may include.
Permit Exemptions	Exempt development authorized under the Planning Act from requiring a permit under the Conservation Authorities Act in municipalities set out in regulation, where certain conditions are met as set out in regulation.
Permit Decisions	"Pollution" and "conservation of land" no longer considered in development permit decisions.
Appeal Timeframe	Change the timeframe in which a permit applicant can appeal to the Ontario Land Tribunal if a CA does not issue a permit from 120 days to 90 days.
Review of development related proposals and applications	Scope conservation authorities' review and commenting role with respect to development applications and land use planning policies under prescribed Acts to matters within their core mandate (primarily flooding and erosion).
Fee freeze	Conservation Authority fees will be frozen at current levels.

Municipal Act, 2001

Area	Summary of Proposed Changes
Residential Rental Properties	Establishes authority for the Minister of Municipal Affairs and Housing to make regulations imposing limits and conditions on the powers of a municipality to prohibit and regulate the demolition and conversion of residential rental properties.

Ontario Land Tribunal Act

Area (Proposal #22-MAG011)	Summary of Proposed Changes
Dismissal of Proceedings	The Tribunal may dismiss a proceeding without a hearing if the Tribunal is of the opinion that the party who brought the proceeding has contributed to undue delay of the proceeding or if that a party has failed to comply with an order of the Tribunal in the proceeding.
Costs	Gives the Tribunal the power to order an unsuccessful party to pay a successful party's costs, intended to encourage parties to reach an agreement without going through the Tribunal.
Regulation-Making Authority	<p>Provides new authority for the Lieutenant Governor in Council to make regulations requiring the Tribunal to prioritize the resolution of specified classes of proceedings, such as cases that create the most housing, for example.</p> <p>The Minister will have power to make regulations setting service standards with respect to timing of hearings and decisions for specific case resolution activities.</p>

Ontario Heritage Act

Area (ERO# 019-6196)	Summary of Proposed Changes
Heritage property designation	<p>Permits the Minister of Citizenship and Multiculturalism to review, confirm and revise, the determination of a property.</p> <p>Implements higher standards to require a property to meet two or more criteria. Listed properties would need to meet one of the criteria. Municipalities to review existing registers and decide if properties should be designated. Limit non-designated properties from being on the register indefinitely. Certain properties may be exempt from heritage standards and guidelines if it advances provincial priorities of transit, housing, health and long-term care or other priorities.</p> <p>If a non-designated property listed is not designated within 2 years, it is removed from the list. The property cannot be included on the list for another 5 years.</p>
Heritage Conservation Districts	Heritage Conservation District Plans can be amended or repealed, and a regulatory authority would prescribe this process. A statement must be provided explaining the cultural heritage value or interest and how the Heritage Conservation District meets two or more of the criteria.

New Home Construction Licensing Act, 2017

Area (Proposal # 22-MGCS021)	Summary of Proposed Changes
Minister's powers	Minister's powers increased (use of funds, penalties, etc.) and may be exercised by order instead of by regulation.

<p>Administrative Monetary Penalty (AMP) and regulation</p>	<p>Increase the maximum allowable amount for an Administrative Monetary Penalty (AMP) from \$25,000 to \$50,000</p> <p>Increase the maximum fines that a court may impose after a person or entity has previously been convicted of an offence - specifically, a maximum fine of \$100,000 for a subsequent conviction in the case of an individual, and a maximum fine of \$500,000 for a subsequent conviction in the case of a person or entity that is not an individual.</p> <p>Allow for AMPs to be imposed retroactively to contraventions that occurred on or after April 14, 2022;</p> <p>Enable the Home Construction Regulatory Authority (HCRA) to use the proceeds of AMPs and fines to provide funds to adversely impacted consumers and make a related regulation requiring the HCRA to establish, maintain and comply with a policy to this effect.</p>
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Ontario Underground Infrastructure Notification System Act, 2012

<p>Area (Proposal # 22-MGCS022)</p>	<p>Summary of Proposed Changes</p>
<p>Administrative</p>	<p>Minister authority to appoint Chair and Administrator, greater role in conflict resolution, and provide regulation making authority to Lieutenant Governor in Council.</p>

Additional Proposed Changes

<p>Area</p>	<p>Summary of Proposed Changes</p>
<p>Municipal Housing Targets and Housing Pledge (ERO# 019-6171)</p>	<p>Assignment of municipal housing targets to 29 selected lower- and single-tier municipalities over the next 10 years</p> <p>Four municipalities in York Region have housing targets:</p> <ul style="list-style-type: none"> o City of Markham: 44,000 o City of Vaughan: 42,000 o City of Richmond Hill: 27,000 o Town of Newmarket: 12,000 <p>Direct municipalities to create a 'housing pledge' to implement housing targets which outlines actions municipalities will take to meet targets, and a 'vehicle' for identifying policy proposals to increase housing and infrastructure needs. Pledges are due March 1, 2023 with reporting towards the target annually.</p>
<p>Review of A Place to Grow and Provincial Policy Statement (ERO# 019-6177)</p>	<p>Proposal to integrate the PPS and A Place to Grow into a single new province-wide plan</p>

<p>Revocation of the Parkway Belt West Plan (ERO# 019-6167)</p>	<p>Proposal is to revoke the Parkway Belt West Plan created in 1978 to potentially increase housing supply</p>
<p>Proposed Building Code changes (Proposal # 22-MMAH016, Proposal # 22-MMAH019, ERO# 019-6211)</p>	<p>A number of changes are proposed including, but not limited to, better alignment with National Building Code, Fire Management, accessibility and providing greater clarity.</p>
<p>Rent-to-Own Arrangements (Proposal # 22-MMAH018)</p>	<p>Explore 'rent-to-own' home financing model in supporting housing attainability in the province. Potential to engage in a rent to own arrangement with two contracts:</p> <ul style="list-style-type: none"> • Rental agreement • Rent to own agreement <p>The province is seeking feedback on the viability, barriers and issues for renters on the rent to own model, as well as the provincial role to facilitate these agreements.</p>
<p>Proposed Updates to the Ontario Wetland Evaluation System (ERO# 019-6160)</p>	<p>Proposed changes to content in the Ontario Wetland Evaluation System (OWES) manuals including new guidance and moving approval to the professional opinion of wetland evaluators and local decision makers including municipalities. Removal of species at risk and wetland grouping criteria in determining a wetland's significance.</p>
<p>Conserving Ontario's Natural Heritage (ERO # 019-6161)</p>	<p>A discussion paper seeks feedback on how Ontario could offset development pressures on wetlands, woodlands, and other natural wildlife habitat.</p> <p>The Ministry of Natural Resources and Forestry is considering developing an offset policy that would require a net positive impact on these features and help reverse the decades-long trend of natural heritage loss in Ontario.</p>
<p>Inclusionary Zoning (ERO # 019-6173)</p>	<p>Proposed changes to inclusionary zoning rules would standardize the following across the province:</p> <ul style="list-style-type: none"> • Set a maximum affordability period of 25 years • Limit the number of affordable units to 5% of the total number of units or 5% of the total gross floor area of the total residential units, not including common areas • Set affordability at 80% of the average resale price of ownership units or 80% of the average market rent for rental units

Ontario's New Housing Supply Action Plan: Some Troubling Features



NEWS PROVIDED BY

Association of Municipalities of Ontario

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TORONTO, Oct. 25, 2022 /CNW/ - The Government of Ontario today introduced the next phase of its Housing Supply Action Plan: the proposed *More Homes Built Faster Act, 2022*. The Plan includes a broad array of legislative and regulatory changes related to land use planning, property taxes, building code, heritage, conservation, and the infrastructure financing framework that supports growth.

"Municipalities will welcome some of the proposed changes, and will be very concerned about others, such as changes to the Development Charges Act," said AMO President Colin Best. "We will work with the government on the ideas that have the potential to make housing more affordable, and we will oppose changes that undermine good economic and environmental policy."

Proposed changes include discounting and, in some cases, eliminating development charges and related developer obligations. When communities grow, infrastructure and public services must be scaled up to meet new demands. The new legislation would shift some of those costs from developers to current property taxpayers.

The Ontario government has signaled it may offset some of the financial impacts for municipalities. However, shifting growth costs from developers to taxpayers represents a fundamental change from the principle that growth should pay for growth, and that current homeowners and renters should not be required to subsidize new development. There are no mechanisms to ensure that developers will pass on cost savings to consumers in need of more affordable housing options.

For years, municipalities have been sounding the alarm about housing affordability and homelessness. Municipal governments deliver many of the front-line services that respond to these complicated and difficult challenges. Municipalities are committed to doing what they can to make housing more affordable, and to support economic growth.

Ontario had 100,000 housing starts in 2021, the highest in 30 years. However, some municipalities have seen a sharp decline in permit applications in 2022, due to factors such as higher interest rates and labour shortages.

AMO is the collective voice of Ontario's municipal sector advocating for good public policy that supports strong, sustainable, and prosperous communities. AMO's member municipal councils govern and provide key services to about one in three Canadians.

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