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Town of Aurora

Attachment 2

Development Charge Credit / Reimbursement Policy

Finance

Contact: Financial Management

Approval Authority: Council

Effective: November 25, 2025

Development Charge Credit / Reimbursement Policy

1 Purpose

At the Town or developer's request, the developer may carry out development enabling capital works on the Town's behalf. In these instances, a Credit and/or Reimbursement Agreement is necessary to establish the mechanism for the developer to recover all, or part, of their costs and to establish the developer's obligations for construction. The purpose of this policy is to establish guidelines for the application, administration and issuance of development charge credits and/or reimbursement to developer(s), to be implemented through formal agreements with the Town.

2 Scope

This Policy will apply to all landowners, developers and/or builders who apply for development charge credits and/or reimbursement, related to infrastructure being constructed on the Town's behalf.

3 Definitions

3.1 In this policy, unless context requires otherwise:

"Act" Means the Development Charges Act, 1997, S.O. 1997, c.27, as amended, revised, re-enacted or consolidated from time to time, and any successor statute.

"Developer" Means a person, corporation, group of persons and/or corporations, or an agent for a person, corporation or group of persons and/or corporations who is undertaking a development.

"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 changing the use

thereof from non-residential to residential or from residential to non-residential and includes redevelopment.

“Development Charges (DCs)” Means the Town’s development charges collected under authority of the Act and/or the Town’s related Development Charges Bylaw, or area-specific development charges bylaw.

“Development charges credit/reimbursement” Means a credit/reimbursement approved by the Town for work performed by a developer that relates to a service for which a credit/reimbursement is provided within the Development Charges Bylaw.

“Non-growth costs” Means the capital costs that cannot be recovered under the Development Charges Bylaw and are funded by tax levy, user rates and other non-development charge sources.

“Public Works” Means transportation, Parks & Recreation and Water/Wastewater infrastructure identified within the Town’s Capital Plan and/or Development Charges Background Study and Bylaw.

4 Eligibility Requirements

The Town will consider granting development charge credits and/or reimbursements for the construction of public works where the following criteria are met:

- 4.1 The costs for the public works must be identified within the Town’s Capital Plan and/or Development Charges Background Study and Bylaw;
- 4.2 Town approval must be obtained in advance of the commencement of construction, for the developer to obtain development charge credits and/or reimbursement. If a developer proceeds with construction in advance of receiving development charge credit and/or reimbursement approval, such works shall be constructed at their own financial risk and expense; and
- 4.3 This policy is applicable to all development being commenced on or subsequent to this policy’s effective date.

5 Development charge credit and/or reimbursement agreement

- 5.1 A development charge credit and/or reimbursement agreement shall be initiated through the submission of a complete application package to the Town by the developer. A complete application package shall include the following:
- Overview of proposed public works
 - Rationale why the project should be advanced; and
 - Financial summary
- 5.2 In collaboration with Town's Director, Planning and Development and/or the Director, Operational Services, the Town's Director, Finance / Treasurer or their delegate will assess the eligibility of each submitted application and decline or approve the application.
- 5.3 The available development charge credit / reimbursement amount will be limited to what is included within the Town's DC Study and/or capital plan; however, the Director, Finance / Treasurer or their delegate may approve a higher amount if deemed appropriate.
- 5.4 A public works project may have a non-growth component that cannot be funded through development charges. In such instances, their non-growth component must be funded through the tax levy or other non-DC sources.
- 5.5 Agreed upon development charge credit and/or reimbursements may be set out in the development's related subdivision or site plan agreement. Otherwise, a separate development charge credit and/or reimbursement agreement shall be executed between the Town and developer.
- 5.6 Regardless of a development charge credit and/or reimbursement agreement being in place, a developer must firstly pay 100 percent of the development charges payable relating to their development as per the Town's DC bylaw.

The developer will subsequently receive a disbursement for their previously agreed upon development charge credit and/or reimbursement entitlement amount as per their Development Charge Credit and/or reimbursement agreement.

6 Securities

- 6.1 When a developer and the Town enter into a Development Charge Credit and/or Reimbursement agreement, the developer shall provide a form of security acceptable to the Town in an amount equal to 100 percent of the estimated cost of the proposed public works.

6.2 The Town may accept the following as security:

- A form of security will be taken and registered against the title to the land upon the execution of the development charges deferral agreement with the Town.
- A Pay-On-Demand Surety Bond, subject to the Town's Surety Bond Policy, as amended from time to time; or
- A Letter of Credit, subject to the Town's Letter of Credit Policy, as amended from time to time.

6.3 This security provided pursuant the above will be released by the Town upon its assumption of responsibility for the underlying public works.

7 Development Charge Credit/Reimbursement Disbursement

7.1 The Town's Director Finance / Treasurer or their delegate will approve payment of the appropriate development charge credit and/or reimbursement entitlement upon the following criteria being met:

- i. receipt of a developer's formal request seeking a disbursement under their agreement with the Town, the request package shall include proof of actual construction costs; and
- ii. receipt of final certification of delivered public works and a disbursement release request from the applicable department.

7.2 A developer will only receive a DC credit and/or reimbursement disbursement equal to the lesser of the maximum agreed upon amount as per their applicable DC Credit and/or Reimbursement agreement, or the developer's actual costs.

8 Termination or Amendment

The Director, Finance / Treasurer or their delegate have authority to approve the termination of, or amendment to, an existing development charge and/or reimbursement agreement to be executed by the Town's Director, Planning and Development where:

- The Development Charge bylaw on which the credits/reimbursement are based have been repealed or,
- The developer agrees to forego any further credits/reimbursements or,
- The terms on which the credits/reimbursements are to be disbursed has changed.

9 Legal and Administrative Fees

The developer will pay all legal fees and expenses of both the developer and Town, including any costs incurred by the Town to prepare and register any other agreements as required by the Town's Legal Services, and any other associated administration fees.

10 Budget Monitoring and Reporting

Staff will report back to Council annually on all development charge credit and/or reimbursement agreements executed by the Town under this policy, as well as any disbursements of these amounts.

11 Responsibilities

11.1 Director, Finance / Treasurer

- I. Administration of this policy in collaboration with applicable departmental and developer stakeholders.
- II. Approval of any requested development charge credits and/or reimbursements under this policy.
- III. Enforcement of this policy.
- IV. Disbursement of any agreed upon development charge credits and/or reimbursements.
- V. Assess the financial impact of development charge credit and/or reimbursements.

11.2 Legal Services

- I. Draft and prepare for execution the Development Charge Credit and/or Reimbursement agreement, or the necessary clauses within the subdivision or site plan agreement.

11.3 Developer

- I. Prior to the commencement of proposed enabling public works for a development, the developer should provide a letter of application to Director, Planning and Development requesting the provision of a development charge credit and/or reimbursement.
- II. Upon completion of the agreed upon public works, the developer will provide a formal letter requesting disbursement of applicable development charge credit and/or reimbursement to the Director, Planning and Development Services and

the Director, Finance / Treasurer. This request should include a detailed listing of the developer's actual costs.

11.4 Director, Planning and Development Services

- I. Support the application, including undertaking a review of each application/submission package to determine its eligibility for a development charge credit and/or reimbursement, as required.
- II. Undertake a review of each disbursement request, including a verification of provided actual public works construction costs, and issuance of a formal certification and request for disbursement, as required.
- III. Support the enforcement of this policy, as appropriate.

11.5 Director, Operational Services

- I. Support the application, including undertaking a review of each application/submission package to determine its eligibility for a development charge credit and/or reimbursement, as required.
- II. Undertake a review of each disbursement request, including a verification of provided actual public works construction costs, and issuance of a formal certification and request for disbursement, as required.
- III. Support the enforcement of this policy, as appropriate.

12 Monitoring and Compliance

The **Director, Finance / Treasurer**, shall ensure compliance with the Act, the Development Charges bylaw, this policy and all other legislative requirements.

The **Director, Planning and Development Services** and **Director, Operational Services** will monitor the construction of agreed upon public works to ensure related obligations are met and will recommend disbursement of underlying development charge credits and/or reimbursements to Finance when appropriate.

The **Director, Finance / Treasurer** will process any necessary disbursements of development charge credit and/or reimbursements under this policy.

13 References/Codes

- Town of Aurora Development Charges Bylaw
- Town of Aurora Development Charges Study and Bylaw

Review Timeline

This policy will be reviewed 4 years after the initial approval date.