

TOWN OF PARRY SOUND

DEVELOPMENT CHARGE DEFERRAL POLICY

Council Approval Date:	Policy Name:
	Development Charge Deferral Policy

I. Purpose/Application

In order to promote the development of a full range of housing within the Town and to meet the needs of existing and future residents of the Town in terms of residential dwellings, the Official Plan establishes as an objective that the preferred form of High Density development should take the form of apartments buildings, row housing, stacked townhouses and other forms of multiple housing. This policy seeks to promote this preferred form of High Density development by allowing for the deferral of the payment of development charges where the requirements of this policy have been satisfied.

This policy is made pursuant to section 27 of the *Development Charge Act*, 1997 C. 27, as amended, which allows the Town to enter into an agreement with a person who is required to pay development charges to pay those charges either earlier or later than they would otherwise be payable under the Town's development charges bylaw.

II. Definition(s)

For the purpose of this Policy all capitalized terms are defined as below:

- i. **Applicant:** any party that makes an application under this policy that is advancing a High Density development;
- ii. **Building Permit:** a permit issued by the Chief Building Official for the Town pursuant to Section 8 of the *Ontario Building Code Act*, 1992, S.O. 1992, c.23, as amended, that authorizes the construction of the High Density Development that is the subject of a Deferral Agreement.
- iii. **Deferral Agreement:** means an agreement entered into between the Town and an Applicant pursuant to section 27(1) of the *Development Charge Act*, 1997 C. 27, as amended, for the purpose of deferring the payment of Development Charges with regards to a High Density Development as defined in this Policy

- iv. **Development:** any application or proposal made to the Town for High Density Development that results in the payment of Development Charges:
- v. **Development Charges:** an amount payable to the Town pursuant to the Town's Development Charges Bylaws ;
- vi. **Development Charge Bylaws:** means By-laws No. 2023-7346, 2023-7347, 2023-7348, 2023-7349, 2023-7350 and 2023-7351;
- vii. **High Density Development:** a development that contains a minimum of ten (10) units that is comprised of apartments, row housing, stacked townhouses or a combination of these forms;
- viii. **Security:** means a letter of credit to secure the obligations of the Applicant under a Deferral Agreement in a form acceptable to the Treasurer;
- ix. **Town:** means the Town of Parry Sound.
- x. **Treasurer:** means the Treasurer for the Town of Parry Sound

III. Policy Statement

Development Charges are imposed by the Town in order to recover the costs associated with the infrastructure that is required to service growth that is planned to occur within the Town. Development Charges are calculated and payable in accordance with the provisions of the Development Charge Bylaws. Council is committed to ensuring that growth will continue to pay for its appropriate share of growth related costs and that growth within the Town will not result in a financial burden on the existing residents of the Town.

As part of the planned growth within the Town, the Council of the Town seeks to foster the development of High Density Development in order to provide for a full range of housing forms that will address the needs of its residents. The Town, in consultation with various stakeholders has been advised that one of the impediments to the construction of High Density Development is the payment of Development Charges at the stage when building permits are to be issued. In an effort to assist with this form of development and to advance the important policy objectives of the Town to provide for a full range of housing to its residents, the Town has developed this policy to defer the payment of Development Charges on High Density Development to a date that is later than otherwise would be required under the Town's Development Charge Bylaws in order

to promote the construction of new High Density Developments that advances a compact urban form and meets the growing demands of its community.

IV. Eligibility

A Deferral Agreement of the Development Charges will only be considered by the Town where the Development is for the following and meets the following criteria:

- i. High Density Development as defined in this policy;
- ii. Where the total Development Charges payable are in excess of \$75,000; and,
- iii. The Treasurer is satisfied in her sole discretion, that by entering into a Deferral Agreement for the Development, including the provision the Security to secure the obligations of the Applicant to pay Development Charges when they will become due and payable under the Deferral Agreement, that it will advance the objectives of this Policy and will not give rise to a financial risk or undue financial burden to the Town.

V. Application Process

- i. An Applicant may make a request for a Deferral Agreement to the Town in the prescribed form requesting that the Development Charges be deferred for a period of up to two (2) years from the date of the issuance of the first Building Permit;
- ii. The application shall identify the details of the High Density Development proposed and shall identify any additional information as may be required by the Treasurer, including the Security that may be required to be posted;
- iii. The Treasurer, after reviewing the application and all supporting materials submitted, shall determine in her sole discretion whether or not to allow for the deferral of the Development Charges and to have the Town enter into a Deferral Agreement with the Applicant;
- iv. The decision of the Treasurer whether or not to allow for the deferral of the Development Charges shall be final and conclusive and there shall be no appeal or challenge of that decision.

VI. The Deferral Agreement

A Deferral Agreement that is authorized under this Policy shall, in addition to any other terms and conditions which the Treasurer and the Chief

Administrative Officer of the Town may deem necessary and required to protect the interests of the Town and the objectives of this Policy, contain the following provisions:

- i. The form and amount of Security required to be provided by the Applicant in the event that the Development Charges become due and payable for any reason under the Deferral Agreement;
- ii. The Deferral Agreement shall specify that Development Charges shall be calculated in accordance with the Development Charge By-laws;
- iii. That interest shall be payable on all amount owing to the Town for Development Charges, and interest calculated on the basis of Bank of Canada Prime Rate as of the date of execution of agreement;
- iv. In the event that construction of the Development does not commence within six (6) months of the date of the Deferral Agreement, that the Deferral Agreement shall be terminated without further notice of the Town and that all Development Charges and interest thereon shall become immediately due and payable;
- v. In the event of a change in any of the uses and/or number of units within the Development, the Treasurer in her sole and absolute discretion may either terminate the Deferral Agreement, at which time the Development Charges and any interest thereon shall become immediately due and payable, or may allow for the change in uses and number of units and amend the Deferral Agreement to revise the Development Charges in accordance with the updated uses and units counts provided that any revisions to the Development would not result in the Development not meeting any of the requirements for Eligibility under this Policy; and
- vi. The Treasurer shall have the sole authority to execute and bind the Town to a Deferral Agreement.