



## City of Hamilton Report for Consideration

**To:** Chair and Members  
Audit, Finance & Administration Committee

**Date:** June 12, 2025

**Report No:** FCS25033(a)

**Subject/Title:** Comments on Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* as it Relates to the *Development Charges Act, 1997*

**Ward(s) Affected:** City Wide

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### Recommendations

That Council **ENDORSE** the staff submission and recommendations to the Province of Ontario, as outlined in Appendix "A" to Report FCS25033(a), regarding Schedule 4 of the proposed Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, submitted through Regulatory Registry 25-MMAH003.

### Key Facts

- The purpose of Report FCS25033(a) is to present staff comments on the proposed changes to the *Development Charges Act, 1997* under Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* and to seek Council endorsement for submission to the Province through Regulatory Registry 25-MMAH003.
- These comments build on the City's ongoing work to amend the Development Charges By-Law, 24-072, as amended, as initiated through Report FCS25026 and currently under public consultation.
- At the time of writing, Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* has not yet been enacted. However, it is possible that the legislation may be passed prior to Council's consideration of Report FCS25033(a), which could have implications for the City's ongoing Development Charges By-Law Amendment process and related financial planning.

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## Financial Considerations

Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025* ("Bill 17") would impact the City's ability to collect Development Charges ("DC"). A full overview of the financial implications of Bill 17, if enacted, and impacts on the City of Hamilton's financing strategy, will be included in the 2026 Budget Outlook Report.

As required by the *Development Charges Act, 1997, as amended* ("DC Act"), any legislatively required exemptions or reductions in DCs cannot be made up through higher DCs for other development types and, therefore, must be funded through other sources such as the property tax levy or user rates.

## Background

DCs are a development fee collected by the City of Hamilton to help fund the capital costs associated with new growth. These funds contribute significantly to the expansion of infrastructure services such as roads, water and wastewater systems, parks and emergency services which are required to support growth. DCs are typically payable at the time of building permit issuance and are calculated in accordance with the DC Act and the City of Hamilton Development Charges By-law, 24-072, as amended ("DC By-law").

In the last five years, the Province has enacted various pieces of legislation amending the DC Act (including Bill 108, *More Homes, More Choice Act, 2019*; Bill 138, *Plan to Build Ontario Together Act, 2019*; Bill 197, *COVID-19 Economic Recovery Act, 2020*; Bill 109, *More Homes for Everyone Act, 2022*; Bill 23, *More Homes, Built Faster Act, 2022*; Bill 134, *Affordable Homes and Good Jobs Act, 2023*; and Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*) with the intent of facilitating the construction of 1.5 million new homes in Ontario by 2031. The objective of increasing housing availability is shared by the City.

These legislative changes have rapidly altered the regulatory landscape of DCs and generally decreased the ability of municipalities to fund growth-related costs while increasing the administrative burden of collecting DCs. Bill 17 represents another significant modification to the DC Act. These significant and frequent changes have increased the complexity of applying and interpreting the DC Act.

On April 16, 2025, Council directed staff to begin the process of amending the DC By-law and to prepare draft amendments. On May 1, 2025, [Report FCS25026: Review of Development Charges and Developer Incentives](#) was presented to the Audit, Finance and Administration Committee, and subsequently approved by Council, to initiate the legislatively required 60-day notice period prior to the passage of a DC By-law Amendment. The proposed amendments are the subject of ongoing public consultation and remain open to refinement from further Council and public consultation before a final By-law Amendment is recommended for adoption.

On May 12, 2025, the Minister of Municipal Affairs and Housing introduced Bill 17, which proposes to amend eight pieces of legislation which directly impact municipalities. Schedule 4 to Bill 17 pertains to proposed amendments of the DC Act. On May 22, 2025, [Report FCS25033: Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025](#) as it relates to the *Development Charges Act, 1997* was presented to the Audit, Finance and Administration Committee to provide an overview of the proposed changes to the DC Act through Bill 17. The proposed changes include:

- Exemption for Long-Term Care Homes
- Regulation-Making Authority to Impose Limits on Eligible Capital Costs
- Simplified DC By-law Amendment Process
- Deferral of DCs for Residential Developments to Occupancy
- Removal of Interest on Instalments
- Permit Early Payment for Institutional, Rental Housing and Residential Developments
- Mandate Lowest DC Rate for Lock-In Developments
- Regulation-Making Authority to Combine DC Services for Credit Purposes
- Regulation-Making Authority to Determine What Constitutes a Local Service

## Analysis

In accordance with the Council direction provided through [Report FCS25033: Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025](#), staff submitted formal comments on Schedule 4 of Bill 17 to the Province on May 29, 2025 through Regulatory Registry 25-MMAH003. Staff comments, as submitted, are provided as Appendix “A” to Report FCS25033(a) for Council endorsement. Submitted staff comments are based on a comprehensive review of the proposed amendments to the DC Act and identify key opportunities for enhancement of Bill 17 and potential impacts to the City’s ability to plan for and fund growth-related infrastructure. While the City supports the Province’s goal of increasing housing supply, the proposed changes raise significant concerns regarding the financial sustainability of municipal growth and the administrative feasibility of implementing the proposed amendments.

**DC Funding:** A central theme of the staff comments is the continued shift away from the foundational principle of the DC Act that growth should pay for growth. Several of the proposed amendments, such as new statutory exemptions, interest-free deferrals and limitations on eligible capital costs would reduce the City’s ability to recover infrastructure costs from developers. Staff emphasized the City’s request for a provincial funding mechanism to offset revenue losses resulting from mandated DC exemptions and reductions to avoid placing additional burden on tax payers and rate payers.

**Administrative Complexity:** The proposed amendments introduce increased administrative complexity to DCs, including the need to manage high volumes of residential deferrals, compare DC rate calculations where lock-in provisions apply and revise City policies and procedures accordingly. While some of the proposed amendments, such as permitting early payment without requiring early payment agreements may reduce administrative burden, others will require significant internal adjustments.

**Lack of Clarity:** Several of the proposed amendments relate to new regulation-making authorities for the Province, including the ability to limit eligible capital costs, define local services and combine DC service categories for credit purposes. However, the Province has not released any draft regulations and municipalities are unable to fully assess the financial and operational implications or provide meaningful feedback. Staff emphasizes the importance of timely access to draft regulations and continued consultation with municipalities to ensure practical and effective implementation.

The City remains committed to supporting the Province's housing objectives but emphasizes that any legislative changes to the DC Act must be accompanied by clear guidance, adequate transition periods and financial support to ensure municipalities can continue to deliver complete, sustainable communities. Council's endorsement will strengthen the City's advocacy efforts and reinforce its position on the proposed legislative changes.

## Alternatives

Not Applicable

## Relationship to Council Strategic Priorities

Report FCS25033(a) is being presented to the Audit, Finance & Administration Committee by staff in order to support Council Priority 3: Responsiveness & Transparency.

## Previous Reports Submitted

- Audit, Finance and Administration Committee, May 22, 2025: [FCS25033: Comments on Bill 17, \*Protect Ontario by Building Faster and Smarter Act, 2025\* as it relates to the \*Development Charges Act, 1997\*](#)
- Audit, Finance and Administration Committee, May 01, 2025: [FCS25026: Review of Development Charges and Developer Incentives](#)
- Audit, Finance and Administration Committee, October 19, 2023: [FCS23087: Development Charges Interest Policy Update](#)

## **Consultation**

Not Applicable

## **Appendices and Schedules Attached**

Appendix “A” to Report FCS25033(a) – City of Hamilton Staff Submission on the Proposed Changes to the *Development Charges Act, 1997* through Schedule 4 to the *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17)

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