Council delays decision on Development Charge deferral for affordable rentals

Aurora Council has postponed a decision on whether to approve a 20-year development charge (DC) deferral for two rental housing developments, following a lengthy debate at the April 8 Committee of the Whole meeting.

The projects, located at 120 Metcalfe Street and 26?38 Berczy Street, aim to increase affordable rental housing in key urban areas.

The requested deferral would allow developers to access a similar incentive from York Region.

To qualify, the Town must provide an equal or better local incentive.

The program is intended to encourage purpose-built rentals in areas such as transit corridors and station zones, offering interest-free DC deferrals from three to 20 years. These two projects qualify for the full 20-year deferral.

According to a staff report on the matter, constructing the two apartment buildings would increase diversity in Aurora's housing market, provide affordable housing options for new and existing residents, and contribute to the Town's goal of building 8,000 new housing units by 2034.

However, despite general support for more rentals in Aurora, several Councillors raised concerns about the financial impact of the proposal.

Ward 1 Councillor Ron Weese questioned the program's cost-effectiveness and the fact that only 25% of the proposed units would meet affordability thresholds.

?[This proposal] is asking for a DC deferral on all of the units, on all of the construction, when in fact only on average 25% of them are actually affordable. So would there be any possibility that we can negotiate with either or both of [the owners] that we would only allow DC deferrals on those units that were actually deemed as affordable???

Town Director of Finance Rachel Wainwright-van Kessel explained that limiting the deferral to just the affordable units would make the developers ineligible for the Region's incentive.

Ward 5 Councillor John Gallo similarly raised concerns on the efficacy of the program, particularly pointing out that a one-bedroom rental unit in the Berczy development could cost \$2,818.

?If someone is paying \$2,800 for rent, they can afford a mortgage of \$450,000. They can buy a studio apartment in the Town of Aurora for that kind of money and put 10-15% down?and that's home ownership? At the end of the day we have to ask ourselves, why are we putting taxpayer funds towards these types of projects when the person that would be utilizing this could go and be a homeowner??

Gallo added that while some prefer renting, the current estimated rent prices made the economics ?hard to justify.?

Ward 3 Councillor Wendy Gaertner echoed Weese's concerns and raised issues with the unit sizes and site locations. She noted that the affordable units would likely end up being the smallest ones available in the buildings, at around 431 square feet, and criticized the lack of nearby services within walking distance.

?If both of these builds were completely affordable?not 25% affordable?then yeah, we would have a responsibility as a community to provide these purpose-built rentals. But this does not fit the bill. It is going to hurt [the] Aurora tax payers and I'm not willing to subsidize developers to do that.?

Ward 2 Councillor Rachel Gilliland approached the issue with cautious optimism, while still advocating for further analysis of the financial implications. She questioned whether the Region saw this as the best approach to incentivizing developers to build purpose built, affordable rental housing, and proposed pursuing additional funding from upper levels of government to offset the cost of the project. She closed on a hopeful note, highlighting the opportunity for multigenerational families to remain in Aurora through increased rental options.

Ward 6 Councillor Harold Kim was the only Councillor to strongly support the proposal.

?It's not pragmatic nor is it realistic to say we want affordable housing but we don't want to pay for it, or put no cost on taxpayers. Who will pay for it then? We need to understand that someone in society will pay for it. We have no business saying we want affordable housing if we're not willing to understand that taxpayers through various levels of government will likely pay some of the cost.?

Ultimately, Council voted not to approve the deferral, instead sending the motion back to staff for additional information.

A final decision is expected later this month.

By Selena Loureiro