
Subject: Regional Development Charges Treasurer's Statement 2024

Report To: Corporate Services Committee

Report date: Wednesday, May 7, 2025

Recommendations

1. That this report **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide Regional Council with a statement relating to the Development Charges (DC) reserve fund activities for 2024 in accordance with the Province's Development Charges Act, 1997 as amended (DCA) and Ontario Regulation 82/98.
- The DC reserve fund reporting legislation requires municipalities to provide all sources of funding for anything funded from DC's, including a compliance statement regarding imposing additional levies or requiring the construction of a service not authorized under the DCA and require the statement to be made available to the public.
- At the end of 2024, \$188.7 million in DC revenue is available for future growth-related projects after accounting for outstanding capital and operating commitments.
- Total DC contributions in 2024 were \$96.5 million, \$38.4 million or 40% of the contributions were funded by the general tax levy (\$31.2 million for mandatory and discretionary grants and incentives, and \$7.2 million for Bill 23 requirements), further details are provided in Appendix 5. DC's are collected in accordance with the DC By-law subject to provisions in the DCA.
- Outstanding DC capital and operating commitments for active projects total \$156.3 million.

Financial Considerations

Regional DC revenues (RDCs) collected in accordance with the DC By-law are deposited in the DC reserve funds (as deferred revenues) and subsequently applied to eligible growth-related projects once those costs have been incurred. This report provides both summary level transaction information by reserve, and detailed funding information by project.

DC reserves are necessary to move forward with the growth-related projects in the 2025-2034 capital budget and forecast, which includes \$865.9 million in DC funded projects.

Analysis

In accordance with the DCA, this report must be prepared annually. The annual statements will be made available to the public through the Development Charges section of the Region's Website.

Appendix 1 to Report CSD 10-2025 shows the breakdown of reserve fund activity from January 1, 2024 to December 31, 2024. During this period, the total DC reserve balances (before accounting for outstanding commitments) increased \$73.4 million, from \$273.0 million to \$346.4 million, net of investment income and transfer to current and capital funds. After accounting for outstanding capital and operating commitments to active projects and year-end adjustments, the net available balance is \$188.7 million at year-end 2024. This total will be applied to eligible growth-related capital projects in 2025 and throughout the rest of the forecast period.

Table 1 – Balance after commitments for each of the DC service categories (in thousands)

Development Charge Category	Balance at December 31, 2024	Capital Commitments	Operating Commitments	Available Balance at December 31, 2024
Growth Studies	\$2,611.6	-	\$(132.2)	\$2,479.4
Police Services**	\$1,276.0	\$(276.7)	-	\$999.3
Services Related to Highways	\$128,126.0	\$(68,764.9)	-	\$59,361.1
Wastewater**	\$122,463.0	\$(53,458.0)	\$(281.6)	\$68,723.4
Water	\$69,264.7	\$(27,151.3)	-	\$42,113.4
Ambulance Services	\$3,645.3	\$(496.0)	-	\$3,149.3
Long Term Care	\$2,567.5	\$(2,500.6)	-	\$66.9
Provincial Offenses Act	\$465.5	-	-	\$465.5
Public Health Services	\$2,494.4	-	-	\$2,494.4
Housing Services*	\$2,131.6	\$(690.2)	-	- *
Waste Diversion	\$4,114.1	\$(204.5)	-	\$3,909.5
Transit Services	\$5,121.1	\$(496.6)	-	\$4,624.5
Public Works (Facilities & Fleet)	\$2,139.2	\$(1,831.0)	-	\$308.2
Total***	\$346,420.0	\$(155,869.8)	\$(413.8)	\$188,695.0

* The Region is unable to collect on Social Housing (Housing Services) under Bill 23, active projects in place before Bill 23 came into effect will continue to be funded from RDC reserves until the completion of these projects. At the end of 2024, the Housing Services reserve balance of \$1.8 million was transferred to the Social Housing General Capital Reserve Fund as a result of more RDCs being collected than required. Due to additional capital commitments identified after Q4 report, only \$1.4 million should have been transferred to the Social Housing General Capital Reserve Fund, and \$0.4 million will need to be transferred back to Social Housing DC reserve. Therefore, the Housing Services reserve is shown with a balance of nil at 2024 year end in this report.

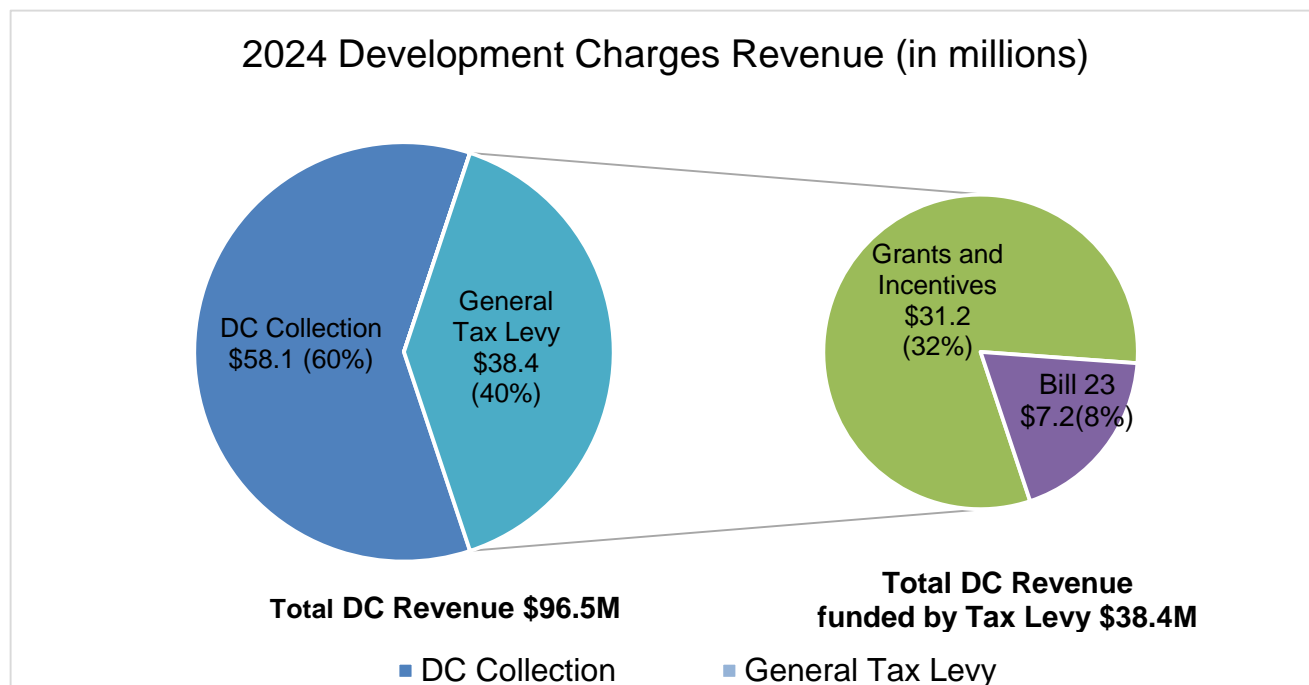
** Balance after commitments does not include funding allocation for approved future debt servicing costs, for Police Long-term Accommodations and South Niagara Wastewater Treatment Solution which were approved with funding from the respective RDC Reserves.

*** Additional capital commitment from DCs have been identified following the 2024 Year-End Results and Transfer Report.

Of the \$188.7 million uncommitted year-end balance, \$96.5 million was attributed to the DC revenues in 2024. It is important to note that included in that amount is \$31.2 million in DC grants and incentives and \$7.2 million in Bill 23 impacts (\$7.1 million in mandatory by-law phase in; \$0.1 million in discount for purpose-built rental residential units), both of which are funded by the general tax levy. The remaining balance of \$58.1 million was DC revenues collections.

Appendix 5 to Report CSD 10-2025 shows the breakdown of mandatory and discretionary grants and incentives from January 1, 2024 to December 31, 2024. Additional details for the grants and Bill 23 impacts are also discussed in greater detail in the 2024 Q4 Financial Update.

Chart 1 – 2024 Development Charges Revenue (in millions)



Bill 23 is encouraging municipalities to invest development charges collected on a timely basis. Beginning in 2023, municipalities are required to spend, or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater and services related to a highway. Based on existing commitments (active capital projects) and capital projects included in the nine-year capital forecast the Region will far exceed 60% allocation of the funds in each of the water, wastewater and services related to a highway categories.

Funding Growth Related Projects with DC Revenues

Included within the DC reserve fund activity in Appendix 1 to Report CSD 10-2025 are transfers from the DC reserve totaling \$35.6 million to fund capital (\$33.1 million) and operating (\$2.5 million) projects in 2024. DCs are transferred to and recorded as project revenues as eligible costs are spent, matching funding with expenditures. Funding reviews occur quarterly with consideration of the expenditures incurred to date and respective funding sources.

Appendix 2 to this report identifies capital projects with approved budgeted DC funding totaling \$359.8 million. In total, \$200.5 million of DCs have been allocated to DC funded capital projects. Of these capital projects, 156 projects are active and have received \$33.1 million DC funding in 2024 to match expenditures occurred. The total outstanding DC commitment of the active projects is \$155.9 million.

On average, DC funded projects have spent 56% of their respective budgets in 2024, compared to 55% in 2023.

Appendix 3 to Report CSD 10- 2025 identifies the active operating projects to which \$19.1 million in DCs have been applied, along with a summary of life-to-date expenditures and any other approved funding sources providing partial funding to the project.

Appendix 4 to Report CSD 10-2025 provides supplemental information required as outlined in O.Reg 82/98, including a description of the DC service categories, outstanding prepayment agreements with developers, and a summary of any borrowing from the DC reserve funds (if applicable). Similar to previous Treasurer's Statements on DC reserve funds, there are no credits recognized under section 17 or borrowing amounts to report. The Region is also required to make a statement regarding its compliance with Sections 59.1(1) & (2) of the amended DCA respecting imposing additional levies or requiring the additional levies or construction of services not authorized under the DCA, none exist in the Region, therefore no statement is required.

Alternatives Reviewed

Alternatives are not applicable as this report provides historic and legislatively required information. The Development Charges Act, 1997 as amended requires that this report be provided annually to Council and made available to the public.

Relationship to Council Strategic Priorities

Regional Development Charges are a major source of funding for growth projects in the capital budget. As such, Regional Development Charges assist in achieving the strategic priority of Sustainable Region.

Other Pertinent Reports**[CSD 14-2023 Bill 23 Impacts on Regional Development Charges](#)**

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[CSD 46-2024 2025 Capital Budget](#)

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[CSD 8-2025 2024 Year-End Results and Transfer Report](#)

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Appendices

Appendix 1	DC Reserve Fund Activity
Appendix 2	Capital Projects funded with DCs in 2024
Appendix 3	Operating Projects funded with DCs in 2024
Appendix 4	Description of Services
Appendix 5	Mandatory and Discretionary DC Grants & Incentives in 2024