

Date: 2022-01-14

Subject: **Holland Christian Homes - Development Charges Deferral Extension Associated with a Long-Term Care Facility**

Contact: **Janet Lee, Manager, Capital and Development Finance**
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Report Number: Corporate Support Services-2022-107

Recommendations:

1. That the report re: **Holland Christian Homes – Development Charges Deferral Extension Associated with a Long-Term Care Facility** to the Committee of Council meeting on February 2, 2022, be received; and
2. That the Mayor and Clerk be authorized to execute a Development Charge deferral agreement with Holland Christian Homes Inc., as permitted under Section 27 of the *Development Charges Act*, with content satisfactory to the City Treasurer and in a form satisfactory to the City Solicitor or delegate, to further defer the payment of City of Brampton development charges for the long-term care facility located at 7900 McLaughlin Road.

Overview:

- **The City and Holland Christian Homes Inc. (HCH) entered into a Development Charges (DC) Deferral Agreement in 2018 which provided for the deferral of the payment of DCs for a long-term care facility, in the amount of \$1,003,569.64. The deferral date in which DCs shall become payable has elapsed.**
- **HCH is waiting upon a provincial grant to assist in paying for the DCs for the long-term care facility, which is anticipated to be available to HCH in 2022.**
- **HCH is requesting an extension of the DC deferral until such time that the grant funding is received.**

- **Given the delays in provincial funding, staff recommends that an extension to the DC Deferral Agreement be granted, subject to business terms satisfactory to the City Treasurer and on legal terms satisfactory to the City Solicitor.**

Background:

Holland Christian Homes (HCH), a not for profit organization, is a community of homes for seniors. It is a collection of six residential independent living buildings for seniors and two long-term care facilities. HCH is currently constructing a new facility to house their long term care residents, entitled “Faith Manor”, on their campus located at 7900 McLaughlin Road South.

In 2018, the City entered into a development charges (DC) deferral agreement with HCH for the deferral of the payment of City DCs, which are typically payable at the building permit issuance stage. The deferral agreement states that HCH shall pay the full amount of DCs, \$1,003,569.64, three years following the date of the agreement. The three years has now elapsed and therefore an extension to the 2018 deferral agreement must be executed in order for HCH to continue the DC deferral. HCH has made a request to the City seeking continued deferral of the DCs; their request letter is included as Appendix 1 to this report.

Current Situation:

Through discussions with HCH and City staff, it has been communicated by HCH that they rely heavily on grant funding administered by the Ministry of Long-Term Care (the Ministry) to pay for costs associated with the construction of the new long-term care facility. The Ministry will accept and review applications for funding once they deem a project substantially complete. Due to delays brought on by the COVID-19 pandemic, construction of the facility has taken longer than initially anticipated. The Ministry has informed HCH that they will consider substantial completion when construction has concluded, which HCH expects will occur in spring 2022. The anticipated review time required for disbursement of the funds by the Ministry is unknown at this time, though it can be reasonably assumed that provincial funding would likely not be administered until sometime after spring 2022.

Pursuant to Section 27 of the *Development Charges Act* and Section 16 of the City’s DC by-laws, the City in its sole discretion, is authorized to enter into early or late payment agreements. The authority to enter into such agreements rests with City Council.

It is noted that a similar staff report was brought forward to Regional Council in December 2021. Through Resolution 2021-1152, Regional Council authorized a further deferral of the Region’s DCs for this long-term care facility. The Region’s staff report is included as Appendix 2 to this report.

Corporate Implications:

Financial Implications:

Should Council decide to execute an extended deferral agreement, the development charges, in the amount of \$1,003,569.64, would be collected at a later time and therefore tax based funding would not be required. A deferral on development charges, however, may reduce the City's ability to provide growth-related infrastructure in a timely manner.

Other Implications:

N/A

Term of Council Priorities:

This report achieves the Term of Council Priority of a Well-run City through strict adherence to effective financial management policies and supports Brampton's 2040 Vision by ensuring sustainable financial revenues.

Conclusion:

Staff recommend that an extension to the DC Deferral Agreement be granted, subject to business terms satisfactory to the City Treasurer and on legal terms satisfactory to the City Solicitor.

Authored by:

Reviewed by:

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Nash Damer, Treasurer

Approved by:

Submitted by:

Cynthia Ogbarmey-Tetteh, Acting Commissioner, Corporate Support Services

David Barrick, Chief Administrative Officer

Attachments:

Appendix 1: Holland Christian Homes Inc. DC Deferral Extension Request Letter

Appendix 2: Region of Peel Staff Report, Holland Christian Homes – Deferral of Development Charges