

# Staff Report

Presented By: Dwayne Evans, Director, Development Services  
Meeting Date: April 27, 2026  
Subject: Bill 98 Building Homes and Improving Transportation Infrastructure Act  
Attachment(s): None

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## **Recommendation**

That Council endorse the comments in this report and direct staff to forward them to the Province through the Environmental Bill of Rights Registry for consideration.

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## **Report Summary**

On March 30, 2026, the Province of Ontario introduced Bill 98, the *Building Homes and Improving Transportation Infrastructure Act, 2026*. This Bill is intended to speed up housing delivery, reduce development costs, and improve transit integration across Ontario. The government is seeking feedback on the proposed legislative changes until May 14, 2026. This report summarizes key issues and presents comments for Council's consideration. Endorsement will direct staff to submit the Town's feedback to the Province and participate in ongoing consultation as regulations are developed.

## **Background**

Bill 98 forms part of a broader provincial initiative to address housing supply and affordability by accelerating residential development, reducing development costs, and improving transportation integration across Ontario. The Bill proposes amendments to several statutes, including the *Planning Act, Municipal Act, 2001, City of Toronto Act, 2006, Development Charges Act, 1997*, and the *Building Code Act, 1992*, and introduces the *Fare Alignment and Seamless Transit Act, 2026*.

The legislation builds on earlier provincial planning reforms and is intended to create greater consistency, predictability, and efficiency in land-use planning and development approvals, with the stated objective of building homes faster and at lower cost. Many of the most significant changes contemplated by Bill 98 are expected to be implemented through future regulations that have not yet been released.

## **Analysis**

### **Housing Growth and Planning Context**

Saugeen Shores is one of the fastest-growing municipalities in Bruce County, having experienced approximately 16 per cent population growth between 2016 and 2021. Growth pressures continue to be driven by regional employment, including Bruce Power. In response, the Town is actively pursuing housing initiatives such as attainable housing programs, Community Improvement Plan incentives, and participation in the federal Housing Accelerator Fund.

Bill 98 aligns in principle with the Town's growth-management objectives by prioritizing faster approvals and increased housing supply. However, the proposed changes may materially affect how the Town implements its existing planning and infrastructure strategies. Staff emphasize that faster approvals must remain aligned with servicing capacity, asset-management planning, and community character, and recommend meaningful municipal and Indigenous engagement during the regulatory phase.

### **Planning Authority and Official Plan Impacts**

Bill 98 proposes standardized Official Plan templates and prescribed land-use designations, which municipalities would be required to adopt at the time of their next Official Plan adoption or mandatory review. Subject to provincial approval of Bruce County's Official Plan in 2026, the Town's next Official Plan review is scheduled for 2027. Existing Official Plans remain in force until amended to conform with the new legislative and regulatory framework. Development applications submitted prior to Bill 98 coming into force may proceed under the framework in effect at the time of submission.

### **Minimum Lot Size Standards**

Staff note that the Province is consulting on regulations that would establish a minimum urban residential lot size of approximately 175 square metres. This represents a substantial reduction from the Town's current minimum lot size standard of 450 square metres. A provincially prescribed standard raises concerns regarding compatibility with local community character, servicing capacity, environmental objectives, and long-term infrastructure and asset-management planning, particularly across the Town's mix of urban, rural, shoreline, and cottage areas.

### **Parkland Dedication and Encumbered Lands**

Proposed changes to parkland dedication regulations, including the ability to satisfy parkland requirements using encumbered lands, raise concerns related to safety, accessibility, and usability. While such lands may contribute to open-space calculations, they may be unsuitable for active recreation due to safety, environmental, liability, or operational constraints. This could

limit the Town's ability to deliver safe and functional park spaces for children's play, organized activities, and community use, and may restrict how parkland can be designed and programmed over the long term.

### **Site Plan Control and Landscaping**

Ongoing initiatives such as the Community Planning Permit System and Nodes and Corridors Study may require review once implementing regulations are released. Staff recommend that regulations establish clear and appropriate minimum site plan requirements, including the ability to require basic landscaped site plans. Landscaping elements such as tree planting, naturalized areas, buffering, and permeable surfaces support climate resilience, urban canopy objectives, and community character, and help avoid development outcomes dominated by excessive hard surfaces.

Staff generally support the Province's objective of increasing housing supply and improving approval efficiency; however, concerns remain regarding the potential loss of municipal flexibility in Official Plan policy, site-specific design, environmental considerations, parkland functionality, and long-term infrastructure capacity. Clear transition provisions, reasonable implementation timelines, and early municipal input during regulation development are critical.

### **Communal Water and Wastewater Systems**

Bill 98 and related regulatory proposals contemplate expanded use of communal water and wastewater systems to support development in areas without access to municipal servicing. Limited servicing availability has historically constrained growth in otherwise suitable rural and remote areas.

Communal systems serving multiple homes (generally 20 to 200 units) have been used in Ontario previously and are often advanced by developers to unlock new development. While similar models have been successful elsewhere, local and regional experience shows that small-scale communal systems carry significant long-term risks. In multiple cases, systems initially developed and operated privately were later assumed by municipalities, requiring costly upgrades and resulting in high per-household operating, maintenance, and capital costs due to limited economies of scale.

While a more robust provincial regulatory framework may improve oversight and public health protection, the Town's primary concern is long-term financial and operational risk, particularly if municipal ownership or operation is contemplated as a provincial safeguard or backstop. Even where systems remain private initially, responsibility may ultimately be transferred to municipalities if private operators fail.

Staff acknowledge that communal servicing may help unlock housing in areas that cannot otherwise support growth; however, clear provincial direction is needed regarding ownership, governance, long-term responsibility, funding mechanisms, and risk transfer. Staff recommend

municipal consultation during regulation development to avoid unintended financial liabilities and unfunded asset-management obligations.

### **Environmental and Sustainable Design Considerations**

Bill 98 restricts municipal authority to impose local environmental, green building, and sustainability requirements beyond those authorized by provincial legislation and the Ontario Building Code, including repealing provisions that previously enabled construction-related environmental by-laws.

These changes may limit future efforts to promote energy efficiency, climate resilience, and sustainable development through planning and site-specific tools. While the Town has historically relied on incentive-based and collaborative approaches, regulatory flexibility will be necessary to continue advancing local environmental objectives.

The Town's 2026 Business Plan includes initiatives such as participation in the Federation of Canadian Municipalities' Partners for Climate Protection program, the 10,000 Tree Initiative, follow-up actions from the Environmental Ad Hoc Committee, an Urban Tree Canopy Plan, naturalization and storm-resilient park design, and voluntary waste-reduction programs. Maintaining the ability to support these initiatives through planning tools remains important.

### **Development Charges and Financial Considerations**

Bill 98 amends the *Development Charges Act, 1997* to fully exempt non-profit retirement home developments from development charges. In a community with a growing seniors population, this may encourage investment in needed housing types.

The Bill also supports provincial and federal initiatives linking infrastructure funding to municipal commitments to reduce residential development charges. While the Town manages development charges through a long-term asset-management strategy, additional reductions could affect the Town's ability to fund essential infrastructure and raise concerns regarding ratepayer equity and long-term tax impacts.

Staff note that there is no guaranteed or automatic funding to offset the mandatory exemption for non-profit retirement homes. Any funding would be conditional, program-based, and discretionary.

### **Transit and Transportation**

Bill 98 introduces the *Fare Alignment and Seamless Transit Act, 2026*, granting the Province authority to mandate integrated fare structures for prescribed transit providers. Bill 98's transit provisions are expected to have limited direct application to Saugeen Shores in the near term, as the Town does not operate a conventional fixed-route transit system.

The Town is a member of Saugeen Mobility and Regional Transit (SMART), which provides specialized, door-to-door transit services to eligible residents across Bruce and Grey Counties. Staff recommend that future regulations clearly recognize the specialized mandate of services such as SMART and provide flexibility or exemptions where appropriate. Staff also request advance notice and the opportunity to comment on regulations prior to implementation.

### **Rural and Indigenous Lens Considerations**

Saugeen Shores has a rural and small-urban context with multiple settlement areas, limited transit options, unique servicing constraints, and dispersed growth. The Town also includes established shoreline and cottage communities where residents have expressed a preference for maintaining a lower-intensity, non-urban character.

The Town is located within the traditional territory of the Saugeen Ojibway Nation and recognizes the importance of respecting Indigenous rights, interests, cultural heritage, and relationships in planning and land-use decision-making. Staff emphasize the importance of applying both a rural lens and an Indigenous lens to the implementation of Bill 98. Provincial standardization measures designed for large urban centres may have unintended impacts in rural, small-town, cottage-based, and Indigenous-adjacent communities. Flexible approaches, transition periods, and meaningful municipal and Indigenous input are essential

### **Conclusion**

Staff generally support the Province's objectives to increase housing supply and improve approval efficiency. However, staff recommend that Council endorse comments seeking flexibility, clear transition provisions, sustainable infrastructure funding, careful treatment of communal servicing, application of rural and Indigenous lenses, and meaningful municipal and Indigenous consultation during the regulatory phase of Bill 98. Council endorsement will allow staff to formally engage with the Province on behalf of the Town.

### **Linkages**

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Development Services Business as Usual

### **Financial Impacts/Source of Funding**

No costs or revenue is associated with this report.

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Prepared By: Dwayne Evans, Director, Development Services

Approved By: Kara Van Myall, Chief Administrative Officer