



Pipeline to Permit Committee

Addendum

Agenda published October 29 , 2025
Addendum published November 7, 2025

Date: November 13, 2025
Time: 9:30 a.m.
Location: Council Chambers, City Hall, second floor
Contact: Committee Clerk, jo-anne.rudy@burlington.ca 905-335-7777, x7413

Pages

3. N2: News and Numbers

3.2 Contextual Updates

a. *Deferred development charges to occupancy (DGM-101-25)*

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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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Author:

Nick Anastasopoulos, P.Eng.
Chief Building Official
905-335-7600 ext. 7619

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.

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

777 Bay Street, 17th Floor
Toronto ON M7A 2J3
Tel.: 416 585-7000

**Ministère des
Affaires municipales
et du Logement**

Bureau du ministre

777, rue Bay, 17^e étage
Toronto (Ontario) M7A 2J3
Tél.: 416 585-7000



234-2025-4923

October 30, 2025

Dear Head of Council:

I am writing to update you on amendments to the *Development Charges Act, 1997* (DCA) that were made by Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025*, and corresponding changes to Ontario's Building Code.

As you recall, our government introduced Bill 17 to help speed up the construction of new homes and infrastructure by streamlining development processes and reducing costs, in partnership with municipalities. Among the changes, the Bill:

- Amended the DCA to provide for payment of development charges (DCs) for non-rental residential developments to be made in full at the earlier of the date an occupancy permit is issued and the date a development is first occupied. This deferral would encourage residential construction activity by enhancing a developer's cashflow flexibility.
- Removed authority for municipalities to charge interest on any legislated DC deferral amounts, except to the extent such interest has accrued prior to these changes coming into force.

The amendments noted above require a commencement order to come into force. Following consultations with municipal and industry experts, the government has issued a commencement order to bring these changes into force on November 3, 2025.

To support the implementation of deferred development charges, I will be amending the Building Code to require that all non-rental residential buildings subject to a deferred development charge will now require an occupancy permit, which can only be issued once these deferred development charges have been paid. These targeted changes will establish a clear, enforceable payment trigger for municipalities while leaving all life-safety requirements for occupancy unchanged. These Building Code amendments will take effect alongside the DCA amendments on November 3, 2025. Municipalities without development charges, and requirements for other buildings, are unaffected.

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I look forward to continuing to work together to get shovels in the ground to build more homes that Ontarians can afford. Please accept my best wishes.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Flack". The signature is fluid and cursive, with a long horizontal stroke at the end.

Hon. Robert J. Flack
Minister of Municipal Affairs and Housing

- c. Municipal Chief Administrative Officer
Robert Dodd, Chief of Staff
Martha Greenberg, Deputy Minister
Caspar Hall, Assistant Deputy Minister, Local Government Division
David McLean, Assistant Deputy Minister, Housing Policy and Planning Division



October 31, 2025

Development Industry Stakeholders

Re: Development Charge Deferrals to Building Occupancy

Dear Stakeholders,

Ontario Large Municipalities Chief Building Officials ([OLMCBO](#)) and Ontario Building Officials Association ([OBOA](#)) are writing in response to the forthcoming legislative changes under the *Protect Ontario by Building Faster and Smarter Act* (Bill 17), the deferral of certain residential Development Charges (DC) from the building permit issuance stage to building occupancy stage.

Building officials support the changes and are committed in ensuring service excellence by supporting a seamless transition for homeowners at the time of occupancy. In many cases, occupancy, move-in date and home closings occur on the same day. To facilitate this process, it is essential that municipal building department staff confirm outstanding development charges are paid in advance of any occupancy inspections being scheduled. Without the appropriate runway, occupancy delays might occur, and homeowners may be left in a precarious position.

Chief Building Officials (CBO) and building departments ultimate goal is to ensure homeowners and builders are not impacted on closing day/occupancy inspection. To ensure timely processing and data integration, **we recommend that any deferred residential development charges be paid/verified at least 10 business days before an occupancy notice is submitted by the permit applicant to the municipality.** This will ensure payments are accurately captured and acknowledged within municipal financial and permitting systems, and the intent of the deferred DC's is maintained.

Clarifying the Distinction Between Fees Payable at Different Stages

Prior to Building Permit Issuance:

- Building permit fees
- Local/Region development charges (non-residential development)
- Educational development charges
- Park land dedication
- Community benefits charges

Minimum 10 Days Prior to Notice of Occupancy (DCs under s.26.1(3.1) of the DCA):

- Local/Region Development Charges related to non-rental residential development where deferral applied.

Ensuring Smooth Home Closings and Move-Ins

Home closings represent a pivotal and sometimes stressful moment for families, as legal possession is transferred, and move-in activities commence. It is imperative that all outstanding fees, particularly deferred development charges, are paid and confirmed **in-advance** of the occupancy inspection request to avoid delays.

By working together, we can help families transition smoothly and promptly into their new homes while upholding regulatory compliance. Chief Building Officials (CBOs) are encouraged to engage proactively with local developers and industry partners to ensure awareness of recent legislative changes regarding the payment and verification of deferred Development Charges (DCs). This includes the requirement for DCs to be paid prior to submitting occupancy inspection requests.

To promote transparency, updating residential agreements of purchase and sale—as well as related documents such as OREA standard forms—to reflect the new DC legislation is a key milestone. We respectfully ask our industry partners to share this information widely within their professional networks to help ensure a seamless and informed homeownership experience for all.

As always OLMCBO and OBOA are committed to accelerating housing development and ensuring consistency across Ontario.

Yours sincerely,

Nick Anastasopoulos, P.Eng.
Executive Chair OLMCBO
Chief Building Official – Burlington

John Lane, MAATO, CBCO, CPSO
President OBOA
Chief Building Official - Caledon

cc:

Lawrence Wagner – OBOA CEO
Director Mansoor Mahmood – MMAH Housing Policy & Planning Division, Building & Development Branch
Wendy Moir – HCRA CEO & Registrar
Siloni Waraich – HCRA Chief Research Officer
Andrew Donnachie – TARION Media & Stakeholder Relations
Brenda Buchanan - RECO CEO
Luigi Favaro – OREA CEO
Priya Bhatia – LSO CEO
Karen Nesbitt – AMO Senior Manager Policy
Mayor Marianne Meed Ward – OBCM Chair
Michelle Baker – OBCM Executive Director
Kirstin Jensen – OHBA Vice President Policy, Advocacy & Relationships
Miyoko Oikawa – OHBA Director Training and Strategic Initiatives
Paula Tenuta – BILD SVP Policy & Advocacy
Victoria Mortelliti – BILD Senior Manager Policy and Advocacy
Richard Lyall – RESCON President
Paul De Berardis – RESCON VP Building Standards & Engineering
Ted Wilson - OAA President
Kristi Doyle – OAA Executive Director
Jennifer Quaglietta – PEO CEO & Registrar
Sandro Perruzza - OSPE Chief Executive Officer
Andrew Hurd – ACEC Ontario Executive Director

Deferred Development Charges to Occupancy

Questions on Occupancy/Deferred DC Implementation

Q/As may alter based on further questions and implementation issues that are identified by building officials.

New Provisions for Deferring Certain Development Charges (DCs)

1. What changes are being introduced to allow deferred municipal development charges for non-residential buildings?

The *Protect Ontario by Building Faster and Smarter Act, 2025* (Bill 17) amended the Development Charges Act, 1997, (DCA) to payment of the municipal (local/lower tier and regional/upper tier) portion of development charges for non-rental residential developments to be deferred from building permit issuance to either (a) before issuance of an occupancy permit or (b) before first occupancy of the building.

To operationalize this policy and improve collection certainty, the Minister of Municipal Affairs and Housing amended Ontario's 2024 Building Code (Ontario Regulation 163/24). Effective November 3, 2025, **occupancy permits** are now required for all non-rental residential projects with deferred development charges.

A municipality cannot issue the occupancy permit until it confirms the deferred development charges for non-rental residential buildings are paid in full.

What DCs Can Be Deferred?

2. What development charges continue to be due at building permit issuance and what development charges can now be deferred to occupancy for buildings subject to a deferred development charge under subsection 26.1 (3.1)?

For buildings where an applicant for a non-rental residential building selects to defer municipal DCs under s. 26.1(3.1), certain DCs are deferred to occupancy and others are due at permit issuance as before November 3, 2025.

Deferred to occupancy (for the eligible non-rental residential portion):

- Municipal DCs (local/single tier and regional/upper tier) levied under the DCA.

Still due at building-permit issuance (no change):

- Education Development Charges levied by school boards under the Education Act.
- Community benefit charges.
- Park land dedication.
- DCs on non-residential buildings.
- Any project not selecting the s. 26.1(3.1) deferral.

Rental DCs (unchanged):

- Existing rental and institutional deferrals under the DCA continue to apply as under current law.

No Written Agreement Needed

3. Is an agreement between the builder and the municipality required to defer municipal development charges for a non-rental residential building?

No written agreement is required. Under DCA s. 26.1(3.1), eligible non-rental residential DCs may be deferred to occupancy at the builder's choice, the builder may choose to pay all municipal DCs at building-permit issuance as before November 3, 2025 or may choose to pay anytime during the inspection timeline (prior to occupancy).

Applicable Law

4. Are deferred development charges under DCA s. 26.1 (3.1) applicable law under the Ontario Building Code?

Yes. The Development Charges Act remains "applicable law" under the Ontario Building Code. What changes is the timing of payment of the municipal development charges, which can be deferred until occupancy. It will still be necessary to complete the rate calculation of deferred DCs so that these can be collected at occupancy.

Issuing Building Permits

5. Can municipalities continue to issue a building permit for a building subject to deferred development charges under s. 26.1 (3.1)

Yes. Keep issuing building permits exactly the same way prior to November 3, 2025. The DCA/OBC change is a timing shift, not a new approval requirement. However, municipal building permit systems or workflows may need to be updated to reflect this change, including the requirement for an occupancy permit. For buildings subject to deferred municipal DCs, an occupancy permit will be required for these projects and must be withheld until deferred DCs are paid and validated. Refer to joint letter from OLMCBO/OBOA dated October 31, 2025, for additional information on suggested process.

Affected Buildings

6. What buildings are eligible for deferred municipal development charges under s. 26.1 (3.1)?

DCA s. 26.1(3.1) allows builders to choose to defer municipal DCs for all non-rental residential buildings:

- Non-rental residential (or in other words, ownership) buildings in municipalities that levy DCs, where the applicant has selected the s. 26.1(3.1) deferral.
- In mixed-use projects, the requirement of 26.1 applies to the portion of the building containing the non-rental residential units for which DCs are deferred. There are no changes to existing residential rental deferred DCs.

No changes to the following existing DC framework:

- Residential rental and institutional developments under s.26.1 of the DCA
- Non-residential components (industrial, commercial, and other institutional - paid as per current rules).
- Municipalities without a DC by-law.
- Projects with a section 27 agreement setting a different payment date(s).
- Projects with building permits issued before November 3, 2025.

10 Day Inspection Window

7. What buildings are included in the exception to allow up to 10 days to undertake an occupancy inspection following receipt of a prescribed notice of occupancy or completion? What about reinspection?

The extended window for an occupancy inspection following a prescribed notice applies only to buildings with DC deferral under DCA s. 26.1(3.1). All others remain on the standard 2-business-day timeline.

Why allow up to 10 business days (initial inspection):

- To verify full payment of the deferred DC amounts with finance/DC staff.
- To prompt/encourage payment where funds have not yet been received.
- To update permit records and workflows so the occupancy permit can be issued promptly after a successful technical safety inspection and payment confirmation.

Operational considerations:

- If deferred DCs are already paid and validated, municipalities should maintain the 2-business-day inspection timeline.
- Where payment is not yet validated, the up to 10-business-day timeline may be used to complete the verification and administrative steps above.

Reinspection:

- After an initial occupancy inspection identifies outstanding items (e.g., technical safety corrections), municipalities are encouraged to complete occupancy re-inspections within 2 business days of notice where deficiencies have been addressed, and payment is validated.

Occupancy Permit Changes

8. What are the new requirements for an occupancy permit for a building subject to s. 26.1 (3.1)?

All buildings subject to a non-rental residential DC deferral under DCS s. 26.1(3.1), will require an occupancy permit. These changes come into effect for building permits for non-rental residential buildings issued after filing of the amendment to Ontario's Building Code on November 3, 2025. See OBC for occupancy amendments in Division C.

First Occupancy

9. What is considered to be first occupancy of a building subject to DCA s. 26.1 (3.1) non-rental residential deferred development charge?

Bill 17, the Protect Ontario by Building Faster and Smarter Act, 2025, amended the DCA to defer payment of DCs until the earlier of:

- The day the permit is issued under the Building Code to authorize occupation of the building; and
- The day the building is first occupied.

The DCs would be payable in full for the non-rental residential portion of a development at the time that the building in which the residential units are located receives the first occupancy permit. DCs for a non-residential portion of a building would be payable as before November 3, 2025, generally on issuance of a building permit.

Multiple Use Buildings

10. What are the occupancy requirements for a building where only some of the building is subject to subsection 26.1 (3.1) deferred development charge (e.g. other parts of the building are rental, non-residential or other uses)?

The new occupancy-permit requirement applies only to the non-rental residential building/portion for which a valid DCA s. 26.1(3.1) deferral is selected. Other parts of the project follow existing occupancy rules.

Payment

11. What constitutes payment of deferred DCs? Does payment include both local and regional DCs?

“Payment” has the same meaning your municipality already uses for DC collection in comparable circumstances under its DC by-law and finance policies, or in other words full remittance of the deferred DCs owing for the non-rental residential portion. **This includes both local/single-tier and regional/upper-tier DCs.**

To issue an occupancy permit the municipality should consider:

- Standard municipal proof of payment (as is already utilized): confirmation from finance/DC staff that the net deferred amount is paid in full, using the municipality’s usual criteria (e.g., cleared EFT/cheque, certified funds, etc.).
- If partial or pending funds do not satisfy payment.
- Where a DCA s. 27 agreement sets a different timing/amount, continue to follow that agreement.

Occupancy Without Payment of Deferred DCs

12. Can a building subject to subsection 26.1 (3.1) deferred development charge be occupied if the deferred development charge has not been paid?

No. For projects where a valid s. 26.1(3.1) deferral is selected, the building cannot be occupied until an occupancy permit is issued, and the CBO must withhold the occupancy permit until the municipality confirms full payment of all deferred municipal DCs—this includes both local/single-tier and regional/upper-tier DCs.

Compliance for Occupancy Without a Permit

13. What are the municipal enforcement options for a building subject to subsection 26.1 (3.1) deferred development charge that has been occupied without a permit?

Occupying a building without the required occupancy permit is a Building Code Act contravention. Apply your standard enforcement sequence. Start with an Order to Comply (registration of OTC is recommended), then escalate in keeping with your municipal practices if non-compliance persists.