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Ministry of Municipal Affairs and Housing
777 Bay Street, 17th floor
Toronto, Ontario
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June 5, 2025

Re: ERO 025-0462- Proposed Regulations - Complete Application

The Region of Waterloo has reviewed the legislative and regulatory changes proposed by Bill 17 (Protect Ontario By Building Faster and Smarter Act) and continues to support the Province of Ontario in its efforts to make it easier and faster to build new homes and infrastructure.

At the Region of Waterloo, we share the Province of Ontario's goals in creating an environment that allows new homes to be built quickly, while also bolstering housing-enabling infrastructure and, most importantly, maintaining affordability for both current and future residents.

The Region has reviewed the proposed Bill 17 and below is a summary of our comments.

We look forward to working together on solutions to help build new housing and to ensure affordability for residents through this review. We continue to partner to build the critical pipes, water and wastewater treatment plants, roads and bridges deeply needed in our rapidly growing community.

As we grow to a community of more than one-million people by 2050, we need to ensure we have the right tools on the path to becoming one-million ready.

Sincerely,

Handwritten signature of Rod Regier in blue ink.

Rod Regier
Commissioner, Planning,
Development and Legal
Services

Handwritten signature of Jennifer Rose in blue ink.

Jennifer Rose
Commissioner, Engineering
and Environmental Services

Handwritten signature of Wayne Steffler in blue ink.

Wayne Steffler
Commissioner, Corporate
Services and Chief Financial
Officer

Proposed Changes to the Planning Act

Schedule 7 of Bill 17, Protecting Ontario by Building Faster and Smarter Act, 2025

Simplify and Standardize Study Requirements for Complete Planning Applications:

Proposed Change: Currently, municipalities have the authority to require various studies and reports to support complete development applications. The specific scope, type and number of studies can differ significantly across municipalities to reflect unique local conditions.

If enacted, Bill 17 would amend the Planning Act to prohibit municipalities from requiring new studies or reports beyond those already specified in their official plan (as of May 12, 2025), unless the Ministry of Municipal Affairs and Housing (MMAH) approves the new requirements.

The proposed amendments would also establish new regulation-making authority enabling the Minister of Municipal Affairs and Housing to:

- prescribe a list of topics that municipalities cannot require as part of a complete application;
- identify the only studies that could be required as part of a complete application; and
- require municipalities to accept studies from certified professionals for the purposes of deeming an application complete

Potential Implications: The Province is currently proposing to eliminate the following studies as part of complete planning application:

- Sun/Shadow: potential impacts of development shadows;
- Wind: potential impacts on wind conditions;
- Urban Design: urban design aspects of proposed development; and
- Lighting: lighting and lighting levels on the site.

While the removal of these specific studies would not directly impact the Region's service areas, if this regulation is passed as written, municipalities could lose an important

implementation/compliance tool for High Performance Development Standards. Poor urban design can also decrease intensification potential for nearby parcels and therefore be prejudicial to future growth.

The Province is also consulting on which studies municipalities should and should not require as part of a complete application. Depending on the results of this review, the Province could potentially eliminate certain studies currently listed in Schedule C to the Regional Official Plan. Schedule C provides the authority to request certain studies through the submission of a development application.

Although the Region no longer has direct authority to require any studies through the development review process (the Region must now request the Area Municipality to require them), the possible future removal of certain studies could hinder Regional staff's technical review of various development applications. This, in turn, could lead to unintended impacts on the Region's service areas, such as source water protection, transportation planning, transit, water and wastewater services. Since these are critical enablers of intensification, lack of consideration at the planning stage will be detrimental to future growth and affordability.

To ensure that appropriate technical review of development applications continues, the following types of studies should be identified as those that can continue to be required as part of a complete application:

- Transportation Impact Study
- Transit Assessment
- Functional Servicing Report
- Stormwater Management Report
- Noise and Vibration Study related to Regional Roads and Regional Railways
- Land Use Compatibility related to Regional Waste Management and/or Wastewater Treatment facilities
- Hydrologic and Hydrogeological Studies (including Vulnerability Assessments, Chloride Impact Assessments, Salt Management Plans and Source Water Protection Potential Contamination Studies)
- Aeronautical Assessment

In summary, this ensures the future viability and safety of our transportation systems and the availability of safe drinking water, which in turn supports medium term growth and affordability for residents.

Proposed Changes to the Building Code Act

Schedule 1 of Bill 17, Protecting Ontario by Building Faster and Smarter Act, 2025

Proposed Change: Currently, while the Building Code Act mandates Provincial standards on building construction, builders are still encountering varying requirements based on project location and municipal preferences.

To foster a more standardized approach across Ontario, the proposed Bill, if passed, would explicitly clarify that municipalities do not have the authority to create or enforce unique construction standards beyond the Provincial Building Code. The intent is to achieve consistency, reduce costs, and streamline permitting processes

Potential Implications: Since the Region does not issue building permits, this proposal has no direct implications on the Region's processes. However, by restricting municipalities from setting their own standards beyond the Building Code, the proposed change would threaten existing municipal "Green Development Standards" or "High Performance Development Standards" (HPDS). These standards typically mandate more energy efficient building practices and aim to improve air quality, energy efficiency, waste diversion, water conservation, and other environmental sustainability metrics. Implementing such standards would become entirely voluntary, which could indirectly hinder broader efforts to reduce greenhouse gas emissions. Given rising household energy costs, this will also affect affordability.

More clarity is required from the Province to understand a municipality's ability to influence sustainability characteristics that impact the broader site (i.e. parking lots, tree canopy, EV charging infrastructure, etc.)

Proposed Changes to the Development Charges Act

Schedule 4 of Bill 17, Protecting Ontario by Building Faster and Smarter Act, 2025

Exemption for Long-Term Care Homes

Proposed Change: Exempts long-term care homes (as defined in the Fixing Long-Term Care Act, 2021) from municipal development charges (DCs), including any outstanding instalments.

Potential Implications: The introduction of this exemption would increase the amount of funding required from property taxes levied in the Region of Waterloo, ultimately decreasing affordability for residents. There is no immediate indication that municipalities would be financially made whole, or other funding streams would be made available to offset this funding need, which would ultimately be funded by residents' property taxes.

Deferral of DCs for All Residential Developments to Occupancy

Proposed Change: DC payments for all residential developments would be deferred from building permit issuance to occupancy. Municipalities would no longer be allowed to charge interest during this deferral.

Potential Implications: The proposed deferral creates a significant cash flow issue for municipalities, including the Region of Waterloo, and will increase the use of debt financing and impact capital project timing. Debt financing is part of the Region's operating budget and has a direct impact on the tax levy as it cannot be decreased.

The deferral creates a timing issue for funding, as DCs are needed to pay for land and infrastructure costs well in advance of the occupancy of new homes. The delay in DC collections could be in the range of 6–24+ months, affecting infrastructure funding

timelines. This could also result in a reduction in the amount of work able to be funded since a larger portion of DC's would go to debt service costs.

This will finally result in increased administrative complexity to effectively manage the extended and more complex DC collection process (i.e. securities, occupancies), ultimately increasing red tape.

Removal of Interest on Instalment Payments for Rental & Institutional Development

Proposed Change: Removes municipal authority to charge interest on DCs paid in instalments for rental housing and institutional developments.

Potential Implications: This proposed change will reduce municipalities' ability to recover full cost over time, weakening the growth-pays-for-growth principle. This will also result in cash flow challenges if interest revenues are eliminated, further stalling the ability to build housing enabling infrastructure.

Permit Early Payment of DCs Without Section 27 Agreements

Proposed Change: Allow developers to prepay DCs for eligible developments without requiring an early payment agreement.

Potential Implications: The Region of Waterloo is supportive of this proposed change as there is the potential it could streamline the process and reduce the administrative burden.

However, this may allow for payments to avoid changes in DC rates that are intended to keep up with the cost of providing growth-related infrastructure and potentially limit municipalities' ability to verify eligibility (e.g., rental housing discounts) or tie payment to compliance.

Mandate Use of Lower of Frozen or Current DC Rate

Proposed Change: Developments with frozen DC rates due to planning applications must pay the lower of the frozen rate or the current applicable DC rate.

Potential Implications: The Region of Waterloo is supportive of this as it aligns with our existing practice to assess frozen DC rates against current DC rates and charge the lower of the two.

Simplified DC By-law Amendment Process

Proposed Change: Allows municipalities to reduce DCs or remove indexing without requiring a new background study, public consultation, or appeals.

Potential Implications: This change provides future flexibility to reduce charges as needed without an additional background study and may improve responsiveness to changing market/housing conditions.

As the main use is expected for exemptions and bylaw edits, it is expected this will improve clarity and reduce the overall administrative burden.

Regulation-Making Authority to Limit Eligible Capital Costs

Proposed Change: Province may limit what capital costs are recoverable through DCs, including land acquisition and associated expenses.

Potential Implications: This change could significantly reduce the ability to fund key growth-related land and infrastructure. The removal of currently eligible costs (e.g. land) will increase the funding required from other sources to fund necessary growth-related land and infrastructure, which will lead to a greater reliance on taxes and future user fees, which could potentially lead to deferring projects and decreased overall affordability for residents.

Moreover, since the funding for this portion of growth-related projects will come from the tax levy, it will be in competition with asset management capital requirements. In other words, it is expected that growth projects with a significant portion of ineligible costs will be deprioritized.

Regulation-Making Authority to Merge DC Service Categories for Credit Use

Proposed Change: Enables combining service categories (e.g., roads and transit) for DC credit application purposes.

Potential Implications: This will improve flexibility in delivering integrated infrastructure (e.g. Transit-Oriented Communities may have the ability to merge road and transit DCs).

It also could potentially reduce the administrative burden and allow professional staff to approach growth-related infrastructure in a more flexible manner.

Regulation-Making Authority to Define “Local Services”

Proposed Change: Province may regulate what qualifies as a “local service,” which developers must fund, and which cannot be recovered through DCs.

Potential Implications: The prescription of what constitutes a local service could result in changes to how certain types of infrastructure are delivered and/or funded. Without clear definitions, the financial impact is unknown and could result in increased costs for residents.

If the new definition for local services excludes assets that municipalities currently consider a local service, there may be planned infrastructure that is related to developments that will not have an identified source of funding.

Standardized Methodology for “Benefit-to-Existing” (BTE) Calculations

Proposed Change: Province may prescribe BTE methodologies in DC calculations, defining how costs shared with existing communities are deducted.

Potential Implications: BTE methodologies are important to ensure that the cost of infrastructure is funded appropriately by DCs and municipalities. While there may be types of projects where BTEs can be standardized (e.g. road widenings), other projects are unique in their circumstances. This reduces flexibility to tailor funding splits to project-specific needs and could result in developments that do not have an identified source of funding.

Mandatory Allocation of 60% of All DC Reserve Balances Annually

Proposed Change: Expands the requirement to allocate/spend 60% of reserve funds annually to include all DC-eligible services.

Potential Implications: This proposed change may force premature project initiation or inefficient spending to meet targets. This would limit the ability to time large infrastructure investments based on long-term planning and saving for larger projects. This could lead to increased borrowing for municipalities, and ultimately higher costs.

Moreover, this could stall large scale projects such as wastewater treatment plants, since it will not be feasible to build reserves to fund them.