

## Committee of the Whole (2) Report

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**DATE:** Tuesday, November 12, 2019

**WARD(S):** ALL

**TITLE: PROPOSAL BY THE MINISTRY OF MUNICIPAL AFFAIRS AND HOUSING TO TRANSFORM AND MODERNIZE THE DELIVERY OF BUILDING CODE SERVICES**

**FROM:**

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

**ACTION:** FOR INFORMATION

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**Purpose**

To inform Council that the Ministry of Municipal Affairs and Housing is proposing to make changes to the delivery of building code services that may impact building permit and inspections service delivery to Industry.

**Report Highlights**

- The Ministry of Municipal Affairs and Housing is proposing to transform and modernize the delivery of building code services.
- The Ministry of Municipal Affairs and Housing is seeking feedback from the public on their proposal. Staff are preparing a response on behalf of the City, which will be provided to the Ministry by November 25, 2019.

**Recommendations**

1. That this report be received for information.

**Background**

Ontario's construction regulatory regime is governed by provincial statute, the Building Code Act (BCA), a provincial regulation, the Ontario Building Code (OBC), and municipal by-laws. According to the Building Code Act, Council is legislated to appoint

a Chief Building Official to establish operational polices for the enforcement of the BCA and OBC.

In March 2000, the Minister of Municipal Affairs and Housing (MMAH) established the Building Regulatory Reform Advisory Group (BRRAG). BRRAG was given the mandate to prepare a report and make recommendations setting out a direction for reforming Ontario's building regulatory system. In 2002, a major amendment (Bill 124) was made to the provincial regulatory regime as a result of the BRRAG report.

The Ministry is now considering further amendments to the provincial building regulatory regime. On September 24, 2019 the MMAH released a discussion paper, "Transforming and Modernizing the Delivery of Ontario's Building Code Services". In his letter, the Minister of MMAH states (Attachment #1):

*"Our government has heard from stakeholders about the need for better, modern, and timely services to support the building sector's ability to understand and apply building code requirements. To do this the ministry is proposing to establish a new administrative authority to deliver a suite of enhanced and new user-driven services."*

According to the discussion paper, the proposed administrative authority will be a private, non-profit corporation, that will deliver regulatory programs on a cost-recovery basis. In order to achieve this, the administrative authority would charge fees for directly delivered services and collect a small levy on top of municipal building permit fees. The referenced levy is 0.016% of the construction cost estimate noted on a standard building permit application.

Six (6) key objectives of the transformation and modernization of building code services are noted in the discussion paper and are outlined in the Analysis and Options Section.

According to the discussion paper, the proposed administrative authority would be tasked to provide modern, user-centric services to the building sector and streamline customer service to all people across the Province. The proposed enhanced and new services introduced in the discussion paper are further categorized into four themes and are outlined in the Analysis and Options section.

## **Previous Reports/Authority**

N/A

## **Analysis and Options**

In the consultation stage, the Ministry is seeking public feedback on their proposal to modernize the delivery of Ontario's building code services and transfer service delivery

to an administrative authority. According to the discussion paper, the transformation and modernization of building code services would:

- Strengthen public safety,
- Streamline customer service and approval processes,
- Deliver sector-driven services,
- Provide timely and modern tools and products,
- Promote consistency across the province, and
- Enhance integrity in the system.

The Ministry's discussion paper is organized into four themes that identify concerns that have been raised by stakeholders regarding existing building code services, asks questions about how the services might be improved or enhanced, and proposes potential changes. In addition, the discussion paper outlines areas where there might be a need for new services to be delivered. The four themes are:

1. Theme 1 – Getting people working in the building sector
2. Theme 2 – Promoting sustainability and transparency in the building code profession
3. Theme 3 – Building code administration and enforcement
4. Theme 4 – Improving building sector supports

Based on implementation timelines of past Ministry of Municipal Affairs and Housing initiatives (BRRAG and Bill124), it is expected this initiative is 2 to 4 years away from implementation.

The Building Standards Department is working in collaboration with the Large Municipalities Chief Building Officials Group (LMCBO) on comments to the 40 questions asked in the discussion paper. It is expected that the 44 Chief Building Officials of the LMCBO will be finalizing comments at the upcoming LMCBO fall workshop that runs from November 12<sup>th</sup> to the 15<sup>th</sup>. The Building Standards Department will consider LMCBO's comments prior to finalizing the City's comments to the consultation.

The Building Standards Department will continue to monitor the development of this initiative and position itself to adapt to the resulting legislation. The Chief Building Official will inform Council of any further developments.

### **Financial Impact**

If the government moves forward with these changes, building permit fees may need to be reviewed to meet new legislative requirements.

## **Broader Regional Impacts/Considerations**

N/A

## **Conclusion**

As the initiative is still in the consultation phase, and new legislation has not been drafted, the effect of changes to the provincial building regulatory regime cannot be determined at this point.

The proposed changes to the delivery of building code services may impact current operational and financial models of the Building Standards Department and the construction industry.

The Building Standards Department will continue to monitor the development of this initiative and will position itself to adapt to the resulting legislation. The department will also provide the Ministry with feedback on the proposal to help inform next steps.

## **Attachments**

1. September 24, 2019 letter from the Minister of Municipal Affairs and Housing

## **Prepared by**

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