

Councillors approve 20 year DC deferral for rental developments and discuss a First Time Homeowner Rebate

Aurora Council continued its discussions on addressing the affordable housing crisis on Tuesday, April 22, focusing on initiatives to support rental development and homeownership.

One of the key topics was the Region's Rental Housing Incentive Program, which would offer developers of proposed rental buildings at 101-103 Mosley Street, 120 Metcalfe Street, and 26-38 Berczy Street an interest-free development charge (DC) deferral for up to 20 years. The developments qualify based on the number of units meeting the Region's affordable rent criteria.

Granting the developers this deferral would allow them to access the Region's share of the same program which stipulates that they also secure an equivalent or better deferral from the municipality.

Council had previously expressed hesitation on the program, concerned about the long-term financial implications for taxpayers. However, the tone shifted at the most recent meeting.

Ward 1 Councillor Ron Weese, who had initially opposed the proposal, reversed his position after consulting with the Town's treasurer.

"At the Committee of the Whole, I asked several questions primarily related to the effect this reduction would have on taxpayers? I voted against it at that time," said Weese. "I had a meeting with our treasurer, and through her advice, have been assured that because of the manner in which our DC reserves are managed, this subsidization will have very little impact on the taxpayer? I'm satisfied that this risk is minimal, or at least manageable."

He added, "As long as the Region continues to support this and there are assurances that the rental rates can be enforced and the enforcement will be done by the Region? I'll be in favour of this application."

Ward 3 Councillor Wendy Gaertner remained opposed, raising concerns about the size and quality of affordable units.

She has previously noted that the units deemed "affordable" would likely be the smallest—around 431 square feet—and questioned whether their rents would be realistic for lower-income or lower-middle-income individuals.

The motion passed 6-1, with only Councillor Gaertner voting against.

Council also considered a new motion from Mayor Tom Mrakas, requesting that staff explore the feasibility of a Development Charge Rebate Program aimed at first-time homebuyers.

The proposal directs staff to examine potential eligibility criteria, funding mechanisms, and clawback provisions—which would require repayment if the home is sold within a set period (e.g., five years)—to ensure the program promotes long-term ownership. The motion also tasks staff with evaluating potential financial impacts and partnership opportunities with other levels of government.

Councillor Weese supported the investigation but urged caution.

"The primary goal of reducing these charges is to encourage more affordable housing development? but evidence suggests that by themselves DCs are not an effective stimulant? I really hope that the report includes evidence and proof of this concept and the partnerships needed for success."

He also emphasized the importance of ensuring that these rebates go directly to homeowners and are not absorbed by the developers.

Mayor Mrakas clarified that because this rebate would be provided directly to qualifying homeowners, it would not need to go through the development community at all, hopefully mitigating this risk.

He referenced the Federal government's GST Rebate for first-time home buyers, and the Provincial Government's Land Transfer Tax rebate for first-time home buyers as proof of concept.

Ward 2 Councillor Rachel Gilliland raised additional concerns.

'I'm just having a hard time understanding how we would be collecting these DCs before our first-time homeowner even has the chance to purchase that home,' she said. 'I feel that the developer should be the one assuming that risk.'

She added, 'We're not in the business of lending loans to first-time homeowners [directly]? If we're going to be incentivizing the developers directly? I think that's a better way. I'm just not convinced with that structure at this time.'

Despite the concerns, the motion passed 6?1, with Council approving staff to investigate and report back with recommendations at a future meeting.

By Selena Loureiro