
Report of the Commissioner of Corporate Services and Chief Planner
***Cutting Red Tape to Build More Homes Act, 2024 (Bill 185) –
Proposed Changes to *Planning Act, 1990, Municipal Act, 2001* and Provincial
Planning Statement***

1. Recommendations

1. This report and Appendix A be submitted to the Minister of Municipal Affairs and Housing in response to Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*, and as comments on Environmental Registry of Ontario (ERO) postings regarding Development Charges Act ([019-8371](#)), Planning Act ([019-8369](#)) and proposed Provincial Planning Statement ([019-8462](#)).
2. The Regional Clerk forward this report to the local municipalities for information.

2. Purpose

This report provides Council with an update on Bill 185, *Cutting Red Tape to Build More Homes Act 2024* and comments to the Province in response to Bill 185 and ERO postings regarding *Development Charges Act* ([019-8371](#)), *Planning Act* ([019-8369](#)) and proposed Provincial Planning Statement ([019-8462](#)).

Key Points:

- Bill 185 proposes several positive financial changes, including reversal of previous changes to the *Development Charges Act* and the *Planning Act* that required new Development Charges Bylaws be phased in, and refunding of certain planning application fees for non-decision
- Proposed changes to the *Municipal Act* facilitate implementation of ‘Use it or Lose it’ policies, and provide municipalities greater opportunity to financially support businesses

- Bill 185 proposes to implement Bill 23 provision making York, Peel and Halton Regions, ‘Regions without planning responsibilities’ effective July 1 2024. This will require greater coordination with local municipalities to closely align infrastructure with growth
- Development of a transition plan related to changing planning responsibilities is underway with the local municipalities with a report to Council targeted for June 2024

3. Background

Many of the changes proposed through Bill 185 will have positive outcomes

On April 10, 2024, the Province released Bill 185, the *Cutting Red Tape to Build More Homes Act 2024*. Bill 185 is currently in second reading and proposes to modify several pieces of legislation, primarily to advance the Province’s goal to build 1.5M homes by 2031. Of interest to the Region are proposed modifications to the *Development Charges Act*, *Municipal Act* and the *Planning Act*.

Many changes proposed through Bill 185 positively impact the Region. Those which have most impact on the Region are summarized in this report.

A proposed updated Provincial Planning Statement has been released for comment

In April 2023, the Province released for consultation a draft Provincial Planning Statement intended to update and merge policies from the existing Provincial Policy Statement and A Place to Grow: Growth Plan for the Greater Golden Horseshoe. Concurrent with Bill 185, the Province posted an updated Provincial Planning Statement incorporating feedback received through previous consultations and reflects municipal planning authority changes introduced through Bill 23 and proposed for implementation through Bill 185. This updated Provincial Policy Statement has been posted on the ERO (#19-8462) for comment by May 12, 2024.

4. Analysis

KEY CHANGES PROPOSED THROUGH BILL 185

Proposed amendments to *Development Charges Act* will partially undo previous changes which negatively impacted the Region’s financial sustainability

Proposed amendments to the *Development Charges Act, 1997* help address municipalities’ feedback related to previous legislative changes. This includes repeal of mandatory phase-in of development charges over five years for bylaws passed on or after January 1, 2022 and restoring studies as eligible development charge costs. Additional information on these changes is available on the same agenda in the report, “*Cutting Red Tape to Build More Homes Act, 2024 (Bill 185) – Proposed Changes to Development Charges Act, 1997*”.

In 2022, changes to the *Planning Act* required municipalities refund zoning bylaw amendment and site plan application fees if decisions on applications were not made within legislated timelines. The

Province is proposing to remove the planning application fee framework introduced through Bill 185 (See Appendix A – Table 1).

Proposed changes to the *Municipal Act* facilitate ‘Use it or Lose it’ policies and allow municipalities to financially support business development

If passed, proposed changes to the *Municipal Act* will enable municipalities to adopt policies setting out how water and wastewater servicing may be allocated and reallocated. These policies, often referred to as ‘Use it or Lose it’ policies, shift servicing allocation from approvals not advancing to construction in a timely manner to those ready to proceed.

The Bill proposes other changes to the *Municipal Act* that allow the Lieutenant Governor in Council to make regulations enabling a municipality to provide incentives to specified businesses, to attract investment in Ontario. The intent is to make it faster and easier for communities to compete for global, game-changing investments that create well-paying jobs. Details of this change are being explored to advance economic development opportunities.

These changes provide opportunities for municipalities to build more homes faster and promote economic investment in the Region.

Bill 185 proposes York Region become a Region without planning responsibilities effective July 1, 2024

In Fall 2022, the Province approved Bill 23, the *More Homes Built Faster Act, 2022*. Among other things, Bill 23 proposed seven southern Ontario upper tier municipalities (Regions of Durham, York, Peel, Halton, Niagara and Waterloo, and the County of Simcoe) become Regions without planning responsibilities. Bill 185 proposes to bring these changes into force and effect on July 1, 2024 for York, Peel and Halton Regions. The changes for the other four Regions are expected to take effect by the end of 2024. Effectively, the proposal removes Regional Council’s approval authority role under the *Planning Act*, making lower tier municipalities the approval authority for most *Planning Act* applications, and the Province approval authority for local municipal Official Plans and amendments. Implications of removing Regional Council’s approval authority were discussed in a [December 2022](#) report.

Many lower tier municipalities across southern Ontario have expressed interest in greater autonomy for land use planning. While planning related decisions can be addressed by local municipal planning authority, there will be need to closely coordinate planning and implementation of Regional infrastructure and services. These matters are discussed in the following sections responding to the proposed Provincial Planning Statement which guides land use planning within the proposed planning framework.

PROPOSED PROVINCIAL PLANNING STATEMENT

Financially sustainable Regional infrastructure will continue to be coordinated with the local municipalities under the new planning framework

Proposed Provincial Planning Statement establishes the framework to support growth and development in Ontario, including requirements for Official Plans. As proposed by Bills 23 and 185, within York Region, local municipalities will be responsible for development approvals, the Regional Official Plan will be merged with local Official Plans, and the Province will be responsible for approving local municipal Official Plans and amendments.

Since establishment in 1971, the Region has been responsible for big picture long-term planning and implementing Regional infrastructure and services to support growth. This includes water and wastewater treatment and conveyance, solid waste management, paramedic and police services, transit and transportation, and housing. These services are planned to support existing and future residents, and need to align with planned growth. Since 1994, Regional growth has been forecast and assigned to the municipalities, and planned by the York Region Official Plan as the basis for major infrastructure and service planning.

The Region has long recognized the value of land use planning decisions being made at the local level by delegating approval authority for most application types. Bills 23 and 185 move this one step further. Collaboration with local municipalities will ensure strong linkages between growth management and infrastructure and service decision-making to ensure timely delivery of infrastructure and services across the Region.

There are several areas where proposed Provincial Planning Statement policies address this coordination as discussed in the following sections.

Proposed Planning Statement indicates growth will be based on Ministry of Finance forecasts

Chapter 2 of the proposed Provincial Planning Statement indicates planning authorities (local municipalities in the case of York Region) shall base population and employment growth forecasts on Ministry of Finance 25-year projections and may modify projections as appropriate. Currently, the Province provides forecasts to upper and single tier municipalities through A Place to Grow: Growth Plan for the Greater Golden Horseshoe. Upper tier municipalities then distribute this growth among local municipalities after a comprehensive process assessing infrastructure and servicing needs and a financially sustainable implementation plan. With removal of A Place to Grow and the Regional Official Plan comprehensive planning for growth, infrastructure and services will begin with local municipalities based on the new Provincial Policy Statement.

It is unclear when and how Ministry of Finance forecasts will be updated, if they will assign population and employment at the local municipal level, and how these assignments will align with Regional infrastructure and service planning. Coordination between local municipalities and the

Region in this regard will be important to ensure financial sustainability and timely delivery of infrastructure.

With York Region no longer having planning responsibilities, the following provisions of the proposed Provincial Planning Statement will require municipal coordination to align growth with Regional infrastructure:

- Growth management undertaken by local municipalities should be coordinated with adjacent planning authorities
- Local municipalities may modify Ministry of Finance forecast through Official Plans
- Urban boundary expansions and employment conversions can occur outside of a comprehensive review
- Intensification and density targets are planned at the local municipal level

Planning authorities are to maintain housing supply to meet projected requirements of the ‘regional market area’

Currently, the Region is required to maintain a minimum 15-year supply of designated and available land to accommodate residential growth, and a 3-year supply of approved residential units across the Region. The proposed Provincial Planning Statement maintains these as requirements of the planning authority. The policies indicate the supply is to meet needs of the ‘regional market area’, which is defined to generally align with upper or single tier boundaries. Monitoring growth and development approvals by local municipalities will be required to coordinate Regional infrastructure prioritization and meet the needs of the regional market area.

Planning authorities are to plan for a full range of housing working with Service Managers

With several upper tier municipalities no longer having planning responsibilities, proposed Provincial Planning Statement policies require planning authorities coordinate land use planning and planning for housing with Service Managers.

The ongoing housing crisis has changed the housing continuum. Many households traditionally served by market housing (rental or ownership) have been priced out of the private market. In York Region, this includes households from the 4th to 8th income deciles. Currently only the highest earning 10 to 20% of households can afford market housing. On the other end of the spectrum, generally only the lowest earning 30% of households are eligible for community housing.

Considering this Provincial policy direction, and constraints on community housing capital funding with Housing Services no longer Development Charge eligible, private industry affordable housing will be increasingly important. The need to comprehensively address housing challenges across the continuum has been elevated. The Region, through the Affordable Private Market Housing Implementation Plan, will work with municipalities to advance and coordinate affordable housing needs within the proposed planning framework.

With removal of Region’s appeal rights for Planning Act applications, municipalities will need to consider comments and apply Regional standards to avoid risk to public safety

The Region’s role in the planning process has been integral to protecting public safety, particularly as it relates to the operation of Regional roads. While the Region will remain a commenting agency under the *Planning Act*, and can provide comments to the approval authority, appeal rights are proposed to be removed. Without the right to appeal there may be some instances that pose challenges and potential risks to the Region (e.g. access locations on Regional roads, well head protection, infrastructure conflicts). As proposed, communication and utility providers will have stronger tools (including appeal rights) to protect their infrastructure than the Region, who owns and manages billions of dollars worth of infrastructure including Regional roads with their associated risks.

While the proposed Provincial Planning Statement will streamline the approval process, some technical concerns are noted for the Province to consider

Policies of the proposed Provincial Planning Statement have been comprehensively reviewed and comments are provided for the Province’s consideration on a range of technical matters as summarized in Appendix A.

5. Financial Considerations

The majority of changes proposed through Bill 185 have positive financial impacts for Region and local municipalities. Changes to *Development Charges Act*, including the repealing of the phase-in provisions and reinstating growth-related studies, could reduce the Region’s previous estimate of ‘known’ Bill 23 impacts by over 50%, or about \$370 million.

Additional information on financial implications of change to the *Development Charges Act* is available on today’s agenda in the report titled, “*Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) – Proposed Changes to *Development Charges Act, 1997*.”

6. Local Impact

Bill 185 proposes to undo several prior legislative changes that financially negatively impacted municipalities. These include, among other things, removing the requirement to phase in Development Changes and no longer requiring the refunding of planning fees in some situations.

From a land use planning perspective, the Bill proposes York Region become a Region without planning responsibilities effective July 1, 2024. These changes are reinforced in the proposed new Provincial Planning Statement. The Region has long recognized the value of land use planning decision making at the local level by delegating approval authority for most application types. Bills 23 and 185 move this one step further. Regional staff will continue to work closely with local partners to

closely coordinate planning and implementation of growth-related infrastructure and services to support building more homes faster.

Workshop coordination with local municipal staff is occurring to understand the changing planning responsibilities and develop an effective and efficient transition plan. It is anticipated this transition plan will be reported to Council in June 2024.

7. Conclusion and Next Steps

Bill 185 introduces positive changes which, if approved, will reverse some prior legislative changes that negatively impacted municipalities. The Bill proposes to fully transfer planning authority to local municipalities for development approvals effective July 1, 2024, with the Province resuming an approval role for local Official Plans and amendments.

The Province is requested to consider comments in this report in response to Bill 185 and ERO postings regarding the *Development Charges Act* ([019-8371](#)), *Planning Act* ([019-8369](#)) and proposed Provincial Planning Statement ([019-8462](#)). Further consideration is required to ensure close coordination of land use planning (including a mix and range of housing), growth management and infrastructure planning.

For more information on this report, please contact Sandra Malcic, Director, Planning Policy and Data at 1-877-464-9675 ext. 75274. Accessible formats or communication supports are available upon request.

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Appendix A – Region Comments on Bill 185 ERO Postings

REGION COMMENTS ON BILL 185 ERO POSTINGS

Table 1: Proposed Planning Act, City of Toronto Act, 2006, and Municipal Act, 2001 Changes ([ERO # 019 – 8369](#))

Area	Regional Comment
Third Party Appeals	Third party appeals should include York Region as a prescribed body to ensure Regional infrastructure can be appropriately planned and protected at the planning stage similar to utilities such as Hydro One, OPG and Consumers Gas through the OLT when necessary
Use It or Lose It	Support the option of Use or Lose It bylaws for municipalities which supports provision of servicing to developments ready to proceed.
Planning Fees	Support removal of refund provision.
Pre-Consultation	Encourage keeping pre-consultation requirements to provide clear direction and requirements up front to improve the quality of submissions and reduce overall time for application processing by reducing need for resubmissions.
Lapsing Provisions	Support introduction of lapsing clauses for site plan approval so they remain current and relevant similar to plans of subdivision and not tie up servicing allocation for extended periods of time.

Table 2: Proposed Provincial Planning Statement ([ERO # 019-8462](#))

Area	Regional Comment
Section 2.3 -Settlement Areas and Settlement Area Boundary Expansions	<p>Density targets should be coordinated between large and fast-growing municipalities and other municipalities to ensure balance across jurisdictions.</p> <p>Criteria for urban expansions and employment conversions as proposed in PPS 2024 makes planning comprehensively for infrastructure and services more complex. Policies should require growth targets and coordination of development with the delivery of infrastructure. This approach ensures that municipalities can proactively and strategically plan infrastructure in a financially responsible manner.</p> <p>It is recommended that the PPS reference municipal infrastructure master plans and that developments align with planned servicing whenever possible. The Region maintains transportation and water/wastewater master plans that outline servicing planned for the next 30 years, along with regular updates that indicate when servicing will be available. It is recommended that development be directed towards these areas whenever feasible.</p>

2.8 -Employment	<p>Comprehensive planning and protection of employment lands for a variety of sectors on a region wide scale aligned with regional investment in water and wastewater infrastructure, transit, and economic development initiatives is key in supporting job growth and attracting and retaining businesses to the Region’s employment lands.</p> <p>Policy 2.8.2.5, which allows Planning authorities to remove lands from employment areas, may have unintended consequences with a cumulative impact on the erosion of employment areas. In addition, employment uses have different infrastructure usage patterns than residential areas, redesignation to residential can impact servicing in these areas.</p> <p>Removal of employment lands requires comprehensive consideration to protect the interest of a broader business community and economic viability.</p>
3.6 - Sewage, Water and Stormwater	<p>Municipal water and wastewater service providers should be provided with all tools necessary to service growth in the most efficient manner, regardless of where it occurs. Prohibition on Great Lakes-based servicing in certain areas provides little benefit. It is recommended the PPS ensure Great Lakes-based servicing is permitted in all areas. Municipal Great Lakes-based servicing can be delivered on a larger scale, more efficiently, and at a significantly lower level of environmental and legal risk than Private Communal Systems</p> <p>It is recommended Section 3.6.2 be strengthened by adding a supportive evaluation framework to drive consistency across the Province to help municipalities determine in the planning process where private communal systems are deemed environmentally feasible and financially viable. It would be beneficial if the definition of ‘communal’ included an upper limit for the number of lots and units, given technical limitations of most private communal systems. Communal systems should be considered a “last resort” when municipal servicing is not available within an appropriate distance from development. Communal system pose greater financial and environmental risk as performance of these systems may not be sustainable over the long term. The servicing hierarchy should clearly indicate that municipal servicing is the preferred form of servicing.</p>
4.1 – Natural Heritage	Regional staff support the Province’s approach to maintaining natural heritage policies and definitions of the PPS 2020
4.2 – Watershed Planning	Watershed planning should be coordinated across lower-tier municipalities where planning is not conducted by an upper-tier municipality.

	It is recommended that PPS recognizes the interconnected nature of water systems. The linkage to Source Water Protection Plans and ensuring development occurs in a manner to protect drinking water supply should be referenced in the document.
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Table 3: Proposed Changes to Regulations Under the Planning Act and Development Charges Act ([ERO # 019-8370](#))

Area	Regional Comment
Newspaper Notice Requirements	Support the use of electronic notices which modernizes the notification process

Table 4: Proposed Amendments to Ontario Regulation 73/23: Municipal Planning Data Reporting ([ERO # 019- 8368](#))

Area	Regional Comment
Reportable Action	Consider expanding the definition for Plan of Subdivision to include “Extension of Draft Plan Approval”
Quarterly Reporting	<p>Consider average number of resubmissions by application and average time a municipality waits for resubmissions to assess application process.</p> <p>Consider tracking the date of first associated building permit issuance related to Site Plan or Subdivision approval, to measure time between approval and construction</p>