

**Remarks by: Karen Nesbitt, Director of
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**Presentation to Standing Committee on
Heritage, Infrastructure and Cultural
Policy**

**Bill 98, *Building Homes and Improving
Transportation Infrastructure Act, 2026***

Thank you Chair, for the opportunity to address the committee today. My name is Karen Nesbitt, and I am Director of Policy and Government Relations at the Association of Municipalities of Ontario, also known as “AMO”. Joining me virtually is Myha Truong-Regan, Associate Director of Policy.

AMO and the 444 municipalities we represent continue to support the province in working towards more consistent and timely approvals that deliver the housing and economic projects Ontarians need and improving how people move across the province. From that perspective, we support the measures in this Bill. And we recognize that many of these proposals reflect feedback that AMO has provided during consultation.

In particular, the changes that ensure water and wastewater systems will remain publicly owned is a positive signal that the government has heard municipalities loud and clear when it comes to ownership of municipal utilities. Similarly, the proposal to exempt not-for-profit retirement homes from development charges is a very targeted approach to DC exemptions that brings policy consistency to how not-for-profit project proponents and their developments are treated under legislation.

In this context, AMO is advancing three recommendations to help the government meet its goal of advancing housing and transportation in Ontario.

1. Balance streamlined planning with flexibility so municipalities can effectively manage growth

We continue to support the governments overarching approach to reduce planning complexity and introduce more standardization. We appreciate the province's collaboration with municipalities, planners and developers to help identify mutually beneficial improvements to the tools municipalities use to plan and manage growth.

The success of policies to standardize official plans, restrict the use of enhanced development standards, and setting minimum lot sizes will depend on finding the right balance between giving certainty to developers, and giving municipalities the flexibility to meet local needs. The province has consulted on all these measures in the past, and AMO, our municipal members, and municipal planners have previously provided feedback on how to ensure the success of these proposals. We strongly encourage the government to build on that existing feedback to find the right policy balance that our sector is seeking.

As an example, while we support the faster approval outcomes the province is seeking to accomplish with these changes, we are concerned about the proposal to allow high-quality encumbered lands, such as publicly available spaces like courtyards, to count towards municipal parkland dedication requirements. This could create conflict between private property owners such as a condo corporation, and public users of the space. This is the type of tension that we strongly encourage the government to engage municipal planning experts on to achieve the right balance.

2. Ensure the Communal Servicing framework does not create unfair advantages for private systems, or long-term liabilities to municipalities

AMO supports policy changes aimed at increasing housing supply and bringing housing units to market faster. Communal water and wastewater systems can be effective in rural contexts where connection to municipal services is not feasible due to the location of new developments and the distance that needs to be traversed to connect to a municipal system.

We are pleased that the consultations underway on a regulatory framework for communal water and wastewater systems address the concerns we raised last year about the need for a framework that standardizes requirements. This will provide the regulatory clarity sought by municipalities and developers.

It will be important to ensure the regulatory framework does not create unfair advantages to developing larger communal water or wastewater systems between municipalities and private developers, to help avoid any long-term risks. These risks include upgrade costs, which can be significant, were these systems to be assumed by municipalities in the future. More broadly, the framework should not impede or conflict with a municipalities' ability to plan for a fiscally sustainable build out of infrastructure in their community.

3. Offset municipal transit fare revenue that will be lost because of transit fare and service integration

Finally, AMO supports proposed provincial transit investments and service integration to drive productivity and reduce congestion. However, sustainable funding remains critical as many transit agencies across Ontario struggle with significant capital and operating deficits.

We are concerned that extending the One Fare program across the Greater Toronto and Hamilton Area could undermine the fiscal health of municipal transit systems if ridership revenue reductions arising from One Fare program adoption are not offset with provincial operational funding.

We recommend that the government commit to providing operational funding to transit agencies whose ridership revenues decline because of participation in the One Fare program.

Conclusion

In closing, AMO supports the province's ongoing efforts to standardize and streamline the tools municipalities use to manage the growth of their communities. At the same time, careful consideration needs to be given to the changes being proposed under Bill 98. Successful implementation of these changes will rely on clarity and predictability, with the right flexibility for local decision-making.

Collaboration with experts on the ground is key to achieving provincial goals. AMO appreciates having the opportunity to speak today, and to continuing to work with the government to evolve the way we manage local growth and transportation.

Thank you.