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WOWC Conference

The Municipal Housing Development Toolkit:

Overview of Legislative & Policy Tools
that Can Incentivize Housing Starts



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Agenda

- The current state of affairs
- Tried and true tools at a municipality's disposal
- Additional tools for consideration
- Involving the Province

Q2 2025 Report Card

- Missing Middle Initiative, based at U of Ottawa, was approached by Residential Construction Council of Ontario to produce this report.
- Examined 34 separate municipalities across 9 metro areas in GTA and GGH region to assess state of housing sales and construction over first half of 2025, relative to first half of 4 previous years.
- Found ground-oriented starts **down 42%** across 34 municipalities.



Table 2.1: Report Card Summary, Toronto CMA

Municipality	Starts % Change	Sales % Change	Employment Change	Final Grade
Toronto CMA				
Ajax	-100%	-88%	-831	F
Aurora	-40%	-83%	-75	F
Brampton	-50%	-72%	-728	F
Caledon	-44%	-67%	-392	F
East Gwillimbury	-100%	-58%	-774	F
Georgina	-60%	-43%	-231	F
Halton Hills	-77%	-80%	-143	F
Markham	-3%	-87%	-430	D
Milton	113%	-62%	867	A
Mississauga	16%	-88%	324	D
New Tecumseth	-3%	-58%	-1	C
Newmarket	-98%	-96%	-256	F
Oakville	-39%	-72%	-1549	F
Pickering	11%	-67%	-301	C
Richmond Hill	77%	-74%	1261	B
Toronto	-58%	-91%	-10209	F
Vaughan	-95%	-88%	-2488	F
Whitchurch-Stouffville	-11%	-100%	-411	F

Source: Missing Middle Initiative, Q2 2025 GTA and GGH Housing Report Card: Starts, Sales and Employment, September 2025

Q2 2025 Report Card

“For our 34 municipalities, 22 received an F, and another 5 received a D. While the other 7 municipalities received a C or higher, much of that was based on unusually strong housing starts, rather than robust pre-construction sales. Because starts are a lagging indicator, we expect average grades to fall before they rise.

The state of housing construction in the GTA and GGH should alarm policymakers across all three orders of government.”

(p.7 of Report)



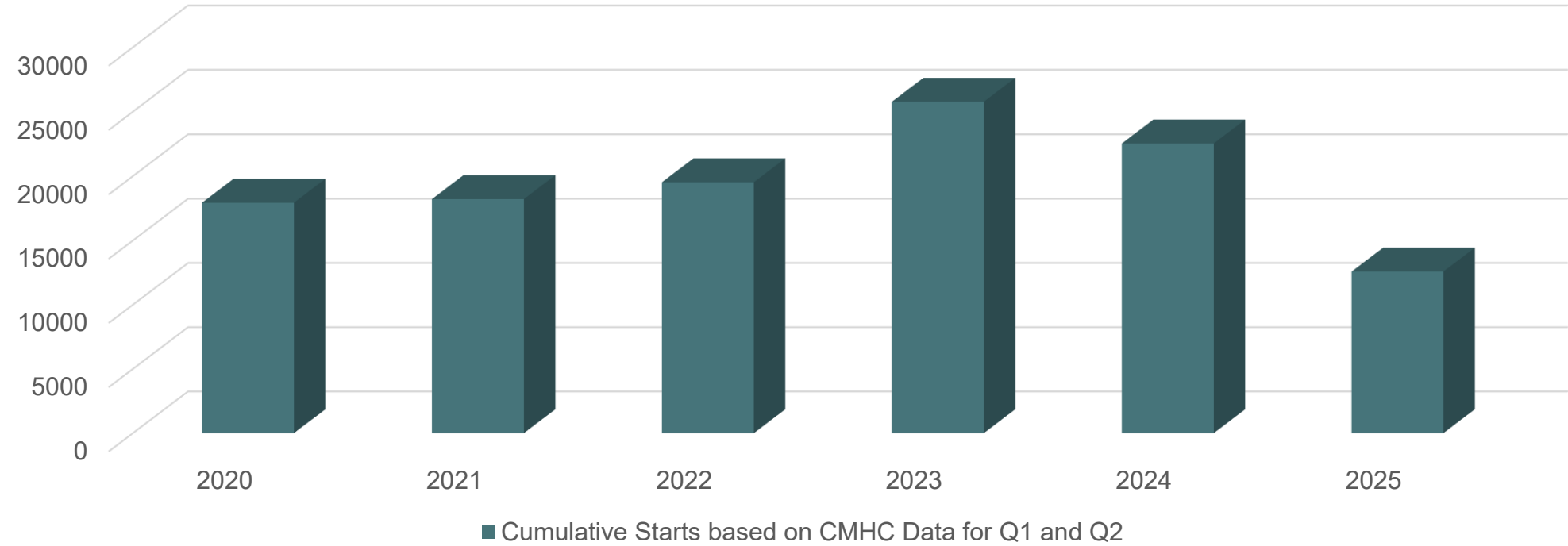
Table 2.2: Report Card Summary, Other CMAs

Municipality	Starts % Change	Sales % Change	Employment Change	Final Grade
Barrie CMA				
Barrie	-65%	-69%	-767	F
Innisfil	-91%	-92%	-654	F
Brantford CMA				
Brantford	272%	-88%	1555	A+
Guelph CMA				
Guelph	-90%	-82%	-675	F
Hamilton CMA				
Burlington	87%	-82%	222	B
Hamilton	-65%	-86%	-1931	F
Kitchener - Cambridge - Waterloo CMA				
Cambridge	-26%	-78%	-361	F
Kitchener	-16%	-79%	-653	D
Waterloo	-75%	-80%	-640	F
Oshawa CMA				
Clarington	-73%	-82%	-397	F
Oshawa	-87%	-78%	-1484	F
Whitby	-74%	-75%	-1188	F
Peterborough CMA				
Peterborough	-92%	-80%	-237	F
St. Catharines - Niagara CMA				
Niagara Falls	-5%	-80%	-292	D
St. Catharines	35%	-78%	8	C
Welland	-10%	-63%	-329	D

Source: Missing Middle Initiative, Q2 2025 GTA and GGH Housing Report Card: Starts, Sales and Employment, September 2025

CMHC Housing Starts (GTA)

Jan-June 2020-2025



Preliminary Considerations

- **Old tools have been refined to assist moving housing approvals forward faster**
- **Examples of recent legislative changes:**
 - Bill 23, *More Homes Built Faster Act*, 2022;
 - Bill 185, *Cutting Red Tape to Build More Homes Act*, 2024;
 - O. Reg. 462/24 amending O. Reg. 299/19: Additional Residential Units
 - Bill 17, *Protect Ontario by Building Faster and Smarter Act*, 2025
- **A new policy regime:**
 - Provincial Planning Statement, 2024 (“PPS”)
 - ~~Growth Plan for the Greater Golden Horseshoe~~

PPS Excerpts: Housing



Policy 2.2.1 Planning authorities shall provide for an appropriate range and mix of *housing options* and densities to meet projected needs of current and future residents of the regional market area by:

b) permitting and facilitating: [...]

2. all types of residential *intensification*, including the *development* and *redevelopment* of underutilized commercial and institutional sites (e.g., shopping malls and plazas) for residential use, development and introduction of new *housing options* within previously developed areas, and redevelopment, which results in a net increase in residential units in accordance with policy 2.3.1.3;

PPS Definition: Housing Options



“Housing Options” means a range of housing types such as, but not limited to single-detached, semidetached, rowhouses, townhouses, stacked townhouses, multiplexes, additional residential units, tiny homes, laneway housing, garden suites, rooming houses and multi-residential buildings, including low- and mid-rise apartments.

The term can also refer to a variety of housing arrangements and forms such as, but not limited to, life lease housing, co-ownership housing, co-operative housing, community land trusts, land lease community homes, affordable housing, additional needs housing, multigenerational housing, student housing, farm worker housing, [...]

PPS Implementation



6.1.5 In order to protect provincial interests, planning authorities shall keep their official plans up-to-date with the PPS. The policies of the PPS continue to apply after adoption and approval of an official plan.

6.1.6 Planning authorities shall keep their zoning and development permit by-laws up-to-date with their official plans and the PPS by establishing permitted uses, minimum densities, heights and other development standards to accommodate growth and development.

6.1.7 Where a planning authority must decide on a planning matter before their official plan has been updated to be consistent with the PPS [...] it must still make a decision that is consistent with the PPS.

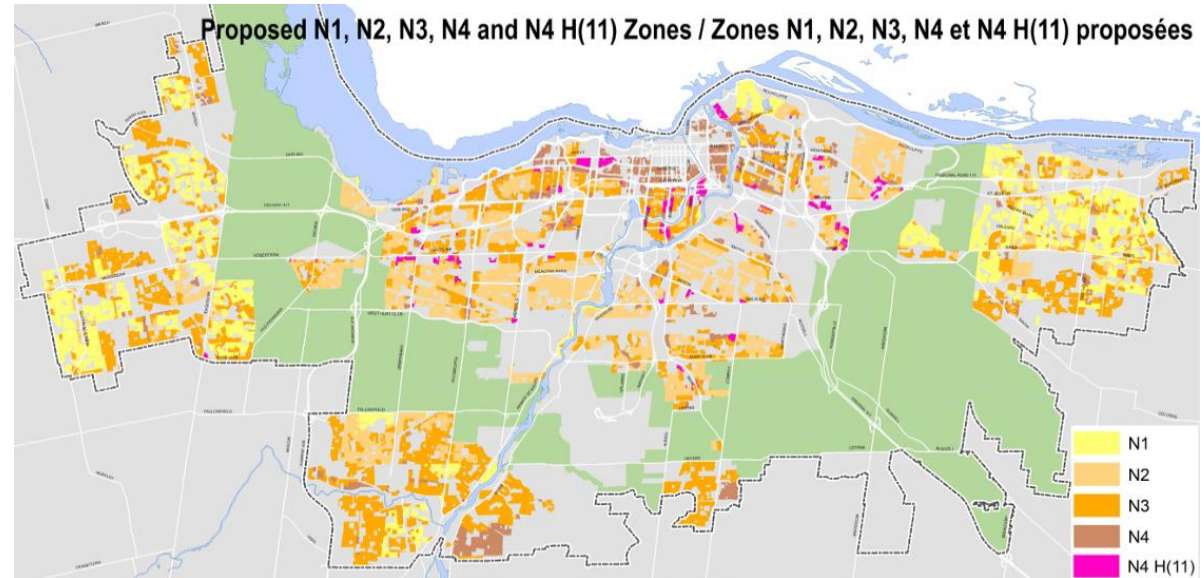
Official Plan (OP) Updates

1. To ensure consistency with PPS (s.26(1)(c))
2. To ensure sound growth strategy, with sufficient land being designated that is capable of development, considering planned and/or available services etc.
3. To ensure the ability to engage other Planning Act tools. For example:
 - Pre-zoning with a holding provision by-law (s.36(2))
 - CPPs and CIPs
4. NOTE: Section 23 gives the Minister the power to amend official plans to address adverse affects on a matter of provincial interest, such as the adequate provision of a full range of housing (s.2(j))

***All provisions cited reference Planning Act**

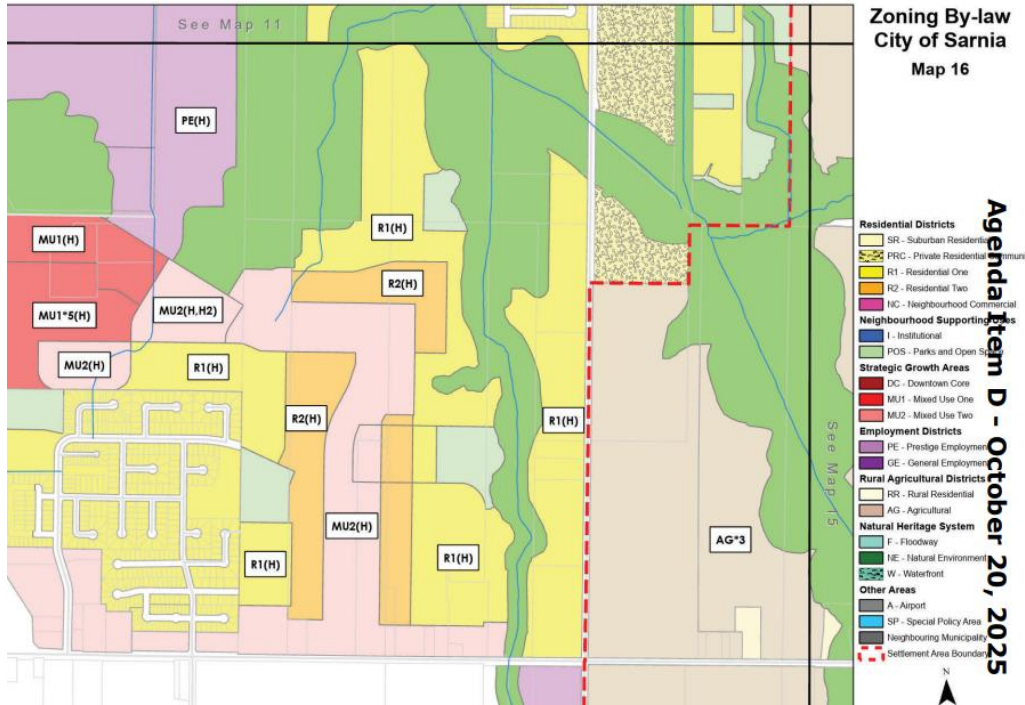
Zoning Tools

1. Zoning by-law updates (Bill 23, ARUs, PPS etc.)
2. Pre-Zoning with an “H” (s.36)
3. Conditional Zoning (s.34(16))
4. Minister’s Zoning Orders (s.47)



Source: City of Ottawa, September 2025, Final Draft Zoning By-law Open House Presentation, Slide 12

Pre-Zoning



Source: City of Sarnia, Zoning By-law Draft #3, Map 16

“While the Planning Act does not use the term ‘pre-zoning’ the concept is inherent in s. 36 of that Act, which permits the municipality to pass a “holding provision by-law” in its zoning by-laws. Section 36(1) provides:

The council of a local municipality may, in a by-law passed under section 34, by the use of the holding symbol “H” (or “h”) in conjunction with any use designation, specify the use to which lands, buildings or structures may be put at such time in the future as the holding symbol is removed by amendment to the by-law.”

Ajax (Town) v. Pickering (City), 2018 ONSC 3622 (Div. Ct.), para.75.

Conditional Zoning (s.34(16))*

Section 34(16) of the Planning Act:

If the official plan in effect in a municipality contains policies relating to zoning with conditions, the council of the municipality may, in a by-law passed under this section, permit a use of land or the erection, location or use of buildings or structures and impose one or more **prescribed conditions** on the use, erection or location.

***CAVEAT:** This tool has not been activated by the Province as no conditions have been prescribed by regulation.

Minister's Zoning Order (MZO)

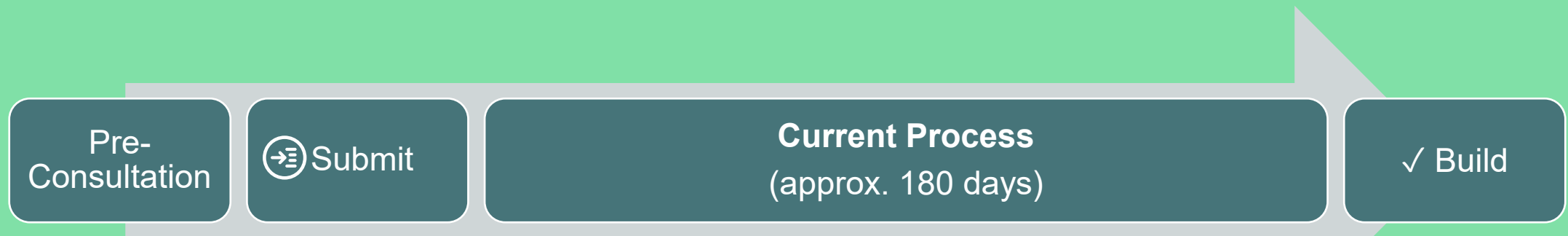
- Powerful tool under s.47 of the Planning Act, used with increased frequency since 2020
- Not a municipal tool but, MZO's typically issued where there is local Council support
- Fast-tracks housing development approvals without the need for rezoning
- Minister can require an agreement be entered into with the municipality in which the land is situated as a condition of the Order (new under Bill 17)
- Has been used to facilitate development outside of urban settlement boundaries
- No appeal rights
- Critique on lack or limited public consultation

Zoning Order Framework

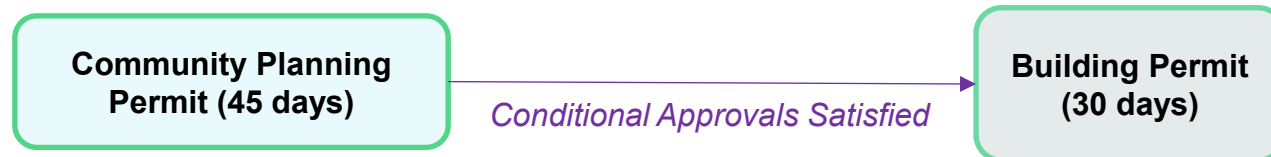
1. **Intake Requests:** Minister will only consider requests that 1) are supported by a Minister and deliver on a provincial priority, such as housing, or 2) are supported by a single-tier or lower-tier municipality
2. **Submission Components:** Lists various expectations, including rationale why the project requires use of this power rather than following municipal planning process, and anticipated timing for project completion
3. **Ministry Assessment:** Prior to making a decision, the Ministry may ask for supporting materials such as a planning justification report, servicing study, environmental impact report etc. and make inquiries regarding engagement with the public and Indigenous communities
4. **Consultation and Communication:** The Minister will consult on requests through the Environmental Registry before finalizing an MZO, except in time sensitive cases. Where an order has issued, notification will be provided on the registry, and a copy of the regulation will be provided to the clerk of the local municipality where affected lands are located.

Community Planning Permit System (CPPS)

- **What is it?** A land use planning tool that replaces the zoning by-law for designated area(s) with a streamlined process that combines zoning, site plan control, and minor variance approvals into one.
- **How is it implemented?** O. Reg. 173/16 sets out applicable provisions:
 - Section 2 permits the creation of a community planning permit system for any area(s) by by-law
 - Section 3 lists pre-requisite content that must be in OP before by-law is passed
- **Why use this tool?** Helps cut approval times in half and reduces cost, while providing municipalities with greater control.



VS.



Reducing Development Costs

1. Exemptions for housing under the *Development Charges Act, 1997*:
 - a. *ARUs in existing & new buildings;*
 - b. *Rented and Owned Affordable Residential Units;*
 - c. *Attainable Residential Units.*
2. Recent changes under Bills 185 & Bill 17



Other ways to lend assistance without breaching anti-bonusing rule

Section 106(1) of Municipal Act, 2001:

Despite any Act, a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.

1. Capital Facilities Agreements (CFAs)
2. Community Improvement Plans (CIPs)

Community Improvement Plans (CIPs)

- Section 28(2) of the Planning Act:

“Where there is an official plan in effect in a local municipality or in a prescribed upper-tier that contains provisions relating to community improvement in the municipality, the council may, by by-law, designate the whole or any part of an area covered by such an official plan as a community improved project area.”

- Definition of “community improvement project area” under s.28(1):

means a municipality or an area within a municipality, the community improvement of which in the opinion of the council is desirable because of age, dilapidation, overcrowding, faulty arrangement, unsuitability of buildings or for any other environmental, social or community economic development reason.

Housing for Hamilton CIP 2024

7.0 Incentives Programs

7.1 Additional Dwelling Unit and Multi-Plex Housing Incentive (ADUMHI) Program

...(the Program) is intended to provide financial incentives to support the creation of Additional Dwelling Units or Garden Suites within, or on the same property as, new or existing low-density houses or the creation of multi-plex developments with six (6) or less Dwelling Units. This Program applies to sites located within the Housing for Hamilton CIPA (2024) with the exception of those within Housing for Hamilton CIPA (2024) SubArea 2 – Roxborough.

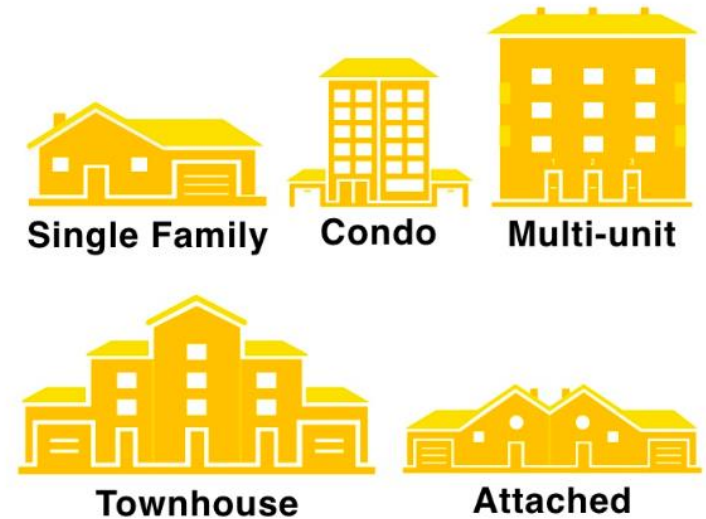
Excerpt from Appendix A

Under this Program, incentives are provided as:

- a Grant to rebate the City application fee (excluding HST) for each building permit successfully issued to construct an individual eligible unit or a building containing eligible units to a maximum of \$2,000 per building permit; and/or
- a 15-year Forgivable Loan of \$25,000 per Eligible Unit(s) intending to meet the affordability parameters of this Program, as further detailed in Section B herein, to a maximum of \$150,000 per Site.

Summary

- Update OP & Zoning By-laws to reflect recent statutory and policy changes
- Create incentives through speedier approval, reduced fees and tax reductions
- Utilize tools such as CIPs and municipal capital facilities agreements to avoid triggering anti-bonusing provisions
- Ask the Ministry for assistance where there are anticipated roadblocks



Questions?

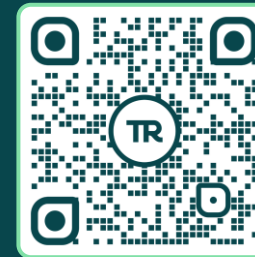


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