

Development Charges Rate Lock-In Interest Policy		
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Development Charges Rate Lock-In Interest Policy	
POLICY STATEMENT	The Development Charges Rate Lock-In Interest Policy sets out the guidelines for application of interest to Development Charges (DC) under Section 26.2 (3) in accordance with Section 26.3 of the <i>Development Charges Act, 1997</i> (DC Act).
SCOPE	This Policy pertains to interest applied to DCs for the purposes of Section 26.2 (3) of the DC Act.
PURPOSE (GUIDING PRINCIPLES)	<p>The purpose of this Policy is to adopt an interest rate policy for Section 26.2 (3) of the DC Act.</p> <p>Section 26.2 (3) of the DC Act, as of January 1, 2020, freezes the DC rate charged to a development based on the application date of a site plan Application or a zoning by-law amendment, only where such application is applied for on or after January 1, 2020. This freezing does not apply to developments whose site plan or zoning by-law amendments were applied for before January 1, 2020.</p> <p>The City is permitted to charge interest on the frozen rate from the date it is frozen to the date of permit issuance.</p> <p>Section 26.3 of the DC Act prescribes the maximum interest rate applicable under Section 26.1 and 26.2.</p>
RELATED LEGISLATION	<i>Development Charges Act, 1997</i> , Section 26.2 (3) <i>Development Charges Act, 1997</i> , Section 26.3
TRANSPARENCY	The Development Charges Interest Policy is to be made available to the public through the City of Hamilton’s official website, ensuring accessibility for all citizens and Council members.
DEFINITIONS	
“DC Act”	<i>Development Charges Act, 1997</i> as amended or revised

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DETAILS	<p>For the purposes of Section 26.2 (3) of the DC Act, effective as of November 1, 2023, the interest rate applied will be the maximum interest rate permitted under Section 26.3 of the DC Act.</p> <p>Interest for DC rates locked-in by site plan or zoning by-law amendment applications prior to November 1, 2023 shall be calculated in accordance with the Development Charges Interest Policy adopted by Council on May 27, 2020. The daily interest for any date from June 1, 2022 will be capped at the legislated maximum interest rate under Section 26.3 of the DC Act.</p> <p>If Section 26.3 of the DC Act is repealed, the applicable interest rate for the purpose of Section 26.1 (7) of the DC Act, will be:</p> <ul style="list-style-type: none"> • the Bank of Canada Prime plus 2%, fixed at the date of building permit issuance, compounded semi-annually.
POLICY OWNER	Director of Financial Planning, Administration and Policy
ADMINISTRATION	<p>The administration of the Development Charges Interest Policy falls under the purview of Financial Planning, Administration and Policy, Corporate Services Department.</p> <p>The Policy should be reviewed during each Development Charges Background Study or relevant legislative change to ensure its continued relevance and effectiveness and to incorporate any changes in the operational environment or strategic direction of the City of Hamilton.</p> <p>The review process for Policy updates involves a comprehensive assessment by Financial Planning, Administration and Policy and subsequent recommendation of any changes to City Council for approval, thereby ensuring transparency, inclusivity and accountability.</p>