



# Development Charges Changes to Payment

## ? What are development charges?

A fee charged by the City to recover capital costs associated with residential and non-residential growth. Development charges do not pay for operating costs or infrastructure renewal.

### Who pays?

The owner of the land that develops or redevelops the land, or any building or structure on the land.



### When are development charges calculated and paid?

For all development types, except those associated with Site Plan or Zoning By-law Amendment applications, the development charge is calculated and collected on the date a building permit is issued.

Effective January 1, 2020 changes to the **Development Charges Act** were made related to the timing and calculation of development charge payments as part of the **More Homes More Choice Act**.

## ! New exceptions:

### Site Plan or Zoning By-law Amendment Applications

The development charge rate is calculated the day a complete application is received.

The development charge rate is then frozen from the date of application approval for a period of up to two years.

If a building permit has not been issued within the two year frozen period following application approval, the DC rate will revert back to the charges in effect on the date a building permit is issued.

Interest applies when a building permit has been issued within the frozen period. Interest shall accrue from the date the complete application is received.





# Deferred development charge types

**Rental housing** (not non-profit) and **Institutional** – (includes long-term care homes, retirement homes, specific post-secondary institutions, Royal Canadian Legion facilities, and hospices)

Pay in six annual instalments beginning on the date the building is first occupied and continuing on the following five anniversaries of that date.

### Alternative payment agreement options

Owners may choose to enter into an alternative payment agreement with the City and pay in full on the date the building permit is issued.

### Non-profit housing

Pay in 21 annual instalments beginning on the date the building is first occupied and continuing on the following 20 anniversaries of that date.

### Alternative payment agreement options

Owners may choose to enter into an alternative payment agreement with the City and pay in full when the building permit is issued or pay in full on the first or second year anniversary date that the building permit was issued.



### Interest charges

Interest is accrued from the date the development charge is calculated until the final payment is received. Interest is to be paid on each annual instalment until the final payment is received.



### Notice of occupation

An owner required to pay a development charge that is eligible as a deferred development type, shall notify the Chief Building Official within five business days of the building or part thereof first being occupied.



### Failure to provide notice

For deferred development types, if an owner fails to provide notice of occupation within five business days, the development charge, including any applicable interest, shall be paid immediately.



### Change in Development Type

If any part of a deferred development type is changed so that it no longer meets the criteria for deferred payment instalments, the remaining development charge, including interest, shall be paid immediately.

Learn more  
at [london.ca/dc](http://london.ca/dc)



## Contact:

### Development Finance for DC Study and Growth Forecasts

519-661-CITY (2489) x 7335 or [gmis@london.ca](mailto:gmis@london.ca)

### Building Division for Administration of DC By-law

519-661-4555 or [building@london.ca](mailto:building@london.ca)

### City Planning for Community Improvement Plans

519-661-4980 or [planning@london.ca](mailto:planning@london.ca)



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