



To: Mayor and Council
From: Karl Grenke, Manager of Development Services
Date: April 23, 2026
Committee of the Whole Date: April 27, 2023
Title: Bill 98- Building Homes and Improving Transportation Infrastructure Act

For Direction
 For Information
 For Adoption
 Attachments

Recommendation:

THAT Council receives Report #2026-058, titled “Bill 98 – Building Homes and Improving Transportation Infrastructure Act” for information and directs staff to provide comments to the Ministry through the applicable Environmental Registry of Ontario posting.

Purpose: To advise Council of proposed changes to the Planning Act and other legislation and provide staff’s assessment of the pertinent changes. This report can guide the preparation of a formal submission to the Province through their consultation portal.

Background: On March 30, 2026, the Province introduced Bill 98, Building Homes and Improving Transportation Infrastructure Act, which contains changes to several statutes, including the Planning Act and Development Charges Act. While many changes focused on the administration and approvals process surrounding transit in large urban centres, broader planning process changes are also included.

Bill 98 follows up on and implements some of the reforms introduced in 2025 through Bill 17 (Protect Ontario by Building Faster and Smarter Act) and Bill 60 (Fighting Delays, Building Faster Act). All of these are linked to the Province’s target of seeing the construction of 1.5 million new homes by 2031. The Province’s briefing presentation identified the following objectives in the legislation:

- *Enable the government to make public transit more convenient, consistent and connected for customers by simplifying fares, improving transit across municipal borders and enhancing specialized transit service across the Greater Toronto and Hamilton Area (GTHA) through future regulations;*
- *Make it easier to obtain technical and engineering reviews from municipalities for provincial transit projects, allowing transit projects to proceed faster;*
- *Reduce barriers to homebuilding and increase economic efficiency by creating a simplified and standardized format for official plans and clarifying and streamlining site plan rules;*
- *Reinforce the government’s clear commitment to public ownership with the Public Utility model, while helping Peel transition to this model;*

- *Increase public transparency by consulting on the disclosure of development charges and other hidden costs directly in agreements of purchase and sale.*

In some instances, the Bill proposes new Regulation-making powers to the Ministry on certain matters, which means that the impacts of the Bill cannot be fully assessed until those powers are used.

The proposed amendments are posted on the Regulatory Registry of Ontario and open for public comment until May 14, 2026.

Analysis and Options: Council is invited to provide feedback on any or all of the proposed changes brought forward through Bill 98. This report summarizes key changes and provides staff remarks on key themes, focussing on those which directly impact the Town of Smiths Falls. If so directed by Council, staff can formalize these comments in a formal submission to the province in advance of the deadline.

1. Proposed Changes to Planning Act

Standardized Official Plans

The Province has introduced a draft table of contents and standard structure for lower tier and single tier official plans, which would come into force on January 1, 2029 and would apply to new or comprehensively updated official plans following that date.

A new Schedule I of the Planning Act requires that official plans include 10 standard chapters with standardized subsections:

- Introduction and How to Use this Plan
- Strategic Planning Framework
- Indigenous Engagement
- Settlement Area Structure and Growth Needs and Management
- Residential and Mixed Uses
- Economy and Employment Areas
- Rural Areas and Agricultural System
- Infrastructure, Facilities and Community Services
- Local Landscape and Resource Management
- Implementation and Interpretation
- Schedules (Maps);
 - A1 Settlement Boundaries, Urban/Rural Structure and Provincial Plans
 - A2 Strategic Growth Areas and Intensification Areas
 - A3 Land Use Designations
 - B1 Transportation and Corridors
 - B2 Infrastructure
 - B3 Public Service Facilities, Parks and Open Space
 - C1 Natural Environment
 - C2 Water Resources
 - C3 Resource Potential
 - C4 Natural and Human-made Hazards

Bill 98 also proposes a standardized set of 12 land use designations, which would be the only land use designations that can be used, and a range of uses that must be authorized within these designations. Additional uses can potentially be prescribed by the Minister.

- **Neighbourhoods**, permitting residential uses, small-scale commercial uses, institutional uses (including cemeteries), and other uses as prescribed.
- **Mixed-Use Areas**, permitting residential uses, commercial uses, institutional uses (including cemeteries), industrial, manufacturing and small-scale warehousing uses that could be located adjacent to sensitive land uses without adverse effects, and other uses as prescribed.
- **Mixed-Use Commercial Areas**, permitting industrial, manufacturing and small-scale warehousing uses and other uses as prescribed. Commercial and institutional uses are permitted only if they are not sensitive land uses.
- **Employment Areas**, permitting the uses permitted in areas of employment, as defined in the *Planning Act*.
- **Major Facilities**, permitting manufacturing uses, industrial uses, infrastructure uses, and other uses as prescribed.
- **Parks and Open Spaces**, permitting recreational uses, cemetery uses, and other uses as prescribed.
- **Natural Environment and Water Resource Areas**, permitting conservation uses and other uses as prescribed.
- **Resource Areas**, permitting resource extraction uses.
- **Rural Lands**, permitting residential uses, small-scale commercial uses, small-scale industrial uses, agricultural and agriculture-related uses, on-farm diversified uses, resource management uses, resource-based recreational uses, cemetery uses, and other uses as prescribed.
- **Prime Agricultural Areas**, permitting agricultural and agriculture-related uses, on-farm diversified uses and other uses as prescribed.
- **Specialty Crop Areas**, permitting agricultural and agriculture-related uses, on-farm diversified uses and other uses as prescribed.
- **Shoreline Areas**, permitting marina uses, recreational uses, residential uses, and other uses as prescribed.

The overall intent behind this standardization is to make official plans shorter, clearer, more consistent between municipalities and ultimately more permissive. While official plans must carry forward the policies and content of the Provincial Planning Statement (PPS), municipalities currently have a lot of flexibility in terms of how they do that. In practice, the Town's Official Plan already includes policies, land use designations and administrative provisions that address most of the above, although it may be organized differently.

Staff Comment: Standardization is supported in principle, however there needs to be an allowance for some degree of community specific differentiation and autonomy as urban and rural contexts vary throughout the province. For example, the draft Official Plan introduces "Downtown Fringe" and "Downtown Waterfront" designations to address locally specific economic and housing needs. Our opinion is that these approaches are PPS compliant, and can probably fit within a new "mixed use areas" designation, however the practical implication of this change will only become apparent through the future Ministerial approval process of the next official plan.

Additionally, it appears that "hazard lands", including floodplains, unstable slopes and other constrained areas such as intake protection zones are not included within the above. While these may be intended to be incorporated within the "Natural Environment and Water Resources Area", it should be made clear how these necessary considerations are accommodated. Subject to this, and for the sake of organizational expediency, it would be

helpful if the mandatory contents be framed as an “upset limit” that allows municipalities to include less. For example, it is unlikely that “Resource Areas” or “Specialty Crop Areas” would be designations that are applicable within the Town’s municipal boundary.

While the Town’s new Official Plan will not be subject to Bill 98, planning staff and Dillon consultants will meet in the coming week to assess opportunities for section realignment or reorganization in order to facilitate the eventual transition to the new framework, while avoiding any delays in completing the current project.

Streamlining Complete Application Requirements

The province is proposing a regulation under the Planning Act that would create a standardized list of the only information and material municipalities may require for a planning application to be deemed complete. The list is divided into Core Studies (always eligible to be required) and Contingent Studies (only allowed when specific on-site or contextual conditions exist).

Core studies, which the municipality would be able to ask for to support any application (although not all would necessarily apply each time) are:

- Environmental impact statements;
- Environmental site assessments;
- Functional servicing reports;
- Hydrogeological reports;
- Geotechnical reports;
- Planning justification reports; and
- Transportation impact studies.

Contingent studies include a range of technical studies, most of which are already identified in the Town’s Official Plan that assess context specific technical items:

- Aeronautical report;
- Aggregate/Minerals/Petroleum Resource Impact Assessment;
- Agricultural Impact Assessment;
- Air Quality/Odour Study;
- Arborist Report
- Archeological Assessment;
- Contaminant Management Plan;
- Cultural Heritage Impact Assessment
- Economic Viability Assessment;
- Electromagnetic Field Management Plan;
- Financial Impact Analysis;
- Human-made Hazard Impact Study/Assessment
- Lakeshore Capacity Assessment/Water Quality Impact Assessment;
- Minimum Distance Separation Formulae Assessment;
- Natural Hazard Impact Study/Assessment;
- Noise/Vibration Study;
- Rail Safety and Risk Mitigation Report;
- Servicing Options Report;
- Wildland Fire Assessment;
- Wind Study

Of note, urban design rationales or similar documents are not included. The Provinces' goal is to reduce variation across municipalities, increase predictability for applicants, and support faster planning approvals.

If approved, changes to the "complete application" provisions of the draft Official Plan would likely need to be made.

These changes build upon amendments made through Bill 17 that proposed to narrow the municipal ability to request supporting studies. Previously, the Act and its implementing Regulations were also amended to require that municipalities accept studies from professional engineers when determining a complete application. This acceptance will "start the clock" on review. Municipalities can still review and request changes, however be subject to timelines. The Province is considering adding new professions to this list. Staff do not have concerns with the addition of new professions, however would emphasize that the regulation should clarify that prescribed professionals can only submit reports under their prescribed area of expertise.

Staff Comments: The Department's current practice is to consider most of the above noted studies to be "contingent" already and only request them when required by policy or site context. One notable omission from the "contingent" list is a lighting/photometrics plan, which is usually a site plan submission requirement when a new parking area is proposed. A lighting plan would confirm Council's intent for dark skies compliant development, and also minimize lighting impacts on neighbouring residents. Removal of this requirement, if confirmed, would hinder the Town's ability to implement compatibility.

In staff's experience, the scope of many of these studies rather than their presence or absence is what drives the concern that project and development requirements vary across communities. Staff would strongly encourage the Province to consult with professional organizations and municipalities to develop Terms of Reference for these studies. Standardized Terms of Reference would establish consistent and predictable study requirements, and also support the work of smaller development departments that do not have the in-house technical staff or expertise to do this work.

Minimum Lot Sizes

Bill 98 proposes an amendment to Section 34 of the Planning Act to authorize the Ministry to establish a minimum residential lot size for serviced urban lands and also proposes a regulation establishing that lot size at 175 square metres (1,884 square feet). This would supersede existing zoning requirements. Municipalities would be further prohibited from adopting overly restrictive frontage or depth requirements as a means to circumvent the lot size requirement.

The Province indicates that this change is intended to increase housing options and expand access to homeownership. The Town's Zoning By-law currently has a minimum lot size of 420 m² (4,520 ft²) for most single detached dwellings, with smaller requirements for interior townhouse lots (150 m² / 1,614 ft²) and larger lot size requirements for duplexes, triplexes and larger developments. If this comes into effect, the Town would need to amend many performance standards, including potentially driveway width, lot coverage, landscaped open space and setback requirements to cohesively incorporate these changes.

Staff Comment: Staff are supportive of the principle of more compact housing forms and increased density in serviced areas as a responsible and efficient planning approach. This principle is guiding the introduction of more intensification-friendly policies in the draft Official Plan. Unfortunately the legislation as drafted is not clear whether it is intended to apply only

for single detached dwellings or for other housing types, which may have their own unique considerations and which may practically require more land. Further, a universal standard can complicate unique local challenges, including stormwater management, drainage and parking. The practical impact of this would be that more proof-of-concept work, including potential design and site planning would likely be required prior to a severance being approved. Depending on the location and the housing form, snow storage and landscaping may be significantly constrained on a lot this size.

Restriction of Green and Enhanced Development Standards

Bill 98 proposes amendments to limit municipal authority to require “enhanced development standards”¹ and other sustainable site design requirements at various stages of planning approval:

- Proposal to specifically exclude enhanced development standards as a condition of land division (ie. Severance) approvals, unless specifically required for health, safety, accessibility or protection of adjoining lands.
- Clarify that zoning cannot be used to require sustainable elements;
- Remove “sustainable design” as a submission requirement in site plan approval, and specifically exclude “standards for the protection or conservation of the environment” from the scope of site plan approval. Design requirements would be limited to those in place for reasons of health, safety, accessibility or protection of adjoining lands.

This carries forward previous provincial direction that limits municipalities’ ability to implement mandatory green development standards. Through these changes, the Province intends to eliminate inconsistent local design requirements, reduce development costs, and shift enhanced design elements to a voluntary rather than mandatory framework.

Staff Comments: The draft legislation, as we understand it, does not appear to be very clear on what is considered to be a sustainable tool. The Town does not routinely enforce mandatory enhanced development standards as a severance condition (unless to respond to a unique and specific circumstance), however matters such as landscaping, stormwater management and other site design provisions are commonly negotiated in a site plan approval. Some such provisions are implemented as conditions of environmental impact study approvals, which are required under PPS and Official Plan policies, so their future enforceability is uncertain. Many such site design provisions do bring forward environmental and sustainability benefits, however they also bring forward health benefits (tree canopy) and protect adjoining lands (low impact development, landscaping, etc). It appears that if there is a corollary benefit to “green” improvements, then the Municipality can likely continue to require the design. This emphasizes the broader public benefit in supporting thoughtful and high quality site design. In terms of zoning, Bill 98 would likely effectively invalidate the electric vehicle parking requirements set out in the 2022 Zoning By-law.

Standardizing Parkland Requirements

The province is proposing regulatory changes to implement outstanding parkland dedication provisions previously adopted under Bill 23, but not yet in force. The proposed regulation intends to standardize parkland dedication requirements and also expand the types of land that may be used to satisfy parkland dedication requirements, including encumbered lands and Privately Owned Publicly Accessible Spaces (POPS). These are subject to prescribed criteria that would exclude contaminated lands, hazard lands and lands in and adjacent

¹ The Province identifies these to include permeable surfaces, landscaping requirements, infiltration, etc.

natural features, so long as the park would not compromise those features. The lands would need to be accessible, visible and of a size and shape capable of being used as a park. Owner/developer-initiated parkland conveyances may be accepted or refused by the municipality; and where refused, such refusals can be appealed to the Ontario Land Tribunal.

Staff Comment: The Town's existing and draft Official Plan include parkland requirements that are similar in intent to the criteria identified above, with the exception of the new allowance for POPS. As a best practice, when the need for parkland is identified in a subdivision approval, the location is selected based on a collaborative process, however the risk with a developer-initiated process and somewhat broad regulatory terms is that the municipality may be compelled on appeal to accept parkland that otherwise may not meet the broader community interest. In such a case, Council may wish to consider taking cash-in-lieu.

Other Consultations

The Province is also consulting on potentially further reaching changes to the Planning Act, including:

- Clear and consistent frameworks for identifying and administering secondary plans and area specific policies within the broader official plan framework.
- Potential wholesale reform of the site plan process altogether, including assessing its potential elimination, limits on the number of circulations, limits on scoping application review, different streams of approvals and moving to an arbitration process as an alternative to an OLT appeal.

At this point there are no specific proposals presented. Council will be apprised if these consultations result in future planning process changes.

2. Building Code Act

Bill 98 proposes an amendment to the Ontario Building Code Act to clarify that municipal by-laws cannot prescribe construction standards aimed at environmental protection or conservation. The Chief Building Official advises that this would not affect any current municipal by-laws. It will prohibit, for example, the potential implementation of green building standards.

The Province has previously announced the upcoming formation of an independent advisory group to undertake a comprehensive section-by-section review of the Ontario Building Code to modernize and streamline requirements. This review is at its early stages.

3. Development Charges

Bill 98 proposes one substantive amendment to the Development Charges Act, which would exclude "not-for-profit" retirement homes from development charges. This builds upon earlier changes that previously excluded long-term care homes and affordable housing from development charges.

The same day Bill 98 was released, the Canada-Ontario Partnership to Build was announced, which comprises an \$8.8 billion infrastructure program, split between the Province and Federal government, that would pay for the cost of developing housing related infrastructure. The premise of the program is that participating municipalities would in turn reduce their development charges by up to 50%, thereby reducing the overall cost of a housing development. At this time it is understood that this funding would be prioritized to

a yet-unidentified list of municipalities that have high development charges and significant expectations for growth. Program parameters have not yet been determined, including the timing of access and funding, and how (or whether) the reductions can be passed to home buyers. Council will be apprised if this program ends up presenting an opportunity for the Town of Smiths Falls.

Summary

The changes brought forward continue a broad shift towards standardization, streamlining and increased provincial oversight on the development approvals process. The changes respond to many concerns that have been conveyed from industry across the province. An initial assessment reveals a number of positive changes that can simplify development, however some require additional consideration as it relates to unanticipated impacts on the community.

While staff acknowledge the intent behind these changes, as a general statement we note that the pace and scope of changes to the approvals process has been rapid and consistent. With significant legislative or process changes occurring a few times each year, there has been little opportunity to reflect on how each individual change has impacted the system as a whole, and whether it has had the desired impact. Additionally, staff, elected officials and our partners in the development community have had to catch up and routinely relearn legislative and regulatory frameworks, which has resulted in unintended challenges in the approvals process. Should Council wish to provide comment to the Province on Bill 98, staff respectfully suggest that the comment includes a request that the Province pauses future changes to the planning framework to allow municipalities to adapt their plans and processes to implement changes made to date, as well as assess their impacts.

Budget/Financial Implications: The proposed changes to the Planning Act and other legislation would likely have minimal direct financial implication.

Link to Strategic Plan: N/A

Existing Policy: *Ontario Planning Act, Building Code Act, Development Charges Act, Provincial Planning Statement*

Consultations: Chief Building Official; Treasurer/Director of Corporate Services; Lanark County Planners group; Dillon Consultants

Attachments: N/A

Notes/Action (space for Council Member's notes):

Respectfully Submitted:

Original Copy Signed

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Approved for agenda by CAO:

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Malcolm Morris, CMO
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