



The Regional Municipality of Durham

Committee of the Whole Agenda

Wednesday, April 15, 2026, 9:30 a.m.

Regional Council Chambers

Regional Headquarters Building

605 Rossland Road East, Whitby

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2097.

Note: This meeting will be held in a hybrid meeting format with electronic and in-person participation. Committee meetings may be [viewed via live streaming](#).

	Pages
1. Roll Call	
2. Declarations of Pecuniary Interest	
3. Statutory Public Meetings There are no statutory public meetings	
4. Presentations There are no presentations	
5. Delegations There are no delegations	
6. Correspondence	
7. Reports	
7.1 Report #2026-COW-17 Request for Funding Reallocation Under the At Home Incentive Program for Affordable Housing	3
7.2 Report #2026-COW-18 Recommended Option for Including Northeast Pickering (NEP) and Northwest Brooklin (NWB) Lands in the Region's Development Charge (DC) By-laws	12
7.3 Report #2026-COW-20 Request for Regional Financial Assistance under the Regional Revitalization Program by Colborne Apartments LP (the "Owner") for the	26

8. Members Motions

There are no members motions to be considered

9. Confidential Matters

9.1 Report #2026-COW-19

Confidential Report of the Commissioner of Finance and the Commissioner of Social Services – Closed Matter with respect to information explicitly supplied in confidence to the municipality or local board by Canada, a province or territory or a Crown agency of any of them, regarding a Capital Project submitted for senior government funding

Under Separate Cover

10. Adjournment

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The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Social Services, Commissioner of Finance,
Commissioner of Community Growth and Economic Development, and
Commissioner of Works
Report: #2026-COW-17
Date: April 15, 2026

Subject:

Request for Funding Reallocation Under the At Home Incentive Program for Affordable Housing

Recommendation:

That the Committee of the Whole recommends to Regional Council:

- A) That the request by Kindred Works to reallocate \$1,950,000 in approved Regional funding under the At Home Incentive Program (AHIP) from the 1066 Dunbarton Road project in the City of Pickering to their affordable rental housing project located at 15-23 Main Street North in the Township of Uxbridge be approved.
- B) That Regional funding in the aggregate amount of \$4,700,000 consisting of \$1,950,000 in previously approved funds to be reallocated from the 1066 Dunbarton Road project and \$2,750,000 in previously approved funding for the 15-23 Main Street North project to be provided from the At Home Incentive Program Reserve Fund (AHIPRF), be advanced to Kindred Works to support the development and construction of the affordable rental housing project located at 15-23 Main Street North in the Township of Uxbridge, based on the following key construction milestones:
 - 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security.
 - 40 per cent at confirmation of fully enclosed building.
 - 10 per cent at confirmation of occupancy.
- C) That the funding provided by the Region be conditional upon Kindred Works providing written confirmation of funding by all third-party financiers prior to execution of the required Municipal Capital Housing Facilities and Contribution Agreement.

D) That the Regional Solicitor be directed to prepare the necessary by-laws.

Report:

1. Purpose

- 1.1 The Regional Municipality of Durham (the Region) administers the “At Home Incentive Program” (AHIP) to actively encourage the creation of new purpose-built affordable rental housing projects in Durham.
- 1.2 Kindred Works (KW) is an independent development company established in 2022 in partnership with the United Church of Canada to provide a way to redevelop church lands into mixed-income rental housing. KW has twice been successful in receiving allocations for AHIP funding for its proposed affordable housing projects.
- 1.3 KW was allocated AHIP funds to support the creation of affordable units in the City of Pickering (Pickering) in 2023, and in the Township of Uxbridge (Uxbridge) in 2024. KW has requested the reallocation of approved funds from their Pickering project to their Uxbridge project (see Attachment #1).
- 1.4 The purpose of this report is to summarize both projects and present staff’s recommendations in support of the reallocation request.

2. Previous Reports and Decisions

- 2.1 The following provide background information related to this report:
 - a. On March 29, 2023, Regional Council approved the Recommendations for AHIP eligible projects including the 1066 Dunbarton Road project ([Report #2023-COW-13](#)).
 - b. On April 24, 2024, Regional Council approved Recommendations for AHIP eligible projects, including the 15-23 Main Street North project ([Report #2024-COW-15](#)).

3. Summary of Kindred Works Proposals

- 3.1 Kindred Works proposed AHIP funded projects are summarized below.

15-23 Main Street North, Uxbridge

- 3.2 In 2024, KW received a \$2.75 million AHIP commitment to build 25 affordable units of an overall 95-unit project at 15-23 Main Street North in Uxbridge. Redevelopment will occur on the site of the former Trinity United Church on the east side of the downtown.
- 3.3 The project will contain one-, two- and three-bedroom apartments. The project was selected due to its proximity to services and amenities, accessibility, building performance, sustainability and development readiness.

- 3.4 Official Plan and zoning permissions are in place, and the project is currently in the site plan review process.
- 3.5 KW indicates that due to significant unforeseen physical challenges (including soil contamination and poor soil bearing capacity) and the need for a new electrical transformer, there will be additional costs that will affect the project's financial viability.

1066 Dunbarton Road, Pickering

- 3.6 In 2023, KW received a \$1,950,000 AHIP commitment to develop 13 affordable units within a 41-unit project at 1066 Dunbarton Road in Pickering. The site is currently used as a community and worship space.
- 3.7 The Dunbarton project does not yet have official plan or zoning permissions. KW indicates that the project encountered significant neighborhood opposition regarding the proposed density. In addition, there is a desire to ensure continuity for all current site users including existing childcare services. Therefore, KW is reconsidering this project.

4. Reallocation Request

- 4.1 KW has requested a reallocation of AHIP funding from the 1066 Dunbarton Road project to the 15-23 Main Street North project as a critical component to move to a formal loan agreement with CMHC.
- 4.2 KW's request aims to maintain affordability to the extent possible. A total of 39 affordable units will be provided in the Uxbridge project with greater depths of affordability (69% of the median market rents, instead of 100% of the average market rents). The request will result in an aggregate increase of one (1) affordable unit, while depths of affordability will also increase. Affordable units will be provided over a 40-year period.
- 4.3 The 15-23 Main Street North project will continue to target equity seeking groups including racialized LGBTQ2S, Indigenous peoples, recent immigrants, and people with disabilities. The project is also proposing more units that will meet enhanced accessibility standards.
- 4.4 The project seeks to spend 80 per cent of construction with local labour and prioritizing Indigenous procurement. Additionally, 10 per cent of all labour hours during construction will be new employment opportunities for equity-seeking groups.
- 4.5 Modern prefabricated methods of construction will be used. The project will meet passive house standards, and targets using 65% less energy than building code minimum requirements. It will include landscaping with native species designed for minimal water need.

- 4.6 It is recommended that the Region support the AHIP reallocation request. With this recommendation, KW will be able to implement a formal loan agreement with CMHC. The Region and KW will then enter into a Municipal Capital Housing Facilities and Contribution Agreement to:
- a. maintain affordable rents for the specified affordability period
 - b. continue to use the eligibility requirements for tenants
 - c. enable the use of capital grants for eligible purpose-built affordable rental housing projects
 - d. provide accountability and reporting requirements
 - e. ensure the proponent provides written confirmation of funding by third-party financiers (if applicable) for which Regional funding will be contingent.
- 4.7 Should Kindred Works decide to seek AHIP funding for a future project at the Dunbarton Road site, they would need to reapply.

5. Financial Implications

- 5.1 It is recommended that the request by Kindred Works to reallocate \$1,950,000 in funding under the At Home Incentive Program (AHIP) from the 1066 Dunbarton Road project in Pickering to their affordable rental housing project located at 15-23 Main Street in Uxbridge be approved.
- 5.2 It is also recommended that Regional funding in the aggregate amount of \$4,700,000 to be provided from the At Home Incentive Program Reserve Fund (AHIPRF) be advanced to Kindred Works to support the development and construction of the affordable rental housing project located at 15-23 Main Street North in Uxbridge, based on the following existing key construction milestones:
- 50 per cent at the signing of the Municipal Capital Housing Facilities and Contribution Agreement and registration of security
 - 40 per cent at confirmation of fully enclosed building
 - 10 per cent at confirmation of occupancy.
- 5.3 Further, it is recommended that the funding provided by the Region be conditional upon Kindred Works providing written confirmation of funding by all third-party financiers prior to execution of the Municipal Capital Housing Facilities and Contribution Agreement.

6. Relationship to Strategic Plan

- 6.1 This report aligns with/addresses the following Strategic Direction(s) and Pathway(s) in Durham Region's 2025-2035 Strategic Plan:
- a. Connected and Vibrant Communities
 - C2. Enable a full range of housing options, including housing that is affordable and close to transit.

b. Environmental Sustainability and Climate Action

- E2. Collaborate with partners on the low-carbon transition to reduce community greenhouse gas emissions across Durham Region.

c. Strong Relationships

- S3. Collaborate across local area municipalities, with agencies, non-profits, and community partners to deliver co-ordinated and efficient services.
- S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

7. Conclusion

- 7.1 The At Home Incentive Program provides funding for purpose built affordable rental housing to support the delivery of needed affordable rental housing in Durham. The requested reallocation will enable expediting the previously approved 15-23 Main Street North AHIP project in Uxbridge, anticipated to begin in late 2026.

8. Attachments

Attachment #1: Letter from Kindred Works dated February 13, 2026

Respectfully submitted,

Original signed by

Stella Danos-Papaconstantinou
Commissioner of Social Services

Original signed by

Nicole Pincombe. CPA, CMA
Commissioner of Finance

Original signed by

Sandra Austin
Commissioner of Community Growth and
Economic Development

Original signed by David Dunn, Director, Transportation
and Field Services for

Ramesh Jagannathan MBA, M.Eng.,
P.Eng., PTOE
Commissioner of Works

Recommended for Presentation to Committee

Original signed by

Elaine C. Baxter-Trahair
Chief Administrative Officer



Sent via Email

February 13, 2026

Gary Muller
The Regional Municipality of Durham
605 Rossland Road East
Whitby, Ontario L1N 6A3

Subject: Kindred Works
Funding Reallocation Request

Dear Mr. Muller,

Kindred Works, on behalf of the projects located at 1066 Dunbarton Road, Pickering and 15-23 Main Street North, Uxbridge, is formerly requesting the reallocation of the \$1.95 million in At Home Incentive Program (AHIP) funding from the Pickering project to the development project in Uxbridge.

This request is driven by a commitment to ensuring The Regional Municipality of Durham capital is deployed effectively and without further delays. The reallocation of these funds is critical for two distinct reasons: Escalating costs due to site-specific challenges at 15-23 Main Street, alongside ongoing approval concerns at 1066 Dunbarton Road.

Uxbridge Project Background

The development at 15-23 Main Street North in Uxbridge is proposed as a six-storey, purpose-built rental building comprising 95 units, offering a variety of one-, two-, and three-bedroom suites. The subject lands are zoned to permit apartment residential units and Kindred Works is working to finalize a Section 37 agreement with the Township. The project is currently in Site Plan Application phase; having received initial staff feedback, Kindred Works is targeting a resubmission to the Township in early Q2, with construction anticipated to begin in late 2026.

Pre-development investigations at the Uxbridge site have revealed significant, unforeseen physical challenges that have impacted the project's financial viability. Specifically, we have identified soil contamination requiring remediation and poor bearing capacity that necessitates the use of helical piles for the foundation. Furthermore, existing power supply constraints require the installation and ongoing maintenance of a new, owner-owned electrical transformer. Collectively, these site-specific requirements have introduced substantial costs to the development.

These conditions have increased costs to a level where the project requires a restructured capital stack to proceed. We have secured a conditional commitment from the Canada Mortgage Housing Corporation (CMHC) Affordable Housing Fund (AHF) for a combination of repayable and forgivable loans. The reallocation of the Durham AHIP funding is a critical component required to move to a formal loan agreement with CMHC.

Pickering Project Background

The proposed development at 1066 Dunbarton Road in Pickering originally envisioned 41 purpose-built rental homes, comprising a mix of two-storey townhouses and three-storey walk-up apartments while retaining a portion of the existing church. While the required Zoning By-law and Official Plan Amendments are currently under review, the approval process has encountered significant neighborhood opposition regarding the proposed density. This feedback, coupled with municipal staff comments, requires us to reduce the number of units to address these ongoing concerns.

Consequently, shifting toward a smaller-scale development offers the opportunity to preserve the church building in its entirety and ensure continuity for all current site users, most notably the essential childcare services onsite. A project better aligned with the existing community scale would also allow us to explore expanded programming for these groups. However, this change in direction presents a financial challenge: a smaller-scale project will lack the necessary density to remain financially viable as a purpose-built rental and would severely limit our ability to achieve the original affordability targets. These compounding pressures have compromised the project's feasibility and will delay the deployment of the committed \$1.95 million within the originally anticipated timeframe.

Preferred Approach

Our proposed path looks to reallocate the funding while aiming to maintain the affordability requirements as best as possible. By transitioning our debt financing to the CMHC's AHF, which we have secured a conditional commitment for a mix of repayable and forgivable loans.

As we enter the final underwriting stage, the reallocation of Pickering funding is the critical component required to ensure project viability. Beyond stabilizing the budget, the shift allows us to deepen the development social impact.:

- 41% (39 units) affordable units: An increase from the original 26% (25 units) target.
- 69% of Median Market Rate (MMR): A deepening of affordability from the initial 100% of Average Market Rent (AMR), as detailed below.

Bedroom Type	100% of AMR (Per Month)	69% of MMR (Per Month)	Monthly Rent Reduction
1 Bedroom	1,264	724	(540)
2 Bedroom	1,664	1,036	(628)
3 Bedroom	1,777	1,139	(638)

Based on CMHC data for The Region of Durham as of February 2025

- Enhanced Accessibility Standards:
 - 26-30% of units meet accessibility standards
 - Barrier-free common areas
 - Rick Hansen Foundation Gold Certification

Reallocating these funds ensures that AHIP capital is deployed immediately towards a shovel-ready project rather than remaining idle.

By shifting these resources, we are ensuring that AHIP capital is deployed into a shovel-ready project that provides more meaningful impact.

We thank you for your consideration of the request and would be happy to provide any further required information related to the project and its potential impact.



The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance, Commissioner of Community Growth and Economic Development, Commissioner of Works, and Commissioner of Legal Services
Report: #2026-COW-18
Date: April 15, 2026

Subject:

Recommended Option for Including Northeast Pickering (NEP) and Northwest Brooklin (NWB) Lands in the Region's Development Charge (DC) By-laws

Recommendation:

That the Committee of the Whole recommends to Regional Council that:

- A) This report be received as the staff response to Council's direction of November 26, 2025, to undertake a comprehensive review of options for including the NEP and NWB lands in the Region's DC By-laws, including amending the existing by-law, preparing an Area-Specific Development Charge (ASDC) by-law for the NEP and NWB lands, and preparing a new Region-wide by-law.
- B) Following a comprehensive review of the options, staff recommends that a new DC Background Study and associated by-law be undertaken to consider the inclusion of the NEP and NWB lands, along with the balance of the new growth areas approved in the Region's former Official Plan. The study would be completed in accordance with legislative requirements, with a detailed schedule for the public process to be brought forward in early 2027 for Regional Council review.
- C) The following external consulting and legal services be retained to provide technical expertise with the preparation of the Regional Residential and Non-residential DC Background Study and DC By-law as follows:
 - i) The consulting firm of Watson & Associates Economists Ltd. be retained through a sole source contract at an estimated cost of up to \$250,000 to assist with the development of the Regional Residential and Non-

residential DC Background Study, including expert advice on policy, methodology (e.g. benefit to existing development, post period benefit, residential and non-residential allocations), development forecasts, calculations, and the preparation of the DC Background Study and By-law;

- ii) The legal firm of WeirFoulds LLP be retained through a sole source contract at an estimated cost of up to \$50,000 to advise and assist in the preparation of the new Regional Residential and Non-residential DC By-law, ensuring the new by-law complies with the requirements of the *Development Charges Act, 1997*;

D) That the cost of this external consulting and legal services expenditures in the estimated amount of up to \$300,000 be financed as follows:

DC Studies Reserve Fund	\$205,800
Property Tax Sources – At the Discretion of the Commissioner of Finance	47,100
Water and Sewer Sources – At the Discretion of the Commissioner of Finance	<u>47,100</u>
Total	<u>\$300,000</u>

E) That the Commissioner of Finance be authorized to execute the necessary agreements.

Report:

1. Purpose

- 1.1. The purpose of this report is to report on the review of the options related to the potential inclusion of Northeast Pickering (NEP) and Northwest Brooklin (NWB) lands in the Region’s Development Charge (DC) By-laws, including associated policies, in response to the resolution adopted by Regional Council on November 26, 2025.
- 1.2. This report also seeks Council authorization to undertake the necessary work to advance a new Regional residential and non-residential DC by-law, which will consider the inclusion of the NEP and NWB lands, along with the balance of new growth areas approved in the Region’s former Official Plan, Envision Durham¹.

¹ Pursuant to Bill 23, as of January 1, 2025, Envision Durham has now become part of the Area Municipal Official Plans of Durham’s eight municipalities. As a result, Envision Durham is sometimes referred to in this report as “the Region’s former Official Plan”.

2. Background

- 2.1. The Region of Durham's current DC By-laws are based on the previous 2020 Consolidation of the Regional Official Plan and related growth forecasts. As a result, lands within NEP or NWB areas are not included. Consequently, the capital infrastructure required to service these lands, particularly for water, sanitary sewer, transportation, and other Region-wide services is not reflected in the Region's current DC Background Studies which support the current DC By-laws.
- 2.2. In 2023, Regional Council adopted Envision Durham, which was subsequently approved by the Province in 2024. Envision Durham expanded the Region's urban boundary to include several new growth areas, including NEP and NWB, but also areas in Oshawa, Clarington and Northeast Whitby (see Attachment #1).
- 2.3. Following the Council's passing of the Region's 2023 DC By-law, the Durham Region Home Builders' Association, Building Industry and Land Development Association, a few individual developers appealed the by-law to the Ontario Land Tribunal. In early 2025, as part of the successful resolutions of those appeals, the Region committed to completing a new Regional DC as soon as possible. However, numerous changes by the Province to the *Development Charges Act, 1997* in recent years have created uncertainty and resulted in delays to this work.
- 2.4. The Northeast Pickering Landowners Group (NEPLG), representing landowners within the Northeast Pickering Secondary Plan Area (NEPSA), formally requested that the Region advance the servicing for the NEP lands. In November 2025, the NEPLG brought forward the following two related requests to Regional Council:
 - a. That the Region participate as a co-proponent in an Environmental Assessment to determine water and sanitary servicing for the NEP lands; and
 - b. That the Region amend its DC By-law to include the capital projects required to service the NEP lands.
- 2.5. In response to these requests, Regional Council adopted a resolution on November 26, 2025, directing staff to evaluate options for including NEP and NWB lands in the Region's DC By-laws. Specifically, Council directed staff to assess multiple approaches including amendments to the existing Region-wide DC By-laws, the potential establishment of an area-specific DC By-law, or the preparation of a new Region-wide DC By-law to comprehensively address growth in the expansion areas.

- 2.6. Following this direction, Regional staff from Finance, Works, Legal Services, and Community Growth, in consultation with Watson & Associates Economists Ltd., and WeirFoulds LLP, undertook the analysis required to inform a recommendation. This work included meetings with Area Municipal staff on February 4, 2026, and the Durham Region Home Builders' Association and Building Industry and Land Development Association on February 12, 2026, to gather feedback on the options, associated requirements, and implementation timelines.
- 2.7. As part of this review, staff evaluated the following options for including NEP and NWB lands in the Region's DC By-laws:
 - a. Option 1: Amend the existing Region-wide DC By-laws to include the NEP and NWB lands, which would require accounting for additional servicing costs and the associated population and employment growth.
 - b. Option 2: Establish a NEP and NWB Area-Specific DC By-law for water and sewer services, with corresponding amendments to the Regional DC By-laws to include remaining services (e.g., roads, transit, police).
 - c. Option 3: Develop a new DC Background Study and associated By-law to consider the new growth areas approved in the Region's former Official Plan, including the NEP and NWB lands.
- 2.8. This report presents a recommended approach for addressing the potential inclusion of the NEP and NWB lands in the Region's DC By-laws and seeks Council authorization to undertake the necessary work to advance the next Regional residential and non-residential DC Background Study and associated By-law.

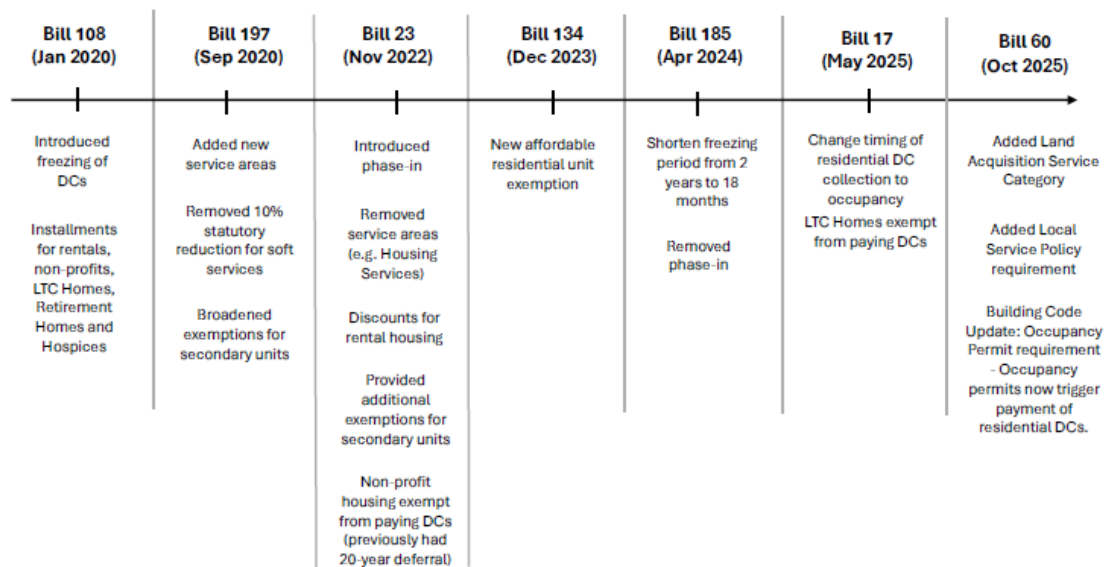
3. Previous Reports and Decisions

- 3.1. Regional Council approved [Report #2023-P-15](#) to adopt the most recent Regional Official Plan (Envision Durham).
- 3.2. Regional Council approved Confidential Report #2024-COW-48 to authorize the minutes of settlement for Ontario Land Tribunal appeal, OLT-23-000888.
- 3.3. Regional Council approved [Report #2025-COW-36](#), which directed staff to report back with recommendations for considering the NEP and NWB lands in the Region's DC By-laws.
- 3.4. Regional Council approved [Report #2026-COW-8](#) to authorize staff to enter into an Environmental Assessment Funding Agreement with the Northeast Pickering Landowners Group Inc. for Regional services required to support the development in Northeast Pickering.

4. Current Region-wide DC By-law and Background Study

- 4.1. The current Region-wide DC Background Study was completed on March 28, 2023 and supported the adoption of By-law No. 42-2023. The study was prepared using the previous Official Plan (2020 Consolidation) and corresponding capital forecasts to 2033. As a result, the existing Region-wide DC By-law reflects growth assumptions and servicing needs that pre-date the approval of Envision Durham and the identification of new urban expansion areas.
- 4.2. Since the Region-wide DC Background Study was completed, numerous legislative changes have also occurred. Most notably, the *Fighting Delays, Building Faster Act, 2025* (Bill 60) introduced a new service category for “land acquisition”, which requires land costs to be calculated, justified, and funded separately from other DC-eligible services. Under the previous approach, land costs were included within the capital forecasts for individual service areas. This change materially affects how capital costs are structured and how DC rates are determined. In addition, on March 30, 2026, the Province announced *Bill 98, Building Homes and Improving Transportation Infrastructure Act, 2026*. If passed as currently drafted, non-profit retirement homes would be exempt from paying development charges. Figure 1 below summarizes the recent changes to the *Development Charges Act, 1997*.

Figure 1: Recent Changes to the Development Charges Act



- 4.3. Also on March 30, 2026, the Provincial and Federal Governments entered into the *Canada-Ontario Partnership to Build* agreement. Under the agreement, the Federal and Provincial governments will provide \$8.8 billion dollars in funding over ten years to support housing-enabling infrastructure investments for Ontario municipalities that reduce and maintain low development charges. While full

program details are not available, the announcement indicates that municipalities would be required to substantially reduce development charges by 30 to 50 per cent to qualify for funding.

- 4.4. The Ontario Land Tribunal appeal associated with the Region-wide DC By-law No. 42-2023 also identified stakeholder concerns with the Region-wide DC By-law. Through the Ontario Land Tribunal mediation process and subsequent decision in 2025, the Region committed to bringing forward a new Region-wide DC By-law as soon as possible.
- 4.5. Taken together, the approval of new expansion areas, longer time horizons for population and employment forecasts along with related capital infrastructure forecasts, evolving legislative requirements, and shifting underlying assumptions regarding modal splits, water and sewer usage, costs of infrastructure and forms of development provide key mandatory elements for the current review and highlight the need for a comprehensive review of the Region's DC By-law No. 42-2023.

5. Area Municipal Staff Consultation

- 5.1. On February 4, 2026, Regional staff consulted with area municipal staff to discuss the potential approaches and implications for including NEP and NWB in the Region's DC framework.
- 5.2. Area municipality staff raised questions regarding the scope, timing and implementation of the proposed DC options. Area municipality staff emphasized the importance of aligning DC timing with ongoing secondary plan implementation, servicing, and phasing work, noting that large-scale growth areas may require extended study and delivery timelines. Questions were also raised regarding the timing and infrastructure implications of an area-specific compared to region-wide approaches.

6. Building Industry Consultation

- 6.1. On February 12, 2026, Regional staff consulted with members from Durham Region Home Builders Association and Building Industry and Land Developer Association, to discuss the potential approaches and implications for including NEP and NWB in the Region's DC By-laws.
- 6.2. Participants discussed potential resource and implementation risks associated with the various options. Both industry representatives and staff noted that a focused effort on a specific growth area could affect the timing and advancement of other growth areas across the Region. For example, an Area-Specific DC approach could delay the completion of a new Region-wide DC By-law.

- 6.3. Industry representatives also noted land interests both within and outside NEP and NWB. Risks were identified that an interim or Area-Specific DC approaches could introduce uncertainty or uneven cost allocations across the Region. Given the significant size of the NEP and NWB lands relative to the remaining expansion areas, calculating an Area-Specific DC could have implications on Region-wide DC rates. As DCs are based on an average-cost methodology, removing a large growth area from the Region-wide DC By-laws could introduce volatility in rates and potentially impact development viability and investment decisions elsewhere in the Region.
- 6.4. Further discussions focused on capital forecasting considerations, including whether separate forecasts could be prepared for an Area-Specific DC while accounting for shared regional infrastructure, such as water and sewer systems.
- 6.5. Participants indicated their willingness to continue engagement and discussed the establishment of a stakeholder liaison committee that will meet to discuss DC-related topics.

7. Market Considerations

- 7.1. Economic and housing market conditions are an important consideration in evaluating options to include NEP and NWB lands within the Region's DC By-laws, as these conditions influence the development timing, unit mix, infrastructure delivery and absorption of development-related costs. While long-term economic and housing prospects remain positive, near-term conditions are characterized by macroeconomic uncertainty and a material slow down in housing activity, with Durham Region housing starts and building permit activity declining significantly since their 2021-2022 peaks. At the same time, the Region has a substantial development pipeline, with over 100,000 units that are Draft Approved, in applications under review, in Registered Plans which have not been built, or subject to MZOs, providing considerable capacity to accommodate near to medium-term housing demand. Taken together, the recent decline in housing starts and permits, alongside a substantial inventory of units within the existing development pipeline, indicates there is no immediate market-driven urgency to advance additional greenfield areas for development at this specific time.

8. Option 1 – Amend the existing Region-wide DC By-laws to include NEP and NWB lands

- 8.1. This option would require updating the existing DC Background Study by extending the planning horizon beyond 2033 to incorporate the NEP and NWB lands, subject to a phasing plan to determine how much land will be needed to meet the anticipated population and employment growth approved through Envision Durham, along with the associated capital requirements to service the lands.

- 8.2. The extension of the growth horizon beyond 2033 represents a material change to the underlying assumptions of the current DC Background Study. As a result, all components of the study would need to be comprehensively reviewed and updated to reassess service needs across each eligible service category.
- 8.3. Under the *Development Charges Act, 1997*, amendments to a DC By-law made more than one year after the completion of the DC Background Study generally require the preparation of a new DC Background Study to justify the proposed changes. As the Region is now beyond the one-year timeframe, any substantive amendments to the existing Region-wide DC By-laws would be subject to the same comprehensive procedural requirements as a new By-law, including the preparation of a DC Background Study, and compliance with statutory requirements such as a public meeting and public notices.
- 8.4. While the *Development Charges Act, 1997* allows for an expedited process for certain minor amendments such as repealing or amending expiry date provisions, indexing provisions, or decreasing DCs for one or more development types, this process does not apply in this instance due to the scope of the changes required under this option.
- 8.5. Accordingly, the preparation of an amendment would be at least as complex and resource intensive as preparing an entirely new DC Background Study and By-law. As a result, there would be no meaningful time or implementation advantage by proceeding by way of amendment rather than undertaking a new DC Background Study and By-law.
- 8.6. For these reasons, while Option 1 is feasible, this option does not provide any net schedule or implementation advantages and is therefore not recommended.

9. Option 2 – Establish an Area-Specific DC By-law for NEP and NWB

- 9.1. Under this option, the Region would establish an Area-Specific DC By-law for NEP and NWB lands, subject to a phasing plan to determine how much land will be needed to meet the anticipated population and employment growth approved through Envision Durham. The Area-Specific DC would be focused only on water and sanitary sewer services, with the existing Region-wide DC By-laws continuing to apply to other Region-wide services such as roads, transit and other soft services.
- 9.2. The *Development Charges Act, 1997*, allows multiple DC By-laws to apply concurrently in the same geographic area. Accordingly, the Region may impose an Area-Specific DC for water and sanitary sewer services in the NEP and NWB areas while continuing to levy the existing Region-wide DC for other services (e.g. Roads, Transit, Police, etc.) under the current DC By-laws.
- 9.3. This option was proposed as an interim measure that might allow an Area-Specific DC to be established more quickly than completing a full Region-wide DC update. However, staff do not anticipate any material schedule advantage.

Growth forecasts for NEP and NWB cannot be prepared in isolation, as growth distribution, phasing and infrastructure capacity are interconnected across the Region. As a result, Region-wide growth forecasting would still be required, and therefore would be similar in scope to a new Region-wide DC study.

- 9.4. Further applying the existing Region-wide DC rates for the remaining services, such as roads, transit, long-term care, waste diversion, police, and paramedic services, presents a risk that the current rates for these services may not accurately reflect the costs of servicing development in the NEP and NWB areas. The capital needs in these areas may result in higher or lower service costs on a per capita or per employee basis compared to other parts of the Region. Determining whether the current Region-wide DCs appropriately recover these costs would require the completion of an updated Region-wide DC Background Study.
- 9.5. Additional considerations include stakeholder feedback about the implications that this option may have on the timing of completing a new DC By-law for all the new expansion areas and the DC rates in other areas of the Region, given the size and scale of the NEP and NWB lands.
- 9.6. Furthermore, staff have identified significant implementation challenges associated with this approach. Administering multiple DC By-laws concurrently, including separate charge calculations, exemptions, indexing, and collection policies, would increase the complexity for both the Region and Area Municipalities. This complexity is further amplified where shared or interrelated infrastructure serves both expansion areas and the broader Region.
- 9.7. In addition, while certain environmental assessment work related to water and sanitary sewer servicing is being advanced, the anticipated timing of development in NEP and NWB extends beyond the expected timeframe for completing an Area-Specific DC or new Region-wide DC By-law. As a result, an interim Area-Specific DC is not expected to provide meaningful implementation benefits.
- 9.8. Advancing an Area-Specific DC By-law at this time would also divert staff and consultant resources and delay the completion of a comprehensive Region-wide DC update. This outcome would be contrary to the Region's commitment arising from the settlement of the Ontario Land Tribunal appeals related to By-law No. 42-2023 to bring forward a new Region-wide DC by-law as soon as reasonably possible.
- 9.9. For these reasons, while Option 2 is feasible, this option does not provide any net schedule advantages, and is not recommended due to its complexity, implementation risks, and potential to delay the completion of a comprehensive Region-wide DC update.

10. Option 3 – Develop a New Region-wide DC Background Study and By-law

- 10.1. This option involves the preparation of a new Region-wide DC Background Study and By-law that would consider the inclusion of new growth areas approved through Envision Durham, including the NEP and NWB lands.
- 10.2. This option most directly aligns with the Region's commitments arising from the settlement of the Ontario Land Tribunal appeal related to By-law No. 42-2023 to undertake and complete as soon as is reasonably practical, a comprehensive review of its Region-wide development charges to consider how lands added to the Region's urban boundary through Envision Durham should be addressed through a future DC By-law.
- 10.3. A new Region-wide DC Background Study would allow the Region to comprehensively update all aspects of the Region-wide DC, including population and employment forecasts, capital programs, methodological approaches, and policy assumptions across all service areas, rather than addressing expansion areas incrementally. This approach would allow the Region to fully integrate recent legislative changes, including the requirement to calculate land as a separate service category.
- 10.4. From an implementation perspective, a new Region-wide DC Background Study and By-law could proceed in parallel with the ongoing environmental assessment and servicing studies for NEP and NWB. Where detailed infrastructure designs or phasing information are not yet available, reasonable assumptions can be incorporated into the DC Background Study and refined through future updates, consistent with standard DC practice.
- 10.5. Through this option, staff have identified a potential opportunity to streamline the Region's DC By-law structure by consolidating the services in the existing Region-wide DC By-law and the Regional Transit DC By-law into a single By-law. This consideration will be evaluated as part of the development of a detailed work plan and included in the subsequent staff report in early 2027.
- 10.6. In addition, undertaking a new Region-wide DC Background Study and By-law would provide an opportunity to assess whether updates to the Seaton Area-Specific DC By-law should be advanced alongside the Region-wide DC work. This would allow for consideration of updated cost estimates and assumptions in a coordinated and comprehensive manner.
- 10.7. For these reasons, staff recommend Option 3 as the most efficient, effective and defensible approach to considering the NEP and NWB lands within the Region's DC By-laws. The option best aligns with the Region's commitments arising from the Ontario Land Tribunal settlement, supports a comprehensive and integrated assessment of growth, infrastructure and policy across all service areas, minimizes implementation complexity and risk while providing flexibility to refine assumptions as support studies are completed.

11. Financial Implications

11.1. It is recommended that the following external consulting and legal services be retained, in accordance with Purchasing By-law 16-2020, at an estimated cost of no greater than \$300,000 to provide technical expertise with the preparation of the Regional Residential and Non-residential DC Background Study and DC By-law as follows:

- a. The consulting firm of Watson & Associates Economists Ltd. be retained through a sole source contract at an estimated cost of up to \$250,000 to assist with the development of the Regional Residential and Non-residential DC Background Study, including expert advice on policy, methodology (e.g. benefit to existing development, post period benefit, residential and non-residential allocations), development forecasts, calculations, and the preparation of the DC Background Study and By-law;
- b. The legal firm of WeirFoulds LLP be retained through a sole source contract at an estimated cost of up to \$50,000 to advise and assist in the preparation of the new Regional Residential and Non-residential DC By-law, ensuring the new by-law complies with the requirements of the *Development Charges Act, 1997*;

11.2. It is recommended that the cost of these services in the estimated amount of up to \$300,000 be financed as follows:

DC Studies Reserve Fund	\$205,800
Property Tax Sources – At the Discretion of the Commissioner of Finance	47,100
Water and Sewer Sources – At the Discretion of the Commissioner of Finance	<u>47,100</u>
Total	<u>\$300,000</u>

11.3. In addition to the consulting and legal services identified above, other specialized work (e.g. capital costing analysis, modelling) may be required to support the DC Background Study and related master planning work. Any such assignments would be procured and awarded under delegated authority, in accordance with the Region’s Purchasing By-law, and would be funded from previously approved budgets.

12. Relationship to Strategic Plan

12.1. This report aligns with the following Strategic Directions and Pathways in Durham Region’s 2025-2035 Strategic Plan:

- a. Connected and Vibrant Communities
 - C1. Align Regional infrastructure and asset management with projected growth, climate impacts, and community needs.

b. Resilient Local Economies

- R1. Attract and retain quality employers that strengthen key economic sectors, including energy and technology.
- R2. Support the growth of new business startups and small to medium local businesses.
- R3. Develop, attract, and support a skilled and qualified workforce, including youth and newcomers.

12.2. This report aligns with the following Foundations in Durham Region's 2025-2035 Strategic Plan:

- a. People: Making the Region of Durham a great place to work, attracting, and retaining talent.
- b. Processes: Continuously improving processes to ensure we are responsive to community needs.

13. Conclusion

13.1. This report provides a comprehensive evaluation of options to include NEP and NWB lands in the Region's DC By-laws. It is recommended that a new DC Background Study and associated by-law be undertaken to consider the balance of the new growth areas approved in the Region's former Official Plan, including the NEP and NWB lands.

13.2. Staff will report back to Regional Council in early 2027 to provide an update on the detailed schedule for completing the Region-wide DC Background Study, including key milestone dates for Council consideration and public consultation. As part of the detailed project planning for the proposed Region-wide DC update, staff will also review whether there are schedule advantages to consolidate the Regional Transit By-law with the new Region-wide DC By-law. The recommended approach will include consultations with the Area Municipalities, local development industry, local Boards of Trade, Chamber of Commerce, and the public.

14. Attachments

14.1. Attachment #1: Map of Expansion Lands

Respectfully submitted,

Original Signed By

Nicole Pincombe, CPA, CMA
Commissioner of Finance

Original Signed By

Sanda Austin
Commissioner of Community Growth
and Economic Development

Original Signed By

Ramesh Jagannathan, MBA, M.Eng.,
P.Eng, PTOE
Commissioner of Works

Original Signed By

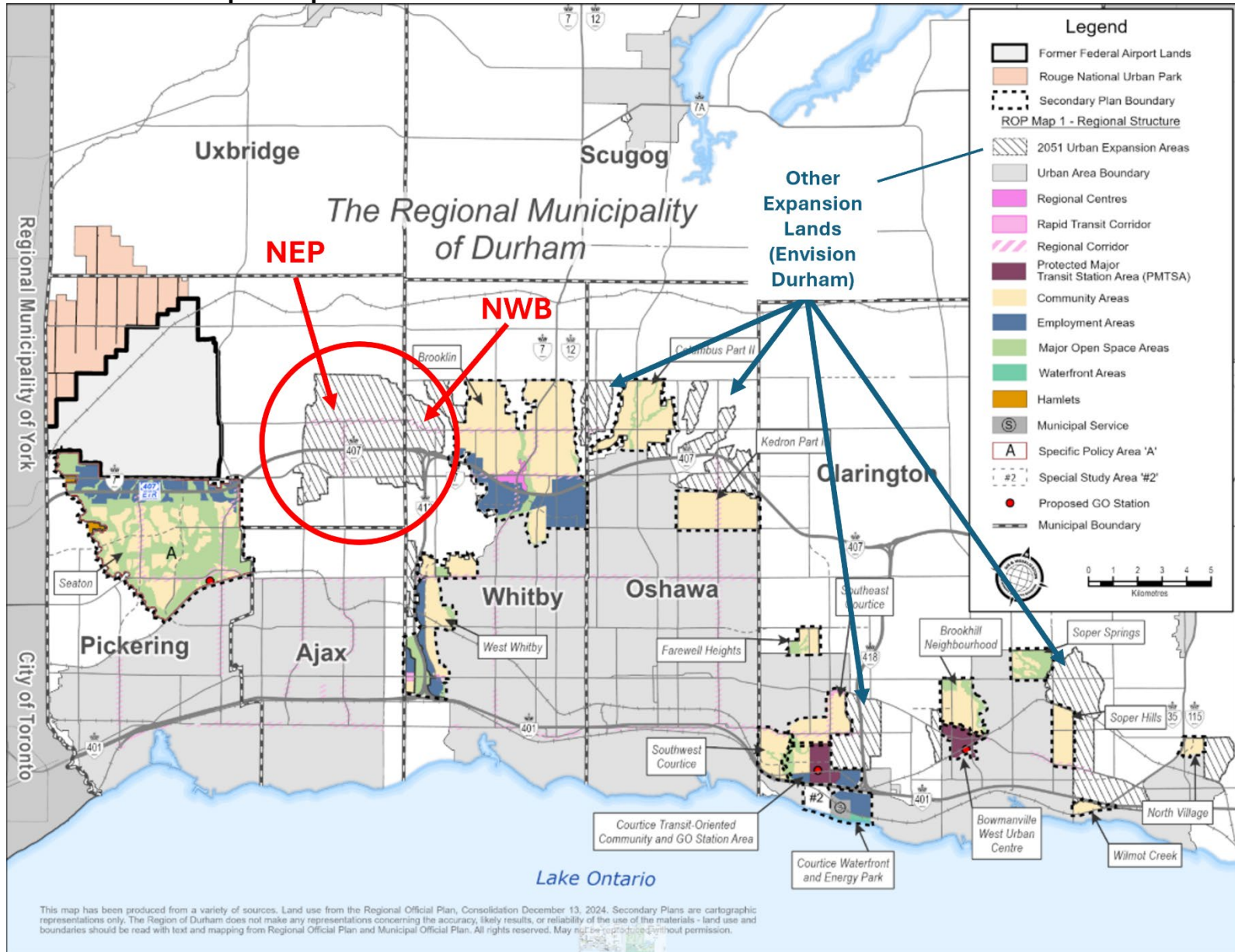
Jason Hunt
Commissioner of Legal Services &
Regional Solicitor

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

Attachment #1: Map of Expansion Lands





The Regional Municipality of Durham Report

To: Committee of the Whole
From: Commissioner of Finance, Commissioner of Community Growth and Economic Development and Commissioner of Works
Report: #2026-COW-20
Date: April 15, 2026

Subject:

Request for Regional Financial Assistance under the Regional Revitalization Program by Colborne Apartments LP (the “Owner”) for the Redevelopment at 44 Colborne Street East in the City of Oshawa

Recommendation:

That Committee of the Whole recommends to Regional Council:

A) That the application submitted by the City of Oshawa, on behalf of Colborne Apartments LP (Colborne Apartments), under the Regional Revitalization Program (RRP), requesting Regional financial assistance for the redevelopment of an underutilized urban infill site into a six-storey, purpose-built rental apartment building located at 44 Colborne Street East in the City of Oshawa be approved, subject to the following conditions:

- i) The Region to provide up to \$250,000 for the redevelopment, with funding provided from the Regional Revitalization Reserve Fund and transferred to the City of Oshawa for distribution to Colborne Apartments, in accordance with the timing and flow of funds under the RRP:

Full building permit issued to Colborne Apartments	50 per cent
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Framing inspection (or equivalent structural completion), passed by the area municipal building inspection authority	40 per cent
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Occupancy permit received from the area municipal building authority or passed preoccupancy inspection of those municipalities which do not issue an occupancy permit;	10 per cent
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- ii) The City of Oshawa executes the necessary agreements with Colborne Apartments for the provision of financial assistance by the City;

- iii) Colborne Apartments must pay all applicable Regional Development Charges in accordance with the Regional Development Charge By-laws;
 - iv) All costs associated with works for the development of the lands will be borne by the developer, Colborne Apartments, in keeping with Regional policies;
 - v) Satisfaction of any performance criteria outlined in agreements between the City of Oshawa and Colborne Apartments regarding incentives (financial or other) provided under the City's Urban Growth Centre Community Improvement Plan and applicable City By-laws;
 - vi) The City of Oshawa enter into an agreement with the Region that outlines the terms and conditions for Regional financial assistance to ensure accountability for Regional funding; and,
 - vii) The City of Oshawa agrees to conduct annual post-project reviews and audits for five years after substantial occupancy of the development of lands, in conjunction with the Region, to ensure accountability and the effective utilization of Regional resources; and,
- B) That as per the RRP, the increased property tax revenue generated from the increased current value assessment of the redevelopment project in the City of Oshawa be used to replenish the Regional Revitalization Reserve Fund.
-

Report:

1. Purpose

- 1.1 The purpose of this report is to consider a request for Regional financial assistance under the Regional Revitalization Program (RRP) for the infill redevelopment of lands located at 44 Colborne Street East in the City of Oshawa by Colborne Apartment LP (Colborne Apartments).
- 1.2 On February 20, 2026, Regional staff received an application from the City of Oshawa, on behalf of Colborne Apartment LP, under the RRP. Colborne Apartments is requesting a grant equivalent to the maximum allowable under the Regional Revitalization Program. Regional staff met with City staff to discuss the application and there were subsequent requests by Regional staff for additional information to support the application.

2. Key Elements of the Regional Revitalization Program

2.1 The Regional Revitalization Program (RRP), established originally in 2008, is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas that advance the goals of the Regional Official Plan¹ and achieve positive economic and community objectives and support development that would not otherwise proceed without municipal financial assistance. Key elements and application requirements of the RRP are contained in the [Guideline for the Regional Revitalization Program](#) for the Regional Revitalization Program – Region of Durham. Overall, the RRP is founded on the premise that the general public will benefit from municipalities providing financial support to redevelopment and intensification projects that otherwise would not be initiated without municipal financial assistance.

3. Project Support from the City of Oshawa

- 3.1 On November 12, 2025, 1001134181 Ontario Inc., on behalf of Colborne Apartments (the “Owner”), submitted correspondence to the City of Oshawa requesting an Increased Assessment Grant and additional incentives for the proposed development at 44 Colborne Street East (the “Subject Site”).
- 3.2 On January 27, 2026, City of Oshawa Council approved Colborne Apartments request for the proposed development at 44 Colborne Street East, including authorizing the Mayor and Chair of the Economic and Development Services Committee to write a letter to the Region of Durham to request support for the Owner’s proposed redevelopment at 44 Colborne Street East under the Regional Revitalization Program.
- 3.3 The Proposal is supported by Oshawa City Council. The City of Oshawa has approved an Increased Assessment Grant in the amount of \$457,080.40 and is waiving City Development Charges for this redevelopment project. In addition, the City of Oshawa also recognizes that the redevelopment project would support policies laid out in the Oshawa Official Plan and advance several policies of Envision Durham, related to housing, intensification, Strategic Growth Areas and Urban Growth Centres.

¹ Pursuant to Bill 23, as of January 1, 2025, the Regional Official Plan (Consolidation December 13, 2024) has now become part of the Area Municipal Official Plans of Durham's eight municipalities. Each area municipality may repeal or amend it, meaning that each area municipality will have responsibility for the Regional Official Plan as it pertains to their municipality.

4. Colborne Apartments' Proposal

- 4.1 Colborne Apartments is proposing to redevelop an underutilized urban infill site into a six-storey, purpose-built rental apartment building at 44 Colborne Street East in Downtown Oshawa. Although there is no retail/commercial component, the project aims to deliver long-term rental housing, increase the housing supply, support downtown intensification and local economic activity. The subject site is located within the Urban Growth Centre Community Improvement Plan, which seeks to intensify Downtown/Urban Growth Centre Lands, increase residential supply and encourage reinvestment on underutilized sites. The current proposal contains 30 apartment rental units, comprising ten (10) one-bedroom units, fifteen (15) 2-bedroom units and five (5) 3-bedroom units.
- 4.2 The proposed project includes a six-storey massing with a contemporary, durable exterior suitable for the downtown streetscape, with internalized/structured parking for 17 vehicles. The project will also include secure bicycle storage and resident support spaces to encourage active transportation; dedicated indoor waste, recycling, and servicing rooms designed to meet fire/life safety and operational requirements; and building systems and design features aligned with enhanced energy performance and accessibility objectives.
- 4.3 The project will cater to a diverse set of target renters, including young professionals; professional services workers; students, faculty and staff (linked to the post-secondary presence); seniors and downsizers; and couples and small families.
- 4.4 According to the application, the total construction budget for this project is approximately \$16.2 million. Construction is expected to commence in April/May 2026 and will be completed within 18 to 24 months. Occupancy is targeted for Fall 2027, subject to construction conditions and procurement.

Challenges and Extraordinary Costs

- 4.5 According to the proposal, the redevelopment faces extraordinary costs that materially impact feasibility for a small-lot infill rental project, given the building's location in the Downtown area. These challenges are not typical of larger greenfield sites or large-scale developments. Some examples cited in the application include high water table and shoring, road widening constraints, structured internal parking, and tight setbacks and separation.
- 4.6 A geotechnical report submitted to the City by the applicant's consultant indicates potential perched groundwater conditions as well as the presence of a deeper, lower aquifer. As the observed groundwater elevations are above the anticipated excavation depth, the geotechnical consultant anticipates that a temporary dewatering system will be required during construction to lower groundwater levels prior to excavation.

5. Evaluation under the RRP

Challenges highlighted by Market Analysis

- 5.1 The market for rental apartment buildings in the Greater Toronto Area (GTA) has entered a "tenant's market" phase as of early 2026, characterized by rising vacancy rates and softening rents. This shift is primarily driven by a surge in new purpose-built and secondary (condo) rental supply coinciding with a sharp deceleration in population growth.
- 5.2 For the first time in years, there is a convergence of increased supply and softening demand. On the supply side, government incentives have successfully spurred purpose-built rental construction, with rental starts outpacing other housing types.
- 5.3 On the demand side, changes to federal immigration targets have led to fewer international students and foreign workers - historically a key demographic for rental uptake. Consequently, vacancy rates across the province are trending upward, expected to settle between 3 per cent and 5 per cent this year.
- 5.4 With moderate demand-side fundamentals, developers are facing several supply-side challenges that impede the provision of rental housing in the Toronto GTA, including:
- Limited and costly residential vacant land.
 - The rapid rise in construction costs and interest rates in recent years has lowered expected returns and increased the amount of equity developers need to bring to a project. Bringing equity to a project is especially challenging for rental developments, which do not benefit from equity accumulated through pre-construction sales, like condominiums.
 - Rising operating expenses (for insurance and utilities, for example) are a significant risk to the expected return of projects.
 - Builders indicate that constraints on skilled labour capacity will resurface once development conditions improve.
- 5.5 In the City of Oshawa, there has been a recent trend toward higher density forms of housing development, likely because of policy and lifestyle preferences, as well as limited land supply and rising land costs.
- 5.6 Due to the planned GO Train extension and the 407 East extension, the City of Oshawa will continue to benefit from improving regional connectivity, which may further support high density development. As such, the trend towards rental apartment forms of development is likely to continue and is expected to represent a greater proportion of total housing starts in the upcoming years.
- 5.7 Over the last two decades, eight purpose-built rental projects have occurred in Downtown Oshawa with assistance from the City and the Region.

- 44-50 Bond Street West (Parkwood Residences). The initial project by Atria Development Corp. involved the redevelopment of a vacant office complex into a residential condominium project. The project contains 120 residential apartment units. Financial assistance of \$250,000 was provided under the Pilot Regional Downtown Revitalization Program in 2003.
- 100 Bond Street East (Bond and Mary Development Inc. - Phase 1). This mixed use residential/commercial development by Atria Development Corp. contains 239 apartment units and 12,572 square feet of ground floor commercial. Financial assistance of \$430,000 was provided under the RRP in 2015.
- Genosha Hotel (TT7 Inc). This project involved the redevelopment of a mixed-use apartment/commercial building. The project contains 86 apartment units and 22,000 square feet of commercial. Financial assistance of \$564,000 was provided under the RRP in 2017.
- 80 Bond Street East (Bond and Mary Development Inc. - Phase 2). This mixed use residential/commercial development contains 370 apartment units and 4,300 square feet of ground floor commercial. Financial assistance of \$580,000 was provided under the RRP in 2018.
- 135 Bruce Street (Medallion Developments Ltd. – Phase 1). This multi-phased mixed-use development will contain two new purpose-built apartment buildings with a total of 509 units. The site is currently a vacant brownfield occupying an area of 10.7 hectares (26.5 acres). Financial assistance of up to \$3,900,000 was committed to the proposed project under the RRP in June of 2024.
- 35 Division Street (Atria Development Corp.). This is a 12-storey, 233-unit purpose-built rental apartment building with approximately 2,200 square feet of retail floor space and 218 subsurface parking spaces on three levels. Financial assistance of up to \$4,900,000 was committed to the proposed project under the RRP in September of 2024.
- 40 King Street West (Heathrow Group). This project involves the conversion of a largely vacant and underutilized office building into a mixed residential/commercial building. The project contains 119 apartment rental units, comprising 105 two-bedroom units and 14 one-bedroom units. Financial assistance of up to \$1,350,000 was committed to the proposed project under the RRP in February of 2025.
- 39 Athol Street West (Central Clear View Developments). The proposal involves developing an 18-storey residential rental apartment building with 204 units on a vacant site - 21 units will be affordable. A 1,097 square feet business centre will be developed at the ground level. Financial assistance of up to \$3,500,000 was committed to the proposed project under the RRP in September of 2025.

Project Satisfies Mandatory Criteria under the RRP

5.8 The proposed project by Colborne Apartments satisfies several mandatory criteria for eligibility and consideration under the RRP, including:

- The project is municipally supported, with Oshawa City Council passing a motion on January 27, 2026, to approve the redevelopment under the City's Urban Growth Centre Community Improvement Plan (CIP).
- The project supports the development of people-oriented places that are highly accessible by public transit (GO Transit, Durham Region Transit, and future rapid transit) and active transportation, fostering a walkable lifestyle in the urban core.
- The project encourages residential growth within a priority urban location, identified as the Downtown Oshawa Urban Growth Centre.
- The project entails significant and substantial revitalization, removing a 3-unit building to construct a 30-unit purpose-built rental apartment, resulting in a density increase from 3.53 unit per house to 35.30 unit per house.
- A financial commitment has been provided by the City of Oshawa.
- Supports Durham Region's 2025-2035 Strategic Plan: Connected communities. Connected to you, including pathway C2: *Enable a full range of housing options, including housing that is affordable and close to transit.*
- The redevelopment at 44 Colborne Street also supports a number of broad Regional policies and initiatives, including:
 - Encouraging intensification of built-up areas, identifies Oshawa's downtown as one of the two Urban Growth Centres in Durham Region;
 - Providing transit supportive uses along a major transit route;
 - Making better use of existing municipal infrastructure/services;
 - Supporting a pedestrian-oriented urban environment; and
 - Supporting the City's broader goals of economic development and community enhancement, further positioning downtown Oshawa as an even more desirable place to live, work, and visit.
- In addition, there are expected immediate and long-term economic benefits associated with the development, including:
 - Direct employment in construction and administration related to the development, as well as the spin-off employment from the demand for goods and services by those employees;
 - Direct impact from the initial capital expenditures related to construction (i.e. hard construction costs);
 - Potential synergies with new private sector residential investment, supporting ridership of local transit and providing additional benefit to downtown businesses through increased foot traffic in the Downtown core;

- According to the application, increased annual property taxes generated by the redevelopment are anticipated as a result of an increase in the current value assessment of the property. The estimated pre-development current value assessment (CVA) is approximately \$1.02 million and the post-development CVA is estimated to be in the range of \$15 to \$17 million.

6. Financial Implications

- 6.1 Under the RRP, projects are required to fully pay all applicable Regional fees and charges, including Development Charges (DCs). Since a residential building will have to be demolished to permit the new purpose-built rental housing project, the project will be eligible for a DC demolition credit. The current estimate for the Regional DC credit is \$79,368. The estimated applicable Regional DCs (based on current rates) for the proposed redevelopment project are approximately \$823,860. Actual DCs will be determined at time of building permit issuance for the proposed project and will be payable over six equal installments beginning at time of occupancy. The proposed development at 44 Colborne Street East can be serviced within the existing sanitary sewer and water supply systems.
- 6.2 Like other rental projects in Downtown Oshawa, the project by Colborne Apartments faces several unique cost challenges. Rental apartment development is subject to a particular financial risk that is not faced by condominium apartment development. Since purpose-built rental projects generate little or no revenue until the units begin to be occupied, construction financing is more challenging for purpose-built rental projects to secure than for condominium projects. The risk can be greater when there has been only limited market rental or condominium apartment development in the downtown area.
- 6.3 Regional staff recommend a payment of up to \$250,000 under the Regional Revitalization Program which recognizes the aforementioned site-specific challenges associated with this proposed project under the RRP. Specifically, this contribution reflects the costs, as identified in the City's application, associated with the high water table and shoring for a small-lot infill rental project, along with financial risks related to cashflow during the construction of a purpose-built apartment rental building.
- 6.4 This high-density infill redevelopment in the City's Downtown Community Improvement Plan (CIP) maximizes the utilization of existing municipal infrastructure through intensification in a Regional Centre.
- 6.5 It is recommended that the application submitted by the City of Oshawa, on behalf of Colborne Apartments under the RRP, requesting Regional financial assistance for the development of a purpose-built rental apartment building located at 44 Colborne Street East in the City of Oshawa be approved, subject to the following conditions:
- The Region to provide up to \$250,000 for the redevelopment, with funding provided from the Regional Revitalization Reserve Fund and transferred to the City of Oshawa for distribution to Colborne Apartments, in accordance with the timing and flow of funds under the RRP:

- | | |
|---|-------------|
| Full building permit issued to Colborne Apartments | 50 per cent |
| Framing inspection (or equivalent structural completion),
passed by the area municipal building inspection authority | 40 per cent |
| Occupancy permit received from the area municipal building
authority or passed preoccupancy inspection of those
municipalities which do not issue an occupancy permit | 10 per cent |
- Colborne Apartments must pay all applicable Regional Development Charges in accordance with the Regional Development Charge By-laws;
 - All costs associated with works for the development of the lands will be borne by the developer, Colborne Apartments, in keeping with Regional policies;
 - Satisfying any performance criteria outlined in agreements between the City of Oshawa and Colborne Apartments in regard to incentives (financial or other) provided under the City's Urban Growth Centre Community Improvement Plan and applicable City By-laws;
 - The City of Oshawa enter into an agreement with the Region that outlines the terms and conditions for Regional financial assistance to ensure accountability for Regional funding; and,
 - The City of Oshawa agrees to annual post-project reviews and audits for five years after substantial occupancy of the development of lands, in conjunction with the Region, to provide accountability and ensure effective utilization of Regional resources.
- 6.7 In addition, it is recommended that as per the RRP, the increased property tax revenue generated from the increased current value assessment of the development project in the City of Oshawa be used to replenish the Regional Revitalization Reserve Fund.

7. Conclusion

- 7.1 The RRP is a partnership between the Region of Durham and participating area municipalities and aims to strategically target Regional investment towards key areas of Durham Region's area municipalities that advance the goals of the Regional Official Plan and achieve positive economic and community objectives where development would otherwise not proceed.
- 7.2 This report has been prepared with assistance from the Works Department, Community Growth and Economic Development, Social Services and Legal Services.

Respectfully submitted,

Original Signed By

Nicole Pincombe, CPA, CMA
Commissioner of Finance & Treasurer

Original Signed By

Sandra Austin
Commissioner of Community Growth and
Economic Development

Original Signed By

Ramesh Jagannathan, MBA, M.Eng.,
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Commissioner of Works

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer