



Planning and Building Services

TOWN OF NEWMARKET  
395 Mulock Drive  
P.O. Box 328  
Newmarket, ON L3Y 4X7

www.newmarket.ca  
planning@newmarket.ca  
905.953.5321

July 25, 2014

## INFORMATION REPORT

### Development and Infrastructure Services/Planning and Building Services–Planning Report 2014-36

#### Tools to Support Purpose Built Rental Pilot Project - 212 Davis Drive

TO: Mayor Van Bynen  
Members of Council  
Chief Administrative Officer  
SLT

SUBJECT: Tools to Support Purpose Built Rental Pilot

FILE NO: D 14 - 14-04

ORIGIN: Planning and Building Services

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The purpose of this Information Report is to provide to Council the previous report considered by Council on November 13, 2013 supporting the Tools, Terms and Conditions for the purpose built affordable rental pilot project at 212 Davis Drive.

This report is in response to questions of clarification raised at the Committee of the Whole meeting of July 21, 2014, with respect to Staff Report 2014-32 (which recommended that the Zoning By-law Application for 212 Davis Drive for a 15 storey apartment building be referred to a public meeting).

**In accordance with the Procedural By-law, any member of Council may request that this Information Report be placed on an upcoming Committee of the Whole Agenda for discussion.**

#### Background

As indicated in the attached Council resolution and Staff Report(**Attachment 1**), Council has agreed to a number of terms with respect to 212 Davis Drive with the intent of providing incentives for purpose built affordable rental accommodation in Newmarket in view of the current shortfall of available rental accommodation Town and Region wide. This pilot is being initiated jointly with the Region of York, and the Town's support includes:

- deferral of the Town's Development Charges and Planning Application and Building Permit fees for a period of 36 months from the issuance of the Building Permit;
- deferral of the cash in lieu of parkland for the same 36 months;
- commitment to rental is required to be for a minimum of 20 years;
- a Development Charges credit (to be determined) for the dedication to the Town of the future road right of way across the rear of the property for the minor collector identified in the Newmarket Urban Centre Secondary Plan; and

- the terms of the agreement are conditional upon the issuance of the Building Permit with 18 months (May 2015).

The Region has also agreed to the deferral of the Regional Development Charges for 36 months, subject to a Letter of Credit.

The necessary agreements reflecting the respective Council direction(s) are in the process of being finalized.

**CONTACT**

For more information on this report, contact Marion Plaunt, Senior Planner, Policy at 905 953-5300 x 2459 or at [mplaunt@newmarket.ca](mailto:mplaunt@newmarket.ca).

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Marion Plaunt, MES, MCIP, RPP  
Senior Planner – Policy  
Planning & Building Services

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Jason Unger, B.E.S., M.PI, MCIP, RPP  
Assistant Director of Planning  
Planning & Building Services

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Richard Nethery, B.E.S., MCIP, RPP  
Director of Planning & Building Services

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Rob Prentice  
Commissioner  
Development and Infrastructure Services

ATTACHMENT 1



DEVELOPMENT & INFRASTRUCTURE SERVICES/PLANNING & BUILDING SERVICES  
TOWN OF NEWMARKET  
395 Mulock Drive  
P.O. Box 328  
Newmarket, ON L3Y 4X7  
www.newmarket.ca  
planning@newmarket.ca  
905.895.5193

October 28, 2013

DEVELOPMENT & INFRASTRUCTURE SERVICES/PLANNING & BUILDING  
SERVICES REPORT 2013-54

TO: Committee of the Whole  
SUBJECT: Tools to Support Rental Housing (Pilot Project) – Town of Newmarket Terms and Conditions  
ORIGIN: Planning & Building Services

RECOMMENDATIONS

THAT Development & Infrastructure Services/Planning & Building Services Report 2013-54 dated October 28, 2013 regarding the tools, terms and conditions related to a pilot project for a proposed rental housing development at 212 Davis Drive be received and the following recommendation(s) be adopted:

1. THAT the Town of Newmarket approves, as a pilot project for 212 Davis Drive, the tools, terms and conditions as set out in Appendix "A" to support rental housing.
2. AND THAT the tools, terms and conditions as set out in Appendix "A" form the basis for an update to the Tools for Intensification Policy as it relates to purpose-built rental and affordable rental housing in the Town.
3. AND THAT the following be advised of this action:
  - a. Mr. Daniel Berholz, Rose Corporation, 156 Duncan Mill Road, Suite 12, Toronto, ON, M3B 3N2

COMMENTS

Background

The Rose Corporation has approached the Town and Region with a request to consider applying financial tools on a pilot basis to support rental housing at 212 Davis Drive. Staff has met with the Rose Corporation and the Region of York on a number of occasions to discuss possible tools, terms, and conditions in response to this request, and staff is now in a position to recommend a specific course of action for a pilot project as it relates to financial tools and related terms and conditions only. Should Council adopt the recommendations of this report, the Owner will still be required to submit the necessary Planning applications and proceed through the normal and usual review process.

## DISCUSSION

In evaluating potential tools to support market rental and/or affordable rental development as a pilot project, staff's guiding principles have generally been:

- Consistency with York Region's approach
- Consistency with the Region's definition of affordable housing
- For market rental housing, support payment deferrals as opposed to waiving/reducing fees
- Consider reducing certain requirements for affordable rental housing only
- Ensuring a minimum rental term with the ability to recoup fees and payments should there be a conversion to condominium beyond the rental term
- Conditional on a building permit being issued within a defined timeframe
- For this site only as a pilot project, consider providing Development Charge credits for the provision of the road right-of-way as contemplated in the draft Secondary Plan

Accordingly, staff has outlined in Appendix "A" a recommended approach to be considered as a pilot project for 212 Davis Drive. The recommended approach makes a distinction between market rental units and affordable rental units, and provides tools, terms, and conditions related to Development Charges, Planning Application and Building Permit fees, cash-in-lieu of parkland, rental term agreements, building permit issuance and, in the case of affordable rental housing, certain requirements associated with the Town's servicing allocation policy.

Property tax relief options were also discussed, however it is staff's opinion that such an approach would be best considered at the Regional level. It is staff's understanding that there are legislative tools that would support tax relief programs for rental housing should the Region wish to consider such an approach.

Committee will also recall that staff has been directed to report back on a broader, Town-wide approach to supporting rental housing, and in this regard staff is preparing an update to the Tools for Intensification Policy which will address purpose built market rental housing and affordable rental housing on a Town-wide basis. It is expected that the tools, terms and conditions outlined in the Appendix to this report will form the basis of the amended policy, which will be brought back to Committee for approval either in 2013 or early 2014.

Staff is currently processing another rental development application (487 Queen Street), and has received other expressions of interest to construct rental housing in Town. It is expected that the current rental housing application and future applications would be eligible to take advantage of the updated Tools for Intensification as it relates to market rental or affordable rental housing once the amended policy has been approved by Council.

## BUSINESS PLAN AND STRATEGIC PLAN LINKAGES

This report links to the Town's Well-equipped and managed key strategic direction by supporting fiscal responsibility and supporting varied housing types, affordability and densities.

## CONSULTATION

Staff has met with Regional staff and the Rose Corporation on a number of occasions to discuss proposed and appropriate approaches to support rental housing.

**HUMAN RESOURCE CONSIDERATIONS**

Not applicable to this report.

**BUDGET IMPACT**

Operating Budget (Current and Future)

This report has no direct impact on the Operating Budget.

Capital Budget

Under the proposed approach for market rental housing the Town will receive the normal and usual Development Charges, Planning Application and Building Permit fees and cash-in-lieu of parkland, however receipt of this money will be deferred as set out in Appendix "A". While the Town will not hold a Letter of Credit (LC) or receive interest on the deferred money, the Town would be secured for the relevant fees through other means.

Under the proposed approach for affordable rental housing units, the Town may also forego some or all of the trail and public art contributions associated with the servicing allocation policy.

Under both scenarios, should the rental units be converted to condominium units beyond the agreed-to rental term, the Town would recoup any and all fees and charges previously owed to the municipality at that time.

**CONTACT**

For more information on this report, contact: Rick Nethery, Director of Planning & Building Services ([rnethery@newmarket.ca](mailto:rnethery@newmarket.ca)), or Rob Prentice, Commissioner of Development & Infrastructure Services ([rprentice@newmarket.ca](mailto:rprentice@newmarket.ca)) or by phone at 905-895-5193.

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Assistant Director of Planning

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Director of Planning & Building Services

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Commissioner, Development & Infrastructure Services

## Appendix "A"

### Recommended Tools, Terms and Conditions Pilot Project – 212 Davis Drive

#### Purpose Built Market Rental Units

##### 1. Development Charge, Planning Application and Building Permit Fee Deferral

- deferral for a period of 36 months of 100 % of the Town's Development Charges and 100 % of the Planning Application and Building Permit Fees
- deferral shall be in effect from the issuance of the Building Permit
- no Letter of Credit required, with the value to be secured through other methods (e.g. mortgage; taxes)
- no interest on DC, Planning Application and Building Permit fee deferrals

##### 2. Cash-in-lieu of Parkland Dedication Deferral

- parkland dedication will be taken as cash-in-lieu, with payment deferred for 36 months from issuance of Building Permit

##### 3. Rental Term Agreement

- minimum 20 years
- Town of Newmarket Official Plan policies regarding conversion of rental properties to apply after rental term
- Town to be made whole for any fees and payments, etc., if rental is converted to condominium

##### 4. Development Charge Credits

- Provide Development Charge credits for the provision of the road right-of-way as contemplated in the draft Secondary Plan

##### 5. Building Permit

- Above terms are conditional on issuance of a Building Permit within 18 months

### Affordable Rental Units

#### 1. Development Charge, Planning Application and Building Permit Fee Deferral

- deferral for a period of 36 months of 100 % of the Town's Development Charges and 100 % of the Planning Application and Building Permit Fees
- deferral shall be in effect from the issuance of the Building Permit
- no Letter of Credit required, with the value to be secured through other methods (e.g. mortgage; taxes)
- no interest on DC, Planning Application and Building Permit fee deferrals

#### 2. Cash-in-lieu of Parkland Dedication Deferral

- parkland dedication will be taken as cash-in-lieu and will be calculated using the 5% of land value approach regardless of alternative calculations as may be identified in the parkland dedication by-law
- payment deferred for 36 months from issuance of the Building Permit

#### 3. Servicing Allocation

- consider reducing voluntary contributions

#### 4. Rental Term Agreement

- minimum 20 years
- Town of Newmarket Official Plan policies regarding conversion of rental properties to apply after rental term
- Town to be made whole for any fees and payments, etc., if rental is converted to condominium, including trail and public art contributions

#### 5. Development Charge Credits

- Provide Development Charge credits for the provision of the road right-of-way as contemplated in the draft Secondary Plan

#### 6. Building Permit

- Above terms are conditional on issuance of a Building Permit within 18 months