
Subject: Development Charges Deferrals for (Affordable) Purpose-Built Rental Buildings

Staff Report No. DS-027-24

Commission: Development Services Commission

Date: June 5, 2204

Recommendation:

- 1) That Council direct Staff to report back on the potential for the Town to match York Region’s Development Charges Deferrals for (Affordable) and/or Purpose-Built Rental Buildings.

1. Purpose:

The purpose of this report is to inform Council of York Region Development Charges deferral program as it relates to Affordable Purpose-Built Rentals.

2. Executive Summary:

To enable affordable housing development across the Region, York Region currently offers a Development Charges (DC) Deferral program for affordable purpose-built rental housing. A recent memorandum to the Region’s Housing Affordability Task Force recommended that this Deferral program be enhanced as a 10-year deferral and by removing the affordability threshold.

Town staff will review York Region’s DC Deferral program and will report back on the Town’s ability to match the program.

3. Background:

The Town is committed to doing its part to meet its housing goals and objectives to bring not only more housing in various types and tenures to the community, but also affordable and rental housing. In the interest of seeking opportunities to bring more affordable housing to the Town, Council may want to consider the implementation of a Development Charges Deferral Policy. As such, a deferral policy geared towards

affordable, purpose-built rental housing may be an option for the Town to consider.

In an effort to spur affordable housing, York Region implemented a policy in 2021 to provide for the deferral of Regional development charges and area-specific development charges for affordable, purpose-built rental buildings that are a minimum of four storeys above grade. This policy has a number of eligibility criteria associated with it (see Attachment #1 to this report).

Further, York Region's Housing Affordability Task Force recently received a memorandum and presentation regarding the Affordable Private Market Housing Implementation Plan (Attachment #2), whereby it was identified that there is a lack of rental in the Region. As such, it was recommended that York Region undertake further work for advocacy, coordination/partnership and financial incentives. One such incentive is to expire the existing development charge deferral program and introduce a new enhanced program. The recommended approach is to offer a 10-year deferral to any purpose-built rental building delivered in the Region. This recommended program removes the affordability threshold.

There are other local area municipalities who have similar policies in effect, in which they allow for development charge deferrals in certain circumstances, such as for affordable and special needs housing.

4. Analysis and Options:

In an effort to provide for a wide variety of housing types and tenures are available within the Town, considering development charges deferrals for affordable purpose-built rental buildings may be an option. However, should the Region move forward with an enhanced program that removes the affordability threshold, further investigation will be required by Town staff.

There are a number of considerations that will be required in offering a Development Charges Deferral program to housing developers, including but not limited to:

- Agreements and Legal Fees
- Duration of Deferrals
- Development Charges By-law
- Restrictive Covenants
- Mixed-Use Developments

Further information and analysis on these considerations, among others, can be provided in a future report with staff recommendations.

Option A (Recommended)

That staff report back to Council on the potential to match the Region's DC Deferral for Affordable and/or Purpose-Built Rental Housing.

5. Financial Implications:

There will be financial implications to the Town in deferring Development Charges for affordable purpose-built rental housing. A future report may outline what these impacts could be.

6. Alignment with Strategic Plan:

1. A Town that Grows
A Town that grows in support of complete communities
2. Good Governance
Provide Good Governance

7. Attachments:

1. York Region Development Charges Deferral for Affordable, Purpose-Built Rental Buildings, June 24, 2021
2. NBLC Memorandum to York Region Re: York Region Affordable Private Market Housing Implementation Plan

8. Related Reports:

None

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For further information on this report, please contact the Department Head: Dwayne Tapp, Commissioner, Development Services at 905-640-1910 or 1-855-642-8697 ext. 2431 or via email at Dwayne.tapp@townofws.ca