



# Development Charge Reduction Policy

September 2025

## Objective

This Development Charge Reduction Policy (“Policy”) establishes a framework for reducing development charges for missing middle housing. The purpose of this Policy is to encourage the development of diverse housing types within the Municipality of Strathroy-Caradoc by lowering financial barriers and promoting increased housing supply, affordability, and community diversity.

## Application

This Policy applies to all building permits for new residential construction or redevelopment where development charges are payable charges under the *Development Charges Act* and the Municipality of Strathroy-Caradoc’s Development Charge By-law, and where the development includes one or more eligible units as defined in this Policy.

## Definitions

**Municipality:** refers to The Corporation of the Municipality of Strathroy-Caradoc, its Council, and any staff or representatives authorized to act on its behalf

**Development Charges:** Fees imposed under the *Development Charges Act, 1997* to recover costs associated with growth-related infrastructure.

## Administration and Enforcement

The following positions (“Administrators”) are assigned to administer all provisions under this Policy:

- Chief Administrative Officer
- Director, Community & Development Services

Where any provision of this Policy conflicts with provincial legislation or regulations, the provincial requirements shall prevail.

## Eligibility Criteria

In order to be eligible for a development charge reduction under this Policy, the development must comply with the following:

- Construction of a minimum of four (4) new residential units on a single legal property (prior to development).

- Units may be for ownership or rental. Eligible forms include: fourplexes, multiplexes, stacked townhouses, rowhouses, and apartment buildings.
- Comply with all Municipal policies/documents and the Strathroy-Caradoc Zoning By-law or be in the process of a planning application under the *Planning Act* to allow the intended housing type.

The following developments are not eligible for a development charge reduction under this Policy:

- Projects which are already eligible for a development charge reduction or exemption under the *Development Charge Act*.
- Single detached, semi-detached, or duplex dwellings (unless part of a larger development)
- Short-term rentals (ex., Airbnb or vacation rentals)
- Secondary suites or additional residential units (ARUs)
- Legal properties which previously received a reduction under this Policy
- Properties or applicants that have outstanding taxes, fees, or other municipal charges

Meeting the above criteria does not guarantee funding, subject to annual limits.

## **Development Charge Reduction**

Any development deemed eligible under this Policy will receive a fifteen (15) percent development charge reduction per unit. The reduction will apply to a maximum of ten (10) units per legal property or \$50,000 whichever is lesser.

There will be a total maximum annual limit of \$150,000 in development charge reductions issued per calendar year by the Municipality, if the yearly amount exceeds this value the Municipality has the right to refuse an application.

## **Application Process**

- **Pre-Consultation:** Applicants are encouraged to consult with Planning staff prior to submitting an application.
- **Application Submission:** Submit a “Development Charge Reduction Application” form prior to the issuance of a building permit.

- **Staff Review:** Staff will evaluate applications for compliance with this Policy and recommend approval or denial.
- **Building Permit Issuance:** Once all conditions are met, a building permit can be issued and full development charges paid in accordance with the *Development Charges Act*
- **Occupancy Permit Issued:** Once construction of the units is complete and an occupancy permit is issued, payment of the reduction is issued to the applicant by the Municipality.

## Payment Process

To ensure compliance with the requirements of the Policy the following payment process shall apply:

- When development charges are payable, the applicant shall pay the full amount of applicable development charges, in accordance with the Municipality's Development Charges By-law.
- Following the issuance of an occupancy permit for the units, the Municipality will issue a cheque equal to the amount of the approved development charge reduction
- The Municipality shall issue the payment within 60 days of occupancy of all units which are deemed eligible under this Policy.

## General Provisions

- Applications will be evaluated and accepted on a first come first serve basis. If annual funding is exhausted, the Municipality has the right to refuse the application.
- If an occupancy permit is not issued within 2 years of a Development Charge Reduction Application being received for a project, the reduction will expire and not be paid to the applicant.
- The Policy will be in effect until December 31<sup>st</sup>, 2028 and may be extended at the discretion of the Municipality.
- In cases of ambiguity, the Administrators interpretation of this Policy shall be final.