

<i>Development Charges Legislated Deferral Interest Policy</i>		
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POLICY STATEMENT	The Development Charges Legislated Deferral Interest Policy sets out the guidelines for application of interest to Development Charges (DC) under Section 26.1 (7) 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 26.1 (7) of the DC Act.
PURPOSE (GUIDING PRINCIPLES)	<p>The purpose of this Policy is to adopt an interest rate policy for Section 26.1 (7) of the DC Act.</p> <p>As per Section 26.1 (7) of the DC Act, as of January 1, 2020, the following types of development commence payment of DCs at first occupancy for a set number of instalments:</p> <ul style="list-style-type: none"> • Rental (six (6) annual instalments commencing at first occupancy). • Institutional (six (6) annual instalments commencing at first occupancy). – This category includes long-term care homes, retirement homes, universities and colleges, memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion, and hospices. <p>The City is permitted to charge interest on the amounts outstanding from permit issuance until full payment is received.</p>
RELATED LEGISLATION	<i>Development Charges Act, 1997</i> , Section 26.1 (7) <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 26.1 (7) 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>For building permits issued prior to November 1, 2023, the applicable interest shall be calculated in accordance with the DC Interest Rate Policy adopted by Council on May 27, 2020. The daily interest for any date from June 1, 2022 onwards will be capped at the maximum interest rate legislated 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If Section 26.3 of the DC Act is repealed, the applicable interest rate for the purpose of Section 26.1 (7) of the DC Act, will be: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>