



City of Hamilton

GENERAL ISSUES COMMITTEE ADDENDUM

Meeting #: 18-006
Date: March 22, 2019
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Stephanie Paparella, Legislative Coordinator (905) 546-2424 ext. 3993

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5. COMMUNICATIONS	
*5.1 Correspondence from Lachaln Holmes, Founder of HamiltonForward, respecting Item 10.1 - Report PED190156(a) - 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications Recommendation: Be received and referred to the consideration of Item 10.1	2
*5.2 Correspondence from the Hamilton Burlington Society of Architects, respecting Item 10.1 - Report PED190156(a) - 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications Recommendation: Be received and referred to the consideration of Item 10.1	5
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*6.3 Suzanne Mammel, CEO, Hamilton-Halton Homebuilders' Association respecting the 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications	7



March 19th, 2019

City of Hamilton
Department of Planning and Economic Development
71 Main St. West
Hamilton, ON L8P 4Y5

Attention: Members of the General Issues Committee

CC: Stephanie Paparella, Legislative Coordinator (GIC)

Regarding: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

I am reaching out today to encourage you to reconsider the approach being recommended by the Planning department in regards to the Fees of Planning and Engineering Development Applications.

I am representing HamiltonForward, a local pro-development advocacy group. Of extreme concern to us is both the further redevelopment of the Downtown and the cost of housing in Hamilton. We believe that these extreme fee increases would be detrimental to both of these concerns.

Concern #1

Our first concern is regarding the impact that a full-recovery fee model will have on the number, scale, and speed of development proposals in Hamilton, specifically in the greater Downtown Core.

We know explicitly from the Director of Economic Development, Glen Norton, that developers are unsure of whether Hamilton will build the B-Line LRT and have thus held off projects along the corridor. Additionally, it is clear that downtown redevelopment proposals have been going in the wrong direction and we must take measures that increase the development of the Downtown, not discourage it.

We do not believe that radical increases to development application fees make sense at this time. On May 1st, 2019, routine rezonings will *almost double* if the staff report is adopted, removal of holding fees in the downtown will also almost double, and Site Plan Applications will more than double. All this followed up by further increases in 2020 and beyond.

HamiltonForward believes that all fee increases at this time should be at most a 10% increase on the current rates.

**Concern #2**

One of the most concerning points of the new plan is the addition of a per unit and per m² fee. It is our view that this fee must be abandoned as it simply does not make sense from an urban planning or housing affordability standpoint.

We believe the city needs new density in the Downtown and on major corridors and that the introduction of a per unit fee does nothing to achieve that goal. Likewise, we believe that this new fee will have an adverse effect on new renters, new homebuyers, and new office and retail tenants. At the end of the day, these costs will be passed down to them.

Concern #3

One key plank of the City's plan to increase housing affordability in Hamilton is the increasing use of Secondary Suites and Laneway Housing. HamiltonForward believes these can help meet a portion of the need but ultimately need to be paired with further land use changes that create an environment conducive to dense development in the Core.

Acknowledging that the City's Planning Department has placed such a bet on secondary suites, we believe it would make sense to either lower the fee to zero or a nominal fee of roughly \$1000. The fee to add a secondary suite will go straight to everyday homeowners simply looking to increase the housing supply and create a rental property so it should be lowered as much as feasible.

Concern #4

We are concerned that the rationale behind the fee increases is flawed. Moving 100% of the cost to developers both devalues the work of public sector planners and ignores the serious cost that developers pay to their private sector planners.

Development is a public benefit, especially dense development and we believe these fee increases tip the scales in a manner which harms the general public who get benefit out of both the planning process and new development which brings new housing supply, while shielding existing homeowners and taxpayers from the reality that city services need to be paid by everyone in the city.

Concern #5

The speed in which development applications are processed in Hamilton remains a concern of our group. As such, it would make sense that applications which take longer than set time periods get a percentage reduction on their Development planning fees.

Concern #6

We believe the further increase of fees on January 1st, 2020 is too much for the market to bare at this time of low supply, especially of rentals. We such recommend that fees increase no more than 20% of **today's rates**.



Concern #7

Hamilton desperately needs to entice development of Purpose Built Rental (PBR) housing. As such, we are concerned that the City has an inadequate plan to increase the supply of PBR housing and believe PBR developments of more than 10 units should be entitled to a development planning fee reduction of 60%.

I would like to end this by thanking the City for receiving our opinions on this matter and that our group is always happy to discuss these issues from our perspective. Additionally, we look forward to the opportunity to comment and make recommendations on the upcoming Development Charges updates.

Best Regards,

Lachlan

Lachlan Holmes
Founder, HamiltonForward



Hamilton/Burlington
Society of Architects

Members of the Development Industry Liaison Group (DILG)
c/o Guy Paparella
City of Hamilton, Planning and Economic Development
71 Main Street East, 1st Floor
Hamilton, ON L8P 4Y5

March 19, 2019

Dear Members of the DILG,

The Hamilton-Burlington Society of Architects have been asked for comment on the proposed increases in the Tariff of Fees. We respectfully offer the following.

The HBSA is concerned that despite the continued elevated pace of construction, downtown and lower city development remains precarious and increasing fees could negatively impact the development industry, affecting everyone in the industry ranging from large developers to individual homeowners, and related professions.

The comments from City Economic Development's Glenn Norton recently are evidence of this: <https://www.thespec.com/news-story/9184584-is-lrt-uncertainty-choking-downtown-hamilton-development/>

In Hamilton, demand for office and commercial space is still very weak. Although some of our members are busy with feasibility studies and there is significant developer interest, there is limited follow through and few higher density housing projects actually being built. The industry remains delicate, so these substantial increases seem premature to us.

The HBSA believes any adjustment to development fees should be individually assessed in relation to the development type. Infill and intensification projects, which are highly sustainable, transit supportive, have very low infrastructure costs and therefore are highly desirable. Infill and intensification projects should not be charged the same fees as those for greenfield developments, which are known to be subsidized by City taxpayers given that development charges do not adequately fund the City for their lifetime of maintenance and repair. Accordingly, fees should be lower for infill and intensification projects, and perhaps focusing in specific geographic areas, in order to incentivize projects that are more cost-effective for the city and support the city and province's goals for intensification.

With respect to the specific fees we offer the following:

Site Plan Control Applications are proposed to increase from \$9,800 to \$25,730 for a Full Application, \$1,215 to \$14,760 for a Minor Application and from \$2,370 to \$12,230 for a preliminary Site Plan Review. The magnitude of these increases seems punitive and a disincentive to development. Increasing the tax base is one benefit of development and if the proposed increases are adopted, the city may lose out on opportunities for increased revenue generation, particularly on smaller projects taken on by smaller scale developers. Application fees for Site Plan Control on agricultural uses are similarly proposed to increase from 2 ½ to 6 ½ time current rates. Agriculture is vital for building sustainable communities and small family farms should be encouraged by the City. Only modest increases to fees should be approved.



Hamilton/Burlington
Society of Architects

The BMA report identifies an increase in Minor Variance Applications of over 50% in the last 4 years. This is concerning from an Open for Business perspective and likely reflects overly restrictive Zoning Bylaws and Zoning By-Law interpretations. It seems almost every project requires Minor Variances now, which creates considerable risk to developers as projects can be appealed to the LPAT. As an older city we need updated Zoning to permit infill and intensification projects without requiring minor variances. Especially when these projects match established good built form. It is worth noting many variance applications are made by individual home-owners. An increase in fee from \$1,619 to \$3,490 is excessive and impactful. We are concerned about the effects these fee increases will have on urban renewal in established neighbourhoods.

The HBSA is also concerned with the magnitude of the fee increase for Rezoning Applications and the doubling of the fees for routine applications and some administrative matters, such as the removal of a “H” Holding Provision.

New fees are also being introduced specifically impacting development downtown: a fee of \$6,260 for a removal of an “H” - Holding Provision, \$8,950 for a Shoring Agreement & Drainage Review, and \$6,750 for a Construction Management Plan.

As indicated in the January 18, 2019 report, the Proposed Tariff of Fees for Planning and Engineering Development Applications is based on a series of “Key Assumptions”. One of these “Assumes ‘status quo’ activity levels which are at historic highs”. As architects, we have witnessed and endured wild swings in the economy. We believe the assumption that the current pace of construction will continue is too optimistic and should not form the basis of Council’s decisions for these fee adjustments. The incentives Council adopted for the Downtown Core have stimulated the private sector growing the downtown, increasing the tax base, and creating a more vibrant and sustainable downtown. This kind of thinking is still needed in Hamilton. Although increases in fees are reasonable to account for the city’s operating costs to process applications, the proposed increase should be reduced, and phased in over time.

Sincerely,

The Hamilton Burlington Society of Architects

Christina Karney, Chair
Paula Hamilton, Vice Chair
Cecilia Nin, Secretary
Esther Link, Treasurer

Cc:

Sherree Donald – City of Hamilton
Bill Curran – HBSA Member
Rick Lintack – HBSA Member
Graham McNally- Past Chair

6.3

Form: Request to Speak to Committee of Council

Submitted on Tuesday, March 19, 2019 - 11:19 am

==Committee Requested==

Committee: General Issues Committee

==Requestor Information==

Name of Individual: Suzanne Mammel

Name of Organization: Hamilton Halton Home Builders' Association

Contact Number: 9059733663

Email Address: smammel@hhhba.ca

Mailing Address: 1112 Rymal Road East, Hamilton, Ontario

Reason(s) for delegation request:

March 22nd, 2019 - GIC Meeting RE: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications (City Wide)

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? Noon



Community Builders...Building Communities

City of Hamilton
71 Main Street West,
Hamilton, ON L8P 4Y5

March 14th, 2019

Re: 2019 Proposed Tariff of Fees for Planning and Engineering Development Applications

Attn: Mayor and Members of the General Issues Committee

On behalf of the Hamilton Halton Home Builders' Association (HHHBA), I would like to thank the City of Hamilton for seeking our input on the proposed increase to user fees.

In 2018, the City of Hamilton undertook a comprehensive Planning and Development Engineering Fee Review to determine if the current development application fees are reflective of council's direction to achieve full activity-based cost recovery inclusive of overhead costs for all development application related processing. The review is based solely on the current level of service without any enhancements.

Over the last several months, the City of Hamilton has given the opportunity for the public, and many stakeholder groups to comment and provide feedback. The HHHBA would like to thank the City of Hamilton for continuing to work with the industry, and providing us with time to speak to the ongoing changes facing the home building industry in Hamilton. This working relationship has been a positive one, and the HHHBA looks to continue to find ways to help grow the City of Hamilton, while simultaneously supporting the best interests of local business, and every home owner or soon to be home owner in the city.

Errors/Omissions in the User Fee Study:

- Comparison cities – The consultant did not use all cities within an appropriate kilometer radius of Hamilton, but rather selected cities that had higher user fees. All of the cities (but one) were located within the GTA. Cities that should be included within the study are Cambridge/Kitchener/Waterloo, Niagara Falls, Brantford, St Catharines, and Guelph.
- The City of Hamilton often requires complex applications for projects deemed 'routine' in other cities.



- Several examples should be used to gauge the actual costs of user fees compared with other Cities
- The user fee comparison only included base fees, not the additional 'per-unit' fees that are on top of the base fees
- Generally, the consultant's study is only single dimensional; it only looks at base fees, without considering market conditions, expedited services, staff ratios, etc.
- The study falsely assumes that Development Planners do not provide a service to the tax-paying public, as it suggests that 100% of their salaries and benefits are to be covered by user fees
- Errors in consultant's research - the timesheets of the staff are excessive or exaggerated. An example of this being some technical staff (such as transportation/development engineering) are incorrectly shown to be reviewing routine applications.

Our recommendations are as follows;

1. The first recommendation the Hamilton Halton Home Builders' Association is putting forward is that there should be no increase to development application fees beyond inflation.

If this is not the direction taken by the City of Hamilton, the Hamilton Halton Home Builders' Association expresses a need for a cost recovery direction that is in a fair a just manner. Unfortunately, the end result of these particular **100% cost recovery increases for all application types** will be harmful for the City of Hamilton's growth and competitiveness moving forward. Therefore, the HHHBA recommends reduces its proposed increases to a percentage more appropriate relative to the calculations in the user fee study.

2. In addition to the previous point, the calculations in the User fee Study are flawed based on the HHHBA's review of the time sheets prepared by staff. We found that hours were inflated. An example of this was the number of hours by Development Planning Senior Project Manager's spending 1 hour on every minor variance application. The number of hours per staff person, per application type, per task exceeds the total staff hours worked.

These timesheet calculations need to be revaluated and revisited by the City of Hamilton and development industry to ensure all fee increases are based on appropriate calculations.

3. In past meetings with the City of Hamilton, there was talk around adding new application categories in order to help support smaller projects that would be affected greatly by these cost increases. It is important to note, not all application types are completed by industry professional. Many homeowners, filing "minor" or "routine" applications will be hurt from these increases as well. Therefore, the HHHBA recommends the opening a dialog on further categorization for all application types to better support all sizes of projects.
4. In addition to the previous recommendation, definitions of what constitutes 'routine' and 'complex' applications should be determined for equality across the board.
5. It is important to note that agricultural applications will be severally impacted moving forward with the proposed 100% cost recovery increases. Many of these applications are minor in scope and should be revisited. The HHHBA recommends revisiting the agricultural application fee increases.
6. As efficiency is key to maintaining project timelines, and the City of Hamilton should allow for reductions to fees if applications are not reviewed within a specified time period
7. There is a major need for transitional policies to allow for development community to adjust. In that, those already through formal consultation to be under old fees.
8. The industry has expressed a need for rate caps be introduced to all fees that have a per unit charge.

Due to the magnitude and implications of this document it is imperative that the comments from the industry and professionals affected by it be given appropriate consideration. We further request that staff attend a further meeting with the industry to discuss the comments provided herein and the outcomes that may or may not have been incorporated. We have always stated that we are happy to work with the City on documents such as this.

Thank you again for the opportunity to comment on the *2019 Proposed Tariff of Fees for Planning and Engineering Development Applications*. Please feel free to contact us with any questions. We look forward to continuing the consultation process with the City.

Sincerely,



Suzanne Mammel, MBA CET

CEO, Hamilton-Halton Home Builders' Association