



Via Email to: angela.mcrae@hamilton.ca

June 5, 2019

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

Attention: Angela McRae, Legislative Coordinator

RE: City of Hamilton – 2019 Development Charges Review

This letter is to request that the proposed Development Charge By-Law under review by City Council provide 'grandfathering' for those development applications that fall outside the City's stated Levels of Service as presented to the City's General Issues Committee on January 20, 2019 (the "City Report") and as required by the Province's directives under its Bill 108 Housing Supply Action Plan.

On January 20 of this year, City staff presented the timelines both actual and target, for the processing of land development applications. We attach a copy of the report that went to committee. At page 22 the City Report listed timelines of up to 24-36 months for planning application processing timelines in the years 2015-2017. The report demonstrated that the majority of zoning by-law amendments proceeded to Planning Committee within one year. This letter is to request that, for those applicants whose applications did not meet this standard, the increase in development charge rates be extended for 24 months.

For the projects listed on the attached chart, had the target level of service been met, the projects would have proceeded to construction, and the existing Development Charge rates would apply.

We submit that our request is reasonable and required to create a level playing field within our industry, so that the 10%-35%* of applicants which received a lesser level of service are not penalized by the effect of the by-law. It is also in keeping with the direction taken by the Province of Ontario as it now proposes to set the by-law valuation date as of the date of zoning by-law submission.

This logic is in keeping with the directions taken by the Councils for adjacent municipalities. In August 2017 the Region of Niagara provided grandfathering for projects delayed within its municipal limits. In October 2018 the Town of Lincoln provided both specific site grandfathering and overall phasing of its development charge increases. Brantford lowered its development charges after consultation, and we are working with the Counties of Haldimand and Brant to implement similar transitional policies. Hamilton's Development Charge is already higher than all of these other municipalities. As a Hamilton based company, we implore our City to be in step with its neighbors, to attract and facilitate competitive new home sale pricing.

This issue is not new. The Province's direction in Bill 108 has been a topic of discussion for years. In 2014 a group of over 30 industry wide associations wrote to the Province as follows**:

- *Grand-fathering provisions should apply for complete applications as defined by the Planning Act that were submitted prior to any new by-law being enacted. This will permit certainty for financial viability and for calculating the development charges amount for projects that are in the planning and design phases.*
- *Transition, whether it be from one generation of by-law to the next, or as a result of changes to legislation that may arise in the context of this discussion, should be regulated and should not be treated as a negotiation tool. Where there are variances in excess of 20 percent of a development charges budget, or where project timing, parameters or viability change, the impact of increases in transition between by-laws should be minimized. Where such increase exceeds 20 percent, it should be capped as it would not have received the appropriate scrutiny during the by-law period. Where transition is due to legislative change, the by-law should be extended as necessary to allow all by-laws to be brought up to date within 1.5 years.*
- *Mandatory phasing of a development charge should also be instituted. This would eliminate sudden and dramatic increases in charges. Where there is a percentage of development charge increase of 20 percent or more, Councils should be required to approve a phasing of the new development charges by-law. Development charges should be treated similar to that of property tax assessment values which are phased-in over a four year period. This would not be difficult to administer since development charges are currently indexed annually. A mandatory phase-in provision would also eliminate the negotiation that often takes place between stakeholders and municipalities that results in the varying and inconsistent phasing or increases from one municipality to the other. This is transparency and certainty that would be to the benefit of all involved parties, including the new homeowner and new employers. Administratively for the municipality's perspective, this process would also prevent, what they term, the "rush to the permit desk" by applicants before significant increases are known to take effect.*

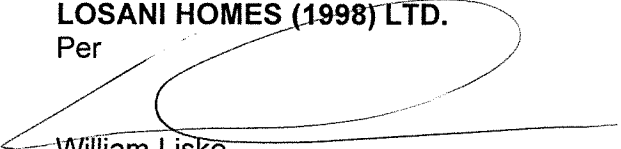
The Province listened, we ask the City of Hamilton to do the same.

Losani Homes was responsible for roughly 30% of the residential building permits in our City last year. Our staff are dedicated to making this City remain an affordable desirable place to live. Should you have any questions or concerns, please do not hesitate to contact me.

Regards,

LOSANI HOMES (1998) LTD.

Per



William Liske
Vice President and General Counsel
WLL/jv

cc: Fred Losani

*The 10-35% reference is based on the City's Report, page 21, which found that 65-90% of zoning by-law amendment/development applications proceeded to Planning Committee within one year.

**See attached submission dated January 2014.

**Zoning By-Law Submission Dates/Losani Projects
Development Charge Valuation Dates under Bill 108**

Losani Project	Date of Zoning By-Law Submission/ Applicable Date for Development Charge Valuation under Bill 108	Target date for Planning Committee as presented to the City of Hamilton General Issues Committee on January 30, 2019	Months of Delay past Target Date
575 Woodward Avenue	March 14, 2017	March 14, 2018	15 Months
860-884 Barton Street	July 19, 2018	July 19, 2019	Committee Date should be scheduled now
31-3140 Hwy 56	June 16, 2016	June 16, 2017	22 Months (LPAT decision)
1809 Rymal Road East "Mid Town"	October 2016	October 2017	20 Months
1831 Rymal Road East "Soho"	January 2014	January 2015	53 Months