

Development Charges Deferral for High-Rise Residential Buildings

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 high-rise residential buildings that are a minimum of four storeys above grade.

Application

This policy is available for high-rise residential buildings in York Region subject to the terms and conditions set out in this policy. To be eligible, the building must be a minimum of four storeys above grade.

Purpose

The purpose of this policy is to establish the rules and practices for deferring development charges on high-rise residential buildings that are a minimum of four storeys above grade.

This policy will also support York Region's goal of building complete communities and aims to assist in achieving the following outcomes:

- Encourage 'place-making' through a mix of uses
- Encourage higher density residential built forms
- Promote live/work

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.

High-rise residential: As defined under the Region's Development Charges Bylaw No. 2022-31, or any successor development charges bylaw. Only for the purposes of this deferral policy, any stacked townhouse development, with below grade parking, would be eligible for this deferral.

Storey: A portion of a building that is above grade and is situated:

- a) Between the top of any floor and the top of the floor next above it, or
- b) Between the top of the floor and the ceiling above the floor, if there is no floor above it

Description

1. Development Charges Deferral Agreement

Upon site plan approval and prior to building permit issuance, any developer wishing to defer development charges for high-rise residential buildings that are a minimum of four storeys above grade, or less than four storeys if they are a stacked townhouse with below grade parking, must enter into a development charge deferral agreement with the Region and provide a form of security acceptable to the Region.

A development charges deferral agreement will only be executed by the Region provided that the developer can immediately upon execution of the agreement attain building permit issuance by the local municipality.

2. Duration of Deferral

The deferral of development charges for high-rise residential buildings will begin the day of building permit issuance by the local municipality and will end the earlier of:

- 48 months after first building permit issuance for the high-rise residential building, or

- When the condominium is registered pursuant to the *Condominium Act, 1998*, S.O. 1998, c.19

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 high-rise 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 high-rise 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 high-rise residential building 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 high-rise residential building, which will be determined on the day that the developer enters into a development charges deferral agreement with the Region.

5. 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 the 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.

6. Interest

No interest will be charged for the first 24 months of the development charges deferral.

After 24 months, all interest will be calculated using the development charges payable in Term '4' of this policy. The period for the interest calculation will begin after the 24th month of the deferral and continue until the date the development charges are fully paid.

All deferred development charges will bear interest at the prime rate charged by an agreed upon 'Schedule I' commercial bank, wholly owned and operated in Canada. The interest rate charged will be the rate as at the beginning of the 25th month of the deferral. All interest will accrue and be compounded annually.

If unpaid development charges are added to the tax roll (Term '8'), interest will continue to accrue and be compounded until all outstanding charges are fully paid.

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.

7. Mixed-Use Buildings

In the case of a mixed-use building, this policy will apply as follows:

- a) Each component of the structure will be deferred in accordance with the applicable policy:
 - i. Satisfying the separate security requirements, and
 - ii. Satisfying the need for a separate development charges deferral agreement, or

- b) The entirety of the building may be deferred based on the predominant residential use and in accordance with the applicable residential policy.

8. Unpaid Development Charges

If any development charges payable (including any interest) are unpaid within 15 business days immediately following the end of the development charges deferral timeframe, those development charges (including interest) will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

If unpaid development charges are added to the tax roll, interest will continue to accrue and be compounded until all outstanding total charges are fully paid (development charges plus interest).

9. 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

10. 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.

11. 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

12. Report Back to Council

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

13. 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, Finance Department

- 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
- Notify, through the Commissioner of Finance, to the Treasurer of the local municipality if development charges are not paid/received within the prescribed timeframe and to have said charges added to the tax roll

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

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](#)

Contact

Title	Director, Treasury Office
Branch	Treasury Office
Department	Finance Department

Approval

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