



# 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.

### Growth costs are recovered to:



build new  
infrastructure  
supporting  
growth



pay down  
existing debt for  
past growth  
works



avoid taxpayers  
paying for costs  
that serve  
growth

Development charges assist in financing capital projects required to meet the increased need for services resulting from growth and development. They may only be used for the purpose for which they are collected.

### 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**.





# 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 be calculated on the date a building permit is issued.

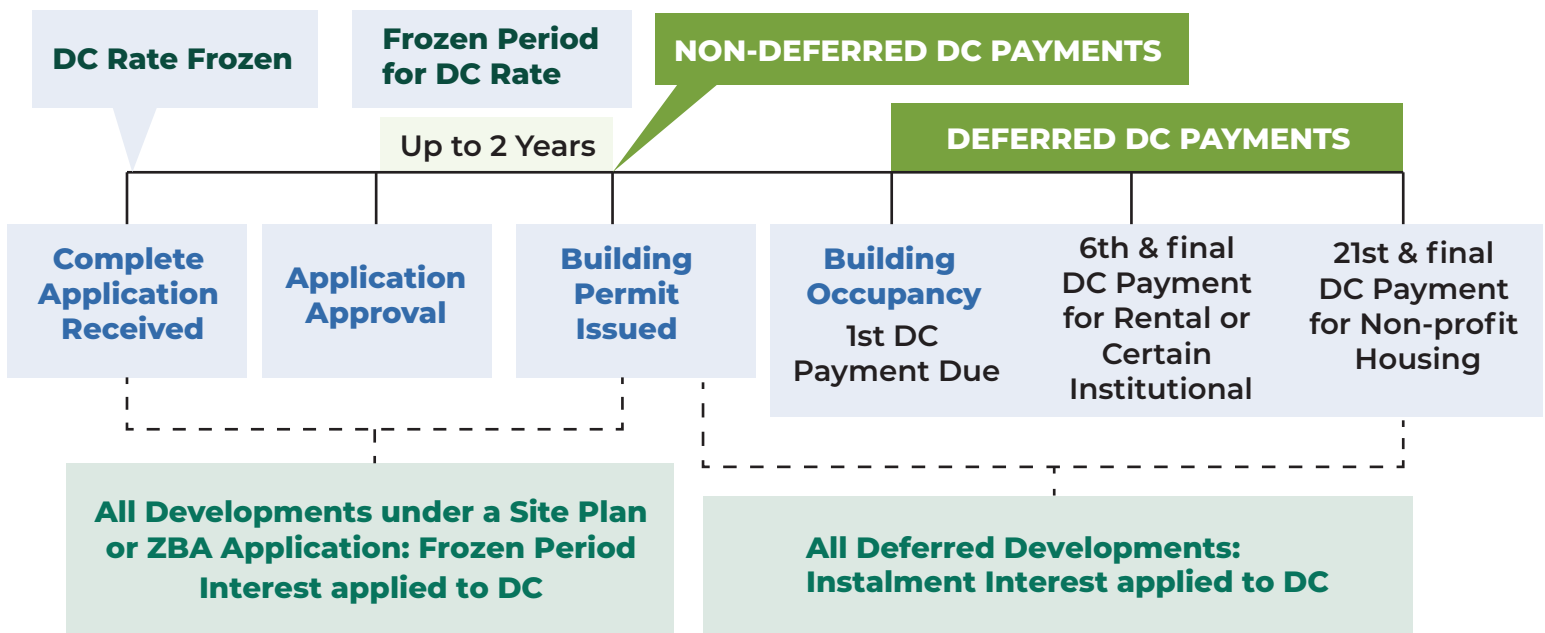


## Frozen Period Interest Charges

Frozen Period Interest will be applied when a building permit has been issued within the frozen period and shall accrue from the date a complete application is received until the building permit is issued.



## Development charges timeline





## Deferred development charge types

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

Owners are required to 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**

Owners are required to 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.



### **Instalment Interest Charges**

Interest is paid on each annual instalment and is accrued from the date the building permit is issued until the final payment is received.



### **Notice of occupation**

When the building, or part thereof, is able to be occupied, the owner shall schedule an interior final or partial occupancy inspection with the City's Building Division. At this point, the owner is required to pay the first annual DC instalment, including interest, to the Building Division. Owners shall receive an annual invoice in the mail for the remaining instalments.



### **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](https://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)

### **Planning & Development for Community Improvement Plans**

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



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