



Staff Report

Administration – Chief Administrative Officer

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: August 25, 2025
Report Number: ADM.25.054
Title: Bill 17 and Bill 5 Information Report
Prepared by: Adam Smith, Interim Chief Administrative Officer

A. Recommendations

THAT Council receive Staff Report ADM.25.054, entitled “Bill 17 and Bill 5 Information Report”;

B. Overview

This report offers information to Council on both *Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025* and *Bill 5, Protect Ontario by Unleashing our Economy Act, 2025*. Both of these bills have recently received royal assent and cite further regulations that may be passed. In reviewing these statutes, staff have provided considerations to impacts on municipal services.

C. Background

The provincial government passed *Bill 17, Protect Ontario by Building Fast and Smarter Act, 2025* on June 5, 2025. This omnibus bill amends eight separate statutes and introduces several non-legislative related actions, all of which are intended to speed up the construction of new homes and infrastructure by streamlining development processes and reducing costs. Provided below are the key changes that are relevant for the Town of The Blue Mountains:

Development Charges Act (DCA)

- In force as of June 5, 2025:
 - Long-term Care Facilities are now exempt from paying DCs.
 - A reduction in DCs can be completed through amendment of the Town’s By-law without the need for an updated background study or consultation.
- Still Pending enactment:
 - Residential developments will now be included under subsection 26.1 of the Development Charges Act. This means that, like Rental Housing and Institutional Development, the required development charges can be paid in six equal annual installments. The first payment will be due on the earlier of:
 - the date the occupancy permit is issued, or
 - the date the building is first occupied.

- The remaining five payments will be due annually on that same date for the next five years.
- Additionally, the Town will no longer be able to charge interest on the installment payments.
- The Minister now has the ability to make regulations (not yet released) in relation to:
 - Prescribing limits and exceptions to eligible capital costs, including land cost that is captured within a background study.
 - Merging related infrastructure service categories for the purpose of DC credits; being improvements resulting in lower DC charges and expanding the ability of developers to receive credits for the construction of infrastructure.
 - Standardizing a methodology to calculate the benefit to existing development (BTE) of new infrastructure. The BTE is always considered within the creation of a background study but the calculation method to determining the extent to which existing development benefits from new infrastructure differs and can reduce the amount that can be charged to new development in a DC by-law.
 - Expand the requirement that municipalities must spend or allocate 60% at the beginning of each year to all services covered by the Development Charges Act. Through Bill 23 this requirement only applied to water, wastewater and roads.
 - Define local services to standardize what infrastructure is captured under development charges versus local services to reduce differing interpretations of the term amongst municipalities.

Planning Act

- Restricting a municipality's ability to require additional information to what is identified in the official plan, unless the municipality obtains written approval from the MMAH.
- A proposed regulation that will limit the scope of permitted studies, and proposes to exclude Sun/Shadow, Wind, Urban Design and lighting reports.
- Requiring that if a report submitted in support of an application is prepared by a qualified professional, it is deemed to meet the requirements of a complete application. Currently, the Town has the ability to challenge and peer review these studies regardless of the professional that has completed the study. The list of "prescribed professions" that will satisfy this requirement will be prescribed by a future regulation.
- The Minister now has the ability to impose conditions prior to uses in an Ministerial Zoning Order (MZ) being permitted. Where a condition is imposed, it can be enforced by way of an agreement that can be registered on title.
- The Minister now has regulation-making power to allow certain variations that would be permitted as of right. A regulation has been proposed that will allow a 10% variation of a setback to be permitted as of right.

Building Code Act

- The Building Code Act (BCA) has been amended to remove the authority of municipalities to pass by-laws respecting the construction or demolition of buildings. This provides greater clarity to section 35 of the BCA, which already states that the BCA and the Ontario Building Code (OBC) supersede all municipal by-laws for the same purpose. In doing so, green building standards are no longer enforceable.

On June 20th 2025, the provincial government passed *Bill 5, Protect Ontario by Unleashing our Economy Act, 2025*. Bill 5 amends or enacts 10 statutes with the stated goal of protecting Ontario's economy from the impact of existing and threatened tariffs on Canadian goods by accelerating the delivery of critical mineral and energy projects, together with the supporting infrastructure for such projects. The key changes relevant to the Town include:

Ontario Heritage Act

- The provincial government is now permitted to, subject to conditions, exempt a property from requiring an archaeological assessment if there is belief the exemption could advance specified provincial priorities.

Special Economic Zones Act (SEZA)

- The SEZA grants the provincial government expansive and undefined powers to make regulations designating areas of the province as special economic zones, and grants powers to the Minister of Economic Development, Job Creation and Trade to designate 'trusted proponents' or 'designated projects' to which the SEZA would apply. Defining these terms will be subject to a future regulation.

Endangered Species Act

- Reducing the regulatory burden of the legislation, including amending the purpose of the ESA, narrowing the definition of habitat, and altering how the Species at Risk in Ontario List is updated.

D. Analysis

In reviewing both Bill 5 and 17, Bill 17 has the most significant impact to Town processes and procedure. With respect to Bill 5, the impacts are primarily at the macro level reshaping the Ontario Government's approach to facilitating major economic projects, particularly in the natural resource sector, and how these projects intersect with environmental approvals and the duty to consult with Indigenous peoples.

As the section above highlighted the relevant legislative changes for the Town, the following section of this report outlines the impacts to various policies and services at the Town. Concurrently, staff also offer suggested next steps in navigating these changes.

Bill 17 Considerations: Development Charges

The amendments to the *Development Charges Act* under Bill 17 significantly alter how and when municipalities can collect DCs, creating both cash-flow and long-term funding challenges. All residential development will now be eligible to pay DCs in six equal annual installments starting at the earlier of occupancy permit issuance or actual occupancy, rather than at building permit issuance. This backloads revenue collection, often by several years, and eliminates the municipality's ability to charge interest on the outstanding balance. Together, these changes delay the availability of funds for growth-related infrastructure and reduce the real value of DCs due to inflationary cost increases.

The legislation also introduces a broad "subject to the regulations" clause to the list of eligible capital costs, replacing the prior, narrow carve-out for land acquisition. While the updated list explicitly includes land, land improvements, buildings, facilities, related studies, the DC background study, and borrowing costs, the province now has the ability to limit or exclude any of these cost categories through regulation without further amending the Act. This shift creates uncertainty for long-term capital planning and increases the risk that future regulations could narrow the scope of recoverable costs, further constraining municipal revenues.

Additional changes provide the Minister with authority to define "local services" by regulation, potentially altering which infrastructure components are DC-eligible versus those that must be funded directly by developers. Simplified DC by-law amendment provisions allow municipalities to make certain changes without a full background study, which can be efficient but reduces the scope for public engagement and appeal. The cumulative effect of these reforms is that municipalities will need to carefully monitor forthcoming regulations, adjust capital project timing, and explore alternative financing tools to manage delayed revenue streams and potential reductions in DC recoveries.

Lastly, in anticipation of accompanying regulations, staff will consider a framework for executing DC front-ending agreements; developers proceeding with growth-related work to offset DC payments at a late point. These agreements have been used previously at the Town but in an ad-hoc manner. Other municipalities such as the City of Guelph have been developing frameworks to regulate these arrangements given the lack of capacity at the municipal level to deliver on necessary growth-related works.

Bill 17 Considerations: Land-use Planning

Impacts related to Planning Services will continue to evolve as regulations under Bill 17 are approved. Two regulations have since moved through the consultation period and involve the removal of requiring certain studies and enacting as of right variances for certain setbacks. For the Town, removal of sun/shadow studies may impact successful implementation of policy promoting multi-storey development due to impacts on dominant lower-storey development context within the Town.

Eliminating the requirement for urban design reports will impact how questions of development impact on community character are addressed and considered in applications under review. Currently, the Town has a draft update to the Community Design Guidelines that is expected to be tabled before Council upon formal adoption of the Official Plan update. Although the Town cannot require strict adherence, the proposed regulation under Bill 17 will reduce their effectiveness.

The municipality could still request that such studies be submitted voluntarily and encourage applicants to adhere to their contents. However, if contested, it is unclear to what extent under appeal the related arguments would be given credence by the provincially appointed adjudicator.

In terms of required acceptance of reports completed by qualified professionals, staff do note that there can be a lack of consistency in the detail and quality of project submissions from one consultant to the next among professions involved in the development industry. When submissions are deficient and accepted as complete this can result in application delays past the number of days after which an appeal is permitted.

The proposed regulation related to as-of-right variances is currently set at 10% of a setback and staff do not believe this will cause significant impacts. The Town more commonly receives setback variances in combination with other required variances. Height and lot coverage variances are more common. For minor setback changes these regulations could increase the efficiency of the process. If extended to other provisions, there may be some negative impact in perceived local control and in cases where proponents “max out” lot permissions with some negative impact on character of built form in a given area.

Lastly, conditional MZOs with the ability to have the Minister secure matters such as community benefits through conditions and an agreement, could be of benefit to the Town. Through Bill 185, MZOs were modified to have Council resolutions of support as a prerequisite. Now through Bill 17 they can allow for municipalities to seek conditions to ensure the MZO is used in a manner that secures community benefits such as affordable housing. Collectively, these modifications to the MZO regime can make them a more viable tool for the municipality in advancing strategic priorities.

Currently, the Town’s Official Plan provides the municipality with the ability to require a broad range of studies which means the new provision restricting studies beyond those identified in an Official Plan will not be impactful. However, the Town does regularly seek urban design and shadow studies. The regulation for this component of Bill 17 is anticipated to be enacted following the conclusion of the public consultation window. As such, these will be absent from planning submissions moving forward.

Bill 5 Considerations

As previously indicated, Bill 5 will have a less direct impact on the Town than Bill 17. Staff do not anticipate that any area of the municipality will be designated as a Special Economic Zone given the focus on major infrastructure projects and natural resource development. Of which,

the Town does not have any proposed within its boundaries. Based on the changes to the Ontario Heritage Act and Endangered Species Act, there may be adjustments that will be required to Official Plan/Zoning By-law mapping particularly for species-at-risk habitat.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

N/A

G. Financial Impacts

The collection and predictability of Development Charges will be affected at the Town with the ability of proponents to pay the majority of DC amounts at the time of occupancy rather than at the time of agreement execution and/or Building Permit Issuance.

H. In Consultation With

Monica Quinlan, Director of Corporate and Financial Services

Shawn Postma, Manager of Community Planning

Adam Farr, Senior Planner

I. Public Engagement

The topic of this Staff Report has not been the subject of a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required. However, any comments regarding this report should be submitted to Adam Smith, Interim Chief Administrative Officer cao@thebluemountains.ca.

J. Attached

1. N/A

Respectfully submitted,

Adam Smith
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For more information, please contact:
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Report Approval Details

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This report and all of its attachments were approved and signed as outlined below:

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