



234-2025-5272

November 28, 2025

Your Worship
Robin Jones
President
Association of Municipalities of Ontario
amopresident@amo.on.ca

Dear Robin Jones,

Our government passed Bill 17, the *Protect Ontario by Building Faster and Smarter Act, 2025*, to help create the conditions homebuilders need to do what they do best – build. Now more than ever, we need to get shovels in the ground to Protect Ontario by building the homes our residents and families need and keeping workers on the job in these times of economic uncertainty.

I am writing to clarify Ontario's position as to when interest on frozen development charges (DCs) can be charged by a municipality on developments for which payment of DCs is legislatively deferred to occupancy.

As you are aware, the *Development Charges Act, 1997* (DCA) has provided since 2020 for DCs on a particular development to be frozen when a site plan or zoning application is made to the municipality. The DCA has also provided since 2020 for DCs for rental housing and institutional developments to be deferred until occupancy and paid in six installments beginning at that time.

Through Bill 17, our government amended the DCA to provide that DCs for non-rental residential developments be deferred to issuance of an occupancy permit and paid in full at that time. Furthermore, the Bill removed authority for municipalities to charge interest on all legislatively deferred DCs. These provisions came into force on November 3, 2025.

When the legislative DC freeze and DC payment deferral were introduced in the DCA, separate provisions were established regarding interest on the frozen DCs and interest on the DC payment deferral. The recent changes made by Bill 17 did not remove the interest provision on the frozen DCs meaning municipalities can continue to charge interest on any frozen DC until building permit issuance.

Bill 17 did remove authority for municipalities to charge interest on deferred DCs. Any interest that has accrued on the deferred DCs up to November 3, 2025 would still be owed to the municipality at the time of the deferred payment. However, after November 3, 2025, no new interest can be charged by municipalities under the legislative payment deferral.

Finally, developers required to pay DCs have discretion to pay the DCs earlier without need for an agreement under subsection 27 of the DCA, and section 27 agreements are not required to facilitate early payment. Flexibility for early payment is only available to the applicant in its sole discretion.

Should you require additional information on these matters, please contact Caspar Hall, Assistant Deputy Minister, Local Government Division at Caspar.Hall2@Ontario.ca.

I look forward to continuing to work together to get shovels in the ground to build more homes for the people of Ontario.

Sincerely,

A handwritten signature in blue ink that reads "Robert J. Flack". The signature is fluid and cursive, with the first name "Robert" and the last name "Flack" clearly legible.

Hon. Robert J. Flack
Minister of Municipal Affairs and Housing

- c. Lindsay Jones, Executive Director, Association of Municipalities of Ontario
Robert Dodd, Chief of Staff to the Minister of Municipal Affairs and Housing
Martha Greenberg, Deputy Minister of Municipal Affairs and Housing
Caspar Hall, Assistant Deputy Minister, Local Government Division, Ministry of Municipal Affairs and Housing
Sean Fraser, Assistant Deputy Minister, Municipal and Housing Operations Division, Ministry of Municipal Affairs and Housing