



2026 Development Charges Update Study

City of Guelph

January 30, 2026

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1. Introduction

1.1 Background

1.1.1 Purpose of the Update Study

The City of Guelph (City) imposes development charges (D.C.s) to recover the increase in need for municipal services arising from growth. The basis for the calculation of the City's existing municipal-wide D.C.s is documented in the "City of Guelph Development Charge Background Study," dated September 27, 2023 (as amended with Addendum #1, dated January 4, 2024), which provided the supporting documentation for by-law (2024)-20866. The by-law was enacted by Council on January 16, 2024, and came into force on March 2, 2024.

Since the enactment of By-law (2024)-20866, Council approved an amending by-law to implement legislative changes enacted by the Province through *Bill 185, Cutting Red Tape to Build More Homes Act, 2024*. In particular, By-law (2024)-20997 was passed, pursuant to subsection 19 (1.2) of the *Development Charges Act, 1997* (D.C.A.), to add Growth Studies as an eligible class of service.

In accordance with section 5 of By-law (2024)-20866, as amended, the City's D.C.s are indexed annually on the anniversary of the by-law coming into effect. The current D.C. rates, as posted on the City's website, reflect the indexed rates in effect following the March 2 anniversary date and are presented in Table 1.

The Province has since introduced further legislative amendments to the D.C.A., most notably through *Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025*, which received Royal Assent on June 5, 2025, and came into force on the same date. Bill 17 introduced changes to the administrative framework for D.C.s, including provisions related to the rate freeze period, interest period and interest payable, and the timing of D.C. payments, including occupancy-based payments and instalment arrangements.

The purpose of this report is to outline proposed updates to the City's D.C. by-law to address administrative matters arising from Bill 17, including housekeeping items to improve clarity of the D.C. by-law. This review is limited to technical and administrative updates and does not involve changes to the underlying D.C. calculations, service standards, or rates established through the approved background study.



1.1.2 Future Consideration

On November 27, 2025, *Bill 60, Fighting Delays, Building Faster Act, 2025* received Royal Assent and introduced additional amendments to the D.C.A., including:

- Addition of class of service for land acquisition (with removal of land costs from level of service calculations);
- Additional requirements related to providing a local service policy;
- Merging of credits for water supply services and wastewater services;
- Requirement to provide greater details in the background study with respect to how capital costs are determined and how growth-related and non-growth-related shares of costs are determined;
- Additional requirements to provide documents to the Minister;
- Deadlines provided for Treasurer's Statement completion and submission to the Minister of Municipal Affairs and Housing; and
- Additional reporting requirements for the Treasurer's Statement.

In addition to the above, the D.C.A. includes transition provisions related to the local service policy. This requires municipalities, that impose D.C.s for services that may include a local service component, to establish a Local Service Policy identifying works or classes of works that are intended to be provided as local services on the earlier of the date a municipality establishes or amends its Local Service Policy, or 18 months following Royal Assent of Bill 60 (being May 27, 2027).

The City currently has a Local Service Policy in effect; however, it does not apply to all D.C. services. The Local Service Policy update required under Bill 60 will be undertaken separately from this D.C. Update in order to meet the mandatory timing requirements prescribed by the D.C.A.

All other amendments outlined in Bill 60 will be considered as part of the City's future comprehensive D.C. study. While the next full D.C. study is anticipated to occur after May 27, 2027, the Local Service Policy update will be completed in advance of that date to ensure compliance with the legislative deadline.



Table 1
City of Guelph
Current Municipal-wide Development Charges (Effective March 2, 2025)

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL ³
	Single and Semi-Detached Dwelling	Multiples ¹	Apartments ² - 2 Bedrooms +	Apartments ² - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal-Wide Services/Class of Service:						
Services Related to a Highway	20,328	14,638	12,169	8,918	6,575	10.37
Public Works	2,058	1,482	1,232	903	666	1.04
Transit Services	3,258	2,346	1,951	1,429	1,053	1.60
Fire Protection Services	272	195	162	119	88	0.13
Policing Services	1,496	1,077	895	657	484	0.76
Parks and Recreation Services	13,333	9,601	7,982	5,849	4,312	0.81
Library Services	1,643	1,183	983	721	532	0.10
Long-term Care Services	98	70	59	43	32	0.01
Public Health Services	404	291	242	178	130	0.05
Ambulance Services	420	303	252	185	136	0.05
Waste Diversion Services	1,018	733	609	447	329	0.15
Stormwater Services	782	563	468	343	253	0.40
Wastewater Services	9,512	6,850	5,694	4,173	3,076	4.85
Water Services	12,307	8,862	7,368	5,399	3,981	6.28
Growth Studies	2,235	1,609	1,337	980	723	1.30
GRAND TOTAL	69,164	49,803	41,403	30,344	22,370	27.90

^[1] Multiples include Townhouses, Row Dwellings, and Duplex Dwellings

^[2] Apartments also include Triplex Dwellings, Fourplex Dwellings, Stacked Townhouses, and Additional Residential Dwelling Units

^[3] Non-Residential Developments include Institutional, Commercial, Industrial, Short Term Accommodations, and any structure not considered Residential



1.2 Basis for the D.C. By-law Update

This report supports an administrative amendment to the City's existing development charges by-law (By-law (2024)-20866, as amended) to address legislative changes introduced through *Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025*, and related administrative matters.

The proposed amendments are administrative in nature and focus on provisions related to the rate freeze period, interest period and interest payable, and the timing of D.C. payments, including occupancy-based payments and instalment arrangements.

The amendments do not alter the growth forecast, service standards, capital information, or underlying D.C. calculations.

1.3 Summary of the Process

The proposed amendments are administrative in nature and are being undertaken in accordance with section 19 of the D.C.A.

The public meeting required under section 12 of the D.C.A. has been scheduled for March 4, 2026, and will be held in the City of Guelph's Council chambers. Its purpose is to present the D.C. Update study to the public and to solicit public input. The meeting is also being held to answer any questions regarding the study's purpose, methodology, and the proposed modifications to the City's D.C. by-law.

The process to be followed in finalizing the report and recommendations includes:

- Consideration of responses received prior to, at, or immediately following the public meeting; and
- Council consideration of the amending by-law on March 31, 2026.

Table 2 outlines the anticipated schedule associated with the D.C. by-law amendment process.



Table 2
Schedule of Key Development Charge Process Dates for the City of Guelph

Item	Date
1. Policy Review with City Staff	December 2025 to January 2026
2. City publication of D.C. Update Study and amending by-law	January 30, 2026
3. Notice of the Public Meeting	No later than February 18, 2026
4. Public Meeting of Council	March 4, 2026
5. Council consideration and passage of by-law	March 31, 2026
6. Newspaper notice given of by-law passage	April 20, 2026
7. Last day for by-law appeal	May 10, 2026
8. City makes pamphlet available (where by-law is not appealed)	May 30, 2026

2. Anticipated Development

The 2023 D.C. study provided for the anticipated residential and non-residential growth within the City of Guelph. The growth forecast associated with services included in the background study is provided in Table 3 below.

Table 3
City of Guelph
2023 Development Charges Background Study – Growth Forecast Summary

Measure	10 Year 2023-2032	28 Year 2023-2051	Urban Build Out 2023-2051
(Net) Population Increase	26,146	48,920	48,920
Residential Unit Increase	12,556	24,940	24,940
Non-Residential Gross Floor Area Increase (sq.ft.)	7,179,900	16,073,800	16,073,800

Source: Watson & Associates Economists Ltd. Forecast 2023

For the purposes of this D.C. Update, the 2023 D.C. Background Study growth forecast remains unchanged, as the incremental growth is anticipated to remain the same.



3. Updates to the City's D.C. By-law

The City of Guelph passed Development Charges By-law (2024)-20866, as amended, on January 16, 2024, being a by-law for the purposes of establishing and collecting D.C.s in accordance with the provisions of the D.C.A. The City's approved D.C. background study identifies the capital costs eligible for recovery through D.C.s for municipal-wide services.

As described earlier, the City's D.C. by-law requires updates as a result of Bill 17 and additional administrative items. These amendments summarized in this chapter.

3.1 D.C. By-law Updates

In consultation with City staff, it was determined that targeted amendments to the D.C. by-law are required to address recent legislative changes related to the timing and administration of D.C. payments, while maintaining consistency with the approved background study and existing policy direction.

In addition to the administrative updates, a series of minor technical and cross-reference amendments are required to ensure internal consistency within the D.C. by-law and alignment with current legislative provisions and City processes.

3.1.1 Timing of Development Charge Payments

Section 3.12 of the D.C. by-law is to be amended with the following:

Development charges imposed under this by-law shall be determined, payable, and collected in accordance with the Act and the regulations made thereunder.

Unless otherwise permitted under the Act, development charges shall be collected at the time of issuance of a building permit.

Where the Act permits development charges to be paid at a time other than building permit issuance, including through installment payments or occupancy-based payment timing, such payments shall be made in accordance with the applicable provisions of the Act. Where interest is permitted under the Act, it shall be applied in accordance with applicable regulations and in accordance with the City's Council



approved Development Charges Interest Policy, as may be revised from time to time.

3.1.2 Installment Payments and Occupancy-Based Payments

Section 3.13 of the D.C. by-law is to be amended with the following:

Where permitted under the Act, development charges may be paid in installments and, where applicable, may be payable based on occupancy.

The timing, number, and amount of installment payments, the circumstances under which occupancy-based payments apply, and the timing and application of interest on amounts paid other than at building permit issuance, shall be determined in accordance with the Act and the regulations made thereunder, as well as in the City's Council approved Development Charges Interest Policy, as may be revised from time to time.

Where permitted under the Act, the City may require the owner to provide security for the payment of future development charges, in a form, amount, and on terms satisfactory to the City, to secure amounts payable in installments or based on occupancy.

For greater certainty, nothing in this by-law limits the application of installment payment or occupancy-based payment provisions established under the Act.

The City may, at any time and from time to time following application for a building permit until development charges are paid in full, require a binding confirmation and indemnity from the owner confirming that all of the Dwelling Units in the Rental Housing Development are intended to be used, are being used and/or continue to be intended to be used as rented residential premises.

3.1.3 Rate Freeze Period

Section 3.14 of the D.C. by-law is to be amended with the following:

The applicable development charge rates shall be determined in accordance with the rate freeze provisions of the Act and the regulations made thereunder.

Where development is subject to a rate freeze pursuant to the Act, the development charge rates applicable to such development shall be the rates prescribed by the Act



as applicable pursuant to any operative transition provisions in the Act and/or regulations.

No provision of this by-law shall be interpreted so as to conflict with or limit the application of the rate freeze provisions established under the Act. Further administrative clarity may be provided through the City's Council approved D.C. Interest policy, as may be revised from time to time.

3.1.4 Agreements Respecting Timing of Payment

Section 3.15 of the D.C. by-law is to be amended with the following:

Despite sections 3.12 through 3.14, Council may enter into agreements under section 27 of the Act, providing for all or any part of a development charge to be paid before or after it would otherwise be payable under this by-law.

Any such agreement shall be subject to and governed by the provisions of the Act and the regulations made thereunder.

3.1.5 Other Considerations

In addition to the administrative updates described above, a series of minor technical and cross-reference amendments are required to ensure internal consistency within the D.C. by-law and alignment with current legislative provisions and City processes.

Specifically, references throughout the by-law to section 3.4(a) are to be updated to section 3.4.1(a).

The following amendments are required:

- Section 1 – Definitions of the D.C. by-law is to be amended with the following:
 - “Development” means the construction, erection, or placing of one (1) or more Buildings on land or the making of an addition or alteration to a Building that has the effect of increasing the size or usability thereof or any development requiring any of the actions described in section 3.4.1(a), and includes Redevelopment;
 - “Non-profit Housing Development” means development of a Building intended for use as residential premises by a not-for-profit corporation or



cooperative which is defined as exempt non-profit housing development under the Act;

- “Redevelopment” means the construction, erection or placing of one or more Buildings on land where all or part of a Building has previously been demolished on such land, or changing the use of a Building from a Residential Use to a Non-Residential Use or from a Non-Residential Use to a Residential Use, or changing a Building from one form of Residential Use to another form of Residential Use or from one form of Non-Residential Use to another form of Non-Residential Use and including any development or redevelopment requiring any of the actions described in subsection 3.4.1(a) of this By-law;
- “Rowhouse” or “Row Dwelling” means a Dwelling Unit within a Building containing three or more attached Dwelling Units in a single row, each of which Dwelling Unit has an independent entrance from the outside and is vertically separated from any abutting Dwelling Unit;
- Section 3.1 (b) of the D.C. by-law is to be amended to replace the cross-reference to section 3.4.1 with the cross-reference to section 3.4.1(a).
- Section 3.4.2 (b) is to be reformatted and clarified to include the following numbering conventions:
 - (i) A second residential Dwelling Unit in an existing detached house, Semi-detached Unit or Rowhouse on a parcel of land on which Residential Use, other than an Ancillary Residential Use, is permitted, if all Buildings Ancillary to the existing detached house, Semi-detached house or Rowhouse cumulatively contain no more than one Dwelling Unit;
 - (ii) A third residential Dwelling Unit in an existing detached house, Semi-detached house or Rowhouse on a parcel of land on which Residential Use, other than an Ancillary Residential Use, is permitted, if no Building Ancillary to the existing detached house, semi-detached house or rowhouse contains any residential Dwelling Units;
 - (iii) One Residential Unit in a Building Ancillary to an existing detached house, Semi-detached House or Rowhouse on a parcel of urban



residential land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential Dwelling Units and no other Building ancillary to the existing detached house, semi-detached house or rowhouse contains any residential Dwelling Units;

- Section 3.4.2 (e) of the D.C. by-law will be amended to replace the cross-reference to section 3.4.1(c) with the cross-reference to section 3.4.1(d).
- Section 3.5.1 is to be amended to include the following exemption:
 - (j) Non-profit Housing Residential Development
- Section 3.6 of the D.C. by-law will be amended to replace the word “calculated” with the word “determined”.
- Section 3.8 of the D.C. by-law will be amended to the following:
 - Despite any other provisions of this By-law, where a Building existing on land within 48 months prior to the date that a Development Charge becomes payable for a Redevelopment on the same land is deemed to be demolished or converted from one principal use to another principal use on the same land, the Development Charges otherwise payable with respect to such Redevelopment shall be reduced by the following amounts:
 - (a) in the case of a Residential Use Building or in the case of Residential Uses in a mixed-use Building, an amount calculated by multiplying the applicable Development Charge under section 3.6 by the number, according to type, of Dwelling Units that is deemed to be demolished or converted to another principal use; and
 - (b) in the case of a Non-Residential Use Building or in the case of the Non-Residential Uses in a mixed-use Building, an amount calculated by multiplying the applicable Development Charge under sections 3.7 by the Gross Floor Area that is deemed to be demolished or converted to another principal use;
- Section 3.9 of the D.C. by-law is to be amended to the following:



- (b) the date the demolition permit was issued.
- Section 3.16 of the DC by-law is to be amended by replacing all references to the word “calculated” with the word “determined”.
- Section 7.2 of the DC by-law is to be amended by replacing the word “calculated” with the word “determined”.

4. Recommendations

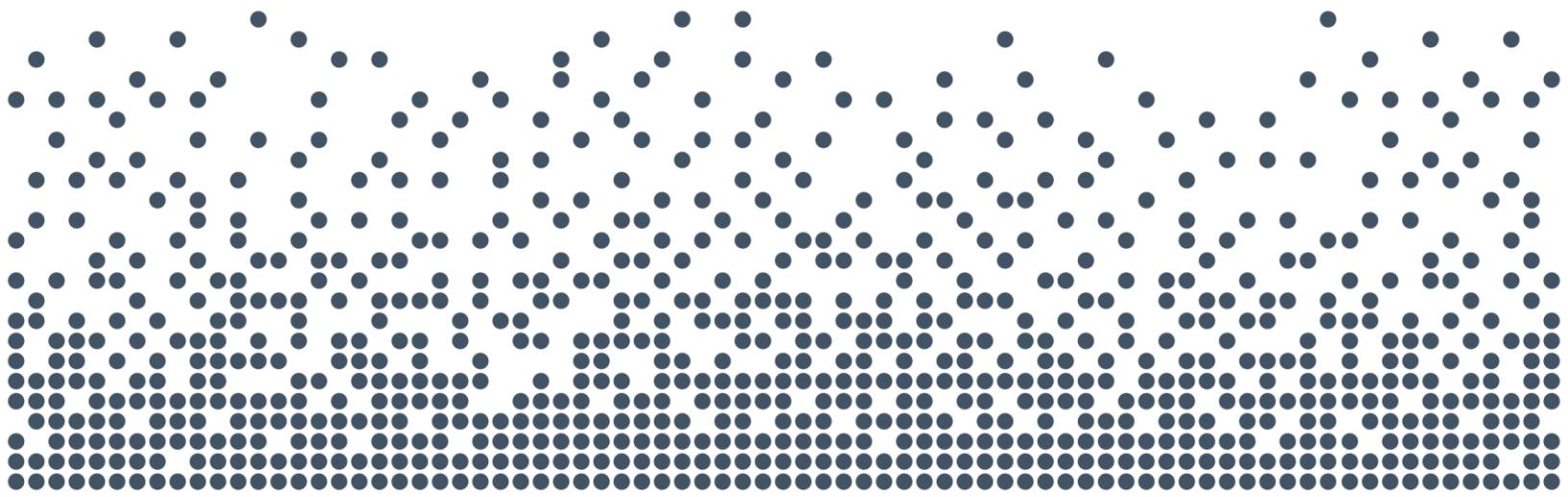
It is recommended that Council:

“Approve the Development Charges Update Study dated January 30, 2026”;

“Approve the by-law revisions set out in Chapter 3 of the Development Charges Update Study, dated January 30, 2026”;

“Determine that no further public meeting is required”; and

“Approve the Amending Development Charges By-law as set out in Appendix A”.



Appendices



Appendix A

Draft Amending By-law



The Corporation of the City of Guelph

By-law Number _____

Being a By-Law of The Corporation of the City of Guelph To Amend By-Law (2024)-20866, Respecting Development Charges

Whereas the City of Guelph enacted By-law (2024)-20866 pursuant to the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (the “Act”), which Act authorizes Council to pass By-laws for the imposition of Development Charges against land;

And Whereas the Act authorizes Council to amend a Development Charges By-law to address administrative matters in accordance with section 19 of the Act;

And Whereas the Province has enacted legislative amendments to the Act through Bill 17, *Protect Ontario by Building Faster and Smarter Act, 2025*, which introduced changes related to the timing and administration of Development Charge payments;

And Whereas Council has before it a report entitled “City of Guelph Development Charges Update Report,” prepared by Watson & Associates Economists Ltd., dated January 30, 2026, which outlines proposed administrative amendments to the City’s Development Charges By-law;

And Whereas the Council of the Corporation of the City of Guelph has given notice of and held a public meeting on the 4th day of March, 2026 in accordance with the Act and the regulations thereto;

NOW THEREFORE THE COUNCIL OF THE CORPORATION OF THE CITY OF GUELPH HEREBY ENACTS AS FOLLOWS:

1. By-law (2024)-20866 is hereby amended as follows:
 - (a) The following definitions for Development and Redevelopment within Section 1 of the Development Charges By-law are hereby deleted and replaced with the following:
 - (i) “Development” means the construction, erection, or placing of one (1) or more Buildings on land or the making of an addition or alteration to a Building that has the effect of increasing the size or usability thereof or any Development requiring any of the



actions described in subsection 3.4.1 (a), and includes Redevelopment;

(ii) “Non-profit Housing Development” means Development of a Building intended for use as residential premises by a not-for-profit corporation or cooperative which is defined as exempt non-profit housing Development under the Act;

(iii) “Redevelopment” means the construction, erection or placing of one or more Buildings on land where all or part of a Building has previously been demolished on such land, or changing the use of a Building from a Residential Use to a Non-Residential Use or from a Non-Residential Use to a Residential Use, or changing a Building from one form of Residential Use to another form of Residential Use or from one form of Non-Residential Use to another form of Non-Residential Use and including any Development or Redevelopment requiring any of the actions described in subsection 3.4.1 (a) of this By-law;

(iv) “Rowhouse” or “Row Dwelling” means a Dwelling Unit within a Building containing three or more attached Dwelling Units in a single row, each of which Dwelling Unit has an independent entrance from the outside and is vertically separated from any abutting Dwelling Unit.

(b) Subsection 3.1 (b) is hereby amended to replace the cross-reference to section 3.4.1 with the cross-reference to section 3.4.1(a).

(c) Subsection 3.4.2 (b) is hereby deleted and replaced with the following:

(i) A second residential Dwelling Unit in an existing detached house, Semi-detached Unit or Rowhouse on a parcel of land on which Residential Use, other than an Ancillary Residential Use, is permitted, if all Buildings Ancillary to the existing detached house, Semi-detached house or Rowhouse cumulatively contain no more than one Dwelling Unit;



- (ii) A third residential Dwelling Unit in an existing detached house, Semi-detached house or Rowhouse on a parcel of land on which Residential Use, other than an Ancillary Residential Use, is permitted, if no Building Ancillary to the existing detached house, Semi-detached house or Rowhouse contains any residential Dwelling Units;
- (iii) One Residential Unit in a Building Ancillary to an existing detached house, Semi-detached House or Rowhouse on a parcel of urban residential land, if the existing detached house, Semi-detached house or Rowhouse contains no more than two residential Dwelling Units and no other Building ancillary to the existing detached house, Semi-detached house or Rowhouse contains any residential Dwelling Units;

(d) Subsection 3.4.2 (e) is hereby amended to replace the cross-reference to section 3.4.1(c) with the cross-reference to section 3.4.1(d):

(e) Subsection 3.5.1 is hereby amended by adding the following exemption:

- (j) Non-profit Housing Residential Development.

(f) Subsection 3.6 is hereby amended to replace the word “calculated” with the word “determined”.

(g) Subsection 3.8 is hereby deleted and replaced with the following:

Despite any other provisions of this By-law, where a Building existing on land within 48 months prior to the date that a Development Charge becomes payable for a Redevelopment on the same land is deemed to be demolished or converted from one principal use to another principal use on the same land, the Development Charges otherwise payable with respect to such Redevelopment shall be reduced by the following amounts:

- (a) in the case of a Residential Use Building or in the case of Residential Uses in a mixed-use Building, an amount calculated by multiplying the applicable Development Charge under subsection 3.6 by the number, according to type, of Dwelling



Units that is deemed to be demolished or converted to another principal use; and

- (b) in the case of a Non-Residential Use Building or in the case of the Non-Residential Uses in a mixed-use Building, an amount calculated by multiplying the applicable Development Charge under subsection 3.7 by the Gross Floor Area that is deemed to be demolished or converted to another principal use.

(h) Subsection 3.9 (b) is hereby deleted and replaced with the following:

- (b) the date the demolition permit was issued.

(i) Subsection 3.12 is hereby deleted and replaced with the following:

Development Charges imposed under this By-law shall be determined, payable, and collected in accordance with the Act and the regulations made thereunder.

Unless otherwise permitted under the Act, Development Charges shall be collected at the time of issuance of a building permit.

Where the Act permits Development Charges to be paid at a time other than building permit issuance, including through instalment payments or occupancy-based payment timing, such payments shall be made in accordance with the applicable provisions of the Act. Where interest is permitted under the Act, it shall be applied in accordance with applicable regulations and in accordance with the City's Council-approved Development Charges Interest Policy, as may be revised from time to time.

(j) Subsection 3.13 is hereby deleted and replaced with the following:

Where permitted under the Act, Development Charges may be paid in instalments and, where applicable, may be payable based on occupancy.

The timing, number, and amount of instalment payments, the circumstances under which occupancy-based payments apply, and the



timing and application of interest on amounts paid other than at building permit issuance, shall be determined in accordance with the Act and the regulations made thereunder, as well as in the City's Council-approved Development Charges Interest Policy, as may be revised from time to time.

Where permitted under the Act, the City may require the owner to provide security for the payment of future Development Charges, in a form, amount, and on terms satisfactory to the City, to secure amounts payable in instalments or based on occupancy.

For greater certainty, nothing in this By-law limits the application of instalment payment or occupancy-based payment provisions established under the Act.

The City may, at any time and from time to time following application for a building permit until Development Charges are paid in full, require a binding confirmation and indemnity from the owner confirming that all of the Dwelling Units in the Rental Housing Development are intended to be used, are being used and/or continue to be intended to be used as rented residential premises.

(k) Subsection 3.14 is hereby deleted and replaced with the following:

The applicable Development Charge rates shall be determined in accordance with the rate freeze provisions of the Act and the regulations made thereunder.

Where Development is subject to a rate freeze pursuant to the Act, the Development Charge rates applicable to such Development shall be the rates prescribed by the Act as applicable pursuant to any operative transition provisions in the Act and/or regulations.

No provision of this By-law shall be interpreted so as to conflict with or limit the application of the rate freeze provisions established under the Act. Further administrative clarity may be provided through the City's Council-approved Development Charges Interest policy, as may be revised from time to time.



(l) Subsection 3.15 is hereby deleted and replaced with the following:

Despite subsections 3.12 through 3.14, Council may enter into agreements under section 27 of the Act, providing for all or any part of a Development Charge to be paid before or after it would otherwise be payable under this By-law.

Any such agreement shall be entered into, administered, and enforced in accordance with the Act and the regulations made thereunder.

(m) Subsection 3.16 is hereby amended by replacing all references to the word “calculated” with the word “determined”.

(n) Subsection 7.2 is hereby amended by replacing the word “calculated” with the word “determined”.

2. This By-law shall come into force on the day it is enacted.
3. Except as amended by this By-law, all provisions of By-law (2024)-20866, as amended, are and shall remain in full force and effect.

By-law read a first and second time this 31st day of March 2026.

By-law read a third time and finally passed this 31st day of March, 2026.

Corporation of the City of Guelph

Mayor: _____

Clerk: _____