Ministry of Municipal Affairs and Housing
Planning and Housing Policy Branch
777 Bay St
Toronto, Ontario
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May 14, 2026

Re: Proposed Planning Act, City of Toronto Act, 2006, Building Code Act, 1992 and Municipal Act, 2001 Changes – ERO 026-0300

The Atmospheric Fund (TAF) is a regional climate agency serving the Greater Toronto and Hamilton Area (GTHA). We work closely with public and private partners to advance practical urban climate solutions that support affordability, equity, and resilience. TAF appreciates the opportunity to comment on the proposed legislative changes under Bill 98, the *Building Homes and Improving Transportation Infrastructure Act, 2026*. While TAF supports efforts to address Ontario's housing crisis and improve approval timelines, we are concerned that several elements of Bill 98 will undermine housing quality, long-term affordability, municipal planning outcomes, and Ontario's energy and climate objectives.

Through our work supporting municipalities in the development and implementation of Green Development Standards (GDS), TAF has seen how these policies can reduce red tape, standardize planning, and provide long-term predictability that housing developers need. Streamlining development processes has been a core feature of GDS across Ontario. When designed well, these standards improve regulatory clarity.

TAF is concerned that Bill 98's proposed removal of municipal authority to set GDS will have significant and lasting consequences for housing affordability, building performance, municipal infrastructure, and climate outcomes. Restricting municipal discretion disconnects planning decisions from local conditions, infrastructure capacity, and community needs, without delivering material improvements in housing supply or approval timelines.

Housing Affordability

GDS play an important role in supporting long-term housing affordability by lowering energy costs for residents and avoiding future public expenditures related to infrastructure upgrades, retrofits, and climate adaptation.

Green Development Standards do not increase development times nor meaningfully increase the cost of new construction. Part of the rationale for creating GDS was to streamline the planning process. GDS consolidate pre-existing sustainability-related planning requirements into a single document with clear expectations. Far from creating greater divergence in planning processes, the harmonization of GDS in the GTHA has created greater consistency. This is reflected in the pace of housing development. Toronto introduced the Toronto Green Standard (TGS) in 2010 and has consistently led North America in the pace of housing development over the past fifteen years. The city remains on track to meet or exceed provincial housing targets.

Toronto updated to version 4 of the TGS in 2022. Since that time, according to the Canadian Home Builders' Association (CHBA), Toronto has reduced development approval timelines by 22%. Similar patterns are seen elsewhere:

- Pickering adopted its first GDS in 2022 and reduced approval timelines by 16%.
- Brampton's 2022 GDS update led to a 26% reduction in approval timelines.
- By contrast, Ottawa chose not to adopt a GDS in 2022 and has seen approval timelines slow by 30%.

Across Ontario, municipalities with GDS have accelerated approvals, while those without have experienced delays – demonstrating that GDS support, rather than hinder, housing delivery.

Toronto's GDS was co-developed with major developers, including Tridel and Daniels, to ensure financial viability. The City's development charge refund program rewards developers for exceeding minimum performance requirements and has returned over $120 million in rebates. In addition, the TGS has delivered an estimated $407.6 million in utility cost savings for building owners and residents, with approximately 86% of savings from electricity use and 14% from natural gas. Homes built to municipal green standards also qualify for incentives such as CMHC's Eco Plus mortgage insurance rebate, further improving affordability for purchasers.

Building Performance and Energy Efficiency

GDS allow municipalities to set technology-neutral, outcome-based building performance targets that give builders flexibility in how they are achieved, while remaining compatible with Ontario Building Code (OBC) requirements.

Energy efficiency and resilience are practical housing priorities that directly support the government's affordability objectives. They help keep utility bills manageable, reduce exposure to future retrofit costs, and improve comfort and safety over the life of the building.

The last energy efficiency update to the Ontario Building Code occurred in 2017. While this update represented an improvement at the time, energy performance requirements in the Code have not

increased in the decade since, despite advances in building science, construction practices, and municipal climate objectives.

In the absence of meaningful energy efficiency updates to the Code, municipalities have increasingly relied on GDS to address the gaps between code minimums and current best practice. GDS provide a mechanism for municipalities to respond where provincial requirements have not kept pace with market readiness, allowing locally appropriate, incremental improvements to building performance. The standards set through GDS reflect industry capabilities that are technically feasible and proven, well understood by builders, and already being delivered in leading projects – but not yet incorporated into the OBC.

Removing municipal authority to require higher energy performance through GDS places a clear responsibility on the Province to strengthen minimum building energy requirements. Without more stringent provincial standards, the loss of municipal tools would leave Ontario reliant on outdated minimums, shifting long-term costs and risks onto homeowners, tenants, utilities, and future governments. This includes higher energy costs for occupants, costly and disruptive retrofits being required in the future, expensive energy infrastructure upgrades, and reduced resilience and durability in the long-term.

Municipal responses to Bill 98 further highlight the need for an updated provincial energy efficiency standard. A growing number of municipalities, including Mississauga, Brampton, and Pickering, have also **called on the province to strengthen provincial building energy requirements if municipal authority in this area is restricted.**

GDS also play an important role in supporting electricity system planning and managing future grid demands and constraints. The demand forecasts in the IESO's Integrated Regional Resource Plan (IRRP) for the Toronto region are based on historic consumption data and established development trends, which have been shaped for over a decade by the TGS in Toronto and GDS across the region. As a result, the IRRP's baseline assumptions reflect the energy performance of buildings delivered under these standards and its projections assume new development will continue to perform in line with historic trends. Removing GDS would disrupt this planning, enabling lower-performing buildings that increase both total electricity consumption and peak demand. This would place upward pressure on future demand forecasts and materially increase the scale and cost of electricity required to support growth.

Highly efficient buildings also support Ontario's energy security and affordability by reducing reliance on imported U.S. natural gas. By lowering gas consumption and peak heating loads, GDS help limit exposure to fuel price volatility and supply constraints, while supporting a more reliable, cost-effective energy system.

Climate Impacts and Long-Term Cost Shifting

Mandatory municipal GDS are a key tool used to ensure that new development contributes to local climate objectives. Since buildings are long-lived assets, decisions made at the development stage lock in emissions, energy use, and environmental impacts for decades. Addressing these issues at the point of development is critical, as developers are best positioned to integrate energy efficiency measures during construction, when they can be delivered most cost-effectively and with minimal disruption.

Limiting municipal authority reduces the ability of local governments to proactively mitigate environmental risks such as urban heat, flood exposure and stormwater runoff. These risks are expected to increase as climate impacts intensify, making early intervention through development standards both prudent and cost-effective.

Critically, restricting what municipalities can require in development will result in substantial cost shifting. Increased future costs for retrofits, climate adaptation, and infrastructure upgrades will fall on homeowners, property taxpayers, and municipalities rather than being preventively addressed at the point of development.

This risk is acknowledged directly in the consultation materials, which note that limits of municipal authority may shift the burden of sustainability measures and unintended environmental impacts from the development sector to municipalities.

This approach assumes deficiencies in energy efficiency and resilience can be corrected later through retrofits, which are far more expensive and disruptive once buildings are occupied and infrastructure is in place. As a result, these upgrades are likely to be delayed, partially implemented, or not undertaken at all.

Sincerely,
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About The Atmospheric Fund

The Atmospheric Fund (TAF) is a regional climate agency that invests in low-carbon solutions for the Greater Toronto and Hamilton Area (GTHA) and helps scale them up for broad implementation. Please note that the views expressed in this submission do not necessarily represent those of the City of Toronto or other GTHA stakeholders. We are experienced leaders and collaborate with stakeholders in the private, public and non-profit sectors who have ideas and opportunities for reducing carbon emissions. Supported by endowment funds, we advance the most promising concepts by investing, providing grants, influencing policies and running programs. We're particularly interested in ideas that offer benefits in addition to carbon reduction such as improving people's health, creating local jobs, boosting urban resiliency, and contributing to a fair society.