



Town of Newmarket
395 Mulock Drive P.O. Box 328,
Newmarket, Ontario, L3Y 4X7

Email: info@newmarket.ca | Website: newmarket.ca | Phone: 905-895-5193

Development Charges Deferral Request – Matera Development, 43 Lundy’s Lane Staff Report to Council

Report Number: 2023-69

Department(s): Planning & Building Services

Author(s): Meghan White, Senior Planner, Development

Meeting Date: October 23, 2023

Recommendations

1. That the report entitled Development Charges Deferral Request – Matera Development, 43 Lundy’s Lane dated October 23, 2023 be received; and,
2. That Council directs staff to defer development charges for the development as outlined in this report; and,
3. That Staff be directed to enter into a tri-party Development Charges Deferral Agreement with the development landowner and the Region, as set out in this report; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this report is to seek Council’s direction to defer the payment of development charges for the development of a rental building at 43 Lundy’s Lane, and to direct staff to execute a related tri-party development charges deferral agreement with the Region and the owner of the development land.

Background

The proposed project (the “**Development**”) is a five-storey residential rental apartment building. It is an L-shaped building located along Watson Avenue, Lundy’s Lane and Bolton Avenue. The Development lands are comprised of 43 Lundy’s Lane,

32/36/36B/40 Bolton Avenue and 592 Watson Avenue. Four-storeys of residential apartment units with indoor/outdoor amenity spaces on the fifth floor are proposed for the Development. All parking will be provided in an underground parking garage. There will be a total of seventy-six (76) units, comprised of forty-three (43) one-bedroom units and thirty-three (33) two-bedroom units. The rezoning was approved by the Ontario Land Tribunal. The Development is close to achieving Site Plan Approval.

The Development is eligible for a deferral of development charges (“**DCs**”) under the Town’s Deferral of Development Charges Policy (the “**Town’s Policy**”) and through the Region’s Deferral of Development Charges Policy for Affordable, Purpose-Built Rental Buildings (the “**Region’s Policy**”). The Town’s Policy provides that the deferral of payment of DCs under the Town’s Policy will be implemented in conjunction with the Region’s Policy. The intention of the Town’s Policy is to support and work in unison with the Region’s development charge deferral option for purpose built rental buildings (Staff Report 2018-27).

Typically, DCs are collected at the building permit stage and are used to off-set the cost of growth by providing funding for the infrastructure upgrades needed to accommodate growth. The Development Charges Act authorizes a municipality to enter into an agreement with a person for the payment of development charges to be paid after they would otherwise be payable.

Discussion

The applicant is seeking a deferral of DCs for the Development under the Town’s and Region’s Policy. The applicant is proposing that all of the 76 apartments (1 and 2 bedroom units) in the Development will meet the affordable rental criteria of the Region’s 5-year deferral program under the Region’s Policy. This will help to achieve Newmarket’s and York Region’s affordable rental housing goals.

Staff will ensure that necessary documentation to support the applicant’s position is obtained before entering into a DC Deferral Agreement.

If Council accepts staff’s recommendation for the deferral of DCs for the Development, the Town will enter into a tri-party agreement with the Region and the Development landowner which will set out the terms and conditions of deferral (the “**DC Deferral Agreement**”), including the following:

- The payment of DCs is deferred for five (5) years.
- The landowner must demonstrate annually that the rents are affordable in accordance with the Region’s Policy.
- Rental units must remain affordable for 20 years.
- The Development must operate as a rental for 20 years.
- The deferred DCs must be secured by mortgages in favour of the Town and the Region with interest to be waived if the deferred DCs are paid when due.

The Town has entered into other similar deferral arrangements for the construction of residential buildings in the Urban Centres.

Conclusion

The deferral of DCs for the Development will support the shared objective of the Town and the Region to achieve affordable rental housing in the Urban Centres. The DC Deferral Agreement will set out the terms and conditions for the deferral of DCs for five (5) years, including the obligation of the landowner to demonstrate that rents remain affordable for twenty (20) years, the requirement for the Development to operate as a rental building for twenty (20) years, and the requirement to secure the deferred DCs by mortgages in favour of the Town and the Region.

Business Plan and Strategic Plan Linkages

This will assist Council in achieving their Priorities of:

- Community and economic vibrancy, and
- Extraordinary places and spaces.

Consultation

Legal Services and Financial Services were consulted in the writing of this report.

Human Resource Considerations

None.

Budget Impact

Deferring development charges will result in the Town upfronting the required funding to pay for growth related infrastructure costs associated with the development until the DC payment is collected.

DC rates in the payment calculations are based on the applicable rates at the time of the site plan completion date on January 28, 2021. The rates are being kept at the 2021 levels. The DC Act provides an affordable housing discount as per section 26.2 (1.1) of DC Act 2022, c. 21, Sched. 3, s. 8 (2). This results in development charges to be collected by the Town being reduced further by 15% for one-bedroom units and 20% for two-bedroom units.

Attachments

None.

Approval

Adrian Cammaert, Manager Planning Services, Planning & Building Services

Jason Unger, Director Planning & Building Services

Peter Noehammer, Commissioner Development Infrastructure Services

Contact

Meghan White, Planning & Building Services, mwhite@newmarket.ca