

Date: 04/02/2026 **Internal Memo #: IM26-007(PG)**

To: Council

Circulated to: Corporate Leadership Team

Department: Planning and Growth

Division: Administration

From: Hardy Bromberg, General Manager – Planning & Growth

Subject: Federal and Provincial Announcements to Speed Up Housing

Comments

Background

On March 30, 2026, the Provincial and Federal Governments announced new measures aimed at improving housing affordability and accelerating housing delivery. These include enhanced HST rebates for new homes, a proposed cost-shared infrastructure program tied to residential development charge (DC) reductions, and the introduction of the proposed *Building Homes and Improving Transportation Infrastructure Act*. Collectively, these initiatives could impact municipal revenues, planning processes, and infrastructure delivery. While the aim of these changes is to make building homes easier, impacts to the City of Cambridge are not yet known.

Analysis

Development Charges and Infrastructure Funding

- Ontario and Canada have committed \$8.8 billion over 10 years for housing-enabling infrastructure.
- Funding priority will be given to municipalities that implement and maintain 30–50% reductions in residential DCs for a minimum of three years.
- Infrastructure funding is intended to offset a significant portion of foregone DC revenue; however, municipal contributions will still be required.
- Eligible projects must be housing-enabling, shovel-ready, and meet program criteria.

HST Rebates on New Homes

- Proposed combined federal–provincial measures would effectively remove the full 13% HST on:
 - New homes up to \$1 million (maximum rebate \$130,000),
 - Homes up to \$1.5 million (maximum rebate maintained), and
 - Phased reductions for homes up to approximately \$1.85 million.
- Measures apply province-wide and are intended to reduce housing costs.

Building Homes and Improving Transportation Infrastructure Act – Key Takeaways

- Official Plans: Introduction of a simplified, standardized Official Plan format province-wide.
- Site Plan Reform: Limits on mandatory “enhanced development standards” beyond health and safety; consultation underway on broader site plan process reform.
- Building Code Review: First comprehensive review in ~40 years to modernize and streamline requirements.
- Minimum Lot Sizes: Proposed provincial authority to set urban residential minimum lot sizes (~175 m² under consultation).
- Parkland Dedication: Certain encumbered lands and publicly accessible spaces may qualify, subject to quality standards.
- DC Transparency: Requiring disclosure of DCs and other fees in agreements of purchase and sale.
- Water/Wastewater Governance: Reinforces public ownership and advances a public utility model, initially within the Region of Peel.

Implications for the City of Cambridge

- Policy Alignment: Official Plan structure, site plan practices, and parkland policies may require adjustment once details are finalized.
- Development Approvals: Reduced site plan discretion could affect how urban design and public realm outcomes are secured.

- **Housing Supply:** Minimum lot size standards could expand opportunities for more compact housing forms.
- **Financial & Communications:** DC reductions and disclosure requirements may affect City finances and public communications.
- **Capacity Constraints:** Regional water capacity limitations, particularly related to the Mannheim system, may affect near-term growth.
- **Implementation Pressure:** Concurrent provincial reforms may create resourcing and coordination challenges across departments.

Summary

While full details are not yet known, generally injecting stimulus like this should enhance Cambridge's ability to offer a variety of housing options (i.e. higher density mixed use, townhomes, single detached, etc.) which contributes to our ability to attract talent; labour force is typically the first thing businesses look for when making an investment decision.

The spillover effect of more construction projects and jobs should also help support retail and local service-based businesses. From the perspective of driving economic growth, the announcement appears positive. However, a complete picture of financial impacts to the City is unknown, and until that has been evaluated, staff remain optimistically cautious.

The Region of Waterloo has said that areas using the Mannheim Water Supply currently face limits on new development. Although this affects a small part of Cambridge, water capacity issues could impact future growth in our city and could impact our ability to issue building permits for industrial and residential growth in the near term.

Next Steps

Staff are evaluating impacts on the City and will continue to monitor program details as more information becomes available. Further updates to Council are expected.

Attachments

Appendix A - Letter from Minister Rob Flack

Approvals:

Manager/Supervisor

General Manager

City Manager

**Ministry of
Municipal Affairs
and Housing**

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234-2026-1123

April 1, 2026

On March 30, 2026, our government introduced the *Building Homes and Improving Transportation Infrastructure Act, 2026*, (Bill 98). Through this legislation and accompanying measures, we are creating the conditions for Ontario to build the housing and infrastructure it needs to grow and remain competitive. These changes will help get shovels in the ground faster for much-needed housing, and housing enabling-infrastructure projects, while improving the way people and goods move across Ontario.

A brief description of the proposals in this bill are included in this letter below. You are also invited to review the [Environmental Registry of Ontario](#) and [Regulatory Registry of Ontario](#) posting links provided with this letter and share any feedback you may have.

If you have any questions, please reach out to my Director of Stakeholder and Caucus Relations, Tanner Zelenko, at Tanner.Zelenko@ontario.ca

I look forward to our continued collaboration with our municipal partners as we build a more prosperous, resilient and competitive economy that will enhance affordability and the quality of life for Ontario residents and families.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Flack".

Hon. Robert J. Flack
Minister of Municipal Affairs and Housing

- c. Prabmeet Sarkaria, Minister of Transportation
Todd McCarthy, Minister of the Environment, Conservation and Parks
Graydon Smith, Associate Minister of Municipal Affairs and Housing
Robert Dodd, Chief of Staff, Minister's Office
Matthew Rae, Parliamentary Assistant, Municipal Affairs and Housing
Laura Smith, Parliamentary Assistant, Municipal Affairs and Housing
Brian Saunderson, Parliamentary Assistant, Municipal Affairs and Housing
Martha Greenberg, Deputy Minister, Municipal Affairs and Housing
David McLean, Assistant Deputy Minister, Municipal Affairs and Housing
Laurie Miller, Assistant Deputy Minister, Municipal Affairs and Housing
Sean Fraser, Assistant Deputy Minister, Municipal Affairs and Housing

Development Charges Act, 1997 – Ministry of Municipal Affairs and Housing

Schedule 3 of the Bill would make amendments to the *Development Charges Act, 1997*.

New section 4.5 would provide that non-profit retirement home developments are exempt from development charges.

The Schedule would also make technical amendments to address out-of-date cross-references in provisions related to front-ending agreements.

You may provide your comments on the proposed changes to the *Development Charges Act, 1997* through the Ontario Regulatory Registry

<https://www.regulatoryregistry.gov.on.ca/proposal/52054>

Municipal Act, 2001 – Ministry of Municipal Affairs and Housing

The Schedule repeals and remakes section 93 of the *Municipal Act, 2001*, to address barriers to the development of communal water and wastewater systems and increase housing supply across Ontario.

New subsection 93 (1) of the Act provides that no person shall construct, maintain or operate a non-municipal water or sewage public utility without first applying for and obtaining the consent of the municipality. Under new subsection 93 (2) of the Act, a municipality that receives an application for one of these utilities must review that application and either provide consent subject to conditions and limits that are agreed upon, or, in the case of a regulation having been made setting out criteria or conditions that must be met, and the municipality is of the opinion that regulated requirements have been met, the municipality must provide consent to the application. Regulation-making authority would be made to establish the criteria or conditions related to applications for consent and for the proposed public utility.

You may provide your comments on the proposed changes to the *Municipal Act, 2001* through the Environmental Registry of Ontario (ERO) notice and the Ontario Regulatory Registry ([ERO 026-0302](#)) from March 30, 2026 to April 29, 2026.

Planning Act – Ministry of Municipal Affairs and Housing

Schedule 7 of the Bill proposes the following amendments to the *Planning Act* that would help create the conditions necessary to support housing and community development. If passed, the proposed changes would:

- Specify a standardized structure and a standardized set of land use designations for local official plans (i.e., lower- and single-tier municipalities and planning boards).
- Provide a two-phased implementation approach for the new official plan framework which focuses on the 29 large and fast-growing municipalities in the first phase,
- Remove redundant requirement for municipalities to include climate change policies in their official plans,
- Provide the Minister with authority to exempt lower-tier municipalities from requirement to conform with upper-tier official plan to facilitate voluntary early implementation of the proposed official plan framework,

- Provide that for an already approved Protected Major Transit Station Area (PMTSA), only official plan amendments changing the boundaries of the PMTSA or the planned population and jobs for the area would require the Minister's approval,
- Remove the legislative requirement for the Minister to provide notice on proposed amendments to or revocations of Minister's Zoning Orders (MZOs),
- Provide flexibility for removing Simcoe County's planning responsibilities in up to three separate phases, based on municipal readiness, and
- Facilitate the implementation of provisions from Bill 23, the *More Homes Built Faster Act, 2022*, that provide for a new framework for developer-identified land, including encumbered land and privately owned public spaces (POPS) arrangements, to count toward municipal parkland dedication requirements.
- Remove references to "sustainable design" from site plan control and restrict municipalities from requiring an owner of land to provide electric vehicle supply equipment in connection with off-street vehicular parking facilities, so that municipalities may not impose 'enhanced' development standards at the lot level that are not required for health, safety, or environmental performance (e.g., stormwater).
- Provide the Minister with authority to establish a minimum lot size through regulation.

We are interested in receiving your comments on these proposed measures. Comments can be made through the Environmental Registry of Ontario and the Ontario Regulatory Registry from March 30, 2026, to April 29, 2026:

- [ERO 026-0300](#): Proposed Planning Act, City of Toronto Act, 2006, Building Code Act, 1992 and Municipal Act, 2001 Changes (Schedules 7, 2 and 1 of Bill 98, the Building Homes and Improving Transportation Infrastructure Act, 2026).

We are also interested in receiving any comments you may have on other associated proposals:

- [ERO 026-0315](#): Consultation on upper-tier official plans, secondary plans, and site and area-specific policies
- [ERO 026-0310](#): Consultation on site plan control reform under the *Planning Act* and the *City of Toronto Act, 2006*
- [ERO 026-0305](#): Proposed Changes to Various Regulations Under the *Planning Act* to Facilitate the Electronic Submission of Information and Materials to Approval Authorities and Allow Notices to be Given Electronically to the Province
- [ERO 026-0314](#): Proposed Changes to Various Regulations Under the *Planning Act* and the *City of Toronto Act, 2006* to Specify Additional "Prescribed Professions" for the Purposes of a Complete Application
- [ERO 026-0313](#): Streamlining the Information and Material that Planning Authorities can Require as Part of a Complete Application
- [ERO 026-0309](#): Proposed Regulation to Prohibit Mandatory Enhanced Development Standards as a Condition of Land Division Approvals
- [ERO 026-0311](#): Proposed Regulatory Approach to Establish a Minimum Residential Lot Size in Urban Areas
- [ERO 026-0304](#): Draft Projection Methodology Guideline to support the implementation of the Provincial Planning Statement, 2024
- [ERO 026-0312](#): Proposed Changes to Support Standardizing of Parkland Requirements Under the *Planning Act*

The Environmental Registry postings provide additional details regarding the proposed changes.

Building Code Act, 1992 – Ministry of Municipal Affairs and Housing

Schedule 1 amends the *Building Code Act, 1992* to clarify that standards for the protection or conservation of the environment are included in the meaning of municipal by-laws respecting the construction or demolition of buildings for the purposes of section 35 of the Act.

[ERO 026-0300](#): Proposed Planning Act, City of Toronto Act, 2006, Building Code Act, 1992 and Municipal Act, 2001 Changes (Schedules 7, 2 and 1 of Bill 98, the Building Homes and Improving Transportation Infrastructure Act, 2026.

City of Toronto Act, 2006 – Ministry of Municipal Affairs and Housing

The proposed change would, through various amendments to section 114 of the *City of Toronto Act, 2006*, remove references to “sustainable design” in site plan control. Changes would also be made to allow the Minister to establish a minimum lot size through regulation under the *Planning Act*.

[ERO 026-0300](#): Proposed Planning Act, City of Toronto Act, 2006, Building Code Act, 1992 and Municipal Act, 2001 Changes (Schedules 7, 2 and 1 of Bill 98, the Building Homes and Improving Transportation Infrastructure Act, 2026

Water and Wastewater Public Corporations Act, 2025 – Ministry of Municipal Affairs and Housing

The ministry is proposing legislative amendments to the *Water and Wastewater Public Corporations Act, 2025*. These include:

- Explicitly prohibiting private ownership in any new Water and Wastewater Public Corporation (WWPC) to align with the government’s intent to maintain 100% public sector ownership and respond to the strong feedback we have heard on the issue from the public, unions, associations and municipalities regarding privatization.
- Supporting the continuation of services and existing contracts – so that transferred contracts and agreements are not affected by a transfer to a new WWPC. This includes contracts such as employment or insurance, permits, licenses or a collective agreement, helping to support an efficient transfer and continuity of service during the transfer process.
- Supporting labour and employment continuity by clarifying that certain rights (such as successor, employment, and pay equity rights) are carried forward to a new WWPC.
- This would include regulation-making authority to help ensure continuity of services related to contracts and employees that are transferred to a new WWPC.
- Prohibiting the transfer of long-term municipal water and wastewater debt to a WWPC to provide clarity and reduce lender uncertainty, while creating new regulation-making authority to enable future regulations to address other matters related to municipal debt.

You may provide your comments on the proposed changes to the *Water and Wastewater Public Corporations Act, 2025* through the Environmental Registry of Ontario (ERO) notice and the Ontario Regulatory Registry ([026-0301](https://ero.ontario.ca/notice/026-0301)) from March 30, 2026 to April 29, 2026.
<https://ero.ontario.ca/notice/026-0301>

Safe Drinking Water Act, 2002 – Ministry of the Environment, Conservation and Parks

Schedule 8 of the Bill proposes a change to the *Safe Drinking Water Act, 2002 (SDWA)* to clarify that a drinking water system owned by a WWPC would be considered a municipal drinking water system under the SDWA. This change would ensure that WWPCs are subject to the same public health and safety requirements under the SDWA that apply to all municipal drinking water systems.

The Bill also proposes changes to the *Safe Drinking Water Act* that would deem municipal consent to have been provided under the *Safe Drinking Water Act* for a proposed non-municipal drinking water system if consent has been provided by a municipality under the *Municipal Act* and regulated requirements under that Act were met. This avoids duplication of the municipal consent and helps to remove a barrier to development on communal systems.

You may provide your comments on the proposed changes to the *Safe Drinking Water Act, 2002* through the Environmental Registry of Ontario (ERO) notices related to the *Municipal Act, 2001*, [026-0302](https://ero.ontario.ca/notice/026-0302), and the *Water and Wastewater Public Corporations Act, 2025*, [026-0301](https://ero.ontario.ca/notice/026-0301) from March 30, 2026 to April 29, 2026.
<https://ero.ontario.ca/notice/026-0301>
<https://ero.ontario.ca/notice/026-0302>

Fare Alignment and Seamless Transit Act, 2026 – Ministry of Transportation

Schedule 4 of the bill enacts the *Fare Alignment and Seamless Transit Act, 2026*. The proposed legislation would authorize the Minister of Transportation to make regulations:

1. **Prescribing local transit systems** in the GTHA that are subject to the Act.
2. **Establishing One Fare 2.0**, including: setting fare prices and categories; defining eligibility and fare discount policies; establishing fare and transfer policies between prescribed transit systems (e.g., free transfers); requiring participation in a unified fare payment system approved by the Minister (e.g., PRESTO); and determining how fares shall be apportioned among prescribed transit systems in a geographic zone, which could result in the reallocation of fare revenue collected in one prescribed transit system to another prescribed transit system in a different municipality.
3. **Improving service to key regional destinations** by designating new and existing routes as “priority routes”, including routes that may cross municipal boundaries; setting service standards for priority routes; and prescribing requirements for service integration between prescribed transit systems, including requiring a prescribed transit system to provide services outside of its primary service area (i.e., in other municipalities).

4. **Improving specialized transit service**, including requiring prescribed specialized transit systems to: participate in a unified trip booking system approved by the Minister; and provide transportation a prescribed distance outside of its primary service area (i.e., in another municipality) without requiring a person with a disability to transfer to a different passenger transportation system.
5. **Creating exemptions** from the Act or regulations.

Metrolinx Act, 2006 – Ministry of Transportation

Schedule 5 amends *the Metrolinx Act, 2006* to create a voluntary, streamlined compliance reporting process for Metrolinx which will be more scoped than the traditional building permit process. The proposed compliance reporting process does not override the existing building permit process. Instead, it allows for more flexibility for Metrolinx by creating a streamlined process to get building science expertise from municipalities.

The proposed legislative amendments require municipalities, upon receiving a proposed construction or demolition notice from Metrolinx, to provide Metrolinx with a report that includes:

- An assessment of whether the proposal would contravene the Building Code.
 - Municipalities would not include a review of certain *Planning Act* requirements such as municipal zoning bylaw and site plan approvals.
- An assessment of the applicability of the Architects Act or the Professional Engineers Act.
- An assessment of whether every person who prepared the relevant building documents had the correct qualifications under the Building Code.
- Any other prescribed information.

The proposed legislation also enables the Minister of Transportation, through regulation, to prescribe additional exemptions to applicable law and specific timelines for municipal inspections and conveyance of occupancy reports, among other items.