

## First-time homebuyers rebate could be on ice until other levels of government pay up

Plans to establish a Development Charge Rebate Program for first-time homebuyers in Aurora could be placed on the backburner pending further support from the Federal and Provincial Governments.

Council last week voted to proceed with the development of a First-Time Homebuyers Development Charges Equivalent Rebate Policy, pending dedicated funding from other levels of government that fully offsets all associated costs.

Its development is also contingent on affordability conditions put in place, along with a "clawback" provision requiring repayment if the home in question is sold within five years, and a cap on total rebates annually.

The creation of such a rebate program at the municipal level was first floated by Mayor Tom Mrakas in April as "a meaningful way to reduce upfront costs and improve affordability" for residents.

"First-time homebuyers often face significant barriers to entering the housing market, and a targeted DC rebate would provide immediate relief to those looking to purchase their first home in Aurora," said Mayor Mrakas in his springtime motion.

Last week's decision pins the creation of such a policy on the financial support from upper levels of government in concert with similar rebate programs put in place at the Region and that "staff engage with public and non-profit housing providers for input and provide a progress report with a cost-benefit analysis to ensure effectiveness and fiscal sustainability."

"The financial feasibility of a development charge rebate program for first-time homebuyers is dependent upon the receipt of new, dedicated funding from other levels of government to fully offset associated costs," said municipal staff in a report before lawmakers last week. "York Region Council has already developed and approved a policy of this nature. Should the Town proceed with its own policy, it should align with York Region's. As the administrative requirements for this program are expected to be high, aligning these policies will allow for efficiencies administering both of these policies, as well as minimize applicant confusion. It is likely that should both of these policies proceed, synergies will be possible through combining the Town and York Region's rebate application processes.

"York Region's policy offers an equivalent DC rebate to eligible first-time home buyers of eligible homes. A home purchaser is eligible for this rebate should they be a recipient of Ontario's Land Transfer Tax Refund for First-Time Homebuyers. An eligible home is considered to be any new residential construction located in York Region with a purchase price, before tax, at or below \$1 million, on the date of closing. This rebate does not apply to non-first-time buyers of a new home, resale properties, assignment sale or any non-residential properties."

The report goes on to note that with a "slump" in the condo market, there is a shift towards more rental units coming into the community and the "proportion of new apartment units that are purpose-built rental in nature are expected to fall over time as the condo market recovers.

"As a result, the number of new apartments being sold to first-time homebuyers is expected to be relatively low in the short-term and then slowly recover over the medium to longer term. Based upon a qualifying home purchase price of \$1 million and in consideration of the above-noted rental versus non-rental new apartment unit trends, the annual financial cost to the Town is estimated to be \$283,300 on average, or \$2.8 million over the next 10 years."

Speaking at last week's Council meeting, Rachel Wainwright-van Kessel told Council that staff will not "spend much time on developing policy" unless there's some certainty around funding from other levels of government.

"We would also work in collaboration with the Region because I believe they've done a fair bit of work on this type of policy and

then adjust that policy to make it for our Made-In-Aurora type of policy,? she said.

The program, Mayor Mrakas added, has been subject to further discussions around the Regional Council Table.

?We thought the policy was a good policy and a rebate program that would actually benefit first-time homebuyers and actually put the money back in the hands of actual homeowners instead of giving an exemption or rebate to the development community,? he said. ?There was the conversation that we wanted to make sure that other levels of government were involved as well and make sure that they made us whole as part of that rebate program.

?When we talk about rebates of incentivizing, it tends to fall on the development side and we all know that we don't want to incentivize from that perspective and give those breaks there. We'd rather give it directly to the homeowner or to the residents and that's what this does.?

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