



Development Charges Background Study and Draft By-law

Township of King Council Presentation
November 10, 2025

Agenda



- Opening Remarks
- Study Process and Timelines
- Development Charges Overview
- Recent Legislated Changes to the Development Charges Act
- Proposed Policies
- Growth Forecast and Rates
- Survey of Municipal D.C.s
- Next Steps
- Questions

Overview of Process –Timelines



1

January to September 2025

Data collection, staff review, D.C. calculations and policy work

2

September 10, 2025

Stakeholder Meeting

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Release of the Final Background Study

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Council Consideration of By-law

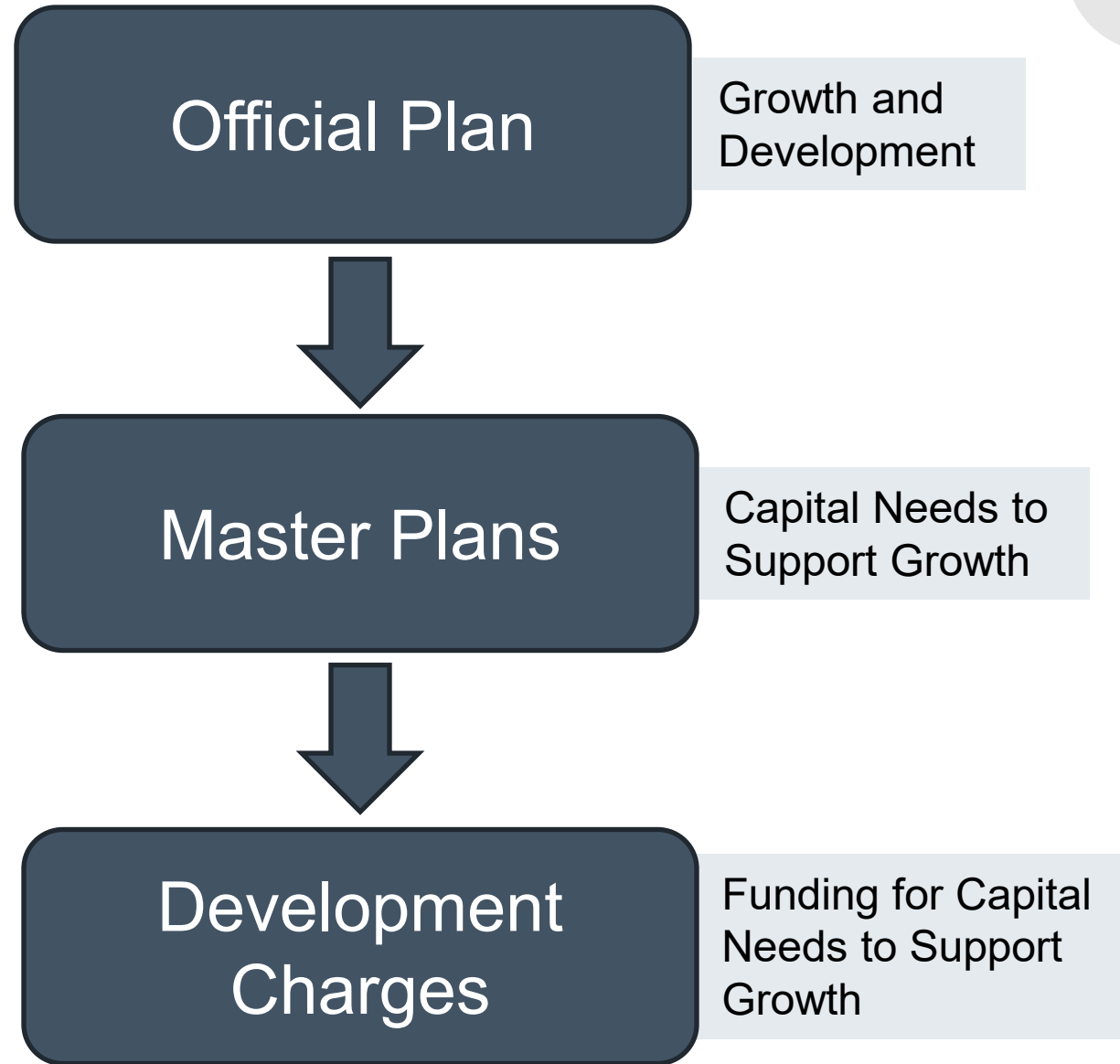
Development Charges



Purpose:

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

Municipal Financial Planning Framework



TOWNSHIP OF KING

Recreation & Community Master Plan

Our King

Township of King OFFICIAL PLAN

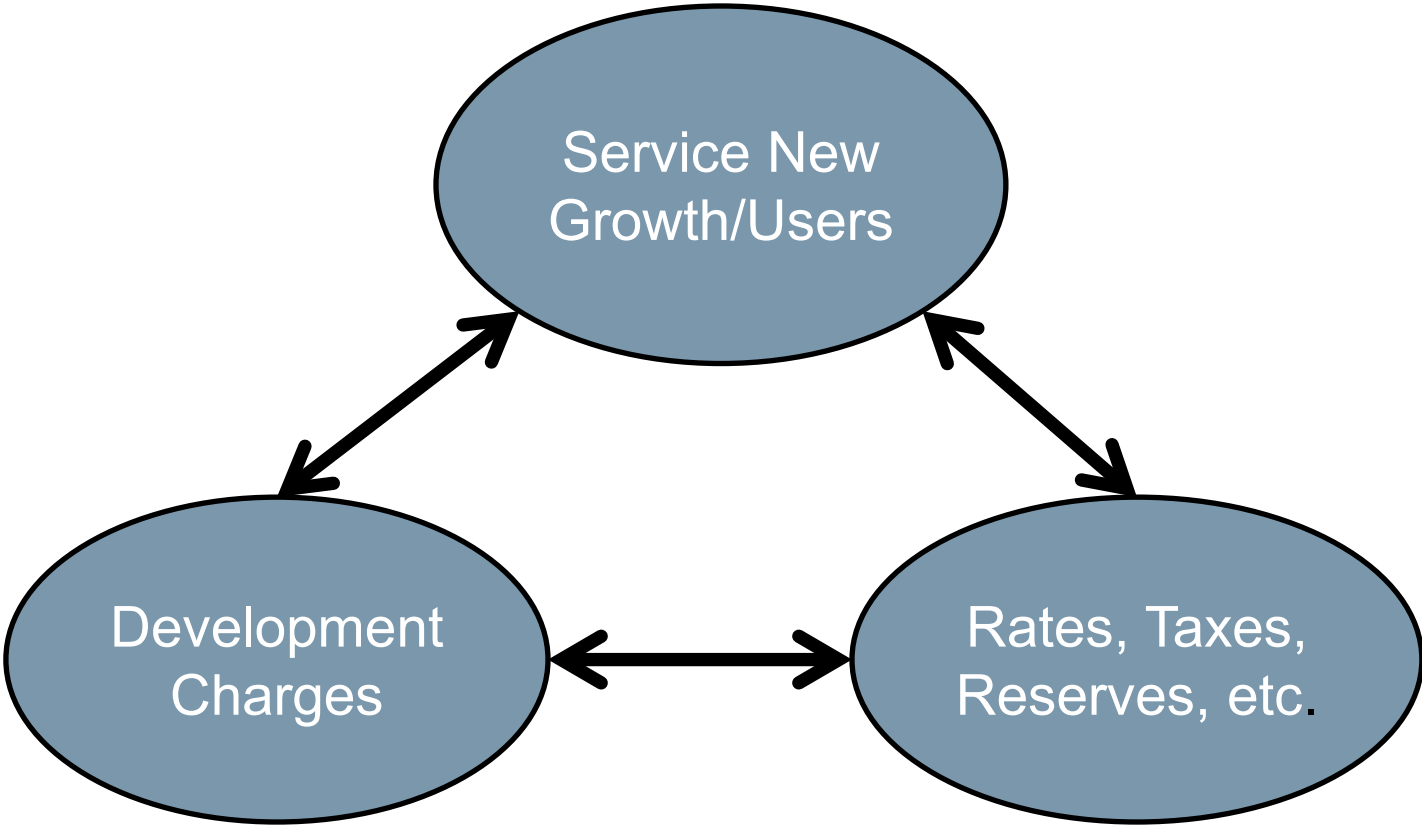
NOTE: The portions of the Our King Official Plan, 2019 that are outlined in red are under appeal to the Ontario Land Tribunal (OLT Case No. PL200550) on a Township-Wide basis. Portions of the Official Plan that are outlined in blue are under appeal on a site or area specific basis. Portions of the Official Plan that are outlined in orange have been modified on an area specific basis, described further below.

In this annotated version of the Official Plan:

- "Township-Wide" means the entire geographical boundary of the Township of King
- "Area Specific;" refers to Map 2 attached to PL200550 Order issued September 24, 2021. Area Specific 3 is labeled as "Area 3" and outlined in blue in the map image below. The policy modifications specific to this area impact policies 5.5.3(3), (4), (5), (9), and (10) also shown below.

Dated October 2022

Relationship Between Needs to Service Growth vs. Funding



Methodology for Calculating a D.C.



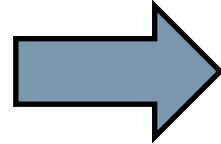
The following provides the overall methodology to calculating the charge:

1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. Amounts in excess of 15-year historical service calculation
 - iv. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

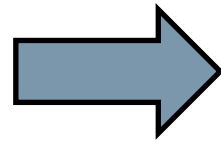
Overview of the D.C. Calculation



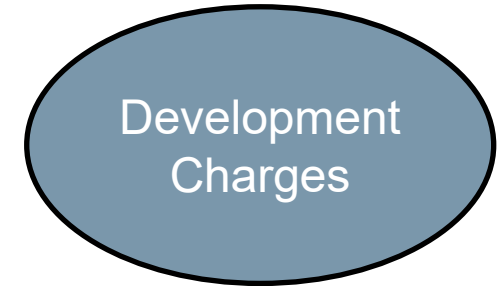
Cost of Infrastructure
Required to
Accommodate
Growth



Residential and Non-
residential Growth



Development Charge
per Unit
(for Residential Growth)



Development Charge
per Sq.ft.
(for Non-residential
Growth)

Development Charge Eligible Services



Water



Wastewater



Storm water drainage



Services related to a highway



Electrical power services.



Toronto-York subway extension.



Transit



Waste diversion



Policing Services



Fire protection



Ambulance



Library



Long-term Care



Parks and Recreation



Public Health services



Childcare and early years services



Provincial Offences Act



Emergency Preparedness



Airports (Waterloo Region only)

Services examined
in this D.C.
Background Study

Growth studies is
included in the D.C.
as a class of service

Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025*



Long-Term Care Home Exemption	<ul style="list-style-type: none">Previously subject to annual instalments (change applies to any future D.C. instalments)
Definition of Capital Costs	<ul style="list-style-type: none">Expands scope of Province's authority to limit eligible capital costs via regulation
Simplified D.C. by-law Process to Reduce Charges	<ul style="list-style-type: none">Repeal/change D.C. by-law expiry dateRepeal indexing provisionDecrease the D.C. for one or more types of development
Deferral of D.C. Payment to Occupancy	<ul style="list-style-type: none">Applicable to residential development (currently payable at building permit issuance)To be payable upon earlier of issuance of occupancy permit or day building is first occupied – Effective November 3, 2025
Removal of Interest for Legislated Instalments	<ul style="list-style-type: none">Removes ability to charge interest on instalments for rental housing and institutional development – Note: not yet in force
Early Payment for Residential/ Institutional	<ul style="list-style-type: none">Change allows waiving of requirement to pay D.C.s in instalments (i.e. without an agreement with municipality)Also allows D.C.s for residential/institutional to be paid earlier than required by D.C. by-law – Note: not yet in force

Bill 17: *Protect Ontario by Building Faster and Smarter Act, 2025 (Cont'd)*



Lower Charge for Rate Freeze

- For developments proceeding through site plan/zoning by-law amendment application, amendment requires municipalities to apply lower of the “frozen” rate or the current rate

Grouping of Services for Purposes of Using Credits

- Can deem two or more services to be one service for the purpose of applying Section 38 credits

Reporting

- Requirement to allocate 60% of reserve fund balances in the Treasurer’s Statement has been extended to all D.C. eligible services

London Index

- London Non-Residential Building Construction Price Index series can be utilized to index the D.C. rates

Bill 60: *Fighting Delays, Building Faster Act, 2025* (Proposed)



New estimation rules

- New estimation rules for determining increased need for certain classes of capital costs.

Distinct D.C. classes

- Distinct D.C. classes required in by-laws for specific capital costs (with limited exceptions).

Submission

- Mandatory submission to the Minister upon request, within prescribed deadlines: D.C. background studies and D.C. by-laws.

Expanded reserve fund use

- Expanded reserve fund use: municipalities may use reserve funds for certain capital costs not already funded through the special class reserve fund.

New financial reporting deadlines

- New financial reporting deadlines: treasurers must submit annual D.C. financial statements to Council by June 30 and to the Minister (if requested) by July 15.

Local service policy review

- Local service policy review: municipalities must establish, maintain, and regularly review these policies, identifying works considered local services.

Mandatory Exemptions



- Upper/Lower Tier Governments and School Boards;
- Industrial building expansions (may expand by 50% with no D.C.);
- Development of lands intended for use by a university that receives operating funds from the Government (as per Bill 213);
- Up to 2 apartments in an existing or new detached, semi-detached, or rowhouse
- Add one additional unit or 1% of existing units in an existing rental residential building
- Affordable inclusionary zoning units
- Non-profit housing
- Discount for rental housing (based on number of bedrooms – 15% to 25%)
- Affordable rental unit
- Affordable owned unit
- Attainable units (not yet in force)

Discretionary D.C. Exemptions & Redevelopment Credits



- Reduce in part or whole D.C. for types of development or classes of development (e.g., industrial or churches);
- May phase-in over time; and
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Township's Proposed Discretionary Exemptions :



Places of Worship



Cemetery or burial ground



Farm uses



Temporary Structures

Note: This is a new addition in the D.C. By-law.

Adoption of York Region Policy Changes



- The Township is adopting York Region Policy Changes for : Derelict Buildings and Small Office Deferrals.
 - Derelict Buildings
 - Refund or reduction (RR) provided based on the timing of the demolition permit:
 - Within 3 months: 100% RR, no expiry
 - Between 3–6 months: 100% RR, expires after 10 years
 - More than 6 months: RR provided on a declining scale starting in year 7, expiring after 10 years
 - Small Office Deferral
 - D.C.'s for small office uses may be deferred in accordance with the Township's Development Charge Deferral for Office Buildings Policy.

Affordable/Attainable Exemptions

Bill 134



Definitions for “affordable” under the D.C.A. were updated by Bill 134, which received Royal Assent on December 4, 2023. As per s 4.1 of the D.C.A. the affordable rental unit and affordable owned unit exemptions are in effect as of June 1, 2024.

Bill 134 Definitions

Affordable Rental Unit: rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin*

Affordable Owned Unit: cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin*

Affordable Amounts (King)

Affordable Monthly Rent:

Bachelor:	\$1,184
1 Bedroom:	\$1,610
2 Bedroom:	\$1,908
3+ Bedroom:	\$2,205

Affordable Owned Unit:

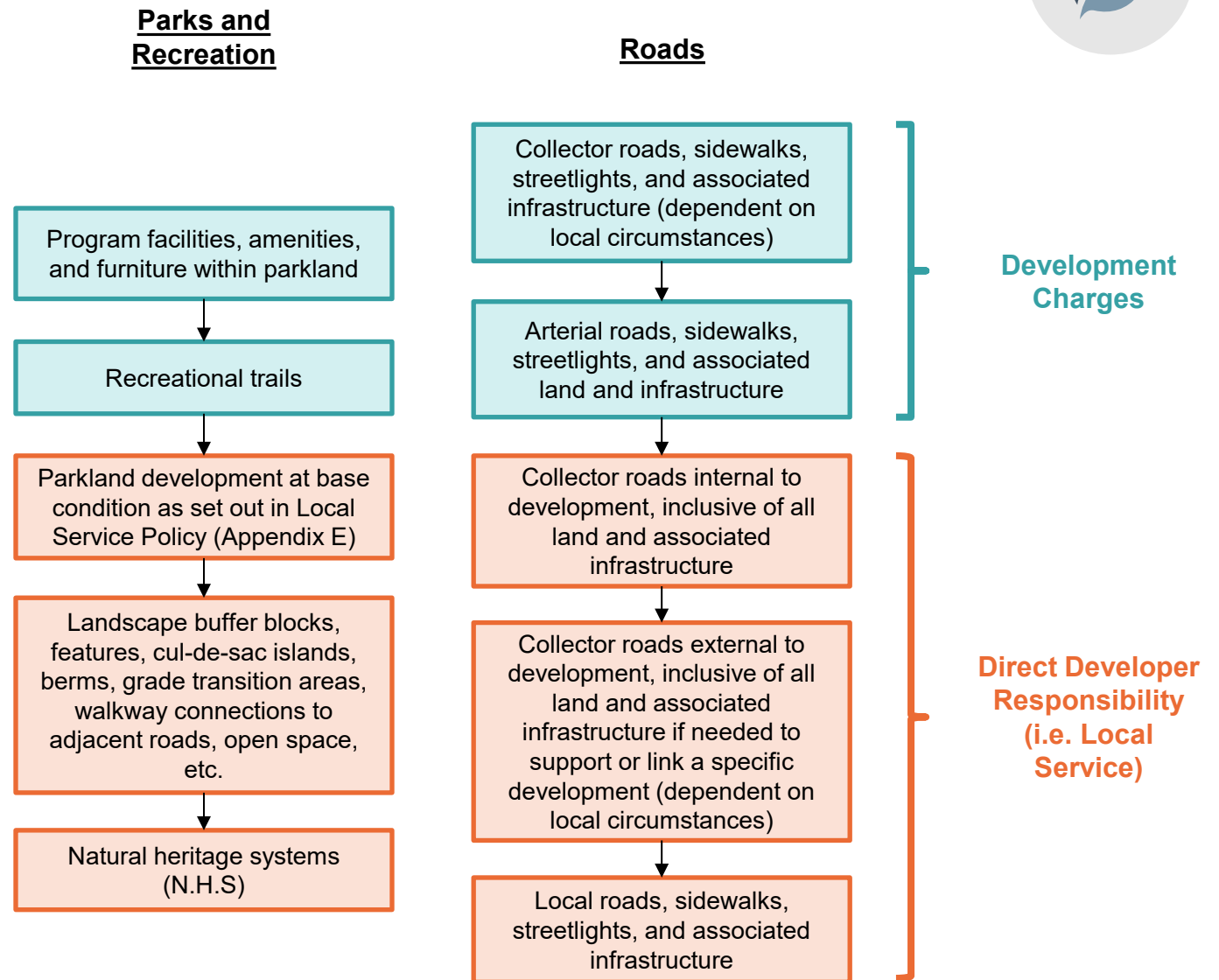
\$630,800 for all unit types

Attainable Unit: yet to be defined by legislation

Local Service Policy



- Section 59.1(1) and (2) of the Act “No Additional Levies” - prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. therefore, need to be clear:
 - What will be included in the D.C.; and
 - What will be required by developers as part of their development agreements
- Items considered in Local Service Policies may include:
 - Local, rural, collector & arterial roads,
 - Intersection improvements & traffic signals,
 - Streetlights & sidewalks,
 - Bike Routes/Bike Lanes/Bike Paths/Multi-Use Trails/Naturalized Walkways,
 - Noise Abatement Measures,
 - Land dedications/easements,
 - Water, Wastewater & Stormwater, and
 - Park requirements.



Summary of Growth Forecast



Measure	10 Year 2025 to 2034	Urban 10-Year 2025-2034	Longer-term 2025 to 2051	Urban 2051 2025 to Urban 2051	Urban 2051 - King City 2025 to 2051	Urban 2051 - Nobleton 2025 to 2051
(Net) Population Increase	9,760	9,732	20,370	19,971	12,698	6,526
Residential Unit Increase	3,847	3,737	7,907	7,782	5,169	2,294
Non-Residential Gross Floor Area Increase (sq.ft.)	1,293,100	1,213,400	3,648,500	3,489,400	1,818,500	1,100,600
Net Employment Increase	1,718	1,673	4,718	4,623	2,579	1,472

Source: Watson & Associates Economists Ltd. Forecast 2025

Current D.C. Rates



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments >700 ft2	Apartments <700 ft2	Special Care Dwelling Units	(per sq.ft. of Gross Floor Area)
Township Wide Services						
Services Related to a Highway	24,966	21,147	15,678	10,738	7,897	11.36
Fire Protection Services	1,403	1,188	882	603	437	0.64
Parks and Recreation Services	17,194	14,564	10,797	7,396	5,438	2.87
Library Services	2,324	1,968	1,460	1,000	735	0.38
Growth Studies	741	628	466	319	234	0.35
Total Township-Wide Services	46,628	39,495	29,283	20,056	14,741	15.61
Urban Services						
Stormwater Services	573	485	360	246	182	0.26
Water Services	4,025	3,409	2,528	1,731	1,273	1.80
Water & Wastewater Studies and Capital Improvements	461	391	290	198	146	0.22
Total Urban Services	5,059	4,285	3,178	2,175	1,601	2.28
Area Specific Services						
Wastewater Services - King City	5,103	4,322	3,204	2,195	1,614	2.31
Wastewater Services - Nobleton	5,823	4,933	3,657	2,504	1,843	0.60
Total King City	56,790	48,102	35,665	24,426	17,956	20.21
Total Nobleton	57,510	48,713	36,118	24,735	18,185	18.50
Total Schomberg	51,687	43,780	32,461	22,231	16,342	17.90

Proposed Development Charges



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Township Wide Services/Class of Service:						
Services Related to a Highway	13,102	10,643	8,090	5,809	4,155	4.98
Fire Protection Services	2,085	1,694	1,287	924	661	0.89
Parks and Recreation Services	21,303	17,305	13,154	9,445	6,755	2.72
Library Services	1,995	1,621	1,232	884	633	0.25
Growth Studies	1,230	999	759	545	390	0.51
Total Township Wide Services (A)	39,715	32,262	24,522	17,607	12,594	9.35
Urban Services						
Stormwater Services	362	294	224	160	115	0.14
Water Services	3,277	2,662	2,023	1,453	1,039	1.27
Water & Wastewater Studies	136	110	84	60	43	0.06
Total Urban Services (B)	3,775	3,066	2,331	1,673	1,197	1.47
Area Specific Services						
Wastewater Services - King City (C)	3,937	3,198	2,431	1,745	1,248	0.66
Wastewater Services - Nobleton (D)	8,455	6,868	5,221	3,749	2,681	0.72
Total King City (A + B + C)	47,427	38,526	29,284	21,025	15,039	11.48
Total Nobleton (A + B + D)	51,945	42,196	32,074	23,029	16,472	11.54
Total Schomberg (A + B)	43,490	35,328	26,853	19,280	13,791	10.82

Rate Comparison - Residential



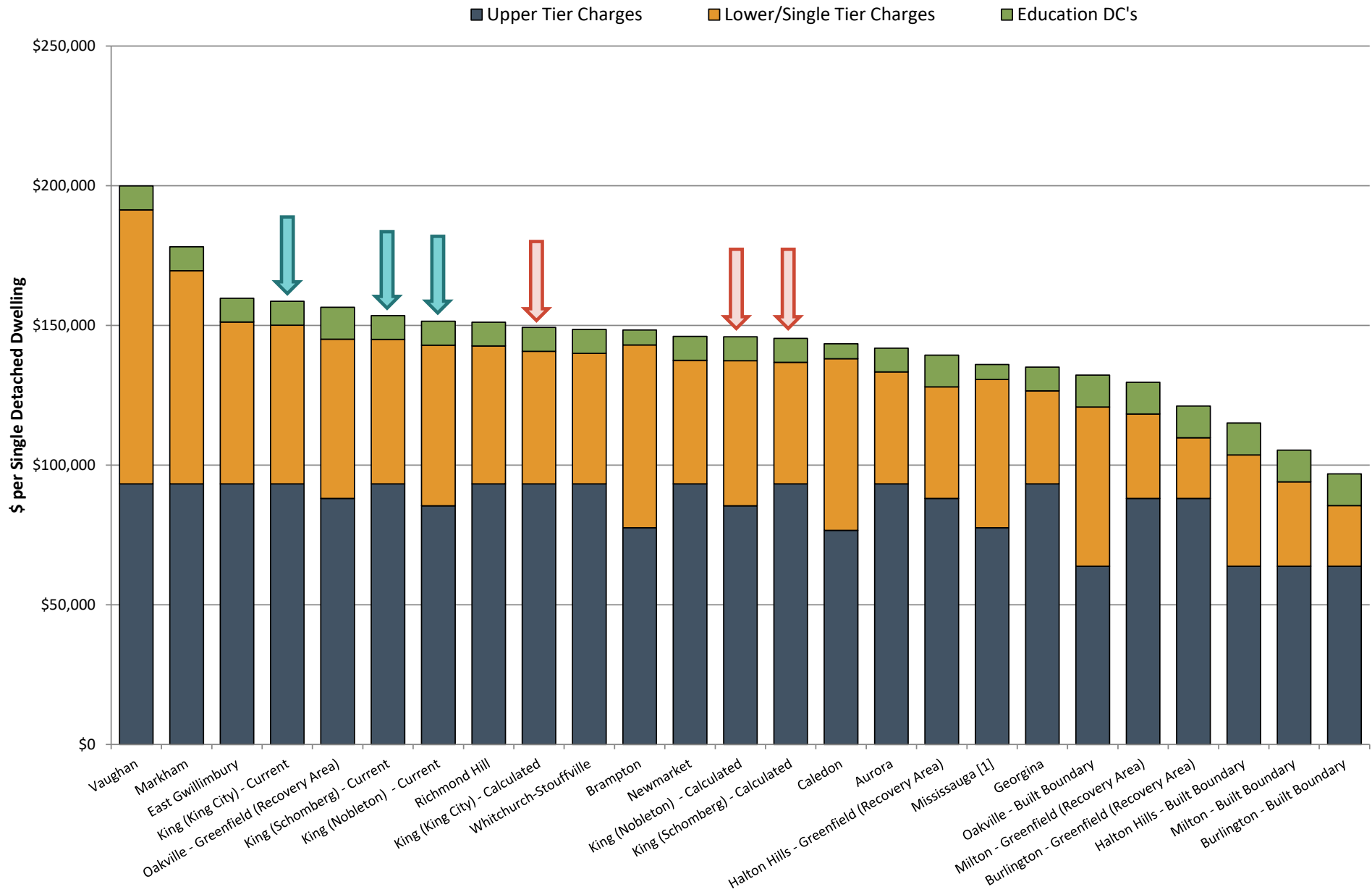
Service/Class of Service	Current	Calculated	% Change
Municipal Wide Services/Classes:			
Services Related to a Highway	24,966	13,102	
Fire Protection Services	1,403	2,085	
Parks and Recreation Services	17,194	21,303	
Library Services	2,324	1,995	
Growth Studies	741	1,230	
Total Township Wide Services (A)	46,628	39,715	-14.83%
Urban Services:			
Stormwater Services	573	362	
Water Services	4,025	3,277	
Water & Wastewater Studies	461	136	
Total Urban Services (B)	5,059	3,775	-25.38%
Area Specific Services:			
Wastewater-King City (C)	5,103	3,937	
Wastewater-Nobleton (D)	5,823	8,455	
Total King City (A + B + C)	56,790	47,427	-16.49%
Total Nobleton (A + B + D)	57,510	51,945	-9.68%
Total Schomberg (A + B)	51,687	43,490	-15.86%

Rate Comparison – Non-Residential

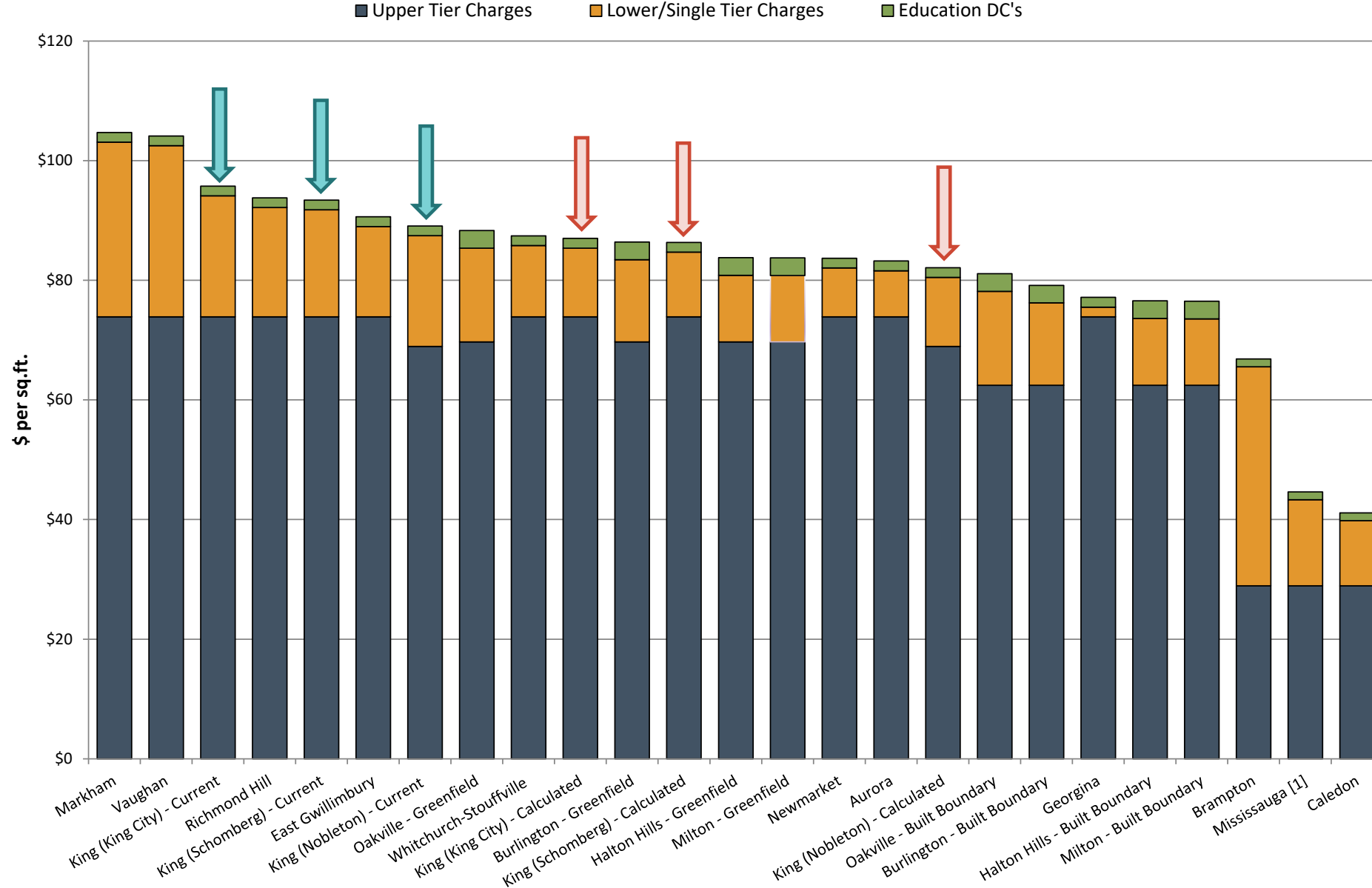


Service/Class of Service	Current	Calculated	% Change
Township Wide Services/Classes:			
Services Related to a Highway	11.36	4.98	
Fire Protection Services	0.64	0.89	
Parks and Recreation Services	2.87	2.72	
Library Services	0.38	0.25	
Growth Studies	0.35	0.51	
Total Township Wide Services (A)	15.61	9.35	-40.11%
Urban Services:			
Stormwater Services	0.26	0.14	
Water Services	1.80	1.27	
Water & Wastewater Studies	0.22	0.06	
Total Urban Services (B)	2.28	1.47	-35.65%
Area Specific Services:			
Wastewater-King City (C)	2.31	0.66	
Wastewater-Nobleton (D)	0.60	0.72	
Total King City (A + B + C)	20.21	11.48	-43.20%
Total Nobleton (A + B + D)	18.50	11.54	-37.61%
Total Schomberg (A + B)	17.90	10.82	-39.54%

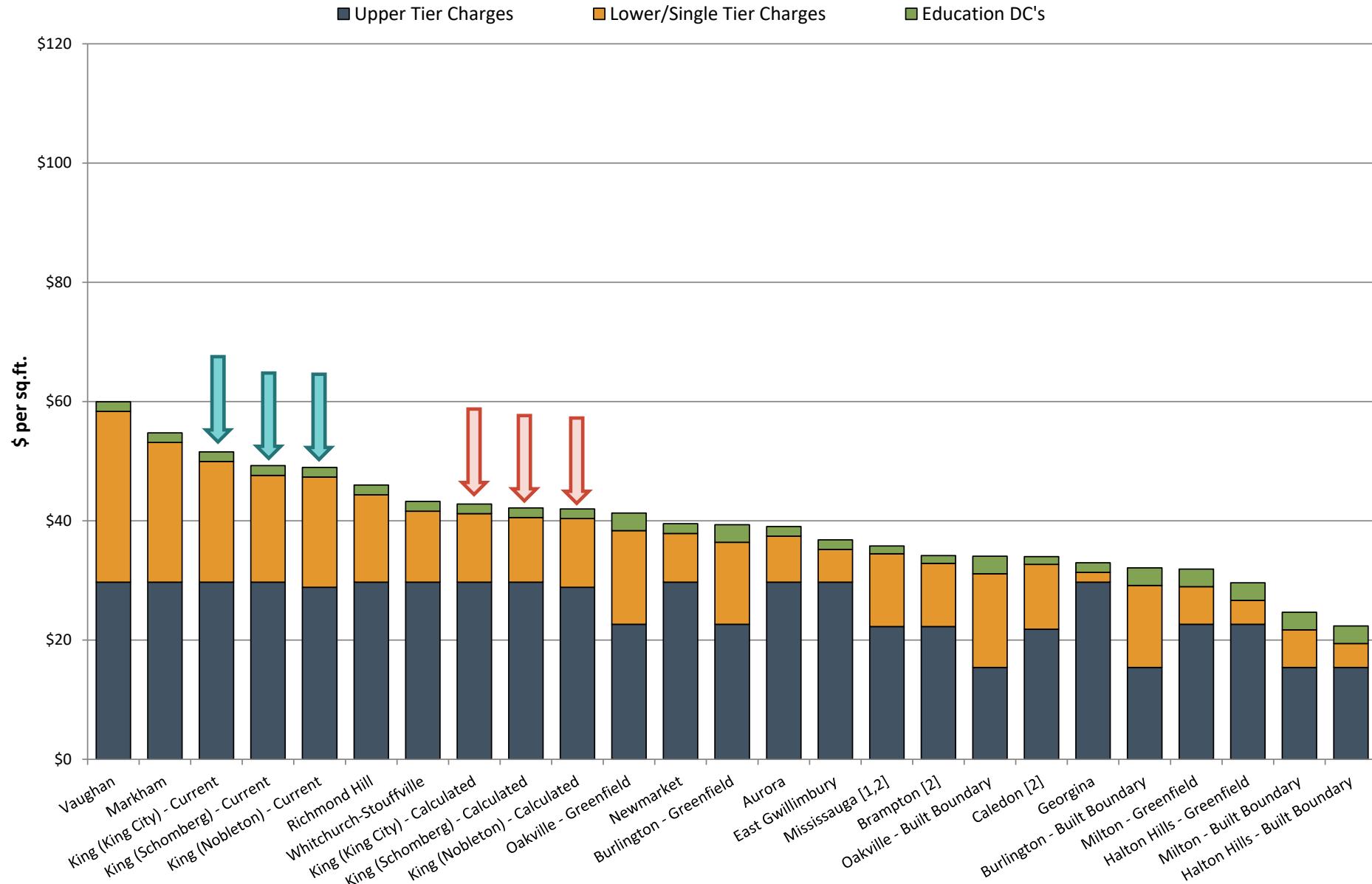
Survey of Comparator Municipalities – Single/Semi-Detached



Survey of Comparator Municipalities – Commercial (per sq.ft.)



Survey of Comparator Municipalities – Industrial (per sq.ft.)



Single Detached Purchase Price to D.C.



Municipality	Total Development Charges (Incl. Lower Tier, Upper Tier, Single Tier, and Education)	Average Purchase Price - Single Detached - per Ontario DC Bulletin	Percentage of D.C. to Purchase Price	Rank
Georgina	\$ 135,072	\$ 930,000	14.5%	1
East Gwillimbury	\$ 159,723	\$ 1,370,000	11.7%	2
Newmarket	\$ 146,020	\$ 1,260,000	11.6%	3
Vaughan	\$ 199,873	\$ 1,740,000	11.5%	4
Aurora	\$ 141,867	\$ 1,360,000	10.4%	5
Markham	\$ 178,107	\$ 1,710,000	10.4%	6
Halton Hills - Greenfield (Recovery Area)	\$ 139,334	\$ 1,360,000	10.2%	7
Milton - Greenfield (Recovery Area)	\$ 129,630	\$ 1,330,000	9.7%	8
King (Nobleton) - Calculated	\$ 145,891	\$ 1,560,000	9.4%	9
Caledon	\$ 143,434	\$ 1,610,000	8.9%	10
Mississauga [1]	\$ 135,966	\$ 1,540,000	8.8%	11
Brampton	\$ 148,359	\$ 1,740,000	8.5%	12
Halton Hills - Built Boundary	\$ 115,048	\$ 1,360,000	8.5%	13
Burlington - Greenfield (Recovery Area)	\$ 121,129	\$ 1,460,000	8.3%	14
Milton - Built Boundary	\$ 105,344	\$ 1,330,000	7.9%	15
King (Schomberg) - Current	\$ 153,504	\$ 1,990,000	7.7%	16
King (King City) - Current	\$ 158,607	\$ 2,290,000	6.9%	17
King (Schomberg) - Current	\$ 153,504	\$ 2,290,000	6.7%	18
Oakville - Built Boundary	\$ 132,170	\$ 1,990,000	6.6%	19
Burlington - Built Boundary	\$ 96,843	\$ 1,460,000	6.6%	20
King (Nobleton) - Current	\$ 151,456	\$ 2,290,000	6.6%	21
King (King City) - Calculated	\$ 149,244	\$ 2,290,000	6.5%	22
King (Nobleton) - Calculated	\$ 145,891	\$ 2,290,000	6.4%	23
King (Schomberg) - Calculated	\$ 145,307	\$ 2,290,000	6.3%	24
Average	\$ 142,972	\$ 1,701,667	8.8%	

[Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin - Affordable Residential Units for the Purposes of the Development Charges Act, 1997 Bulletin - Ontario Data Catalogue](#)

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