

# HDSB/HCDSB EDC Applicable Fees for Accessory Units

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	Scenario	Application of EDC's
1	Adding a or multiple accessory unit within a <b><u>proposed new dwelling unit</u></b> (ex. basement , above garage, attached to, etc.).	EDCs are applicable for each unit.
2	Adding an accessory unit within the footprint of an <b><u>existing</u></b> dwelling (basement, attached to, etc.).	EDCs are not applicable as long as the total proposed accessory unit GFA is not larger than the GFA of existing SF dwelling. Max number of exempted additional dwelling units is: 1. One or Two units in a single family dwelling. <sup>1</sup> 2. One additional dwelling unit in semi-detached dwelling, row dwelling, or any other residential building. <sup>2</sup>
3	Adding an accessory unit that will exceed the total gross floor area of an <b><u>existing</u></b> single family, semi-detached, or row dwelling unit.	EDCs are applicable for each unit. <sup>3</sup>
4	Adding an accessory unit that will exceed the total gross floor area of the smallest <b><u>existing</u></b> residential unit in an "other residential building" (e.g. apartment, condominium, stacked townhouse).	EDCs are applicable for each unit. <sup>3</sup>
5	Adding an accessory unit in a <b><u>proposed</u></b> new detached garage.	EDCs are applicable for each unit.
6	Adding an accessory unit in a <b><u>proposed</u></b> new attached garage to an <b><u>existing</u></b> dwelling.	EDCs are not applicable as long as the total proposed accessory unit GFA is not larger than the GFA of existing SF dwelling. Max number of exempted additional dwelling units is: 1. One or Two units in a single family dwelling. <sup>1</sup> 2. One additional dwelling unit in semi-detached dwelling, row dwelling, or any other residential building. <sup>2</sup>

7	Adding an accessory unit in an <b>existing</b> attached garage to an <b>existing</b> dwelling.	EDCs are not applicable as long as the total proposed accessory unit GFA is not larger than the GFA of existing SF dwelling. Max number of exempted additional dwelling units is: 1. One or Two units in a single family dwelling. <sup>1</sup> 2. One additional dwelling unit in semi-detached dwelling, row dwelling, or any other residential building. <sup>2</sup>
8	Adding an accessory unit in an <b>existing</b> detached garage or within a separate detached unit from the <b>existing</b> dwelling.	EDCs are applicable for each unit.
9	A secondary modular dwelling for seasonal farm workers	EDCs are applicable as long as modular dwelling has kitchen and washroom facilities included for the exclusive use of the occupant of the modular dwelling.
10	Supportive Housing containing multiple units with a common kitchen facility.	EDCs are applicable based on the number of kitchen facilities. With a single common kitchen facility, this would constitute one dwelling unit and therefore would be subject to one EDC.
11	Supportive Housing containing multiple units containing separate washroom and kitchen facilities for exclusive use of the person(s) living in the unit.	EDCs are applicable for each unit.
12 <sup>6</sup>	Two additional dwelling units are added to an existing single detached dwelling at the same time. x2 (600/1000 SF)	EDCs would be payable for each of the two additional dwellings
12.1 <sup>7</sup>	Similar to Scenario 12 above, but the addition of the two additional dwelling units to the existing single detached dwelling is staggered, (Example: two years apart).	The first additional dwelling unit (i.e. a basement apartment) would not be subject to EDCs if it is less GFA than the existing detached dwelling. (600/1000 SF)  The second additional dwelling unit must be less than or equal to the gross floor area of the smallest dwelling unit already in the building. Therefore, the second additional dwelling unit must be 600 SF or less to qualify for the exemption.

1. If the total GFA of the proposed two accessory units exceeds the GFA of the existing detached dwelling, neither of the two proposed accessory dwellings would be exempt. If the GFA of each of the two accessory units is less than the GFA of the existing dwelling unit, each would be entitled to the exemption when considered individually; however, the EDC regulation and

the 2023 EDC by-law requires that the comparison be between the GFA of the existing dwelling and the total GFA of the two proposed dwellings (where two are proposed).

- a. Entries 2, 6 and 7 – the size restriction on the exemption requires a comparison between the GFA of the existing detached dwelling unit and the total GFA of the proposed accessory unit or units (up to two additional accessory dwelling units can be exempt if added to a detached dwelling unit). This is not as straightforward as it might appear. Consider this example,

- i. Existing detached dwelling of 1,000 SF;
- ii. Proposal to add two accessory dwelling units of 525 SF each;
- iii. Since the total GFA of the proposed accessory units is 1,050 SF (525 SF X 2), which exceeds the GFA of the existing detached dwelling of 1,000 SF, neither of the two proposed accessory dwellings would be exempt, which seems to be counter-intuitive because the purpose of these provisions in the EDC regulation is to exempt residential intensification. Since the GFA of each of the two accessory units is less than the GFA of the existing dwelling unit, each would be entitled to the exemption when considered individually; however, the EDC regulation and the 2023 EDC by-law requires that the comparison be between the GFA of the existing dwelling and the total GFA of the two proposed dwellings (where two are proposed).

- 2. An exemption to EDC charges will only apply to one additional unit, if the GFA of the proposed accessory unit in an “other residential building” (such as an apartment, stacked townhouse, condominium, among others) is smaller than the smallest existing residential dwelling within the same. If it is larger, then the EDC rate will apply to the proposed unit.
  - a. Only one ADU exemption credit for apartment, stacked townhouse, condominium
- 3. “gross floor area” (GFA) means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls;
- 4. In the case where there is a rebuild of a SFD that will contain a second SFD
  - a. The owner gets a credit against the EDC applicable to the replacement dwelling by virtue of the demolition of the former dwelling provided the building permit for the replacement dwelling is or was issued within five years of the date the demolition permit was issued for the former dwelling unit; and
  - b. An EDC is payable for the new accessory dwelling as it is not being added to an existing dwelling, which is a requirement for the exemption extended to residential intensification.
    - i. An accessory unit included in a new build is subject to EDCs.

- ii. Only when an accessory dwelling is added to an existing dwelling that the exemption applies.
5. “Existing dwelling” means a dwelling that has a completed building permit, has since received an occupancy permit from the municipality, and/or is currently occupied by residents.
6. (12) Scenario 1
- a. The existing single detached dwelling has a GFA of 1,000 SF;
  - b. Each of the two additional dwelling units has a GFA of 600 SF, for a total GFA of 1,200 SF, which exceeds the GFA of the existing single detached dwelling.
    - i. In this example, an **EDC would be payable for each of the two additional dwellings** because the restriction on the exemption for residential intensification that applies to a single detached dwelling directs as follows:
    - ii. The total gross floor area of the additional dwelling unit or units must be less than or equal to the gross floor area of the dwelling unit already in the building.
    - iii. The exemption is therefore not available for either of the two additional dwelling units because their total GFA of 1,200 SF exceeds the 1,000 SF GFA of the dwelling unit already in the building – in this example, the two additional dwelling units are caught by the restriction on the exemption.
    - iv. The relevant provisions of the Board’s 2023 EDC by-law are found in Sections 10(2)(b) and 10(3), excerpts of which read as follows:
      - 1. 10(2) Subject to sections 10(3) and (4), education development charges shall not be imposed with respect to,
      - 2. (a) the enlargement of an existing dwelling unit that does not create an additional dwelling unit;
      - 3. (b) the creation of one or two additional dwelling units in an existing single detached dwelling; or
      - 4. 10(3) Notwithstanding section 10(2)(b), education development charges shall be imposed in accordance with section 9 if the total gross floor area of the additional unit or two additional dwelling units exceeds the gross floor area of the existing single detached dwelling.
7. (12.1) Scenario 2
- a. Same facts as Scenario 1 except that the addition of the two additional dwelling units is staggered, say, two years apart.
  - b. In this scenario, **the first additional dwelling unit would be exempt from EDCs.**
  - c. The **second additional dwelling unit would be exempt from EDCs provided its GFA is less than or equal to the GFA of the smallest dwelling unit already in the building**, which in this scenario would be the 600 SF GFA of the first dwelling unit that was added.

- d. However, once the first additional dwelling unit is added, the original single detached dwelling would no longer qualify as a “single detached dwelling” because it now contains two dwelling units. For purposes of the exemption for residential intensification, a “single detached dwelling” is defined as follows:
  - i. “a residential building, each of which contains a single dwelling unit, that are not attached to other buildings.”
- e. In this example, after the addition of the first additional dwelling unit to the original single detached dwelling, the altered building would be considered an “other residential building” under Section 10(1)(b) of the Board’s 2024 EDC by-law because it is not a single detached dwelling, semi-detached dwelling, or row dwelling. I set out below part of Section 10(1) of the EDC by-law which prescribes the different types of residential buildings for purposes of this exemption:
  - i. 10(1) In this section,
    - 1. (b) “other residential building” means a residential building not in another class of residential building described in this section;
    - 2. (c) “semi-detached or row dwelling” means a residential building consisting of one dwelling unit having one or two vertical walls, but no other parts, attached to another structure;
    - 3. (d) “single detached dwelling” means a residential building consisting of one dwelling unit that is not attached to another building.