



Development Charges in London

? What are development charges?

Development charges are fees collected to help pay for the cost of growth infrastructure required to service new development, such as roads, transit, water and sewer infrastructure, community centres and fire, police and library facilities. 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



limit 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?

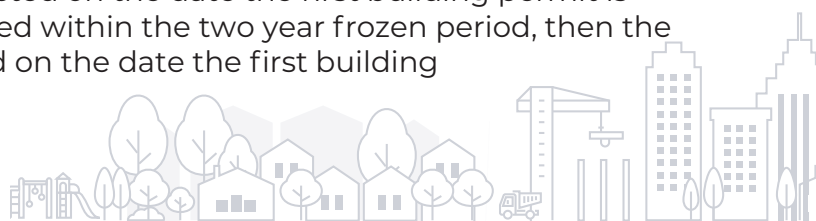
For all development types, except those associated with Site Plan or Zoning By-law Amendment applications, the development charge is calculated and collected on the date the first building permit is issued.

For Site Plan or Zoning By-law Amendments, the development charge rate is calculated the day a complete application is received and frozen from the date of application approval for a period of up to two years.

For Site Plan, an application approval is defined as the day a letter for conditional site plan control has been issued.

For Zoning By-law Amendments an application approval is defined as the day the zoning is in force and effect under the *Planning Act*.

If a building permit has been issued within the two year frozen period following application approval, then the development charge is collected on the date the first building permit is issued. If the building permit has not been issued within the two year frozen period, then the development charge is calculated and collected on the date the first building permit is issued.





Deferred development charge types

Rental housing (not non-profit) and certain **Institutional** developments (includes but not limited to long-term care homes, retirement homes, certain post-secondary institutions, Royal Canadian Legion facilities, and hospices) are required to pay DCs in six annual instalments beginning on the date the building is first occupied and continuing on the following five anniversaries of that date.

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 for the remaining instalments.

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



Interest Charges

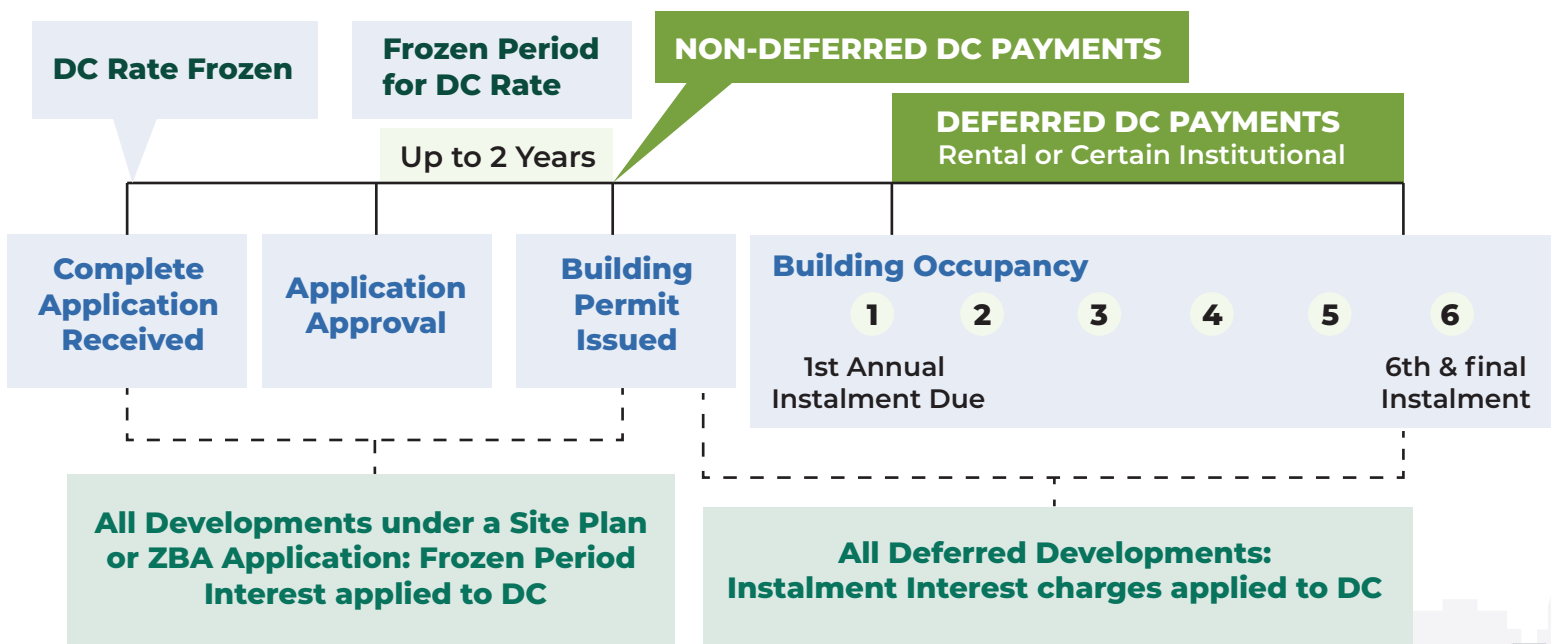
Frozen Period Interest will be applied when a building permit has been issued within the frozen period and shall accrue from the date a complete application is received until the building permit is issued.

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

Interest rates are based on the lowest average prime rate from major Canadian banks plus 1% for the respective interest period.



Development charges timeline





Development Charge Exemption & Discount Highlights



Non-profit Housing developments intended for residential use by a registered non-profit corporation in good standing are exempt from development charges.



* **Affordable Housing Rental developments** where the rent is no greater than 80% of the current average market rent and the tenant is dealing at arm's length with the landlord are exempt from development charges subject to an agreement to remain affordable for 25 years.



* **Affordable Housing Ownership developments** where the price is no greater than 80% of the current average purchase price and the residential unit is sold to a person at arm's length with the seller are exempt from development charges subject to an agreement to remain affordable for 25 years.



* **Attainable Housing Ownership developments** that do not fall under the Affordable Housing category, are not rented, are developed as part of a prescribed development and sold to a person at arm's length with the seller are exempt from development charges subject to an agreement.

* Affordable and Attainable Housing sections are currently not in force and effect while awaiting proclamation



Discount for new residential rental housing developments which contain 4 or more units are discounted as follows:

- 3+ bedroom units reduced by 25%;
- 2 bedroom units reduced by 20%; and
- 1 bedroom units reduced by 15%.



Exemption for existing rental residential buildings with four or more units where the creation of the greater of one unit or 1% of the existing residential units are exempt from development charges.

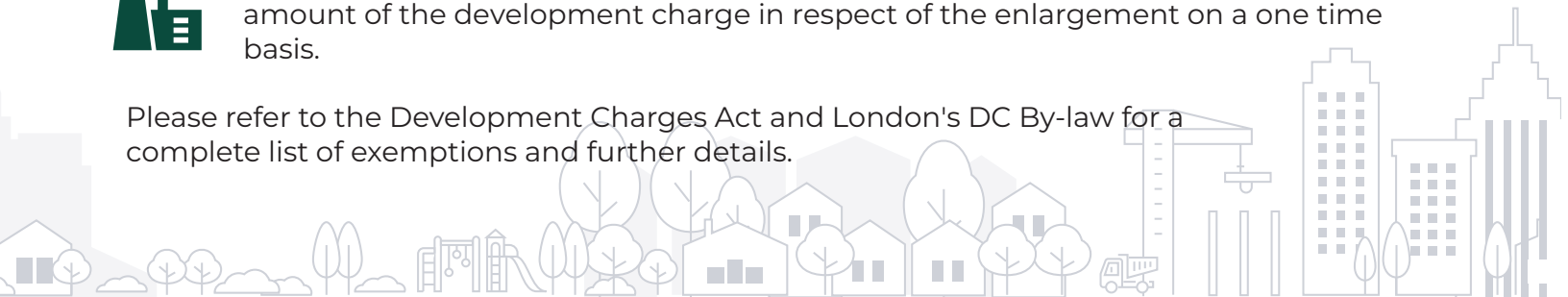


Various exemptions for additional residential units in existing and new houses.



Existing Industrial buildings that are enlarged by 50% or less are exempt from the amount of the development charge in respect of the enlargement on a one time basis.

Please refer to the Development Charges Act and London's DC By-law for a complete list of exemptions and further details.



Learn more
at london.ca/dc



Contact:

Development Finance for DC Study

519-661-CITY (2489) x 7335 or devfinance@london.ca

Building Division for Administration of DC By-law

519-661-4555 or building@london.ca

Planning and Development for CIPs and Growth Forecasts

519-661-4980 or planning@london.ca

Please note: Brochure content is for information purposes and should not be considered to be an interpretation of the Development Charges Act, London's current DC By-law or a determination of charges, if any, that may apply to any specific application to a proposed development.



London
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