

1649626 Ontario Ltd.
8 Hunts Drive,
Dundas, ON

Dear Mayor Eisenberger and Members of Council

RE: Report HSC20009 – Municipal Incentives for the 90 Carling Street Rental Project

Present social and economic situation

While the present situation presents a great amount of stress and uncertainty surrounding the physical health of our community, the economic impact will undeniably put greater pressure on citizens to afford housing in a rental market that was already experiencing significant challenges in affordability. With overall wages and new housing supply reduced for the foreseeable future, it is more important now than ever for the City of Hamilton to consider all opportunities to create future mixed income rental housing.

Opportunity: Capitalize on Federal funds

The report before you today is a significant opportunity for the City of Hamilton to make a modest investment that, together with Federal and private sector funds, will create much-needed mixed-income rental housing. It will establish a framework of clear and attractive incentives that will encourage other private sector developers to invest in mixed-income rental housing in Hamilton. This particular mixed-income project has the ability to lay the foundation for such a program.

The following is a sample of incentives that developers who agree to incorporate affordable units can expect to receive with other regions and municipalities (i.e. City of London, City of Toronto, York Region, etc.):

- Development charge waivers
- Development charge rebates (realized over 10 years)
- Development charge deferrals (interest free for up to 20 years)
- Property tax waivers
- Density bonuses
- Parking waivers
- Fee waivers
- Capital contributions

Hamilton Housing Services: Recommendation

City staff provided two potential options for City incentives to Council.

The first would see Council waive the parkland dedication, planning application, and building permit fees for our mixed income rental housing project in proportion with the number of affordable units. In exchange, this enables us, as a result of the points these incentives give our application to CMHC's Rental Construction Financing Program, to provide 10 units at 125% average market rent for 15 years, and accept referrals from the social housing wait list. .

We believe this recommendation is a step in the right direction and we appreciate staff's willingness to support our project. That being said, we are asking you today to approve the alternative option that includes a property tax waiver for the affordable units only.

Hamilton Housing Services: Alternative Recommendation

While waiving the parkland dedication, planning application, and building fees supports the project's involvement in CMHC's Rental Construction Financing Initiative, it only represents a small fraction (0.1%) of the overall budget.

Staff proposed an alternative option which added a property tax waiver for the affordable units for a period of 15 years, in addition to the parkland dedication, planning, and building permit fee waiver. The addition of a property tax exemption for the affordable units enables us to provide 20 units at 125% average market rent for 15 years, an additional 10 affordable units. While project costs keep increasing to over \$340,000 per unit this alternative option provides 20 new affordable units to the community and an additional opportunity to decrease the housing wait list, while only costing the City of Hamilton 0.7% of a new unit per year for the next 15 years.

We are asking Council to approve this alternative option and for the 90 Carling Street development to have 20 affordable units rather than 10.

Thank you for taking the time to consider our proposal.



Daniel Bragagnolo

Secretary,
1469626 Ontario Ltd.