

TOWN OF GEORGINA – OFFICE OF THE DCAO – FINANCIAL STRATEGY AND PLANNING

Subject: Development Charges Deferral Policy for Rental Housing Buildings	Authority, Ref. & Sec. Version 1			
Policy No.: DCAO-2025-DCREN04	Page: Page 1 of 6	Year 2025	Month 11	Day 19
Approved by: Council	Contact Position for Inf. Senior Financial Analyst, Financial Strategy and Planning			

1. POLICY STATEMENT

- 1.1. The Town of Georgina (the “Town”) actively pursues opportunities to help develop, deliver and sustain Town infrastructure, and incentivize different types of affordable development. The Development Charges Deferral Policy for Rental Housing Buildings (the “policy”) establishes consistent guidelines and standards to govern the deferral of development charges for Rental Housing Buildings.

2. APPLICATION

- 2.1. This policy is applicable to Rental Housing Buildings in the Town of Georgina subject to the terms and conditions set out in this policy. To be eligible, the building may be registered as a condominium, but it cannot be operated as anything other than a Rental Housing Building for a period equal to the time period as required for the same building to be operated as a Rental Housing Building pursuant to the Region’s Development Charge Deferral for Non-Luxury Rental Buildings Policy.

3. PURPOSE

- 3.1. This policy aims to incentivize development of Rental Housing Buildings. Overall, the policy will help to increase the supply of rental housing and assist Georgina to become a more complete community.

4. DEFINITIONS

- 4.1. **Act:** means the Development Charges Act, 1997, as amended
- 4.2. **Developer:** means a person responsible to pay a Development Charge.
- 4.3. **Development:** means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof and includes redevelopment.
- 4.4. **Development Charges:** Means any charge imposed under the Town’s Development Charges Bylaw

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- 4.5. **Development Charges Deferral Agreement:** means a written agreement executed by the Town and the person responsible to pay Development charges related to a Non-luxury rental development, with such agreement to confirm, among other matters as determined by the Town, the date by which the building permit must be obtained for the Rental Housing Building, the duration of the deferral of the Development charges, the Development charge rate, the accumulation of interest if any, securities to be provided, and any other matter as deemed relevant by the Town.
- 4.6. **Rental Housing Building:** Any residential rental building which qualifies as a Non-luxury rental, and for which a restrictive covenant has been registered, in accordance the Region's Development Charges Deferral for Non-Luxury Rental Buildings.
- 4.7. **Schedule 'I' Bank:** As referenced in subsection 14(1)(a) of the Bank Act, S.C. 1991, c. 46. These are domestic banks and are authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation.

5. POLICY

- 5.1. Development Charges Deferral Agreement
- 5.1.1. Any developer wishing to defer development charges for a Rental Housing Building must enter into a Development Charges Deferral Agreement with the Town and provide a form of security acceptable to the Town.
- 5.1.2. A Development Charges Deferral Agreement will only be executed by the Town provided that the developer can immediately upon execution of that agreement attain building permit issuance.
- 5.2. Duration of Deferral
- 5.2.1. Development charges are deferred immediately following the date that the building permit is issued by the local municipality to be repaid in equal annual payments over a 20-year period, until all Development charges due and owing under the Development Charge Deferral Agreement have been paid in full.
- 5.2.2. All deferred Development Charges will be immediately due and payable should any of the following events occur:

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- 5.2.2.1. The Rental Housing Building no longer meets the definition of a Rental Housing Building
 - 5.2.2.2. Any material breach of the restrictive covenant
 - 5.2.2.3. Any material default under the terms of the security or guarantees as stipulated in the Development Charge Deferral Agreement
 - 5.2.2.4. The sale, or transfer of ownership, of the Rental Housing Building unless the new owner of the Rental Housing Building agrees to assume all obligations owed to the Town pursuant to the Development Charge Deferral Agreement
 - 5.2.2.5. Failure to make any payment required under the Development Charge Deferral Agreement by a specified due date.
 - 5.2.2.6. Any other material default as defined in the Development Charge Deferral Agreement
- 5.2.3. Notification to the property owner on the tax roll will occur immediately after the occurrence of any event identified in 5.2.2. If any Development charges (including any interest) are unpaid within 15 business days immediately following notification of a such an event, subject to Term 5.6 of the policy, all Development Charges then owing will be added to the tax roll.

5.3. Development Charges Rates

- 5.3.1. The rate of the Development charges will be determined under the applicable Town Development charges Bylaw.

5.4. Development Charges Payable

- 5.4.1. The quantum of Development charges payable to the Town, as required under the Act, will be based on the rates determined under Term 5.3 of this policy multiplied by the number of dwelling units, which will be determined on the day that the developer enters into a Development Charges Deferral Agreement with the Town.

5.5. Interest Waiver

- 5.5.1. No Interest will be charged for Development Charges as long as the development qualifies as a Rental Housing Building under this policy.

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5.5.2. If unpaid Development charges are added to the tax roll in accordance with the terms of the Development Charges Deferral Agreement, interest will continue to accrue in accordance with the tax rates bylaw and be compounded until all outstanding charges are fully paid.

5.5.3. For greater clarity, this policy supersedes any interest charged in accordance with the Town's Development Charge Interest Policy - Under sections 26.2 and 26.3 of the Act, as may be amended by Town Council from time to time.

5.6. Unpaid Development Charges

5.6.1. If any Development charges (including any interest) are unpaid within 15 business days immediately following notification of an event identified in Term 5.2.2 of this policy, or at the end of the Development charges deferral time period, those unpaid Development charges (including interest) will be added to the tax roll and collected in the same manner as taxes (in accordance with section 32 of the Act).

5.6.2. If unpaid Development charges are added to the tax roll, interest will continue to accrue and be compounded until all outstanding Development charges are fully paid, inclusive of interest.

5.7. Security

5.7.1. The Town may, at its discretion, accept the following as security, with respect to deferred Development charges:

5.7.1.1. A Pay-On-Demand Surety Bond, subject to the Town's Surety Bond Policy, as amended, revised, re-enacted or consolidated from time to time; or

5.7.1.2. A Letter of Credit, subject to the Town's Letter of Credit Policy, as amended, revised, re-enacted or consolidated from time to time

5.7.2. The Town may register the security against the title to the land at the execution of the Development Charges Deferral Agreement with the Town.

5.8. Legal and Administrative Fees

5.8.1. All legal fees -incurred by the developer and Town, including any costs incurred by the Town to prepare any other agreements required by the Town's Solicitor, and other associated

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administration fees as outlined in Bylaw #2021-0019 (BU-1), as amended, will be paid by the principal under the security.

5.9. Mixed-Use Developments

5.9.1. This policy applies to Rental Housing Buildings, which structure may also contain non-residential uses such as ground floor retail uses (i.e. a mixed-use building).

5.9.2. For greater clarity, this does not apply to any portion of a Rental Housing Building which is used for any purposes other the rental housing which qualifies as a Rental Housing Building.

6. ROLE AND RESPONSIBILITIES

6.1. Town Treasurer:

6.1.1. Responsibilities as identified under the Terms of this policy

6.1.2. Signing of security agreements

6.2. Office of the Deputy Chief Administrative Officer

6.2.1. Maintain and update this policy

6.2.2. Support administration of this policy

6.3. Town's Solicitor:

6.3.1. Draft and prepare for execution the deferral agreement between the Town and the developer

6.3.2. Registration of security on title

6.4. Development Services Department:

6.4.1. Administer the deferral policy, including assisting stakeholders in determining if they qualify for the policy, the development charges rates to be applied, and the development charges and interest payable

6.4.2. Enforce the deferral policy

6.4.3. Collect all development charges when due

6.4.4. Monitor timing of payment to ensure compliance with Term 5.2 of the policy

6.4.5. Undertake any additional administrative obligations as determined through the agreements

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6.4.6. Maintain copies of all executed deferral agreements and other agreements as required

6.4.7. Process the draw upon the letter of credit or pay-on-demand surety bond

6.5. Delegation of responsibilities:

6.5.1. As appropriate, and as permitted, some responsibilities identified in this policy may be delegated to a designate(s)

7. TOWNS PARTICIPATION IN RENTAL HOUSING DEFERRAL

7.1. The Town will only enter in a Deferral Agreement pursuant to this policy if the Developer prequalifies for a Development Charges Deferral Agreement for a Non-luxury Rental building with the Region of York.

8. EFFECTIVE DATE

8.1. This policy will take effect on January 1, 2026, and may be repealed by the Town at any time. This policy will only apply to new Development Charges Deferral Agreements after the effective day of this policy.

9. EXPIRY DATE

9.1. This deferral is available to all Rental Housing Buildings for as long as the Region's Development Charges Deferral for Non-Luxury Rental Buildings remains in effect.