

Deferred Development Charges

The Development Charges Act, 1997, (DCA) has been amended to allow for payment of the development charges for **non-rental residential developments** to be deferred from building permit issuance to either:

- a) before issuance of an Occupancy Permit, or
- b) before first occupancy of the building.

No other permit related fees, other than development charges for non-rental residential developments, can be deferred.

How do I defer Development Charges for my project?

The owner must elect the deferral option on the Development Review form at the time of the building permit application; deferral cannot be requested after permit issuance.

Alternatively, the full development charges can be paid at the time of permit issuance.

What buildings are eligible for deferred development charges under s. 26.1 (3.1)?

DCA s. 26.1 (3.1) allows builders to choose to defer municipal DCs for all non-rental residential buildings:

- Non-rental residential (or in other words, ownership) buildings where the applicant has selected the s. 26.1 (3.1) deferral.
- In mixed-use projects, the requirement of 26.1 applies to the portion of the building containing the non-rental residential units for which DCs are deferred. There are no changes to existing residential rental deferred DCs.

What are the Ontario Building Code changes related to deferred Development Charges?

All buildings subject to a non-rental residential DC deferral under DCA s. 26.1 (3.1), will require an occupancy permit. These changes come into effect for building permits for non-rental residential buildings issued after filing of the amendment to Ontario's Building Code on November 3, 2025. See OBC for occupancy amendments in Division C.

What constitutes payment of Deferred DCs?

'Payment' means full remittance of the deferred DCs owing for the non-rental residential portion. The payment must be paid in full and validated before Occupancy can be granted.

Applicants are encouraged to coordinate payment timing (i.e. clearing of cheques/payments) with City staff to avoid construction delays.

Things to consider:

- Allow for approx. 30 days for cheques to be cleared.
- Consider paying with Certified Cheque or Bank Draft for faster turn around, allowing for only administration time.

For projects where a valid s. 26.1 (3.1) deferral is selected, the building cannot be occupied until an occupancy permit is issued, and the CBO must withhold the occupancy permit until the municipality confirms full payment of all deferred municipal DCs.

The City will not grant Occupancy in any capacity where the full Development Charges have not been paid and validated.