

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2303



# The Regional Municipality of Durham Report

---

To: Committee of the Whole  
From: Commissioner of Finance and Regional Solicitor  
Report: #2024-COW-43  
Date: October 9, 2024

---

**Subject:**

Recommended Amendments to the Delegation of Authority By-Law #004-2023

---

**Recommendation**

That the Committee of the Whole recommends to Regional Council that the Delegation of Authority By-law #004-2023 be amended to permit:

- A) That the Regional Treasurer be provided with the delegated authority to execute the following related to Development Charges with the approval of Regional Solicitor and the Chief Administrative Officer (CAO):
  - i. Affordable Residential Unit Development Charge (DC) exemption agreements, with the agreements in a format and content satisfactory to the Regional Solicitor;
  - ii. Attainable Residential Unit DC exemption agreements, with the agreements in a format and content satisfactory to the Regional Solicitor; and
  - iii. Any agreements related to the prescribed deferred payment of DCs such as is currently required for rental housing development and institutional development (such as a long-term care, retirement homes or hospices), with the agreements in a format and content satisfactory to the Regional Solicitor.

**Report:**

**1. Purpose**

1.1 The purpose of this report is to recommend amendments to Section 2 of By-law #004-2023 (Delegation of Authority) to grant the Commissioner of Finance authority to execute:

- a. Agreements under Section 4.1 of the *Development Charges Act (DCA), 1997*, pertaining to DC exemptions for affordable and attainable residential units. This change will address new administrative requirements that have already

come into effect or will take effect after the last update of By-law #004-2023.

- b. Any agreement under Section 26.1 of the DCA, pertaining to the prescribed five-year deferral of DC payments for rental housing developments and institutional developments.

## **2. Background – Changes to the Development Charges Act**

- 2.1 The *Development Charges Act (DCA), 1997*, has seen significant updates over the past two years. On November 28, 2022, the Province introduced new DC exemptions for Affordable and Attainable residential units under Section 4.1 of the DCA through *Bill 23, More Homes Built Faster Act, 2022*. On December 3, 2023, the Province passed *Bill 134, Affordable Homes and Good Jobs Act, 2023*, which updated Section 4.1 of the DCA to revise the definition for affordable residential units. The definition relies on a bulletin titled, “Affordable Residential Units Bulletin for the Purposed of the Development Charges Act, 1997”, that was published on May 2, 2024.
- 2.2 Effective June 1, 2024, the DC exemption for affordable residential units is in place. As a result, area municipalities are now required to enter into agreements to ensure that these units remain affordable for at least 25 years. Due to the impact of the new legislation on Regional DCs, Regional staff have been involved in creating a standard tri-party agreement between the Region, the Area Municipality, and developer to manage the exemption.
- 2.3 The current Delegation of Authority By-law #004-2023 (last updated June 28, 2023) did not envision the need for the Commissioner of Finance to execute such agreements under Section 4.1 of the DCA. As a result, these agreements require Council approval, which could potentially delay the development of affordable residential units.
- 2.4 It is expected that similar legislative requirements with prescribed definitions will apply to DC exemptions for attainable units, and municipalities are awaiting further guidance from the province.

## **3. Background – Agreements for Prescribed DC Deferrals**

- 3.1 In accordance with *Bill 108, the More Homes, More Choices Act, 2019* and *Bill 23, the More Homes Built Faster Act, 2022*, rental housing development and institutional development, shall pay development charges in six annual instalments beginning on the earlier of the date the building is first occupied or the date of issuance of a permit authorizing occupancy of the building, and continuing on each of the following five anniversary dates of that date.

3.2 There is currently no deferral agreement in place for the prescribed five-year payment deferrals. Proponents must indicate on the DC Information Form whether their development qualifies for the deferral under Section 26.1 of the DCA. If the development qualifies, the Region will send a letter to the proponent outlining the deferred payment schedule.

3.3 The current Delegation of Authority By-law # 004-2023 does not provide the Commissioner of Finance with the authority to execute any agreements under Section 26.1 of the DCA. This authority would permit the timely execution of such agreements as they are developed in the future.

#### **4. Recommended Amendments to the Delegation of Authority By-law**

4.1 It is recommended to add Section 2.23 to provide the Commissioner of Finance with the authority to execute affordable and attainable residential unit development charge exemption agreements in accordance with Section 4.1 of the Development Charges Act. It should also be included that the delegation process would be recommended by Legal Services, with agreements in a format and content satisfactory to the Regional Solicitor.

4.2 It is recommended to add Section 2.24 to provide the Commissioner of Finance with the authority to execute any agreement under Section 26.1 of the DCA, pertaining to the prescribed five-year deferral of DC payments for rental housing developments and institutional developments. It should also be included that the delegation process would be recommended by Legal Services, with agreements in a format and content satisfactory to the Regional Solicitor.

#### **5. Relationship to Strategic Plan**

5.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a. Ensuring the Region's DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

#### **6. Conclusion**

6.1 It is recommended that By-law #004-2023 be amended to provide the Commissioner of Finance with the authority to execute Affordable Residential Unit DC exemption agreements, Attainable Residential Unit DC exemption agreements, and prescribed payment deferral agreements, subject to the approval of the Regional Solicitor and CAO.

Respectfully submitted,

Original Signed By

J. Hunt  
Regional Solicitor and Director of Legal  
Services

Recommended for Presentation to Committee

Original Signed By

N. Taylor, BBA, CPA, CA  
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair  
Chief Administrative Officer