

## **Update: Facilitating Building Approvals for Modular Construction and Streamlining Toronto Building's Certified Plans Program**

**Date:** March 4, 2025

**To:** Planning and House Committee

**From:** Chief Building Official and Executive Director, Toronto Building

**Wards:** All

### **SUMMARY**

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The purpose of this report is to respond to City Council direction that the Chief Building Official and Executive Director, Toronto Building, review and strengthen processes to facilitate approvals and support permit applicants who are proposing modular and factory-built buildings, and to review and streamline Toronto Building's Certified Plans Program.

Toronto Building's Certified Plans Program allows applicants to have a proposed building design reviewed by Toronto Building against the Ontario Building Code (the Code) for the purpose of repeated use in the city. If it is determined that the design meets the Code requirements and is "certified" by Toronto Building it can be used repeatedly by the applicant in the city with subsequent permit applications without having to undergo full code review; site-specific reviews, such as zoning bylaw confirmation, are still required.

The Certified Plans Program has largely been used to date by applicants seeking approvals for tents and portable classrooms. Toronto Building has now expanded the program to include plans for solar domestic hot water systems, garden suites, laneway suites, houses, multiplexes, and other residential building types including modular modes of construction. By taking advantage of the Certified Plans Program, builders can avoid delays in the building permit review process and reduce unnecessary design fees and engineering costs.

Toronto Building has also taken actions to support permit applicants and manufacturers of modular and factory-built construction. Where factories are certified to a Canadian Standards Association (CSA) industry standard "CSA A277, Procedures for Factory Certification of Buildings", the City will no longer conduct inspections of buildings at the manufacturers' facilities. Building inspectors will rely on the Canadian Standards

Association Standard, resulting in time and cost saving opportunities for both the manufacturer, permit applicants and Toronto Building Inspectors.

The actions taken by Toronto Building in response to industry feedback to reduce design costs and timelines will make it easier for builders, designers, and homeowners to build more housing units in the city faster.

To support successful implementation of these service changes, Toronto Building has also reviewed and revised applicable forms, developed client-facing materials, and is in the process of training staff. The Division will continue to engage with the industry, as requested by City Council, to address Building Code-related challenges that may be impeding the design and construction of “missing middle” housing and report to the Planning and Housing Committee in the third quarter of 2025.

## **RECOMMENDATIONS**

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The Chief Building Official and Executive Director, Toronto Building recommends that:

1. The Planning and Housing Committee receive this report for information.

## **FINANCIAL IMPACT**

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There are no financial implications resulting from the recommendations included in this report.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

## **DECISION HISTORY**

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At its meeting on April 17th and 18th, 2024 City Council adopted item [2024.PH11.21](#) - "Taking Action to Accelerate Modular and Rapid Build Construction in Toronto". City Council directed the Chief Building Official and Executive Director, Toronto Building to:

1. Review and strengthen guidelines, checklists, and other tools that help facilitate approvals and support permit applicants who construct buildings partially or completely off-site in a manufacturing facility, and are then transported to a property and assembled in the City of Toronto, undertake consultation with industry stakeholders as part of this process, and report back to the Planning and Housing Committee by the end of the third quarter of 2024; and
2. Review and streamline Toronto Building’s current program which provides certification that building plans meet the requirements of the Ontario Building Code (without site specific information), and report back to the Planning and Housing

Committee with any necessary Toronto Municipal Code amendments by the end of the third quarter of 2024.

At its meeting of July 24 and 25, 2024, City Council adopted item [2024.PH14.7](#) - "Single Exit Stair: Ontario Building Code Feasibility Study". City Council requested that the Chief Building Official and Executive Director, Toronto Building, continue to engage with industry stakeholders to identify further opportunities to address Building Code-related challenges that may be impeding the design and construction of "missing middle" housing beyond land use planning policy, while addressing safety considerations for both building occupants and first responders, and to report back to the Planning and Housing Committee with recommendations no later than the third quarter of 2025.

## COMMENTS

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The comments in this report provide the Planning and Housing Committee with updates on two areas where Toronto Building has taken action to support rapid build construction in Toronto: modular (factory-built) construction, and certified plans.

### **1. Expediting Inspections of Site Assembled and Factory-Built Buildings (Modular)**

Site assembled and factory-built construction involves the construction and assembly of buildings partially or completely offsite, also known as prefabricated or modular construction. Modules and panels are then transported to the site for final assembly. Site assembled and factory-built buildings are often employed as a way to build in a more time- and cost-effective manner.

The Code sets out province-wide technical and administrative requirements for the construction, renovation, change of use and demolition of buildings in Ontario. The Code references standards from other codes and Canadian standards development organizations on a range of matters from fire safety to accessibility. Standards are helpful for designers and building officials as they are an efficient way to provide up-to-date technical expertise. Standards only have force and effect when the standard is referenced in the Code.

Where the Code references a Standard, a construction is deemed to comply with the Code if it is designed and constructed in compliance with the Standard. This option for Building Code compliance exists for site assembled and factory-built buildings when they are designed and constructed in accordance with Canadian Standards Association (CSA) Z240.2.1., "Structural Requirements for Manufactured Homes" or CSA A277 "Procedures for Factory Certification of Buildings" (the CSA A277 Standard).

A revision to The Ontario Building Code which came into effect in July 2022 references the most recent CSA A277 Standard. The Standard specifies the procedure for certification of prefabricated buildings, and partially or fully enclosed modules and panels for buildings of any occupancy. The Standard provides requirements for:

- certification of the factory quality program
- certification of the prefabricated product
- auditing of the factory quality program
- in-factory inspection of the prefabricated product

## **Industry Engagement**

This past Fall, Toronto Building staff hosted a roundtable discussion with building industry representatives, including modular builders and manufacturers. The goal of the engagement was to understand how Toronto Building could leverage or improve upon its existing processes, or develop new processes, to facilitate the construction of modular buildings in Toronto.

During the roundtable discussion, participants shared the utility of the CSA A277 Standard for modular construction where it is recognized by municipalities. They indicated that not all municipalities were familiar with the Standard and the benefits for streamlining the approvals and inspection processes.

Industry representatives also identified that Toronto Building's multi-year Program Review initiative - moving from a district-based to functional organizational model delivering services city-wide and streaming applications based on complexity and customer need - has strengthened customer service and is supporting the industry through the approvals process. The organizational transformation of the Division was completed in 2024 and additional process and efficiency programs will continue.

## **Streamlining Inspections for Factory-constructed Buildings**

In response to the industry feedback, Toronto Building has now implemented a process to recognize factories certified to the current CSA A277 Standard. As a result, a building inspector is no longer required to visit a manufacturing facility to confirm compliance with the Ontario Building Code; the process for modular buildings constructed in these facilities is now like other building products that are certified and installed in buildings, such as windows and doors.

This change will facilitate the construction of modular builds by providing time-savings to the industry. It supports the City's rapid building initiatives by enabling both public and private developers to take advantage of the CSA A277 Standard. Efficiencies for Toronto Building will also be achieved by reducing the travel time for inspectors who would otherwise be required to travel to the warehouses for inspections, allowing for time to be spent on value-added initiatives.

Toronto Building will evaluate program uptake by monitoring the number of projects employing modular methodology which are or are not certified through the CSA A277 Standard. Additional metrics will be collected on timelines to completion and inspection.

The Division will also continue to support and work directly with applicants who are not working with producers of products certified to the CSA A277 Standard.

## **2. Certified Plans Program**

Certified plans provide an opportunity for designers, builders, and property owners to replicate buildings more easily by submitting a set of building plans to the City to have the plans pre-reviewed for compliance with the Ontario Building Code. Some jurisdictions create a "catalogue" of certified plans available for public use, while others (including Toronto), allow for designers, builders, or manufacturers to obtain certification of their own plans. Owners of the plan may then apply for a building permit in Toronto using this pre-reviewed design. Certifying a plan provides applicants certainty that subsequent applications of the same design will not require additional code review, resulting in savings for both time and design costs. Zoning By-law and other applicable laws still require verification. Toronto Building's current Certified Plans Program is primarily used by applicants for the repeated use of tents and portable classrooms using a standard design. The expanded program will include solar domestic hot water systems, accessory dwelling units, such as garden suites and laneway suites, houses, multiplexes, and other residential building types.

The Program's fee structure reflects the reduced labour cost without the need for a new Building Code review. It allows for an upfront fee to certify the plan (\$8.93/square metre.), and a reduced permit fee for additional construction of structures using the already certified plan (\$15.14/square metre as opposed to \$17.85/square metre).

### **Industry Engagement**

In addition to the discussion with the building industry on opportunities for streamlining modular building approvals, Toronto Building staff also concurrently engaged with the industry on opportunities to strengthen the existing Certified Plans Program. While primarily discussed in the context of further expediting modular construction, feedback from participants identified the benefits of expanding Toronto Building's existing Certified Plans Program to include a wider range of building types, and the need to strengthen communications with designers and builders about the program.

### **Expansion of the Certified Plans Program**

In response to industry feedback and to provide programs that allow housing construction to proceed faster, in accordance with the Ontario Building Code, Toronto Building is expanding its Certified Plans Program so that clients are able to certify plans for solar domestic hot water systems, houses, garden and laneway suites, multiplexes, and other residential building types, including those built using modular methodology. This expansion further supports designers and builders who are constructing buildings considered by other City initiatives like the Expanding Housing Options in Neighbourhoods (EHON).

Customers who certify their plans with Toronto Building will be able to apply for a permit using their certified plan at a reduced fee and with an expedited timeline of 10 business days or sooner to permit issuance. Toronto Building will proactively audit plans which have been certified to identify Building Code changes which might impact compliance, and customers will have the opportunity to update their plans to maintain their certification.

There are no Toronto Municipal Code amendments required to enable this service change. The existing fee structure for certifying plans already includes a reduced permit fee for using a certified plan, to account for staff review of site-specific issues (e.g., limiting distances, fire access issues, grading, etc.).

Toronto Building will also be monitoring the volume of permits issued through an expanded Certified Plans Program by building type and the Division will implement any administrative changes to strengthen the Program's effectiveness. Toronto Building will continue to work with City Planning Division on its Garden Suite Monitoring Program to identify and address any additional challenges with building approvals.

Expansion of the Certified Plans Program is aligned with Toronto Building's service delivery transformation, which allows for more consistent processes and agile response to City priorities. To support the Certified Plans initiative, dedicated staff will be assigned to the review of certified plans. Toronto Building has identified points of contact for pre-application questions, allowing for an efficient and effective communication process between the applicant and Toronto Building staff. To the same end, a public-facing guideline is under development. The Program expansion will be widely communicated to industry and the public through an awareness campaign in the spring and through Building Safety Month in May.

## **Preparing for a National Design Catalogue**

In early-2024, the federal government launched a program to develop a national Housing Design Catalogue of designs to simplify and accelerate housing approvals and reduce design costs. While the designs would be developed to be compliant with the Ontario Building Code, each property would still need to be evaluated for zoning compliance and other site-specific issues.

In late-2024, the federal government announced that a proponent has been selected to deliver Ontario-specific designs for row houses, fourplexes, sixplexes, and accessory dwelling units. The Canada Mortgage and Housing Corporation (CMHC) has also stated that the permit-ready design packages will be available in early-2025. The packages will include all the necessary drawings, specifications, documents for how each design will be constructed and perform, and detailed construction cost estimates. Toronto Building has designed the expanded Certified Plans Program to support any applicant who will be applying for a building permit with a design from the national Housing Design Catalogue, with Certified Plans Program fees. Similar to certified plans, staff review of site-specific issues will be required. The Certified Plans Program also helps support City commitments under the Housing Accelerator Fund (HAF) which is focused on creating more housing faster in neighbourhoods across Toronto.

## Conclusion

This staff report provides an update on the direction for Toronto Building to engage with industry regarding streamline and strengthen processes pertaining to modular building and certified plans. In response to feedback during this engagement, the Division has implemented process changes. Having transitioned from a district-based to functional organizational model delivering services city-wide, the Division has also implemented a client-centric service delivery approach by streaming applications based on complexity and customer need to improve service and overall performance and speed up housing approvals. Further industry engagement is planned on code-related challenges to the construction of housing in the city, and as directed by City Council, Toronto Building will be providing an update to Planning and Housing on this work by third-quarter 2025.

## CONTACT

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## SIGNATURE

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