

Proposed *Protect Ontario by Building Faster and Smarter Act, 2025*
Bill 17 Overview of Changes
Schedule 4 – *Development Charges Act*

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Exemption for Long-Term Care Homes (Subsection 1)</p>	<p>Proposes the exemption of Development Charges (“DC”) for Long-Term Care Homes. This exemption would come into force the date the Bill 17, <i>Protect Ontario by Building Faster and Smarter Act, 2025</i> (“Bill 17”) receives royal assent.</p> <p>This amendment would take effect the day Bill 17 receives Royal Assent.</p>	<p>The City will be required to exempt DCs for Long-Term Care Homes, including future instalments payable under Section 26.1.</p> <p>Legislatively required exemptions or reductions in DCs cannot be made up through higher DCs for other development types and therefore must be funded through other sources such as the property tax levy or user rates.</p> <p>This amendment appears to support the development of long-term care homes through reduced costs to the development community.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Regulation-Making Authority to Impose Limits on Eligible Capital Costs (Subsection 2)</p>	<p>Proposes regulation-making authority for the Province to determine additional limits and restrictions to DC eligible capital costs.</p> <p>This amendment would take effect the day Bill 17 receives Royal Assent.</p>	<p>This amendment affects the determination of DC rates through the DC Background Study process and, therefore, is expected to impact the City the next time a full DC Background Study is undertaken.</p> <p>The City will be required to adhere to any future regulations enacted in relation to eligible capital costs. For example, this could include restrictions on the land value which is permitted to be funded through DCs.</p> <p>Any funding shortfall, as a result of legislatively imposed restrictions, must be funded through other sources such as the property tax levy or user rates.</p> <p>This amendment does not appear to directly support the development of housing in the short-term.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Simplified DC By-law Amendment Process (Subsection 3)</p>	<p>Proposes a simplified amendment process for DC by-laws where the intent is to repeal a requirement for indexing and / or to add a provision for a DC not to be indexed or to decrease the amount of a DC that would be payable for certain types of development.</p> <p>The simplified amendment process waives the typical requirements associated with the passage of an amendment to a DC by-law, including the requirements for an updated DC Background Study, public consultation and the opportunity for appeal of the amendment.</p> <p>This amendment would take affect the day Bill 17 receives Royal Assent.</p>	<p>The City is currently undergoing a process to amend the DC By-law. Once in Bill 17 is force, this change would remove many of the legislative requirements currently being undertaken in order to pass the type of amendments being considered.</p> <p>There are no financial implications of the proposed amendment.</p> <p>This amendment appears to support the development of housing by permitting municipalities to expedite by-law amendments to support the development of housing.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Deferral of DCs for Residential Developments to Occupancy (Subsection 4(1)(3)(5))</p>	<p>Proposes deferral of the payment of DCs without interest associated with non-rental residential developments to occupancy.</p> <p>The deferral would allow the City to request a financial instrument as security for the amount of the DCs deferred. The Province may prescribe what municipalities must accept.</p> <p>This amendment would take effect on a date to be proclaimed.</p>	<p>The City will be required to develop a policy and program to execute and monitor the deferrals of all residential developments. The City would receive payment without interest at the time of occupancy regardless of whether the development obtained occupancy within months or years.</p> <p>Additional resourcing may be required across Corporate Services (Legal & Finance Divisions) and Planning & Economic Development (Building Division) in order to support the increased administrative process.</p> <p>This amendment appears to support the development of housing by providing cash flow support to the development community.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Removal of Interest on Instalments (Subsection 4(5))</p>	<p>Proposes the repeal of the City’s authority to collect interest on legislated instalments for institutional and rental housing developments.</p> <p>This amendment would take effect on a date to be proclaimed.</p>	<p>The City currently applies interest on legislated instalment payment of DCs for institutional developments and rental housing developments in accordance with Sections 26.1 and 26.3 of the DC Act. As of the date Bill 17 comes into force, the City will no longer be permitted to collect interest which will have significant implications on collections from institutional and rental housing developments.</p> <p>The City will be required to amend the Development Charges Legislated Instalment Interest Policy as approved through Report FCS23087: Development Charges Interest Policy Update.</p> <p>This amendment appears to support the development of institutional and rental housing developments through reduced costs to the development community.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Permit Early Payment for Institutional, Rental Housing and Residential Developments (Subsection 4(8))</p>	<p>Proposes addition of a new subsection to permit early payment of DCs which would otherwise be payable through instalments in the case of institutional and rental housing developments or at occupancy in the case of residential developments.</p> <p>This amendment would take effect on a date to be proclaimed.</p>	<p>This amendment reduces the City’s administrative burden by eliminating the need for early payment agreements for institutional and rental housing developments.</p> <p>This change eliminates the City’s ability to monitor compliance with rental housing developments, which may affect the City’s ability to confirm eligibility for the rental housing discount.</p> <p>This amendment appears to support the development of institutional, rental housing and residential developments by providing flexibility to the development community.</p>
<p>Mandate Lowest DC Rate for Lock-In Developments (Subsection 5)</p>	<p>Proposes addition to require that in cases where DC rates are locked-in by site-plan or zoning by-law amendment the DC will be determined as the lower of (1) the locked-in rates plus accrued interest and (2) the current rates.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent.</p>	<p>The City will be required to prepare two DC estimates in cases where DC rates are locked-in by site-plan application or zoning by-law amendment to determine the lower rate which will be applicable.</p> <p>This amendment appears to support the development of housing by providing confidence to the development community that the lowest DC rate will be applicable.</p>

Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Regulation-Making Authority to Combine DC Services for Credit Purposes (Subsections 7 and 9(4))</p>	<p>Proposes regulation-making authority for the Province to combine DC categories for the purposes of providing DC credits. For example, works completed in relation to Roads could theoretically be applied to Transit DCs.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent. It is unclear whether historical agreements would be affected.</p>	<p>The City does not currently utilize credit agreements as defined in the DC Act and, therefore, there would be no immediate impact to the City.</p> <p>This amendment appears to support the development of housing by providing flexibility to the development community.</p>
<p>Regulation-Making Authority to Determine What Constitutes a Local Service (Subsection 8 and 9(2))</p>	<p>Proposes regulation-making authority for the Province to identify which services constitute as local services.</p> <p>This amendment would take effect on the date Bill 17 receives Royal Assent.</p>	<p>The Local Service Policy affects the determination of DC rates through the DC Background Study process and, therefore, this amendment is expected to impact the City the next time a full DC Background Study is undertaken unless the Province directs changes to take immediate effect (not announced).</p> <p>The City will be required to adhere to any future regulations enacted in relation to the classification of local services.</p> <p>This amendment does not appear to support the development of housing in the short-term.</p>