



Presentation
Date: 14/06/2018

2019 DEVELOPMENT CHARGES - UPDATE

DEVELOPMENT CHARGES STAKEHOLDERS SUB-
COMMITTEE

LINDSAY GILLIES, JOE SPILER AND WATSON & ASSOCIATES LTD.



Hamilton

 **Watson**
& Associates
ECONOMISTS LTD.

AGENDA

- Growth Forecast
- Census data – stacked vs back-to-back units
- Quick update re: 2014 By-law amendments
- Incentive Review
- Recommended Policy Changes for 2019 By-law
- Schedule Check-in and next steps
- Lame Duck considerations

GROWTH FORECAST



Year	Population ¹	Employment	Housing Units	Persons Per Unit ²
Mid-2006	523,500	221,600	194,500	2.595
Mid-2011	539,500	219,200	203,800	2.551
Mid-2016	557,100	232,500	211,600	2.537
Early-2019	571,400	239,100	217,700	2.530
Early-2029	638,000	285,100	250,700	2.453
Mid-2031 ³	660,000	300,000	260,200	2.445

¹ Population includes a Census undercount estimated at approximately 3.7%.

² Based on population excluding Census undercount.

³ 2031 population and employment figures based on 2006 Growth Plan 2031A Targets

GROWTH FORECAST



Forecast Population and Housing Growth	10 Year (Early 2019 – Early 2029)	12 Year (Early 2019 – Mid 2031)
Net Population Increase ¹	66,600	88,600
Total Residential Unit Increase	33,000	42,500
Low Density ²	13,140	16,650
Medium Density ³	10,050	12,900
High Density ⁴	9,800	12,950

¹ Includes an estimated Census undercount of approximately 3.7%

² Singles and semi-detached

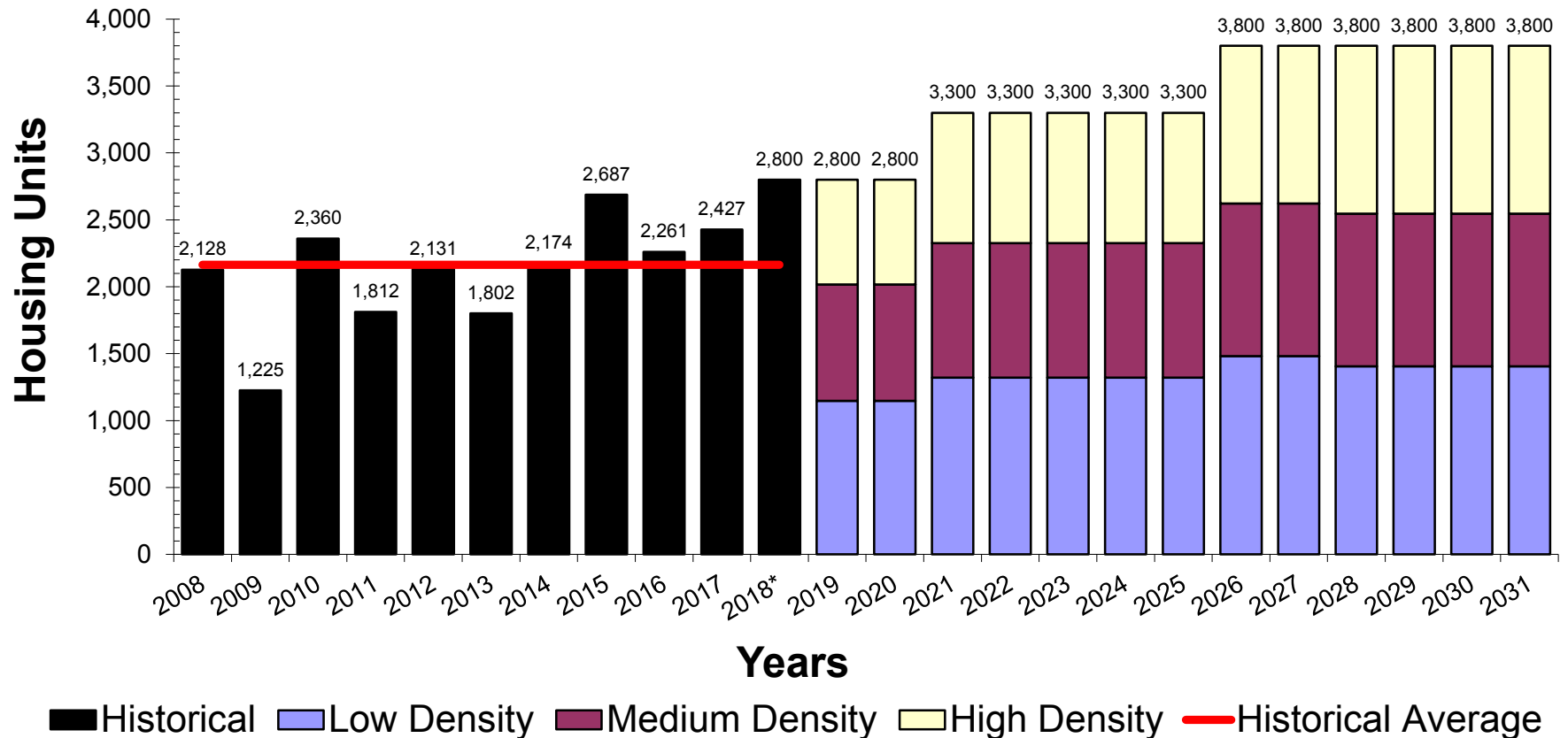
³ Townhouses

⁴ Apartments

Note: Numbers may not add up due to rounding.

GROWTH FORECAST

Annual Housing Forecast



* 2018 is a Watson & Associates Economists Ltd. estimate based on City of Hamilton building permit data from January to April 2018.

June 14, 2018

Development Charges Stakeholder's Sub-Committee Presentation

GROWTH FORECAST



Forecast Employment Growth by Sector	10 Year (Early 2019 – Early 2029)	12 Year (Early 2019 – Mid 2031)
Primary	200	235
Work at Home	2,945	3,250
Industrial	12,080	16,950
Commercial/Population-Related	16,920	22,770
Institutional	9,535	12,185
No Fixed Place of Work	4,360	5,530
Total Employment Increase	46,035	60,920

Note: Numbers may not add up due to rounding.

GROWTH FORECAST



Forecast Non-Residential Gross Floor Area Increase (G.F.A. ft ²)	10 Year (Early 2019 – Early 2029)	12 Year (Early 2019 – Mid 2031)
Industrial	14,497,000	20,336,000
Commercial/Population-Related	7,613,000	10,247,000
Institutional	6,674,000	8,528,000
Total Non-Residential Gross Floor Area Increase (G.F.A. ft²)	28,784,000	39,111,000

Note: Numbers may not add up due to rounding.

GROWTH FORECAST

- Key Observations:
 - Annual housing growth through 2031 forecast to be higher than historical trends.
 - Housing development activity expected to continue to shift to a greater share of medium and high density units.
 - Average housing occupancy levels (persons per unit) expected to continue to decline through 2031 due to aging of the population.
 - Hamilton is expected to experience relatively strong employment growth over the forecast period across a broad range of sectors.



CENSUS DATA – HOUSING DEFINITION

Medium Density

- Townhouses
- Back-to-back townhouses
- Apartments in Duplex



Vertical division



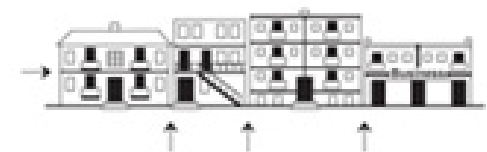
Horizontal divisions

High Density

- Apartment less than five storeys
- Apartments greater than five storeys
- Stacked townhomes



Horizontal and vertical divisions



Horizontal and vertical divisions



AMENDMENTS TO THE 2014 DC BY-LAW

Industrial Expansion Policy Amendment

- Background Study to AF&A on May 7, 2018
- July 11 AF&A planned as the Public Meeting
- July 13 Council could pass the amendment
- July 16 the amendment could be effective

Easing of Province-mandated 50% expansion exemption limitation. Expansion credit can be re-used for all buildings that have achieved occupancy status at time of new building permit.



AMENDMENTS TO THE 2014 DC BY-LAW

CIPA Height Amendment

- Background Study to AF&A on June 11, 2018
- August 15 AF&A planned as the Public Meeting
- August 17 Council could pass the amendment
- August 20 the amendment could be effective

Limits the Downtown Hamilton CIPA DC Exemption to the heights in the recently approved Downtown Secondary Plan



INCENTIVE REVIEW

A third party, independent incentive review is being initiated by the Customer Service group. The review will look at the existing DC incentives and the City's Strategic Goals and the economic climate and make recommendations on what exemptions are necessary and what can be scaled back or should be added.

Engage – July 2018

Recommendation Report – Jan 2019

RECOMMENDED POLICY CHANGES FOR 2019 DC BY-LAW (FCS18062) - CIPA



Hamilton

Reduce the Downtown Hamilton CIPA Exemption to 50% effective July 6, 2019 and reduce 10% annually thereafter - subject to change depending on the recommendations of the third party incentive review.

(The CIPA exemption is 70%, July 6, 2018 – July 5, 2019)

- Supported by City's Ec Dev section
- Council approval now will eliminate the need to phase-in the change with the approval of the 2019 DC By-law

RECOMMENDED POLICY CHANGES FOR 2019 DC BY-LAW (FCS18062) - TRANSITION POLICY



Remove the transition policy from the DC By-law

The transition policy allows a developer to access the 'old rate' if the building permit is applied for before the annual indexing and the permit is issued within 6 months of the annual indexing.

SCHEDULE CHECK-IN

- DC data collection is well underway
- Local Service Policy is being updated
- Goal is to have a draft background study and draft DC quantum's for internal / key stakeholder review by August
- Public Background Study release Dec 2018 / Jan 2019

Note that the DC by-law draft (policy/exemption) does not have to be released until two weeks prior to the first public meeting (later than the background study)

DC TIMING

Description	2018												2019						
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J
Development Charge Study																			
Consultation to provide DC Overview, Changes in Legislation, DC Schedule, Area Rating Options, etc. to:																			
- SLT (February 15, 2018)																			
- Stakeholders (March 1, 2018)																			
- Council via AF&A (March 26, 2018)																			
Draft Growth Forecast																			
Services (excluding Water, Wastewater, Stormwater & Transportation)																			
- Historic Service Standard Information																			
- Capital Infrastructure Requirements																			
- Review Meetings to confirm all data with staff																			
Services - Water, Wastewater, Stormwater, Transportation & Transit: Staff & Consultants to update list of capital infrastructure requirements																			
Capital Costs for WWW, SWM, TMP & Transit to be confirmed																			
Local Servicing Policy Update																			
By-law Policy Review/Update																			
Draft Background Study (Internal Review)																			
60 Day Public Review of DC Background Study																			
2019 DC By-law Passage																			
Expiry of 2014 DC By-law (July 6, 2019)																			
DC Stakeholder Sub-Committee Consultation																			

Reminder: A DC Background study incorporating the 2041 population and capital forecasts will be sought to be initiated once sufficient data and progress has been achieved on the related masterplans, before the standard five year DC By-law term.

NEXT STEPS – FUTURE DC STAKEHOLDER MEETINGS



July 5, 2018

Service Standards & Local Service Policy

August 2, 2018

Capital Forecasts & Draft DC Quantum ***

September 13, 2018

Incentive Review Check-in and Policy Items (agriculture, affordable housing, live/works, accessory dwellings, etc.)

*** In past have reviewed the project lists with the HHHBA once this level of data is available in draft. Need to confirm Council support, representatives and timing of meetings.



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LAME DUCK CONSIDERATIONS

Draft DC Quantum and HHHBA process

If the City is in a lame duck situation the draft DC quantum and capital lists will not have been presented to DC Stakeholder's subcommittee. The draft service standards will have been presented.

Staff is seeking support to continue with the HHHBA review process and be ready to release the DC Background Study in December 2018 / January 2019 not including a draft DC by-law (Policy).

The draft DC By-law (Policy) will be held back until after the first DC Stakeholder's subcommittee meeting with the new Council.

Thank You!



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