



Direction Memorandum

The Regional
Municipality of Durham
Corporate Services
Department –
Legislative Services
Division

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Alexander Harras
M.P.A.
Director of Legislative
Services & Regional
Clerk

To: E. Baxter-Trahair, Chief Administrative Officer

**From: Alexander Harras, Director of Legislative
Services/Regional Clerk**

Date: May 28, 2026

**Re: Resolution adopted by Regional Council at its
meeting held on May 27, 2026**

Notice of Motions

See Attached Resolution

Alexander Harras

A. Harras
Director of Legislative Services/Regional Clerk

c: N.Pincombe Commissioner of Finance
M. Simpson, Director, Risk Management, Economic Studies &
Procurement

Durham Regional Development Charge Deferral Program

Whereas Durham Region and communities across Ontario are facing a housing crisis and ongoing economic conditions, including elevated construction costs, financing challenges, and market uncertainty, are impacting the financial viability of new housing developments and delaying otherwise shovel-ready projects; and

Whereas, the Provincial and Federal governments have called on municipalities to take additional actions to support housing delivery, including reviewing local policies and financial tools, such as development charges, that influence development timelines and feasibility; and

Whereas, development charges are a critical municipal revenue tool used to fund growth-related infrastructure and community facilities required to support complete communities; and

Whereas, Bill 23 (*More Homes Built Faster Act, 2022*) requires municipalities to collect development charges for purpose-built rentals in 6 instalments over 5 years from the date of first occupancy, and Bill 17 (Protect Ontario by Building Faster and Smarter Act, 2025) removes the ability to charge interest on the 6 statutory instalments set out under Bill 23; and

Whereas, the *Development Charges Act, 1997* permits municipalities to enter into Section 27 agreements to allow development charges to be paid after they would otherwise be payable, including deferring charges and the ability to charge fees and interest on deferred amounts; and

Whereas, by implementing a development charge deferral program and incorporating an interest premium into a deferral framework, the Region can support and incentivize the development of new housing units by stretching payments out over a longer period, while limiting the impact to municipal finances and taxpayers; and

Whereas, unlike in cases where municipalities are waiving development charges, a deferral program provides a fiscally responsible mechanism to support development by improving project cash flow while maintaining full payment of development charges; and

Whereas, on May 13, 2026, Regional Council approved a time-limited Regional hotel development charge deferral program; while on May 21, 2026, the Town of Ajax recently approved a temporary program allowing staff to enter into Section 27 agreements over a period of two years to defer development charges; and

Whereas, financial modelling was completed on the Ajax program which showed that the Town would maintain our DCs and through the collection of

interest and a Town premium, would at minimum cover any borrowing costs over time; and

Whereas, the Region's portion makes up more than 50% of the DC and a matching program would increase the strength of any purpose-built rental deferral program offered at the lower level:

Now therefore be it resolved that:

1. For a period of two years, the CAO and Treasurer be given authority to enter into Section 27 agreements to defer development charge instalments based on the applicable development charge rates in effect at the time of first building permit issuance for eligible purpose-built rental housing projects beyond applicable legislation and by-laws; and
2. The agreements follow the following guidelines:
 - The amount per installment use a simple division (e.g., amount divided by term); and
 - No interest be charged on the first six instalments, and that interest payments commence beginning subsequent to the due date of the sixth instalment, applied to any outstanding deferred balances in accordance with the terms of the deferral agreement; and
 - A deferral interest premium, to be determined and set by staff, be added to mitigate the Region's financial exposure associated with deferred revenues and to protect taxpayers; and
 - That the CAO and Treasurer include any other provisions deemed necessary;
3. Participation in this program is voluntary;
4. Finance staff be directed to implement appropriate monitoring and reporting mechanisms, including tracking program uptake, financial impacts, and effectiveness in advancing purpose-built rental housing, to be reported back to Council every 6 months; and
5. A copy of this resolution be circulated to the Hon. Rob Flack, Minister of Municipal Affairs and Housing; all Durham Region MPPs, and all lower tier Durham Region municipalities.