

## **Appendix I**

### **Region of Peel Development Charges Deferral and Grant Program**

#### **Program Framework**

##### **1. Purpose:**

The purpose of this document is to establish a framework for the effective and consistent administration of the Region's development charges deferral and grant program, as approved by Regional Council on June 26, 2025 (Resolution 2025-495). This framework will outline the requirements and eligibility criteria for residential development applicants seeking to benefit from the program.

##### **2. Scope:**

This framework applies to all eligible residential development applications within the Region of Peel seeking to benefit from the Council approved DC deferral and grant program. Eligibility shall be determined in accordance with the requirements of this framework. Pursuant to Council Resolution 2024-19 Council directed and authorized the Treasurer to transfer funds from the Tax Rate Stabilization Reserve to the DC Financial Incentive Reserve, and to draw from the DC Financial Incentive Reserve as needed to facilitate payments of Council approved grants-in-lieu of development charges. The partial payment by the Region of Regional DCs pursuant to Resolution 2025-495 shall be treated as grants-in-lieu of development charges similar to Council directed grants-in-lieu of Regional DCs in the past, e.g. Interim Financial Incentive Program for Long-term Care Homes and Hospice Development in Peel, in accordance with Council Resolution 2022-153.

##### **3. Program Overview:**

Regional Council has approved a temporary program to defer the payment of development charges (DCs) and to provide grants-in-lieu of DCs on eligible residential developments across Peel.

###### **a. Program Highlights:**

**Deferral:** The collection of Region of Peel and GO Transit DCs will be deferred, without interest, for eligible residential development to the date of issuance of the first occupancy permit for each building or structure for which DCs are payable.

**Grant:** The total Region of Peel and GO Transit DCs payable by an applicant in respect of an eligible residential development, net of any credits, exemptions, or legislated reductions applied, will be reduced by a grant-in-lieu of DCs in an amount equal to 50% of the DCs otherwise payable, to be funded by the Region in accordance with this program framework.

**Effective Date:** The program begins on **July 10, 2025**.

###### **b. Eligibility Criteria:**

**Residential Development:** This deferral and grant program applies exclusively to all new residential development in the Region of Peel for which Regional DCs are payable in accordance with Subsection 2(2) of the DC Act and the Region's DC By-law #77-2020, subject to such further requirements as noted herein.

**DC Deferral Eligibility Timeline:** To be eligible for the deferral of DCs otherwise payable, Regional DCs must become payable in accordance with Section 6 of the Region's DC By-law #77-2020, on or after July 10, 2025, and prior to November 13, 2026. Deferrals shall not apply retroactively to residential development for which DCs became payable, in whole or in part, prior to July 10, 2025. Deferrals pursuant to this framework are not intended to supersede existing DC Payment Agreements entered into pursuant to the DC Act prior to the adoption of this framework.

**Grant-in-lieu of DCs Timeline and Calculation:** To be eligible for the grant-in-lieu of DCs, Regional DCs must become payable in accordance with Section 6 of the Region's DC By-law #77-2020 on or after July 10, 2025, and prior to November 13, 2026. Grants-in-lieu of DCs shall not apply retroactively to residential development for which DCs became payable, in whole or in part, prior to July 10, 2025. Grants-in-lieu of DCs shall be calculated on an individual building or structure basis.

**Building Permit Issuance Deadline:** To be eligible for the deferral and grant-in-lieu of DCs, a building permit allowing for footings and foundations, issued pursuant to the Building Code Act, 1992, for each building or structure for which DCs are payable must be issued prior to November 13, 2026. Buildings or structures within residential developments which fail to meet the building permit requirement noted herein will not be eligible for the deferral or grant-in-lieu program. Failure to meet the building permit issuance deadline will result in outstanding DCs becoming immediately payable, in full.

**Regional and GO Transit DCs:** The deferral and grant-in-lieu of DCs apply specifically to the Regional and GO Transit portion of DCs payable. DCs imposed by local municipalities may be subject to different policies administered by the local municipality.

**Development Charges Payment Agreement:** In order to participate in the deferral and grant-in-lieu of DCs program, eligible applicants will be required to enter into a Development Charges Payment Agreement with the Region of Peel, agreeing to the terms of the program. This agreement will formalize the deferral of DC collections until the first occupancy permit is issued in respect of each residential building or structure for which DCs are payable, and shall set out the terms of any grants-in-lieu of DCs, subject to conditions stipulated in the agreement.

#### **4. Program Procedure and Administration:**

##### **Application and DC Payment Agreement:**

- a) Those wishing to participate in this program shall apply to the Region for inclusion in the program. Eligibility for inclusion in the program shall be dependant solely on meeting the eligibility requirements noted in this framework. Eligible applicants must enter into a DC Payment Agreement with the Region of Peel prior to the event which would trigger the collection of Region DCs in accordance with Section 6 of the Region's DC By-law #77-2020. The eligible applicant shall initiate the application by:

- i) In the case of building permit issuance, informing the local municipality of their intent to enter into a DC Payment Agreement with the Region for the purposes of participating in this program;
  - ii) In the case of approval of plan of subdivision, informing Region of Peel Development Services staff of their intent to enter into a DC Payment Agreement with the Region for the purposes of participating in this program.
- b)** Where an applicant submits a subdivision application to the local municipality the Region will amend its Schedule “E” to the subdivision agreement for Region of Peel Requirements to indicate two new requirements:
- i) that the applicant shall enter into and execute a DC Payment Agreement with the Region for payment of residential development charges (both hard and soft services) as a condition of approval (the “DC Payment Agreement”).
  - ii) the applicant must provide proof of security pursuant the DC Payment Agreement.
- c)** Where the applicant applies for a building permit, a draft DC Payment Agreement will be prepared by Region of Peel and/or local municipal staff and then circulated to the eligible applicant for execution prior to building permit issuance.
- d)** The applicant shall be required as a condition of the DC Payment Agreement to provide security in an amount and in a form that is satisfactory to the CFO and Commissioner of Corporate Services, to be realized or drawn upon in the event that the applicant fails to meet the requirements of the program, or defaults in the payment of DCs when they become payable pursuant to the DC Payment Agreement.
- Note: Without limiting the Region’s right to require cash and/or a letter a credit, the Region may elect to accept a surety bond for 100 percent (100%) of the development charges payable or may allow for the registration of a Section 118 restriction in favour of the Region, to secure the obligations of the applicant pursuant to the DC Payment Agreement in lieu of providing financial securities. In the case of a section 118 restriction registered on title, the Region’s consent shall be required prior to any transfer or charge of the lands to which the DC Payment Agreement applies, which consent will be provided upon payment of the outstanding DCs, and/or the provision of alternative securities.
- e)** The Region of Peel, or the local municipality in the event of a tri-party agreement, will be responsible for the final sign-off/execution of the DC Payment Agreement.

## **5. Payment and Grant Funding:**

- i. The amount of Region DCs payable, prior to the application of any grant-in-lieu of DCs under this program, shall be determined in accordance with Section 26.2 of the DC Act and Section 5 of Region DC By-law #77-2020.

- ii. Payment must be made by the eligible applicant to the Local Municipality on or before the first occupancy date established in the DC Payment Agreement.
- iii. Any applicable grant-in-lieu of DCs funding will reduce the amount to be paid by the eligible applicant. The grant will not be issued as a refund.

**6. Amendments:**

- i. The Chief Financial Officer and Commissioner of Corporate Services is authorized to make amendments to this program required for the purposes of program administration substantially in accordance with the requirements of Council Resolution 2025-495, including the inclusion of any additional terms and conditions deemed necessary to protect the financial interests of the Region of Peel.

**7. Additional Clauses and Clarifications:**

**a. Payments Subject to Section 26.1 of the DC Act**

This program does not amend or supersede the timing or payment requirements for eligible developments for which Section 26.1 of the DC Act applies.

**b. Payments Subject to Section 26.2 of the DC Act**

This program does not amend or supersede the timing of when DCs are determined under section 26.2 of the DC Act.

**c. Application of Grant-in-lieu of DCs**

The 50 per cent grant will be applied on the total Region DC amount that would have been payable in the absence of this program, for those buildings or structures which have met the requirements of the program and any associated DC Payment Agreement. For greater certainty, this means the Region DC amount payable after any interest, credits, exemptions, or reductions have been applied in accordance with the DC Act and Region By-law #77-2020, before the application of a grant-in-lieu.

**d. Partial Application of Deferral and Grant-in-lieu of DCs**

Where a residential development, for which a DC Payment Agreement has been entered into pursuant to this program, is comprised or is planned to comprise of multiple buildings or structures, as in the case of a low-rise subdivision development, and where the requirements of the program have not been satisfied in respect of all of the planned residential buildings or structures, then the applicant shall only be entitled to a deferral and/or grant-in-lieu of DCs for those units that have met the requirements of the program and associated agreement. Deferred DCs shall immediately become payable in full in respect of those residential buildings or structures that have failed to meet the requirements of the program.

**e. Early Termination of Grant**

In the event that a satisfactory financial agreement is not reached between the Region and the province by October 17, 2025 in accordance with Council Resolution 2025-495, the grant-in-lieu of DCs offered as part of this program will terminate. DC Payment Agreements entered into pursuant to this program before October 17, 2025 will be honoured in the event the program is terminated.

**f. Deferral Subject to Legislation**

The *Development Charges Act, 1997*, as amended, shall supersede Council Resolution 2025-495, this framework, and any DC Payment Agreement entered into pursuant to this program, with respect to development charge calculations, payment timelines, and any securities to secure payment of the charge.

- g. Survey:** Region staff to provide a survey that must be completed by applicants to gather input regarding the grants-in-lieu of development charges program pursuant to the Council Resolution 2025-495.