

Council Information Memo

To: Members of Council
From: Finance Department
CC: Jane Clohecy, Chief Administrative Officer
Date: February 20, 2025
Subject: Affordable Housing Exemptions under the *Development Charges Act, 1997*

New statutory exemptions from the town's growth funding tools (GFT's) of development charges, community benefits charges, and parkland dedication are now in force for developments that include residential units that meet the criteria for affordable residential units under the *Development Charges Act, 1997* (DCA).

The province released an Affordable Residential Units bulletin ([Municipal development and community benefits charges, and parklands | ontario.ca](https://www.ontario.ca/municipal-development-and-community-benefits-charges-and-parklands)) effective June 1, 2024 that defines what meets the definition of an affordable residential unit for the purposes of these exemptions. For Oakville, the current thresholds for affordable residential units are as follows:

Ownership (Income Based)	All Unit Types	\$ 564,100
Rental (Market Based)	Bachelor	\$ 1,299
	1 Bedroom	\$ 1,680
	2 Bedroom	\$ 1,989
	3+ Bedroom	\$ 2,096

The DCA includes a provision that the landowner shall enter into an agreement with the local municipality and that this agreement may be registered on title. For the purposes of the exemption, the unit must remain an affordable unit for 25 years from the time the unit is first rented or sold. Town staff have worked with staff from the Region of Halton and the other local municipalities to create an agreement and administrative process for the purpose of these exemptions.

Included in the agreement are terms and conditions that are intended to assist in the ongoing monitoring of units that are granted these exemptions and the enforcement should they fail to remain affordable for the full 25-year term prescribed in the DCA. The Region's [staff report](#) provides an overview of the established process and agreement terms.

As discussed in the Region's report, the town and region will enter into a memorandum of understanding (MOU) for the administration of affordable exemptions. Similar to the collection of DCs, the exemption process will be administered by the town, with a duty to consult the region if any issues arise that are not specifically contemplated in the agreement.

Managing the exemption process will have an administrative impact for staff. The extent of this, and any necessary impacts to the budget, will depend on the volume of affordable units and staff will report back to Council if needed. While the legislation came into force on June 1, 2024, there have yet to be any affordable residential unit exemptions in Oakville.