

Regional Development Charges FAQ Sheet

The different types of growth that place a demand on the Region's public infrastructure and services are residential, commercial and industrial. Development charges are imposed against new development, re-development and expansions for residential and non-residential buildings or structures. Each new housing unit or square meter of non-residential building space and the corresponding occupancy of these developments generates capital infrastructure demand for service. The purpose of Regional development charges is to assist in financing the growth-related costs associated with the capital infrastructure needed to service new development. Development charges place the cost of growth on new development itself, rather than increasing the burden on existing taxpayers or utility rate-payers.

Which Services are Supported by Development Charges?

Development charges help to finance a portion of the growth-related capital costs associated with some of the services provided by the Niagara Region. Development charges are one time fees and do not contribute to any of the operating costs associated with operating and maintaining the new infrastructure.

The services that development charges contribute to include:

- Roads
- Water
- Wastewater
- Police Services
- Emergency Medical Services
- Related Studies

Who Collects Development Charges?

Regional development charges are collected by the local municipalities on behalf of the Region. Each local municipality is responsible for setting rates for its own development charges, indexing and for determining any exemptions.

How are Development Charge Rates Calculated?

Regional development charges are calculated based on several pieces of information in accordance with the provisions of the Development Charges Act, 1997:

- Types, locations and amounts of projected growth that will occur over a specified period of time, usually 10 years
- Infrastructure services required over the same time period to accommodate the projected growth
- Estimated costs of the services to be provided by the Region

- Portion of the total cost to be paid by the existing population which will benefit from new infrastructure - growth is expected to pay only for the portion of the infrastructure that it requires
- Relative impact of each type of growth (residential, commercial and industrial) on the services
- Total cost assigned to each type of growth is converted to a per-unit charge that can be easily applied to individual developments as they occur

How are Development Charge Rates Applied?

Regional development charges are currently calculated and applied on a uniform Region-wide basis.

- Residential development or the residential portion of a mixed-use development incurs a charge based on the number of and type of dwelling units
- Non-Residential development incurs a charge based on the gross floor area of the development
- Mixed-Use development incurs a charge based on the floor area of each different component (industrial, commercial, etc.)

Credits and exemptions for certain types of residential and non-residential development and specific locations may also apply.

When are Development Charges Paid?

Regional development charges are calculated and payable on the date a building permit is issued for the development project in question.

What exemptions from Development Charges are available?

There are a number of exemptions legislated under the Ontario Development Charges Act, 1997, including for boards of education, local board development on land owned by and used for purposes of a municipality or a board for non-commercial purposes, enlargement of up to 50% of the original gross floor of an existing industrial building and intensification of housing through creation of additional dwelling units within existing residential dwellings. There is an exemption from development charges for Provincial and Federal governments and related crown agents'.

In addition to those legislated under the Ontario Development Charges Act, 1997, the following Regional exemptions have been included in the current Regional development charges by-law:

- Granny flats, parking structures, non-residential agricultural use, the specific portion of a structure used as a place of worship
- Buildings used as municipal housing project facilities – units approved by Niagara Regional Housing requiring pre-approval by NRH for the exempted units

- Central Urban Areas – reduction of development charges by 50% with the possibility of a 100% waiver
- Demolition credit - if an existing building is demolished and a new development is built in its place within 5 years
- Conversion credit – available at time of conversion, see by-law for details

Please reference the [Regional development charges by-law](#) or the [Ontario Development Charges Act, 1997](#) for further details. Credits are site or building specific and are non-transferrable.

How does the Region Account for Development Charges?

The Region maintains a separate reserve fund account for each of the services provided. The Region prepares a public report on these funds annually, under section 43 of the Development Charges Act, 1997.

How Much Are Development Charges?

The Region maintains a Development Charges page on the website which contains the [schedule of charges](#) for each type of development. Fees are indexed annually and charges are updated based on periodic policy reviews which are required at least once every 5 years.

Where Can I Get More Information About Development Charges?

The Regional development charges by-law is available on the website. The Niagara Region's website also has a [development charge page](#) which contains further information. As the local municipality collects the Regional development charges on behalf of the Region, they are a first place of contact for exemptions when obtaining a building permit.

Complaint Procedure

Should a project owner feel that the Regional development charges have been incorrectly applied, there is a procedure for issuing a complaint under the Development Charges Act, 1997, as follows:

A person, or the person's agent, may complain to Council in writing stating his name, address and reasons for the complaint if:

- The amount of the development charge was incorrectly determined;
- A credit is available to be used against the development charge, or the amount of the credit or service with respect to which the credit was given, was incorrectly determined; or
- There was an error in the application of the Development Charges By-law

A complaint may not be made later than 90 days after the day the development charge, or any part of it, is payable. Council shall hold a hearing into the complaint and shall give the

complainant an opportunity to make representations at the hearing. After hearing the evidence and submissions of the complainant, Council may dismiss the complaint or rectify any incorrect determination or error that was the subject of the complaint.

The Clerk shall mail to the complainant, no later than 20 days after the decision is made, a notice of the Council's decision, and of the last day for appealing the decision, which shall be the day that is 40 days after the day the decision is made. A complainant may appeal the decision of Council to the Ontario Municipal Board by filing with the Clerk, on or before the last day for appealing the decision, a notice of appeal setting out the reasons for the appeal.

Where the development charge is amended by Council or the Ontario Municipal Board, the municipality shall refund the excess charge or collect the additional amount.