

Corporate Policy and Procedure



Policy	Development Charge Exemption Policy
Category	Finance
Authority	Council
Related Policies	General Reserve and Reserve Fund Policy
Approved By	Council
Effective Date	Tuesday, May-26-2026
Revision Date	As required

1. POLICY STATEMENT

It is the policy of the City of Guelph to track and report on development charge Exemptions and to maintain reserve funds to address the resulting shortfall in capital cost recovery for growth related capital projects.

2. POLICY PURPOSE

The purpose of this policy is to ensure that adequate resources are available to enable infrastructure necessary to support the City’s growth.

3. DEFINITIONS

Administrative Development Charges By-law (“By-law”) means City of Guelph By-law (2024) – 20866, as amended, or any successor thereto.

Delegation of Authority By-law means City of Guelph By-law (2024) - 20994, as amended, or any successor thereto.

Development Charges Background Study means a study prepared in accordance with the Development Charges Act, 1997, as amended.

Discretionary Exemption means an Exemption authorized by the Administrative Development Charges By-law that is not a Mandatory Exemption.

Exemption means full or partial relief from the imposition of a development charge that would otherwise be payable for development or redevelopment, but does not include a reduction of development charges for redevelopment.

Identified Funding Requirement means the funds to be transferred annually into the DC Exemption reserve funds to cover off the shortfall in funds required for DC eligible capital costs created from Exemptions.

Mandatory Exemption means an Exemption required under the Development Charges Act or any other Act.

Treasurer's Statement means the mandated financial report required under Section 43 of the Development Charges Act, 1997, as amended.

4. SCOPE

The Development Charge Exemption Policy applies to all development that is subject to the By-law.

5. PROCEDURE / ADMINISTRATION

5.1 Tracking

Staff will track Exemptions, including whether the exemption is discretionary or mandatory, at the time of building permit issuance.

5.2 Determining the Identified Funding Requirement

Staff will determine the Identified Funding Requirement annually by reviewing Exemptions provided during the year and subtracting grant funding provided by upper levels of government that relieves a funding requirement that would otherwise have been drawn from the DC reserve funds, so long as the grant is not explicitly provided for the purpose of lowering the calculated DC rates in a Development Charge Background Study.

5.3 Reporting

Staff will provide annual reporting on Exemptions through the annual year-end reporting on reserves and reserve funds, including:

- The total amount of Exemptions provided during the year.
- The Identified Funding Requirement for the year.
- For applicable exemptions, a list of agreements for the deferral or exemption of development charges executed under section 4.12 of the Delegation of Authority By-law during the year.

5.4 Reserve Funds

The City will establish and maintain DC Exemption reserve funds for each DC eligible service. Funds will be transferred annually into the DC Exemption reserve funds in the amount of the Identified Funding Requirement. Contributions to DC Exemption reserve funds will be made from the following sources:

- A transfer of funds from the Water Capital reserve fund (152) for Water Services.
- A transfer of funds from the Wastewater Capital reserve fund (153) for Wastewater Services.
- A transfer of funds from the Stormwater Capital reserve fund (165) for Stormwater Services.
- A transfer of funds from the Growth reserve fund (156) for all other services.

5.5 Estimating and Budgeting for Exemptions

Estimates of the Identified Funding Requirement for Exemptions shall be made through the Multi-Year Budget and/or Budget Confirmation Process. An adequate amount to fund the estimated Identified Funding Requirement shall be included in the budget by way of transfers to the Growth Capital reserve fund (156), Water Capital reserve fund (152), Wastewater Capital reserve fund (153) and Stormwater Capital reserve fund (165).