



## City of Hamilton

# AUDIT, FINANCE AND ADMINISTRATION COMMITTEE (SPECIAL) ADDENDUM

**Meeting #:** 24-005  
**Date:** April 4, 2024  
**Time:** 1:30 p.m.  
**Location:** Council Chambers  
Hamilton City Hall  
71 Main Street West

Tamara Bates, Legislative Coordinator (905) 546-2424 ext. 4102

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### 3. COMMUNICATIONS

- \*3.1 Julie Sergi, Realtors Association of Hamilton and Burlington, respecting Proposed Amending Motion to Item 3 of the Audit, Finance and Administration Committee Report 24-004, respecting 2024 Development Charges Background Study and By-Law Update
- Recommendation: Be received and referred to the consideration of Item 6.1 (a).
- \*3.2 Ryan Miller, Emblem, respecting Proposed Amending Motion to Item 3 of the Audit, Finance and Administration Committee Report 24-004, respecting 2024 Development Charges Background Study and By-Law Update
- \*3.3 Alan Leela and Shamil Jiwani, Vantage Developments, respecting Proposed Amending Motion to Item 3 of the Audit, Finance and Administration Committee Report 24-004, respecting 2024 Development Charges Background Study and By-Law Update
- Recommendation: Be received and referred to the consideration of Item 6.1 (a).

- \*3.4 Michael Krasic, Coletara Development, respecting Proposed Amending Motion to Item 3 of the Audit, Finance and Administration Committee Report 24-004, respecting 2024 Development Charges Background Study and By-Law Update

Recommendation: Be received and referred to the consideration of Item 6.1 (a).

- \*3.5 Marwin Zahra, Belmont Equity, respecting Proposed Amending Motion to Item 3 of the Audit, Finance and Administration Committee Report 24-004, respecting 2024 Development Charges Background Study and By-Law Update

Recommendation: Be received and referred to the consideration of Item 6.1 (a).

#### **4. DELEGATION REQUESTS**

- \*4.1 Michelle Diplock, West End Home Builders Association, 2024 Development Charges Background Study and By-law Update (for today's meeting)



April 3, 2024

To: Chair Hwang and Members of the Audit, Finance and Administration Committee  
City of Hamilton  
71 Main Street, Hamilton

Thank you, Chair Hwang, for putting forward the amending motion on the April 4, 2024, Audit, Finance and Administration Committee (Special) agenda. The REALTORS® Association of Hamilton Burlington (RAHB) supports the analysis requested in the amended motion. RAHB has been advocating for maintaining the Residential Downtown CIPA DC Exemption as we collectively weather the current economic downturn.

RAHB remains concerned with the timing of removing the Residential Downtown CIPA DC Exemption. The post-COVID economy has posed challenges to the financial viability of new residential development. Increased labour costs, building materials, and interest rates are making a growing number of housing projects unfeasible. We are seeing desperately needed housing projects deferred, even with the current Residential Downtown CIPA exemptions. Removing the exemptions will only exacerbate the problem. As such, this may be the worst time to remove or reduce exemptions and add costs to developing much-needed housing.

Forgoing a percentage of development charges may seem like a loss of municipal revenue, but we must also consider the long-term gain of year-over-year increases in property tax revenue. Underused lots bring in substantially less annual property taxes than a high-rise, multi-unit residential building. For example, a downtown lot where a 931-unit building is under construction has been earning the city approximately \$20,000 in annual property taxes. However, once completed, the residential units will increase the taxes collected to approximately \$2,000,000 annually. The city gains much-needed housing units and property tax revenue. Developing the lot also fuels the downtown businesses economy and thus increases the tax revenue from this sector as well. If developers must delay or cancel residential development projects, the city will lose housing units and millions in yearly property tax increases both on the residential and commercial sides of the coin.

Every dollar invested in our downtown has the potential to generate significant returns. Continued investment in our downtown area will maintain and bolster economic growth. Ultimately, maintaining the incentives is essential to achieving the city's housing targets.

The most important long-term strategy to promote housing affordability is ensuring adequate supply. Reductions in development charges are a relatively easy way to invest in our downtown while positively impacting housing supply and municipal budgets.

If Hamilton has any chance of spurring a much-needed building boom in this economy, we must continue offering incentives. RAHB asks that the City of Hamilton maintain the Residential Downtown CIPA DC Exemption incentive as we work through this financial slump.

Thank you for accepting this correspondence on behalf of RAHB's nearly 3,800 local REALTOR® members. Housing policy issues such as the supply of attainable, affordable ownership and rental housing are a priority for our members. As such, we strongly recommend that the City maintain the Residential Downtown CIPA DC Exemption. We appreciate the difficult task you have taken on as stewards of our city. We are here to help and encourage you to contact us if we can be of assistance. Thank you for this opportunity to provide input.

Sincerely,

Julie Sergi  
President-Elect REALTORS® Association of Hamilton-Burlington

# EMBLEM

1819 Yonge Street  
Toronto, Ontario  
M4S1X8

April 2<sup>nd</sup>, 2024  
Via email  
Audit, Finance and Administration Committee  
71 Main Street West  
Hamilton, Ontario  
L8P4Y5

Attention: Tamara Bates, Legislative Coordinator

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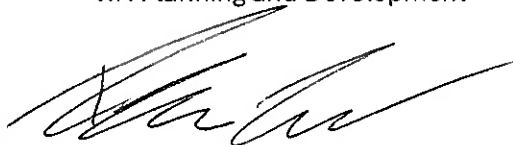
Dear Sirs/ Mesdames:

**Regarding: Item 6.1 – 2024 Development Charges Background Study and Bylaw Update.**

Further to our submission to the Audit, Finance and Administration Committee previously on February 16<sup>th</sup>, 2024 voicing our concerns with the proposed removal of the 40% Development Charge Exemption within the Downtown Community Improvement Area we write this further submission in support of the amending motion (6.1a) of March 27<sup>th</sup>, 2024 specifically item 3(c)(i) *“maintain the current City Development Charges rates, adjusted for indexing, along with the 40% exemption for Residential development Downtown Community Project Area.....”* for the very same reasons we expressed in our previous submission (attached).

Thank you,

Ryan Millar  
V.P. Planning and Development



Cc: Carolyn Paton  
Kirk Weaver  
Lindsay Gillies

6.1(a)

# CITY OF HAMILTON

## AMENDING MOTION

Council Date: March 27, 2024

**MOVED BY COUNCILLOR T. HWANG.....**

**SECONDED BY COUNCILLOR M. SPADAFORA.....**

That Item 3 of the Audit, Finance and Administration Committee Report 24-004, *be amended*, as follows:

**3. 2024 Development Charges Background Study and By-law Update - Open House Feedback (FCS23103(a)) (Item 10.1)**

- (a) That Report FCS23103(a), respecting 2024 Development Charges Background Study and By-law Update - Open House Feedback, be received;
- (b) *That staff be directed to include, within the 2024 Development Charges By-law Report in April 2024:*
  - (i) *an analysis for the possibility of exempting City Development Charges for non-profit Daycare Centres operating under the Child Care and Early Years Act, 2014;*
  - (ii) *an analysis for the possibility of exempting City Development Charges for non-profit Long Term Care Facilities operating within the meaning of subsection 2 (1) of the Fixing Long-Term Care Act, 2021;*
  - (iii) *an analysis of the City Development Charge rate that would be applicable to buildings constructed on municipally owned lands and operated or managed by TradePort International Corporation (TradePort) under the terms of the Airport Lease between the City and TradePort within the Airport Employment Growth District compared to similar airports such as Kitchener and London.*
- (c) *That staff be directed to include, within the 2024 Development Charges By-law Report in April 2024, an analysis for the possibility of the following scenarios for the first year of the Development Charge By-laws prior to moving to Staff Recommended rate and policy changes:*
  - (i) *maintain the current City Development Charges rates, adjusted for indexing, along with the 40% exemption for Residential development Downtown Community Project Area, the 37% exemption for all Industrial development, and maintaining the 50% expansion exemption for detached industrial expansions;*

- (ii) updating the City Development Charges Rates but maintaining the current 40% exemption for Residential development Downtown Community Project Area, the 37% exemption for all Industrial development, and maintaining the 50% expansion exemption for detached industrial expansions; and**
- (iii) the financial impact to the tax levy in the first year as well as the long-term financial economic uplift should either of these scenarios be adopted by council.**





Dear Chair and Members of the Audit, Finance and Administration Committee,

We are writing to you on behalf of Vantage Developments (“Vantage”) to express our appreciation of the commitment of the Audit, Finance & Administration Committee (the “Committee”) to appropriately assess the severe impact of a near term reduction to the CIPA development charge rebate.

As we articulated in our February delegation, Vantage is committed to bringing new, high-quality, urban housing to Hamilton. Vantage wants to be a significant contributor to the continued evolution and growth of the city. We deliberately chose Hamilton as the location of the firm’s first project, which is expected to include 380 units. However, when compounded the realities of current and projected medium-term market conditions, a reduction in the CIPA exemption would delay this project indefinitely.

Across Canada, development activity is at lows not seen since the 1990s housing crash. The few pockets of optimism are made possible by partnership between the private and public sectors. As I am sure you are aware, sales of new condominium units in Hamilton in 2023 are at 10 year lows, and that is with the full 40% exemption. Vantage is deeply concerned the number of new condominium project launches will continue to trend downward without the full exemption remaining in place. In this scenario, we all lose, as the elimination of new development also constrains the tax productivity of land.

As city builders, we are eager to do our part to enhance the urban fabric and provide the City with expanded tax resources to re-deploy into the community. It would be immensely unfortunate for the City of Hamilton to miss out on the substantial increase in the long-term, recurring tax base.

In summary, we are encouraged by the engagement of the Committee to appropriately analyze the severity of the proposals tabled to date, and we trust that Council will act in the best interest of the local resident base. Vantage is willing and able to be of assistance in any capacity in an effort to continue our collaboration of the joint mission of growing Hamilton.


Thank you,

Vantage Developments



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Alan Leela, Partner



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Shamil Jiwani, Partner





April 3<sup>rd</sup>, 2024

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

Attn: Ms. Carolyn Paton, Mr. Kirk Weaver, Ms. Lindsay Gillies

**Re: Proposed Removal of CIPA Exemption**

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Dear Chair and Members of the Audit, Finance and Administration Committee,

On behalf of Coletara Development, I am writing to reiterate our concerns regarding the proposed reduction of the 40% Development Charge Exemption within the Downtown Community Improvement Area.

As it has been communicated by many members of the development community recently, 2023 was the worst year for new home sales in Hamilton in the last decade. The reduction of DC exemptions will directly create inflationary pressures on the cost of delivering attainable housing, and as a result, increase home prices for home owners.

The enclosed letter was provided to the City on February 20th, 2024. We continue to reiterate our concerns regarding DC exemption reductions and respectfully request that strong consideration is made towards maintaining the 40% exemption rate for the near-term, and if necessary, declining marginally per year over time.

Thank you for your consideration.

Yours truly,

**Coletara Development**

A handwritten signature in blue ink, appearing to be "MK" followed by a long horizontal stroke.

Michael Krasic  
Vice President of Development  
966 Pantera Drive, Suite 22  
Mississauga, Ontario L4W 2S1  
Email: [mkrasic@coletara.com](mailto:mkrasic@coletara.com)  
Tel: 905-624-4100 x4114  
Encl.



City of Hamilton, Office of the Auditor General  
50 Main Street East, 3rd Floor  
Hamilton, ON L8N 1E9

April 3, 2024

Dear Chair and Members of the Audit, Finance, and Administration Committee,

I am reaching out to you on behalf of Belmont Equity Partners to kindly request that strong consideration is made towards maintaining the 40% CIPA exemption.

As expressed by many others, high interest rates and high construction costs have made it very challenging for the development community to navigate projects through these pressures. Layering on a reduction in the 40% CIPA exemption would further increase this pressure and jeopardize the feasibility of active developments in Hamilton, such as our project at 58 York, and could undermine the broader objectives of urban improvement and economic development in Downtown Hamilton.

We appreciate you taking this request into consideration. Enclosed you will find the letter that was provided to the City on February 20th, 2024 for ease of reference to previous correspondence regarding this matter.

Thank you for your consideration.

Kind regards,



Marwan Zahra  
Development Manager

1400 Cornwall Road, Suite 13  
Oakville, ON L6J 7W5  
t. (905) 281.4424  
c. (519) 697-2472  
e. [mzahra@belmontequity.com](mailto:mzahra@belmontequity.com)



**Sent:** March 28, 2024 12:18 PM

**To:** [clerk@hamilton.ca](mailto:clerk@hamilton.ca)

**Subject:** Webform submission from: Request to Speak to a Committee of Council

**External Email:** Use caution with links and attachments

Submitted on Thu, 03/28/2024 - 12:17

Submitted by: Anonymous

Submitted values are:

## Committee Requested

Committee

Audit, Finance & Administration Committee

Will you be delegating in-person or virtually? In-person

Will you be delegating via a pre-recorded video?  
No

## Requestor Information

Requestor Information

Michelle Diplock

West End Home Builders' Association

1112 Rymal Road East

Hamilton, ON. L8W3N7

[michelle@westendhba.ca](mailto:michelle@westendhba.ca)

Preferred Pronoun

she/her

Reason(s) for delegation request

Delegating regarding item 10.1 2024 Development Charges Background Study and By-law Update - Open House Feedback (FCS23103(a)) on April 4th, to speak to Committee with regard to the City of Hamilton's Development Charges.

Will you be requesting funds from the City?

No

Will you be submitting a formal presentation?

Yes

The sender designated this message as non-commercial mandatory content with the following note:

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71 Main Street West  
Hamilton, ON, L8P 4Y5  
Canada