

SUBJECT: Deferred development charges to occupancy

TO: Pipeline to Permit Committee

FROM: Development and Growth Management
Building

Report Number: DGM-101-25

Wards Affected: ALL

Date to Committee: November 13, 2025

Date to Council: November 18, 2025

Recommendation:

Receive for information development and growth management report DGM-101-25 regarding deferred development charges to occupancy.

Executive Summary

Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025*, amended the *Development Charges Act, 1997* (DCA) and the Ontario's Building Code (OBC) to provide for payment of the municipal/local/lower tier and regional/upper tier portion of development charges (DCs) for non-rental residential developments to be paid prior to or at occupancy rather than upon building permit issuance.

Purpose of report:

- To provide an update on the implementation of Bill 17 with respect to the deferral of development charges to occupancy.
- Ontario Large Municipalities Chief Building Officials (OLMCBO) and Ontario Building Officials Association (OBOA) is sharing their professional perspective in relation to when the deferred development charges should be paid to ensure that homeowners and builders are not impacted on closing day/occupancy inspection.

Key findings:

- Development charges for residential projects (other than rental housing) are now due later in the construction process. Other related fees (building permit, educational DC's, parkland fees and community benefit fees) are still payable prior to building permit issuance.
- A municipality cannot issue the occupancy permit until the municipality confirms the deferred development charges are paid in full.
- Municipalities will be allowed up to 10 business days to complete the occupancy inspection for these developments in order to allow time for processing of the payment of deferred development charges.
- Payment of deferred DC's are to be made prior to the occupancy permit issuance rather than upon building permit issuance.
- This deferral aims to reduce upfront costs for developers, potentially improving their cash flow.
- The City will continue to charge interest on frozen DC rates from the Deemed Complete date of site plan to building permit issuance, as per section 26.2(1) and 26.2(3) of the DCA. These provisions are unaffected by Bill 17. The City will not charge interest from building permit issuance to occupancy. The DC payable amount will continue to be calculated at building permit issuance, and that will be the amount due at occupancy.
- This is a timing change only for collection of municipal development charges where the applicant elects for deferral. Construction requirements determining when a building is safe for occupancy are also unchanged.

Implications:

- Municipalities will receive development charge revenue later than before, which could impact their short-term ability to fund growth-related infrastructure projects.
- Municipalities are currently updating their permitting/financial systems.

Information Report

Background

- The provincial government introduced Bill 17 on May 12, 2025, and fast tracked it through the legislature. The provincial government passed Bill 17 and it received Royal Assent on June 5, 2025. Bill 17 is an omnibus bill that is intended to speed up the construction of new homes and infrastructure by streamlining development processes and reducing costs.
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Status

- The provincial government issued a commencement order to bring these regulatory changes to the *Development Charges Act, 1997* (DCA) and the Ontario's Building Code (OBC) into force on November 3, 2025.
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Key Dates & Milestones

- Commencement Order issued November 3, 2025
 - AMANDA database - new DC workflow - commenced/ongoing
 - AMANDA database - new occupancy folder - commenced/ongoing
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Implications

- Municipalities will receive development charge revenue later than before, which could impact their short-term ability to fund growth-related infrastructure projects. Average deferral period of two to three years from the time of building permit issuance to the time of occupancy. While these funds will ultimately be recovered, the delayed revenue will affect the City's short-term financial capacity to deliver additional critical growth-related infrastructure and will require the City to reprioritize planned capital projects.
- Municipalities are currently updating their permitting/financial systems to address the deferral of non-rental development charges from the building permit issuance stage to the occupancy stage.
- Staff are currently reviewing the conditions of site plan and condominium to ensure developers and purchasers are aware that an occupancy permit, regardless of the whether or not the unit is "move-in ready" until all applicable development charges have been paid.

References

- [Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025 - Legislative Assembly of Ontario](#)
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Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
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Appendices:

- A. MMAH letter to Head of Council (234-2025-4923)
- B. OLMCBO OBOA Industry DC Letter Oct 31 2025
- C. Draft FAQ for Building Departments on Deferred DCs Oct 31 2025 V1

Notifications:

Industry Partners as noted in Appendix B - OLMCBO OBOA Industry DC Letter Oct 31 2025

Report Approval:

All reports are reviewed and approved by the Commissioner, Head of Corporate Affairs, Chief Financial Officer, and Commissioner of Legal and Legislative Services/City Solicitor.