

Development Charges Deferral for Ground-Related Residential Buildings Policy

Approved By: Regional Council

Approved On: June 26, 2025

Policy Statement

A policy governing the deferral of Regional development charges and area-specific development charges for ground-related residential buildings.

Application

This deferral is available for ground-related residential buildings in York Region subject to the terms and conditions set out in this policy.

Purpose

This policy establishes the rules and practices for deferring development charges on ground-related residential buildings.

This policy also supports York Region's goal of building complete communities and could achieve the following outcomes:

- Encourage 'place-making' through a mix of uses
- Encourage family sized residential build forms

Definitions

Act: The *Development Charges Act*, S.O. 1997, c. 27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.

Development: The construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or changing the use from non-residential to residential or from residential to non-residential and includes redevelopment.

Development charges: The Region's development charges, including any area-specific development charges.

Ground-related residential building: Any residential building that would not qualify as a high-rise residential, under the associated Development Charges Deferral for High-Rise Residential Buildings Policy, as amended.

Description

1. Development Charges Deferral Agreement

If a ground-related development is a residential plan of subdivision under section 51 of the *Planning Act*, R.S.O. 1990, c. P.13, development charges for hard services (e.g., water, wastewater and roads) would ordinarily be due at the time of entering into a subdivision agreement.

Any developer wishing to defer the development charges for a ground-related residential building that are ordinarily due at subdivision agreement, must enter into a development charges deferral agreement with the Region and provide a form of security that is acceptable to the Region.

2. Duration of Deferral

The term of the deferral of development charges for ground-related residential buildings is until the first building permit for the ground-related building is issued by the local municipality.

3. Development Charges Rates

The development charges rate will be the amount determined under the applicable Regional development charges bylaw, or area-specific development charges bylaw, on:

- a) Day of building permit issuance for:
 - i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for a ground-related residential building prior to January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the *Planning Act* prior to January 1, 2020

- OR -

- b) Day application is deemed complete for:
- i. Applications submitted for approval of a development in a site plan control area under subsection 41 (4) of the *Planning Act* for a ground-related residential building including and after January 1, 2020, or
 - ii. Applications submitted for an amendment to a bylaw passed under section 34 of the *Planning Act* including and after January 1, 2020

For greater clarity, if clause b(i) or b(ii) does not apply to a ground-related residential building that is seeking to defer development charges including and after January 1, 2020, the development charges rate is determined on the day the development charges are payable in accordance with section 26 of the Act.

4. Development Charges Payable

The amount of the development charges payable to the Region, as required under the Act, will be based on the rates determined under Term '3' of this policy multiplied by the number of dwelling units in the ground-related residential building(s), which will be determined on the day that the developer enters into a development charges deferral agreement with the Region.

5. Unpaid Development Charges

In no event will the clearance for building permit issuance be granted prior to payment in full being received. If any development charges are unpaid within 15 business days immediately following the end of the development charges deferral timeframe, those development charges payable will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

6. Security

The Region may accept the following as security, at the Region's discretion:

- A form of security will be taken and registered against the title to the land at the execution of the development charges deferral agreement with the Region. The Region's security interest will always be, at minimum, *pari passu*, or of equal footing, to that of the local municipality offering a similar, if not better, deferral of development charges; or
- A Pay-On-Demand Surety Bond, subject to Region's Surety Bond Policy, as amended, revised, re-enacted or consolidated from time to time; or
- A Letter of Credit, subject to the Region's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time.

7. Interest Waiver

No interest will be charged for the duration of the deferral (i.e., from date of the deferral agreement to the date the first building permit for the subdivision is issued)).

For greater clarity, this term has no effect on any interest charged in accordance with Region's Development Charge Interest Policy - Under sections 26.2 and 26.3 of the Act, as may be amended by Regional Council from time to time.

8. Other Agreements Required

To take advantage of this policy, the developer must enter into a development charges deferral agreement with the Region.

In addition, the developer will enter into other agreements as required by the Regional Solicitor and General Counsel, if a Letter of Credit or Pay-on-Demand Surety Bond is not used. Those include, but are not limited to:

- Charge
- Assignment of Rents
- Restrictive Covenant
- Pari Passu Agreement
- General Security Agreement
- Other agreement(s) as deemed necessary

9. Legal and Administration Fees

The developer will pay all legal fees of the developer and Region, including any costs incurred by the Region to prepare and register any other agreements required by the Regional Solicitor, and other associated administration fees.

10. Local Participation

The Region will only enter into a development charges deferral agreement if the local municipality has provided a similar, if not better incentive for the proposed development.

It will be up to the Commissioner of Finance and/or the Chief Administrative Officer, in consultation with the Commissioner of Corporate Services, to decide what constitutes "similar, if not better", and this includes, but is not limited to:

- Whether there is a prescribed timeframe for incentive, and what that is
- Whether interest is waived for any deferral
- Other incentives that may be provided, be they financial or otherwise

11. Report Back to Council

Staff will report back to Council annually on the uptake of this policy.

12. Effective Date

This policy will take effect the day it is passed by Regional Council and will be retroactive to April 3, 2025.

[NOTE: This policy will be automatically repealed the day that Section 4 of Schedule 4 to Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, takes effect.]

Responsibilities

Chief Administrative Officer, York Region

- Responsibilities as identified under the Terms of this policy
- Signing of agreements

Commissioner of Finance and Regional Treasurer

- Responsibilities as identified under the Terms of this policy
- Signing of agreements

Regional Solicitor and General Counsel

- Draft and prepare for execution the deferral agreement between the Region and the developer
- Draft and prepare for execution any additional agreements required
- Registration of security on title

Commissioner of Corporate Services

- Responsibilities as identified under the terms of this policy

Director, Treasury Office, Finance Department

- Administer and enforce the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the development charges rates to be applied, and the development charges payable
- Collect all development charges when due

Director, Corporate Shared Financial Services, Finance Department

- Process the draw upon the letter of credit or pay-on-demand surety bond

Delegation of responsibilities

- As appropriate, and as permitted, some responsibilities identified in this policy may be delegated to a designate(s)

Compliance

The **Director, Treasury Office**, shall ensure compliance with the Act, the development charges bylaw, this policy and all other legislative requirements.

Reference

Legislative and other authorities

- [Development Charges Act, 1997, S.O. 1997, c. 27](#)
- [Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025](#)
- [Ontario Regulation 82/98](#)
- [Council Report, 2026 Development Charges Bylaw – Update, June 26, 2025](#)
- [Letter of Credit Policy, February 23, 2023](#)
- [Surety Bond Policy, June 26, 2025](#)
- [Fees and Charges for Services and Activities Bylaw 2020-04](#)

Contact

Title	Director, Treasury Office
Branch	Treasury Office
Department	Finance Department

Approval

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