



Notice of Special Meeting Regional Council

A special meeting of **York Regional Council** will be held on **April 3, 2025 at 9 a.m.** to consider items relating to impacts of development charge reductions.

In accordance with Bylaw 2024-52, this meeting will be conducted **both electronically and in person** at the Council Chambers, York Region Administrative Centre, 17250 Yonge Street, in the Town of Newmarket.

Deputation requests will be accepted by the [Regional Clerk's Office](#) until 12 p.m. on April 2, 2025. Registered deputants will be provided with instructions for joining the meeting.

A handwritten signature in black ink, appearing to read "C. Raynor".

Christopher Raynor
Regional Clerk

March 27, 2025

#16623565



Agenda
YORK REGIONAL COUNCIL SPECIAL MEETING

April 3, 2025

9 a.m.

Electronic and In-Person Meeting

Council Chambers

17250 Yonge Street, Newmarket

Quorum: 11

Page No.

A. Call to Order

B. Land Acknowledgement

We acknowledge that York Region is located on the traditional territory of many Indigenous peoples including the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations.

Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land.

We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community.

C. Disclosures of Interest

D. Presentations

D.1 Introduction

Erin Mahoney, Chief Administrative Officer

D.2 Where in the World are We?

Benjamin Tal, Deputy Chief Economist, CIBC World Markets

D.3 Impacts of Development Charge Reductions and Mechanisms to Increase Housing Affordability in York Region

1

Erin Mahoney, Chief Administrative Officer and Laura Mirabella,
Commissioner, Finance and Regional Treasurer

E. Deputations

(Subject to Council granting deputant status.)

None

F. Communications

None

G. Consideration and Adoption of Reports

None

H. Other Business

I. Private Session

None

J. Confirmatory Bylaw

31

Introduction of Bylaw 2025-24 to confirm the proceedings of Council at this meeting

K. Adjournment



IMPACTS OF DEVELOPMENT CHARGE REDUCTIONS AND MECHANISMS TO INCREASE HOUSING AFFORDABILITY IN YORK REGION

Presented to
Special Meeting of
York Regional Council

Presented by
Erin Mahoney,
Chief Administrative Officer and
Laura Mirabella,
Commissioner, Finance and Regional Treasurer

Presented on
April 3, 2025



Purpose



As directed by Council, at Committee of the Whole on January 16, 2025, this presentation is to:

“Report back regarding the application of the current Development Charges Bylaw and associated policies, including the options and impacts around possible development charge reductions, as well as other potential mechanisms for increasing the affordability of housing in York Region.”

Agenda

- Where in the World Are We?
Benjamin Tal, Deputy Chief Economist,
CIBC World Markets
- Development Charges
- Development Charge Reduction Options and Impacts
- Advocacy
- Recommendations



WHERE IN THE WORLD ARE WE?
BENJAMIN TAL, DEPUTY CHIEF ECONOMIST, CIBC WORLD MARKETS

DEVELOPMENT CHARGES BACKGROUND AND HOUSING AFFORDABILITY LEVELS

Development Charges



Development Charges are not a general revenue source, they are a cost recovery tool



Development Charges may be imposed against land to pay for increased capital costs to accommodate growth



Eligible services include water, wastewater, roads, police, paramedics and transit



Ability to use Development Charges to fund growth infrastructure is reduced due to recent changes to Act



If a municipality does not use Development Charges, tax levy and user rate funds growth infrastructure

York Region's Development Charge for Various Housing Types

Region DC Service	Single and Semi Detached	Multiple (Townhome)	Large Apartment (≥ 700 sq. ft.)	Small Apartment (< 700 sq. ft.)	% of Residential DC Rate
Roads	\$30,414	\$25,304	\$19,638	\$12,772	34%
Wastewater	\$24,597	\$20,464	\$15,882	\$10,329	28%
Water	\$10,516	\$8,749	\$6,789	\$4,415	12%
Subtotal – Hard	\$65,527	\$54,517	\$42,309	\$27,516	73%
Transit	\$9,030	\$7,513	\$5,830	\$3,792	10%
YNSE	\$6,855	\$5,703	\$4,427	\$2,878	8%
TYSSE	\$4,049	\$3,370	\$2,615	\$1,700	5%
Police	\$1,266	\$1,053	\$817	\$532	1%
Ambulance	\$899	\$748	\$580	\$379	1%
Public Works	\$645	\$536	\$415	\$270	1%
Public Health	\$457	\$380	\$295	\$191	1%
Waste Diversion	\$425	\$353	\$275	\$179	<1%
Growth Studies	\$206	\$172	\$133	\$87	<1%
Courts	\$76	\$64	\$49	\$31	<1%
Subtotal – General	\$23,908	\$19,892	\$15,436	\$10,039	27%
Total Region DC	\$89,435	\$74,409	\$57,745	\$37,555	100%

Note: Numbers may not sum due to rounding. Council approved rates enacted in 2022 have been indexed annually by the Non-Residential Building Construction Price Index (NRBCPI)

DC Rates and Parkland Dedication in York Region (Single/Semi-Detached Unit)

Municipality *	Education DC	GO Transit DC	Provincial Subtotal	Local Municipal DC	Parkland Dedication	Local Municipal Subtotal	York Region DC Rate	Total Due	York Region DC Share of Total Due
Aurora	\$8,184	\$433	\$8,617	\$39,264	\$8,750	\$48,014	\$89,435	\$146,066	61%
East Gwillimbury	\$8,184	\$433	\$8,617	\$27,207	\$8,750	\$65,513	\$89,435	\$163,565	55%
Georgina	\$8,184	\$433	\$8,617	\$12,823	\$8,750	\$35,462	\$89,435	\$133,514	67%
King	\$8,184	\$433	\$8,617	\$24,071	\$8,750	\$64,708	\$89,435	\$162,760	55%
Markham	\$8,184	\$433	\$8,617	\$31,489	\$12,860	\$86,325	\$89,435	\$184,377	49%
Newmarket	\$8,184	\$433	\$8,617	\$18,060	\$8,750	\$51,335	\$89,435	\$149,387	60%
Richmond Hill	\$8,184	\$433	\$8,617	\$21,310	\$6,710	\$54,244	\$89,435	\$152,296	59%
Vaughan	\$8,184	\$433	\$8,617	\$42,307	\$11,430	\$105,896	\$89,435	\$203,948	44%
Whitchurch Stouffville	\$8,184	\$433	\$8,617	\$20,366	\$8,750	\$53,767	\$89,435	\$151,819	59%
Average % Share of Total Due			5%			38%	57%		

*Source: Local municipal websites, as of January 30, 2025. Vaughan DC rates are before November 2024 reductions. Other build forms in Appendix.

Municipal fees (Regional and local) represent just under 10% of average new home prices in York Region

DC Rates and Parkland Dedication in York Region (Small Apartment Unit)

Municipality *	Education DC	GO Transit DC	Provincial Subtotal	Local Municipal DC	Parkland Dedication	Local Municipal Subtotal	York Region DC Rate	Total Due	York Region DC Share of Total Due
Aurora	\$8,184	\$158	\$8,342	\$15,153	\$5,250	\$20,403	\$37,555	\$66,300	57%
East Gwillimbury	\$8,184	\$158	\$8,342	\$27,207	\$8,000	\$35,207	\$37,555	\$81,104	46%
Georgina	\$8,184	\$158	\$8,342	\$12,823	\$8,000	\$20,823	\$37,555	\$66,720	56%
King	\$8,184	\$158	\$8,342	\$24,071	\$4,000	\$28,071	\$37,555	\$73,968	51%
Markham	\$8,184	\$158	\$8,342	\$31,489	\$6,400	\$37,889	\$37,555	\$83,786	45%
Newmarket	\$8,184	\$158	\$8,342	\$18,060	\$3,140	\$21,200	\$37,555	\$67,097	56%
Richmond Hill	\$8,184	\$158	\$8,342	\$21,310	\$6,710	\$28,020	\$37,555	\$73,917	51%
Vaughan	\$8,184	\$158	\$8,342	\$42,307	\$7,000	\$49,307	\$37,555	\$95,204	39%
Whitchurch Stouffville	\$8,184	\$158	\$8,342	\$20,366	\$4,000	\$24,366	\$37,555	\$70,263	53%
Average % Share of Total Due			11%			39%	50%		

*Source: Local municipal websites, as of January 30, 2025. Vaughan DC rates are before November 2024 reductions. Other build forms in Appendix.

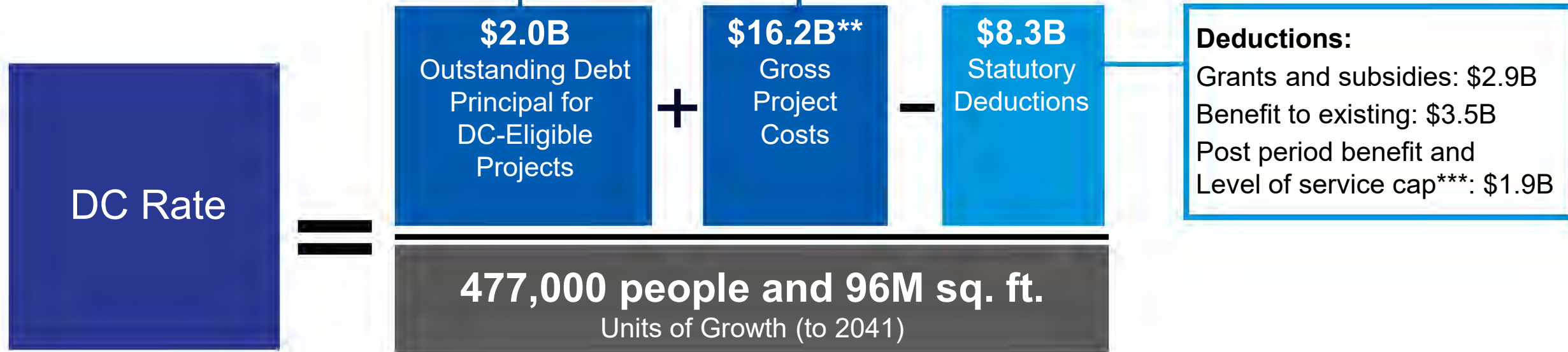
Municipal fees (Regional and local) represent just under 10% of average new home prices in York Region

DC Rate Calculation Methodology - 2022 DC Bylaw Rates

Examples of projects with outstanding debt:

- Spadina Subway Extension
- YDSS SouthEast Collector Sewer
- Toronto and Peel Cost Shared Agreements

Include Priority Projects*: BRTs - \$2.9B, YNSE - \$1.12B, Upper York WRC - \$550M, West Vaughan Sewage Servicing - \$389M, Mid-Block Crossings - \$289M, Primary Trunk Sewer - \$229M, Police Vehicles - \$133M, Ambulance Facilities - \$50M

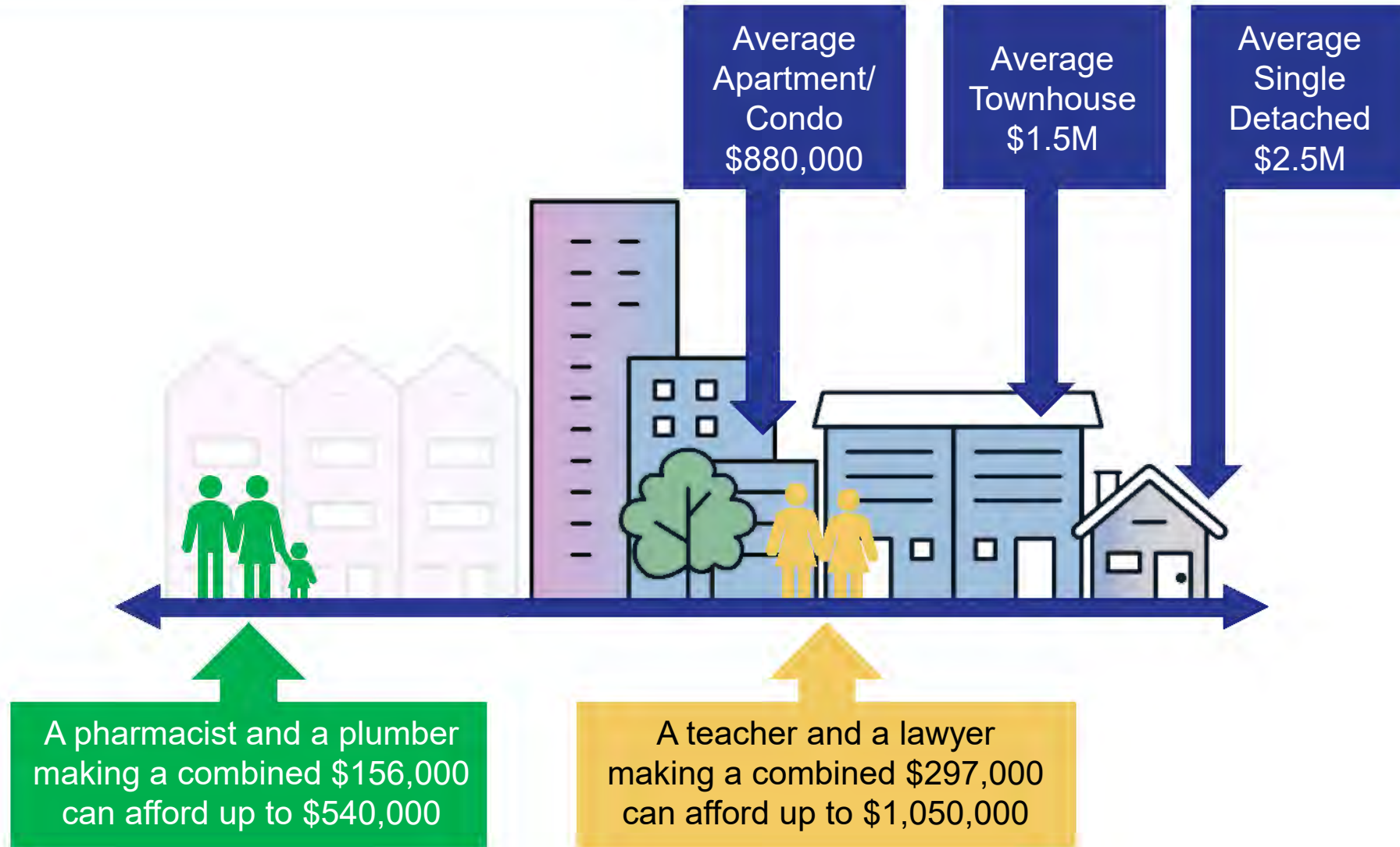


*Project costs approximate

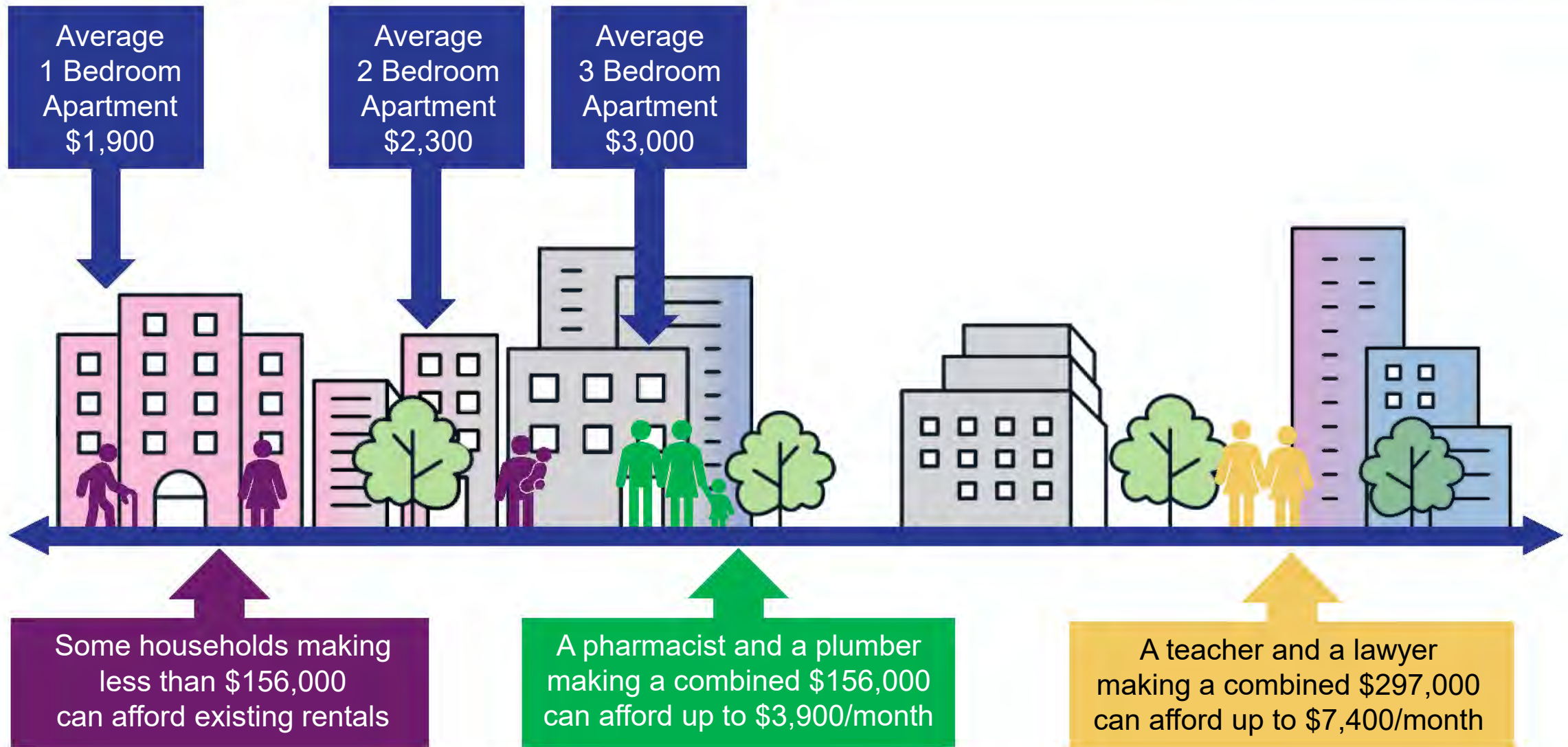
**Includes Housing Services (approximately \$900M), which is no longer DC-eligible

***Level of service cap (historic) does not apply to water, wastewater, transit, and two subways

Affordability Levels for Housing Ownership



Affordability Levels for Purpose-Built Rental



Affordability thresholds assume a maximum of 30% of gross income spent on rent with no adjustment for inclusion/exclusion of utilities.

DEVELOPMENT CHARGES OPTIONS AND IMPACTS

Helping Address Housing Challenges

	Local Municipal	Regional	Provincial	Federal
Policy				
Land Use	✓		✓	
Housing	✓		✓	✓
Financial				
Capital Investment and Land	✓	✓	✓	✓
Property Taxes	✓	✓	✓	
Development Charges	✓	✓	✓	
Other Municipal Fees	✓			
Other Tax/Revenue Sources			✓	✓
Process Improvement				
Approval Timelines	✓		✓	
Facilitate Priority Development	✓	✓	✓	✓

Tools available to each level of government to help address housing challenges

Existing Statutory Development Charges Relief



Exempt additional residential units, in both existing and new buildings and conversions of common spaces in rental buildings



Installment payments for rental housing over six years



Discount for market rentals based on number of bedrooms

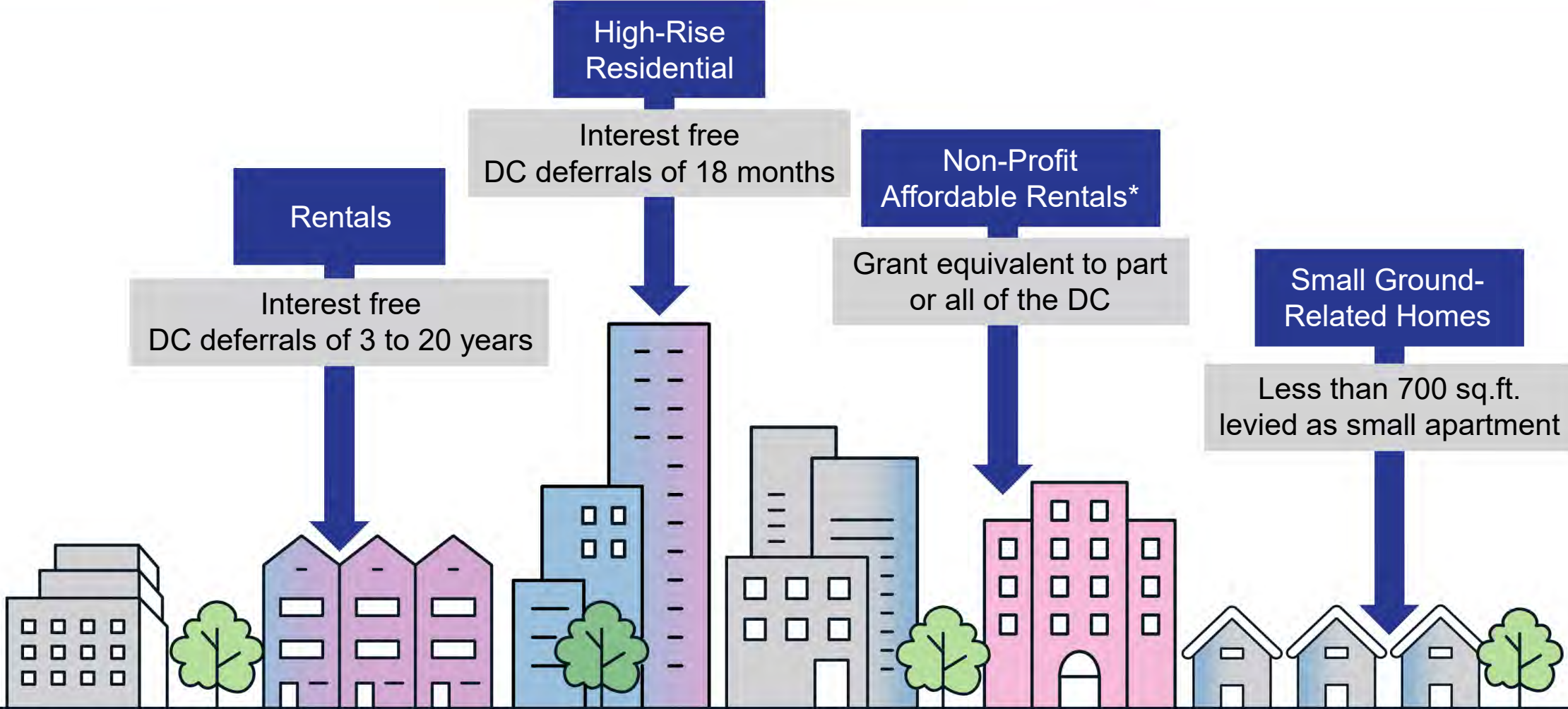


Exempt affordable rental and ownership



Exempt non-profit residential development

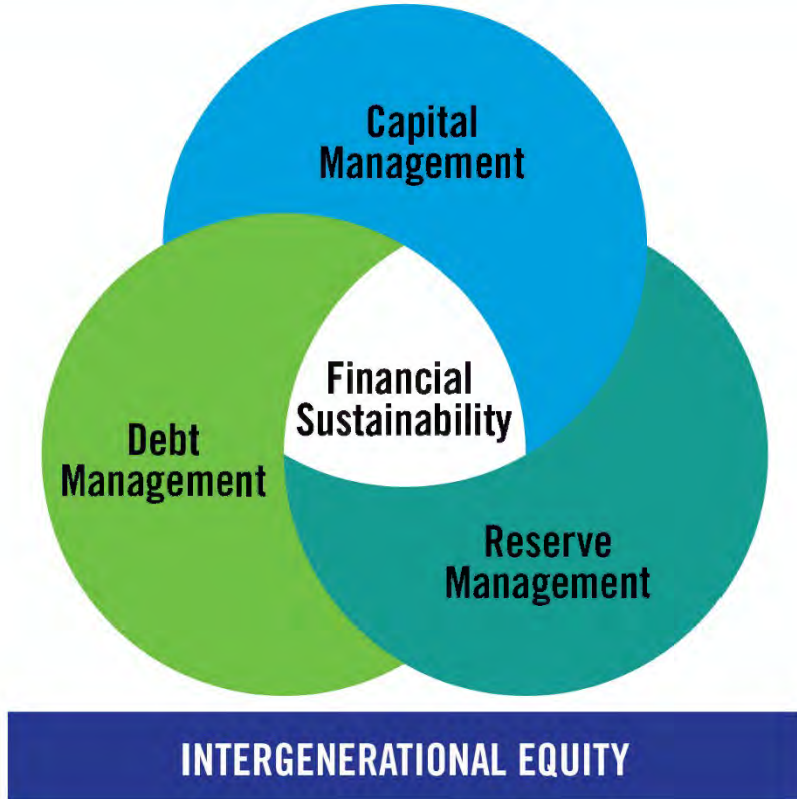
Existing Council Directed Development Charges Relief



York Region offers more DC deferral programs than other upper tier municipalities

**Introduced prior to Bill 23 exemptions for non-profit housing and affordable rental*

Fiscal Strategy



1. Keeping growth affordable and existing infrastructure in a state of good repair
2. Maintaining the AAA credit rating
3. Maintaining fiscal flexibility to respond to evolving needs and economic changes
4. Treating current and future tax and rate payers fairly by striving for intergenerational equity

MOODY'S
INVESTORS SERVICE

September 30, 2024

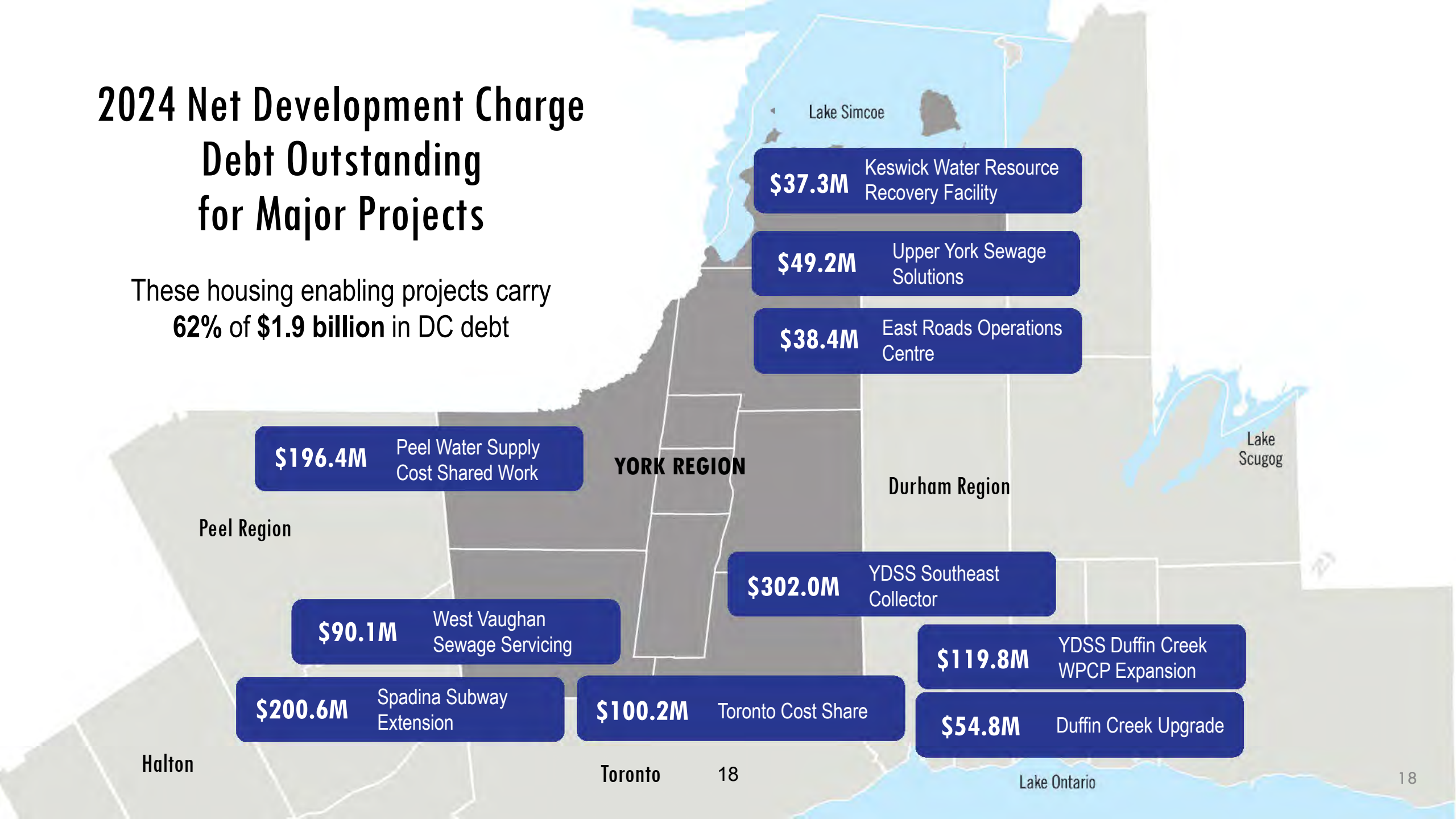
AAA
credit rating

S&P Global
Ratings

July 09, 2024

2024 Net Development Charge Debt Outstanding for Major Projects

These housing enabling projects carry
62% of \$1.9 billion in DC debt



Halton

Toronto

18

Lake Ontario

18

Development Charge Options to Help Improve Ownership and Rental

Before 2026 Development Charge (DC) Bylaw Update

- First-time Homebuyer DC Equivalent Rebate
- Repeal Interest Policy on Frozen DCs
- Additional Deferrals
- New Discounts

With 2026 Development Charge (DC) Bylaw Update

- Remove DC Services or Projects
- Statutory Deduction Assumptions
- Amend Growth Assumptions



Development Charge Options to Help Improve Ownership and Rental

First Time Homebuyer DC Equivalent Rebate

- Direct rebate to buyer equivalent to Regional DC
- Link to land transfer tax or HST rebate as proof
- Qualifying price threshold (e.g., $\leq \$1M$)
- Could introduce as pilot for duration of Council
- No impact to DC collections

Cost:

- Assumes 7.5% apartments qualify, given a price threshold equal to or under \$1 million, which is equivalent to approximately 250 units per year
- Represents a cost of \$11 million
- Equivalent to 0.73% of the 2025 tax levy

Repeal Interest Policy

- Currently, interest of Prime+1% charged on frozen DCs, as permitted under the Act
- Interest is meant to make up discounted shortfall
- Could repeal and not charge interest

Cost:

- \$8M/year, assuming average annual interest collected from 2020-2024
- Equivalent to 0.3% of the 2025 tax levy and 0.9% on the user rate

Development Charge Options to Help Improve Ownership and Rental

Additional Deferrals

High-Rise

- Currently 18-month deferral
- Extend to first occupancy (assumed ~36 months)

Ground-Related

- Currently none
- Defer to first occupancy (assumed ~18 months)

Cost:

- May require debt issuance to cover ~\$290M DCs deferred annually
- Potential for ~\$0.6 billion of deferral-related debt at occupancy
- Annual interest impact of ~\$13M per ~4,500 units
- Could need project deferrals to manage debt load

New Discounts

Market Rental

- Currently, 15% to 25% discount in Act
- Discount remaining portion for non-luxury rental
- Done through section 27 agreement, requiring tenure for 40 years

Cost:

- Annual interest impact of up to \$0.8M per 500 units
- Could need project deferrals to manage debt load

Broad Based

- No guarantee that savings passed on
- Reduces DC collections

Cost:

- 10% discount equivalent to 2.6% of the 2025 tax levy and 7% on the user rate

Development Charge Options to Help Improve Ownership and Rental

Remove DC Services or Projects

Remove Service

- Growth paid by existing residents and businesses
- Difficult to reinstate
- Compete for tax levy/user rate funding
- Removal may hinder growth

Remove Projects

- Reduced service levels or growth paid by existing residents
- Compete for tax levy/user rate funding
- Removal may hinder growth

Statutory Deduction Assumptions

Increase Benefit to Existing

- Changes DC funding split, results in growth paid by existing residents and businesses
- Difficult to revert
- Could result in DC complaints pre-2026 DC Bylaw
- Compete for tax levy/user rate funding

Increase Post Period Benefit

- Unlikely to have significant impact
- Slower cost recovery

Amend Growth Assumptions

Increase Population

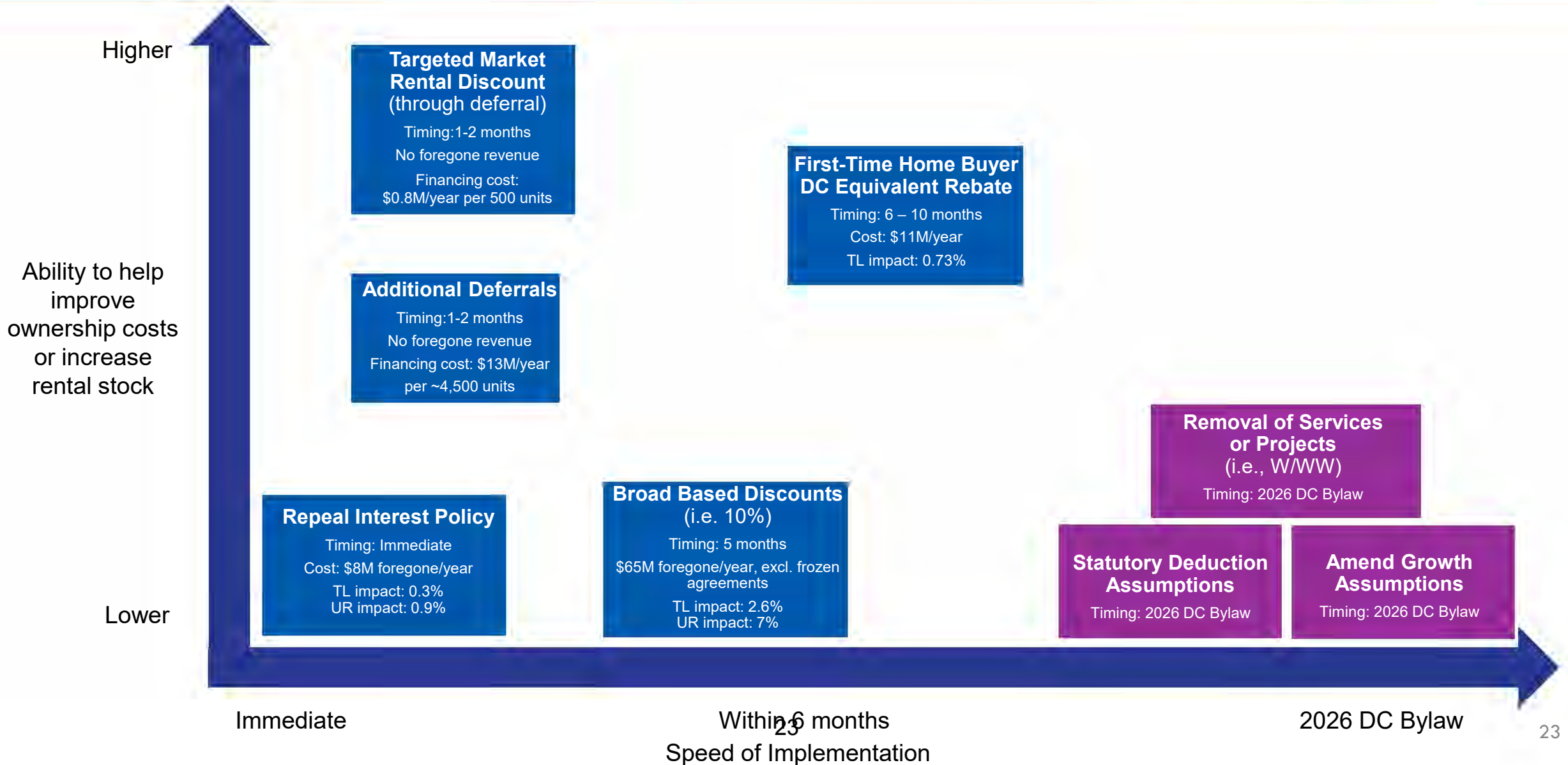
- Significant risk of successful bylaw appeal
- Slower cost recovery

Shift Res/Non-Res Split

- Shift costs to non-res
- Increases cost of existing non-res incentives
- Defensibility of shift may be challenged

Options can only be done in 2026 DC Bylaw, but could create challenges with growth, precedence, and defensibility

Ability of Options to Help Improve Ownership Costs and Availability of Rental



All Levels of Government and Industry Have a Role in Addressing Housing Challenges

Addressing housing needs requires each level of government to maximize tools available to them

- ✓ Increased direct, and predictable funding
- ✓ Include York Region in Housing Accelerator Fund
- ✓ Remove DC freeze requirement from Canada Housing Infrastructure Fund
- ✓ Update First-time Home Buyers HST Rebate to reflect market conditions
- ✓ Incentivize purpose-built rental through Federal tax system
- ✓ Contribute a one-third funding share for new community housing units



- ✓ Increase direct and predictable funding
- ✓ Include York Region in Building Faster Fund
- ✓ Fund York Durham Sewage System North expansion program
- ✓ Allocate York Region its share of Non-Residential Speculation Tax revenues
- ✓ Allocate portion of Provincial Land Transfer Tax revenues to York Region annually
- ✓ Reinstate Housing Services for DC funding and contribute one-third funding share towards new community housing units

Incentives, Impacts and Financial Strategy Timing

Incentives	Impact	Financial Strategy Timing
<p>Defer payment of all residential development charges, interest free, to first occupancy, or occupancy permit</p>	<p>Financing Cost: Debt issuance ~\$290M DCs deferred annually; potential for ~\$0.6 billion of deferral-related debt \$13M/year per 4,500 units</p>	<p>Assess full impact of necessary financing as part of the 2026 Budget and Fiscal Strategy</p>
<p>Defer 100% of development charges payable on all non-luxury rental, provided the building be operated as a non-luxury rental at least 40 years</p>	<p>Financing Cost: \$0.8M/year per 500 units</p>	<p>Assess full impact of necessary financing as part of the 2026 Budget and Fiscal Strategy</p>
<p>Repeal Interest Policy on frozen DCs</p>	<p>Foregone DC Revenue: \$8M/year 0.3% of tax levy and 0.9% user rate</p>	<p>Assess full impact and develop a financial strategy as part of 2026 Budget and Fiscal Strategy</p>
<p>Introduce a DC equivalent rebate to first time homebuyers</p>	<p>Rebate Program Cost: \$11M/year 0.7% of tax levy</p>	<p>Subject to receipt of new senior government funding to avoid tax levy or user rate increases</p>

Advocacy Vital to Success in Advancing Housing Affordability

Federal Government

- Provide increased, direct, and predictable funding to help fund Region's housing challenges, initiatives and incentives, specifically the First-Time Home Buyers DC-equivalent rebate
- Make upper-tier municipalities eligible for additional funding through Housing Accelerator Fund and/or other new funds
- Remove DC Freeze from Canada Housing Infrastructure Fund, as impact of freeze does not cover potential funding amounts
- Amend first time homebuyer HST rebate to raise price threshold and rebate full amount
- Incentivize purpose-built rental through Federal tax system
- Contribute a one-third funding share for new community housing units

Provincial Government

- Provide increased, direct, and predictable funding to help fund Region's housing challenges, initiatives and incentives, specifically the First-Time Home Buyers DC-equivalent rebate
- Make upper-tier municipalities eligible for additional funding through the Building Funding Fund
- Provide access to additional funding through Non-Resident Speculation Tax, Land Transfer Tax and/or other new funds
- Provide additional funding for housing enabling infrastructure like the York Durham Sewage System North expansion
- Reinstate Housing Services as DC eligible to help fund community housing
- Contribute a one-third funding share for new community housing units

Summary



Development Charges are a cost recovery tool used to help fund vital growth-related, housing enabling infrastructure. Costs not recovered from DCs would need to be paid for by tax levy and user rates



Development Charge deferrals are currently offered for rental and high-rise condominiums. The Act currently provides DC exemptions for affordable rental and ownership and non-profit housing



Stimulating purpose-built rental supply would increase moderate income household housing options, but DC relief alone may not be sufficient



Options presented today include a first-time homebuyer rebate, enhanced DC deferrals or rental discounts and the repeal of the Region's interest policy, but all present a cost



Continued advocacy to the Provincial and Federal governments could help fund these options, specifically the First-Time Homebuyers' Rebate and repeal of the interest policy on frozen DCs, and help address Region's housing challenges

York Region's 2026 DC Bylaw to be tabled with Council in Q1 2026, with consideration of passage in Q2

Staff Recommendations Largely Align with BILD Proposals to Region



At a meeting with staff, BILD provided recommendations, largely aligning with the Region's including:

- Defer residential DCs until occupancy
- Repeal interest policy on frozen DCs
- Provide additional supports to rental, including property tax discount
- Advocate for new and consistent funding
- Federal government update First-time Home Buyers' HST Rebate to align with current market conditions

Other BILD proposals being considered as part of 2026 DC Bylaw include:

- Reviewing treatment of land costs
- Reviewing treatment of grants

Staff Recommend Council Direct the Following

Incentives and Actions

If implemented, would not result in a tax levy or user rate pressure

1. Defer development charges payable on all residential development until the earlier of the date of issuance of a permit under the *Building Code Act, 1992*, authorizing occupation of the building or the date the building is first occupied.
2. Defer 100% of the development charges payable on all non-luxury rental, provided that the building be operated as a non-luxury rental for a minimum of 40 years.
3. Staff continue to review all options to mitigate development charges rate increases as part of the 2026 Development Charges Bylaw.
4. Staff assess impact of necessary financing for the proposed residential deferrals, as part of the 2026 Budget and Fiscal Strategy.

Incentives

If implemented, would result in a tax levy or user rate pressure if funding from other levels of government not received

1. Staff assess the impact and develop a financial strategy, including funding advocacy, to support the repeal of the Region's Development Charges Interest Policy – Under sections 26.1, 26.2, and 26.3 of the *Development Charges Act, 1997*.
2. Council consider a First-Time Home Buyers' development charges equivalent rebate subject to receipt of new funding from other levels of government.

Continued Advocacy

1. Staff prepare resolutions requesting increased, predictable and direct funding from the federal and provincial governments to support the Region's housing challenges, initiatives, and incentives.

QUESTIONS

THE REGIONAL MUNICIPALITY OF YORK

BYLAW NO. 2025-24

A Bylaw to confirm the proceedings of
Council at its Special Meeting held on April 3, 2025

THE REGIONAL MUNICIPALITY OF YORK HEREBY ENACTS AS FOLLOWS:

1. The action of Council in respect of each motion, resolution and other action passed and taken by the Council at its special meeting of April 3, 2025, is, except where the prior approval of the Local Planning Appeal Tribunal is required, hereby adopted, ratified and confirmed.
2. The Regional Chair and the proper officers of the Municipality are hereby authorized and directed to do all things necessary to give effect to Council's action or to obtain approvals where required, and, except where otherwise provided, the Regional Chair, or another Member of Regional Council designated by the Regional Chair, and the Regional Clerk are hereby directed to execute all documents necessary in that behalf, and the Regional Clerk is hereby authorized and directed to affix the corporate seal of the Municipality to all of these documents.

ENACTED AND PASSED this 3rd day of April, 2025

Regional Clerk

Regional Chair