

AMO Submissions Related to Bill 60 *Fighting Delays, Building Faster Act*, and the Development Charges Framework

AMO SUBMISSIONS TO THE ENVIRONMENTAL REGISTRY OF ONTARIO &
REGULATORY REGISTRY

25-MMAH018
25-MMAH030
ERO 025-1071
ERO 025-1182
ERO 025-1035
ERO 025-1140
ERO 025-1101
ERO 025-1097
ERO 025-1099
25-MAG017
25-MAH025
25-MAH024
25-MAH019
ERO 025-1098

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Executive Summary

The Association of Municipalities of Ontario (AMO) is pleased to provide comments on matters posted on the Environmental and Regulatory Registry of Ontario that are related to Bill 60, *Fighting Delays, Building Faster Act, 2025* and the *Development Charges Act, 1997*.

Bill 60 contains several significant municipal proposals, most notably:

- **Development charge (DC) modernisation:** AMO is pleased to see the province advance changes to the DC framework by modernizing and streamlining DCs to address Ontario's housing crisis, which is provincial and municipal priority.
- **Public corporation for water and wastewater services:** AMO reviewed the proposal for implementation in Peel, assuming it may serve as a future model for other municipalities. In this context, AMO is pleased that the province is committed to maintaining public asset ownership while exploring innovative utility and funding models for growth infrastructure. The use of public corporations for water and wastewater services must remain voluntary, not mandatory. AMO maintains that this model is not a "one size fits all" approach and is most likely to benefit small and medium-sized municipalities. Should the province consider expanding this new model, it will be important to unpack potential questions about local rates.
- **Vehicle lanes:** AMO continues to oppose constraints to local bike lane decisions, which are a key tool for combating congestion.

AMO has commented on these three proposals plus additional bill proposals in our detailed comments below.

Development Charges (25-MMAH018 and 25-MMAH030)

AMO provided comments to the province on DC modernization earlier this year, focused on establishing the framework for DC modernization. These included:

- AMO and OHBA's [joint letter](#) to the Minister of Municipal Affairs and Housing (March 2025)
- AMO's [comments](#) on the province's DC modernization framework set out under the *Protect Ontario by Building Faster and Smarter Act, 2025* ([Bill 17](#))

With this submission, AMO is now commenting on two public postings for proposed Development Charges Act, 1997 (DCA) legislative and regulatory changes. These were announced as part of the *Fighting Delays, Building Faster Act, 2025* ([Bill 60](#)) communications.

AMO is pleased that the proposed amendments for DC modernization largely reflect joint technical advice submitted by AMO and OHBA. These changes, developed through a robust and collaborative consultation process, demonstrate the positive outcomes achievable when the province, municipalities, and the development sector work together toward a shared goal.

The amendments will increase transparency, standardization and consistency in how municipalities calculate DC rates and invest those revenues to help enable growth. These changes will also foster constructive municipal-developer relations by reducing uncertainty and friction over DC fee calculations, which in turn is expected to reduce lengthy and costly appeals at the Ontario Land Tribunal. Further, changes to isolate the costs of land in the DC calculation will clarify how land value forecasting is impacting rates while ensuring municipalities can still acquire the land needed for growth.

Land Acquisition Costs for All DC-eligible Services to Be Included in a New Service Class

AMO welcomes the proposed approach of incorporating land values in DC methodology without setting limits. This approach will increase transparency regarding the treatment of land costs in DC rate calculations while ensuring municipalities can acquire the land they need for development, including land for new water systems, roads, libraries and more. Land values have increased at a fast pace in recent years – especially in the Greater Toronto and Hamilton Area – and make up a significant component of the DCs levied on new housing. Greater transparency on projected municipal land acquisition costs is therefore critical to demonstrate and substantiate the fairness of DC rate calculations and address developer and public questions on DC rates cost components and projection assumptions.

Under the proposed regulatory change:

- All land acquisition costs for most of the DC-eligible services will be grouped into a new distinct service class. This new service class will be exempt from the historical service level cap under the DCA and would be limited to amounts incurred over the 10-year period, except for water and wastewater services, storm water, roads, electrical power services, transit services, policing and fire protection services. This means municipalities can set a DC rate that includes all necessary future land costs without being restricted by the price of land when it was bought historically. This is an important exemption as land costs often rise faster than other costs, and municipalities need to secure land far in advance for major projects.
- Municipal DC Background Studies must include the land acquisition cost by service.

In order to successfully implement the change, municipalities are seeking guidance on

transitional implementation timelines for the creation of a new service category for inclusion in DC background studies and for DC reserve fund balance calculations. AMO's advice is that while it is important to move fast, the municipal sector will need sufficient time (at least 3 years) to undertake a new DC background study to establish a new DC Bylaw that includes this new land service class. Limited experts across Ontario means that it will take the whole sector time to embed these changes.

Merge Water and Wastewater Services for the Purpose of DC Credits

The proposed amendment requires municipalities to merge water and wastewater service categories (excluding stormwater) when issuing DC credits to developers. This is a distortion of the joint AMO/OHBA recommendation, which made recommendations to merge services for greater DC credit, but recommended that the vertical (e.g. water system plants) services be kept separate from the linear (e.g. water system pipes, watermains) services for the purposes of DC credits.

AMO appreciates that this measure will improve developer flexibility and increase their cashflow, but at the same time also exposes municipalities to a higher financial risk. In practice, DC credits earned for capital works associated with linear infrastructure, such as a watermain, may be redeemed for unrelated vertical infrastructure such as a wastewater treatment plant. The effect is:

- Accelerated DC credit redemption by developers, reducing DC revenue needed over long periods by the municipality to build vertical and linear infrastructure as growth spreads. AMO/OHBA jointly recommended the merging of only the linear water and wastewater infrastructure, excluding the vertical infrastructure.
- Water and wastewater infrastructure makes up a significant portion of the DC rate. The proposed regulatory amendment will result in significant constraints in municipal cash flows required to invest in critical infrastructure required for growth. This will be especially challenging as it will be introduced at the same time as residential DC payment deferral from building permit to occupancy, which will reduce municipal cashflow, especially in the medium term.

Together, these changes risk municipalities' ability to build the water/wastewater infrastructure needed to provide serviced land for building new housing and economic development. This may have the unintended consequence of slowing down or stopping development until the municipality can finance these major capital projects. AMO recommends that the province amend the regulation to separate vertical and linear water/wastewater services for the purposes of DC credits to reduce the risk of these unintended consequences and also risks to slowing municipalities building this housing-enabling infrastructure.

Local Service Policies

Local Service Policies (LSPs) provide clear guidelines to both developers and

municipalities by defining which services are to be funded by the local municipality and will therefore be eligible for DC recovery. AMO is pleased that this recommendation avoids over-standardizing LSP methodology, granting municipalities the necessary flexibility to address specific local factors that impact servicing decisions and funding responsibilities. These factors can include the presence of existing municipal infrastructure nearby that can be leveraged, or specific demands related to a dense urban growth context versus a greenfield suburban development, and more.

The proposed amendment aims to require municipalities to include LSPs that outline the works (or class of works) as deemed to be local services. Municipalities may also identify the works that partially qualify as local services. This provision will apply on the earlier of 18 months after Royal Assent or the day the local service policy is established.

AMO supports this amendment as it clarifies funding responsibilities, increases transparency and will therefore reduce conflict between municipalities and the development sector. The proposed 18-month implementation window is feasible for most municipalities, especially as it's a common best practice to establish LSP methodology to develop the DC background study. AMO recommends that it is important for the implementation timelines for the development of LSPs, especially for municipalities that do not currently have LSPs in place, to align with the timing of the release of the DC Bylaw and background study to avoid incoherence and confusion between a municipality's DC background study and LSP.

Development Charge Financial Statements Reporting (Reporting Timing)

Currently, municipal treasurers submit DC financial statements annually on a date directed by council. The DCA is proposed to be amended to require the municipal treasurers to submit a DC Financial Statement to Council annually on or before June 30 each year. AMO notes that there are municipalities who, for a variety of reasons including auditor scarcity, may not have their audited financial statement completed by this date. To facilitate reporting by June 30th, we would suggest that the statements be allowed to be "unaudited". This would facilitate a timely release of information for the public but not be confined to whether subsequent minor adjustments are needed.

A new subsection of the DCA will also require that municipal councils submit the DC Background Study to the Minister of Municipal Affairs and Housing, upon request. AMO is supportive of this amendment and notes that the DC Background Study is available publicly for most Ontario municipalities.

Development Charge Financial Statements Enhanced Requirements (Reporting Content)

Municipalities will be required to provide more information in the DC financial statement on a per-project basis by cross-referencing the unspent amount of reserve fund committed to a project at year end, amount of debt issued for a project and estimated

capital costs of a project to the DC background study.

DC Bylaws expire every 10 years. The new annual reporting requirement, breaking down actual municipal capital costs by project, means that especially over time, there will be significant discrepancy between the DC background study forecast and the annual reports with actual expenditures. This discrepancy is expected and normal, given capital project timings and scope evolve, especially over a decade-long period. For example, changes in market conditions such as construction cost changes, interest rates and resident needs, that are outside of the control of municipalities may impact municipal capital project costs estimates, project timing and project scope. While AMO supports the need for transparency, we also recognize that the estimated capital costs in the DC background study is a forecast at the time the study is conducted and may not be applicable for the entire duration of the study. It will be important for the province to set expectations with all development partners on regulation implementation that the annual reporting is unlikely to match the DC background study – this will pre-empt misunderstanding by developers and other reviewers. Changes in market conditions such as construction cost changes, interest rates and resident needs, that are outside of the control of municipalities may impact municipal capital project costs estimates, project timing and project scope.

Municipalities submit financial data, including DC reserves balances annually through the Financial Information Returns (FIR). AMO recommends a FIR reporting enhancement to include not only DC revenues coming in but also DCs committed for capital projects, debt issued for capital projects as well as debt servicing costs. This will enable backwards looking reporting to be placed in context alongside reporting on the projected use of a reserve fund on a service category basis.

Make Benefit-to-Existing Allocations More Transparent in DC Background Studies

The Benefit-to-Existing (BTE) component of a DC calculation measures the benefits of the new infrastructure to existing development. Municipalities will now be required to include all the assumptions for allocating total costs between new and existing development in their DC Background Study. In addition, the allocation of costs over the term of the DC by-law between the new and existing development will also be reported.

There are numerous benefit-to-existing considerations that are unique to each project and a set formula or pre-defined percentage allocations are not always possible. AMO strongly supports the recommended approach of including assumptions and giving municipalities the flexibility to define BTE allocations. This measure aims to promote transparency and aligns well with the AMO/OHBA joint recommendations.

Prohibiting Vehicle Lane Reduction (ERO 025-1071)

AMO opposes amendments to the *Highway Traffic Act* that would ban municipalities reducing motor vehicle lanes to create a bicycle lane or for any other prescribed but undefined purpose. As stated last year in response to measures constraining local decisions on bicycle lanes under Bill 212, this is a significant overreach into municipal jurisdiction.

Municipalities are committed to reducing congestion and bike lanes are an important part of this toolkit. Based on local knowledge and community input, municipalities develop transportation plans that balance traffic flow with planning priorities like active transportation, multimodal transportation and environmental and health protection. Cycling removes cars from the road, especially for local trips and last-mile transit connections, thereby alleviating congestion and not causing it.

Development Near Transit Corridors (ERO 025-1182, ERO 025-1035)

AMO understands the importance of simplifying collaboration between the province and municipalities in advancing provincial transit and infrastructure development. AMO broadly supports efforts to improve transit and create livable communities. This includes providing clarity and greater flexibility around the collection of transit station charges and enabling faster coordination and dispute resolution on Transit Oriented Communities (TOCs). This will help ensure that TOCs are integrated with surrounding communities and infrastructure. We note that the proposed changes are anticipated to impact only a small subset of municipalities.

Supporting the Harmonization of Municipal Road Construction Standards (ERO 025-1140)

AMO supports the harmonization of road standards to reduce construction costs for municipalities and help address the significant maintenance backlog across the province. It is important that the province adopt a flexible approach that allows for additional, local standards where needed to account for local conditions and unique technical requirements e.g. based on varying climate, road classification, traffic volumes, operating speeds etc. As the province develops plans for the governance and implementation of these standards, AMO asks that it seek to maximise the expected benefits accruing to the public including cost savings and minimise the risks from reduced competition and innovation.

To deliver this, AMO recommends that the governance arrangements for this process situate the public sector with municipalities as the key decision-makers on harmonized road construction standards, with external technical and commercial expertise supporting those decisions. To support effective implementation, AMO recommends that the province take a phased approach that focusses on priority standards, adjusts processes before scaling, and respects municipal resource constraints.

Streamlining Land-Use Planning and Development Approvals (ERO 025-1101, ERO 025-1097, ERO 025-1099)

As-of-Right Minor Variances

AMO continues to recognize the importance of streamlining land use planning processes and trying different approaches to supporting growth, provided that important objectives such as health, safety, environmental protection, and community well-being are upheld. We [previously supported](#) changes to streamline the minor variance process using an as-of-right approach for setback variances that was introduced in Bill 17. At the same time, we expressed concern that a blanket approach to these variances may lead to unintended consequences such as site-level accessibility barriers, or increasing flood risk by reducing the amount of permeable ground on a site. Simply put, a one-size-fits-all approach to variances is insufficient to ensure communities can effectively manage potential impacts while also protecting public health and safety.

These concerns equally apply to the proposed expansion of as-of-right standards, particularly in relation to lot coverage. AMO continues to recommend an alternative approach that would retain the goals of providing builders with more flexibility, reduce the number of projects that have to appear at a committee of adjustment, and encourage faster approvals of variances. Delegating minor variance approach to municipal staff within the same prescribed percentage of the required setback would ensure that appropriate case-by-case evaluation of proposed variances can be expedited while ensuring that they also continue to meet other important public policy outcomes.

Streamlined Official Plans and Development Standards

Municipalities understand the importance of being able to approve land use planning applications efficiently in order to respond to the economic and housing pressures facing communities. For this reason, AMO supports the outcomes that the province is seeking to accomplish with a standardized Official Plan framework, and restrictions to lot level 'enhanced development' standards – faster approvals, and an expedited path to construction starts.

Official Plans are important policy tools that municipalities use to set goals for the growth of their communities, communicate how they intend to meet provincial planning priorities and directives such as those in the Provincial Planning Statement, and give certainty to builders about where different types of development are permitted. Municipalities understand the importance of making these documents clear and accessible to developers and members of the public. In that context, AMO is supportive of a move towards a streamlined, standardized framework, particularly the move towards more permissive land use designations. However, we urge the province exercise considerable caution when setting strict limits such as a page or word limit, mandatory chapters, and a one-size-fits-all approach to land use designations. Ontario's

municipalities are incredibly diverse and planning needs vary greatly between different regions like the GTA, suburban areas, rural communities, and the north. What a central urban community considers to be “low-rise” or “low-density” may be significantly different from a remote, rural community.

Similarly, lot level development standards are tools that allow municipalities to effectively manage important matters like accessible public space design, and stormwater management. While requirements like bioswales and permeable ground may increase initial development costs, they are important tools to prevent overland flooding. This flooding continues to wreak havoc across Ontario communities, requiring significant municipal resources for response and leaving property owners with expensive repair costs.

To ensure that the right flexibility is built into the system, AMO recommends that the province give weight to technical considerations and feedback from municipal land use planners and associations like the Ontario Professional Planner's Institute (OPPI) and the Regional and Single-Tier Planning Leaders of Ontario (RSTPLO) who are best positioned to give advice on the right balance between streamlining, and ensuring a framework that is flexible enough for municipalities to effectively manage growth. If the province intends to move to a more standardized planning and development framework, then AMO asks the province to support the change with robust guidance materials on how to adapt the framework locally to ensure municipalities have the right tools to manage local growth.

Residential Tenancies Act (25-MAG017, 25-MAH025, 25-MAH024, 25-MAH019)

AMO supports a balanced approach to landlord and tenant rights and responsibilities recognizing that landlords need a conducive environment to provide rental opportunities so that rental supply is increased, while tenants also need adequate protection to maintain housing stability. The legislation and the proposed regulatory changes shift the balance towards landlords in a way that would have a negative impact, including an increased risk of more homelessness resulting from evictions. Increases in government funding to provide supportive housing and services for people with mental health and addictions are needed so that they can maintain successful tenancies including paying their rent on time.

Water and Wastewater Public Corporations (ERO 025-1098)

AMO advises that the creation of a Water and Wastewater Public Corporation (WWPC) balance the opportunities it may provide to manage assets and services at scale with transparent and accountable public stewardship of these vital systems. AMO stands firm in its established positions on a public utility model:

- Water/wastewater systems and assets must remain publicly owned.

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- Voluntary, not mandatory, approaches are needed for any new water/wastewater governance structure.
- There's a need for continued DCs or "connection charges" to avoid unsustainable pressure on user rates.
- A comprehensive, phased implementation plan is needed to manage a complex transition from a financial, operational and governance perspective.

AMO questions aspects of the WWPC Act that would be important to address, especially ahead of an expansion of the public corporation model to additional municipalities.

Ontario's existing Municipal Services Corporation (MSC) framework embeds protections to ensure water or sewage MSCs are publicly owned. Whereas the WWPC Act makes no express reference to public ownership and therefore introduces a risk that ownership could shift to the private sector in the future. AMO asks the province to embed a requirement for public ownership of water systems in the WWPC legislative or regulatory framework.

The voluntary nature of public corporations is not prescribed in the Act. The ability of the Minister to designate a WWPC for any lower-tier municipality beyond Peel Region, without public consultation, risks removing the municipal council's authority over a service that falls within their sphere of jurisdiction. AMO calls on the province to enshrine voluntary adoption of a WWPC model with the legislative or regulatory framework.

Other questions to support any expansion include understanding:

- Which level of municipal government must transfer assets and liabilities into a WWPC (upper or lower tier) or can finance it.
- The viability of transferring debenture-related liabilities to a successor corporation.
- If WWPCs can use DCs for growth-related water system infrastructure, or whether a lower-tier municipality can continue to collect DCs on its behalf.