



## **AUDIT, FINANCE AND ADMINISTRATION COMMITTEE REPORT 23-016**

**9:30 a.m.  
October 19, 2023  
Council Chambers  
Hamilton City Hall**

**Present:** Councillors C. Kroetsch (Chair), J. Beattie, B. Clark, T. Hwang, M. Spadafora, M. Tadeson and M. Wilson

**Absent with  
Regrets:** Councillor A. Wilson – City Business

### **THE AUDIT, FINANCE AND ADMINISTRATION COMMITTEE PRESENTS REPORT 23-016 AND RESPECTFULLY RECOMMENDS:**

**1. Development Charges Exemption for Niwasa Kendaaswin Teg for the Required Renovations to their Temporary Location (Added Item 7.1)**

WHEREAS Niwasa Kendaaswin Teg is a non-profit charitable Indigenous organization that provides programming including Aboriginal Head Start, EarlyON Child and Family Centre, licensed childcare, and food bank;

WHEREAS the location where Niwasa Kendaaswin Teg currently operates is closing as early as November 1, 2023, for the demolition of the former St. Helen's Catholic Elementary School, at 785 Britannia Avenue, to make way for the Biindigen Well-being Centre;

WHEREAS Niwasa Kendaaswin Teg will be renting the former St. Brigid Catholic Elementary School, at 22 Smith Avenue, from the Hamilton Wentworth Catholic District School Board, but the renovations of the building to meet Ministry of Education licensing requirements has triggered City of Hamilton development charges of \$206,785 which would cause undue financial hardship on the organization;

WHEREAS the Hamilton Urban Indigenous Strategy actions 27 and 28, respectively, call to support the expansion of Indigenous early childhood education, and to increase access to recreation for Indigenous children, youth and families;

WHEREAS Truth and Reconciliation Commission of Canada: Calls to Actions number 3, 5, and 12, respectively, call upon all levels of government to fully implement Jordan's Principle, the federal, provincial, territorial, and Aboriginal

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governments to develop culturally appropriate parenting programs for Aboriginal families;

WHEREAS Jordan's Principle guides policy towards providing a child-first approach and ensuring funding is provided when needed for services and supports to be provided without delay for health, social and education of First Nations children.

WHEREAS the Canada-wide Early Learning and Child Care agreement identified childcare access as a priority and identified licensed childcare expansion targets for the City of Hamilton between the years 2022 to 2026; and,

WHEREAS the Ministry of Education's and the City of Hamilton's local Access & Inclusion Frameworks both identify Indigenous families as a priority population under the Canada-wide Early Learning and Child Care Agreement.

THEREFORE, BE IT RESOLVED:

- (a) That staff be authorized and directed to waive the development charges for Niwasa Kendaaswin Teg, respecting the former St. Brigid Catholic Elementary School, at 22 Smith Avenue, under Building Permit 23 138158 00 G3 in the amount of \$206,785 and fund as follows:
  - (i) \$130,271.25 from the Tax Stabilization Reserve (110046);
  - (ii) \$25,559.55 from the Waterworks Capital Reserve (108015); and
  - (iii) \$50,954.20 from the Sanitary Sewer Capital Reserve (108005); and
- (b) That the Mayor and City Clerk be authorized and directed to execute any required agreement(s) and ancillary documents, with such terms and conditions in a form satisfactory to the City Solicitor.

**2. Selection of External Auditor for the City of Hamilton and its Consolidated Entities (FCS23105) (City Wide) (Item to 9.2)**

That Report FCS23105, respecting Selection of External Auditor for the City of Hamilton and its Consolidated Entities, be received.

**3. Development Charges Interest Policy Update (FCS23087) (City Wide) (Item 10.1)**

- (a) That Council approves the replacement of the Development Charges Interest Policy, effective November 1, 2023, with the following:
  - (i) The Development Charges Legislated Deferral Interest Policy, attached as Appendix "A" to Audit, Finance and Administration Committee Report 23-016, for building permits, pursuant to Section 26.1 (7) of the *Development Charges Act, 1997*; and

- (ii) The Development Charges Rate Lock-In Interest Policy, attached as Appendix “B” to Audit, Finance and Administration Committee Report 23-016, for site plan or zoning by-law amendment applications, for the purpose of Section 26.2 (3) of the *Development Charges Act, 1997*; **and**
- (b) ***That staff be directed to report back during the 2024 budget process on the financial impact on revenue of the policy changes set out in subsection (a).***

**FOR INFORMATION:**

**(a) CHANGES TO THE AGENDA (Item 2)**

The Committee Clerk advised of the following changes to the agenda:

**6. DELEGATION REQUESTS**

- 6.1 Monique Lavallee, Niwasa Kendaaswin Teg, respecting Development Charges Non-Profit Indigenous Organization (for today's meeting)

The agenda for the October 19, 2023 Audit, Finance and Administration Committee meeting, was approved, as amended.

**(b) DECLARATIONS OF INTEREST (Item 3)**

There were no declarations of interest.

**(c) APPROVAL OF MINUTES OF PREVIOUS MEETING (Item 4)**

**(i) October 5, 2023 (Item 4.1)**

The Minutes of the October 5, 2023 meeting of the Audit, Finance and Administration Committee, was approved, as presented.

**(d) DELEGATION REQUESTS (Item 6)**

- (i) Monique Lavallee, Niwasa Kendaaswin Teg, respecting Development Charges Non-Profit Indigenous Organization (for today's meeting) (Added Item 6.1)**

The Delegation Request from Monique Lavallee, Niwasa Kendaaswin Teg, respecting Development Charges Non-Profit Indigenous Organization, be approved for today's meeting.

(e) **DELEGATIONS (Item 7)**

(i) **Monique Lavallee, Niwasa Kendaaswin Teg, respecting Development Charges Non-Profit Indigenous Organization (for today's meeting) (Added Item 7.1)**

Monique Lavallee, Niwasa Kendaaswin Teg, addressed Committee respecting Development Charges Non-Profit Indigenous Organization, with the aid of a presentation.

The Delegation from Monique Lavallee, Niwasa Kendaaswin Teg, respecting Development Charges Non-Profit Indigenous Organization, was received.

For further disposition of this matter, refer to Item 1.

(f) **CONSENT ITEMS (Item 9)**

(i) **Hamilton Women and Gender Equity Committee Minutes – September 7, 2023 (Item 9.1)**

The Hamilton Women and Gender Equity Committee Minutes – September 7, 2023, were received.

(g) **DISCUSSION ITEMS (Item 10)**

(i) **Development Charges Interest Policy Update (FCS23087) (City Wide) (Item 10.1)**

(1)

(a) That Council approves the replacement of the Development Charges Interest Policy, effective November 1, 2023, with the following:

(i) The Development Charges Legislated Deferral Interest Policy, attached as Appendix “A” to Report FCS23087, for building permits, pursuant to Section 26.1 (7) of the *Development Charges Act, 1997*; and

(ii) The Development Charges Rate Lock-In Interest Policy, attached as Appendix “B” to Report FCS23087, for site plan or zoning by-law amendment applications, for the purpose of Section 26.2 (3) of the *Development Charges Act, 1997*

(2)

(a) Report FCS23087, respecting Development Charges Interest Policy Update, ***was amended***, by adding sub-section (b) as follows:

- (b) *That staff be directed to report back during the 2024 budget process on the financial impact on revenue of the policy changes set out in subsection (a).*

For further disposition of this matter, refer to Item 3.

(h) **PRIVATE AND CONFIDENTIAL (Item 14)**

(i) **Closed Minutes – October 5, 2023**

The Closed Session Minutes of the October 5, 2023 meeting of the Audit, Finance and Administration Committee, were approved, as presented.

(i) **ADJOURNMENT (Item 15)**

There being no further business, the Audit, Finance and Administration Committee, was adjourned at 10:11 a.m.

Respectfully submitted,

Councillor Cameron Kroetsch, Chair  
Audit, Finance and Administration  
Committee

Tamara Bates  
Legislative Coordinator  
Office of the City Clerk

<b><i>Development Charges Legislated Deferral Interest Policy</i></b>	 <b>Hamilton</b>	Approval: Pending
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<b><i>Development Charges Legislated Deferral Interest Policy</i></b>	
<b>POLICY STATEMENT</b>	The Development Charges Legislated Deferral Interest Policy sets out the guidelines for application of interest to Development Charges (DC) under Section 26.1 (7) in accordance with Section 26.3 of the <i>Development Charges Act, 1997</i> (DC Act).
<b>SCOPE</b>	This Policy pertains to interest applied to DCs for the purposes of Section 26.1 (7) of the DC Act.
<b>PURPOSE (GUIDING PRINCIPLES)</b>	<p>The purpose of this Policy is to adopt an interest rate policy for Section 26.1 (7) of the DC Act.</p> <p>As per Section 26.1 (7) of the DC Act, as of January 1, 2020, the following types of development commence payment of DCs at first occupancy for a set number of instalments:</p> <ul style="list-style-type: none"> <li>• Rental (six (6) annual instalments commencing at first occupancy).</li> <li>• Institutional (six (6) annual instalments commencing at first occupancy). – This category includes long-term care homes, retirement homes, universities and colleges, memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion, and hospices.</li> </ul> <p>The City is permitted to charge interest on the amounts outstanding from permit issuance until full payment is received.</p>
<b>RELATED LEGISLATION</b>	<i>Development Charges Act, 1997</i> , Section 26.1 (7) <i>Development Charges Act, 1997</i> , Section 26.3
<b>TRANSPARENCY</b>	The Development Charges Interest Policy is to be made available to the public through the City of Hamilton's official website, ensuring accessibility for all citizens and Council members.
<b>DEFINITIONS</b>	
"DC Act"	<i>Development Charges Act, 1997</i> as amended or revised.

<b>Development Charges Legislated Deferral Interest Policy</b>	 Hamilton	
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<b>DETAILS</b>	<p>For the purposes of Section 26.1 (7) of the DC Act, effective as of November 1, 2023, the interest rate applied will be the maximum interest rate permitted under Section 26.3 of the DC Act.</p> <p>For building permits issued prior to November 1, 2023, the applicable interest shall be calculated in accordance with the DC Interest Rate Policy adopted by Council on May 27, 2020. The daily interest for any date from June 1, 2022 onwards will be capped at the maximum interest rate legislated under Section 26.3 of the DC Act.</p> <p>If Section 26.3 of the DC Act is repealed, the applicable interest rate for the purpose of Section 26.1 (7) of the DC Act, will be:</p> <ul style="list-style-type: none"> <li>• the Bank of Canada Prime plus 2%, fixed at the date of building permit issuance, compounded semi-annually;</li> </ul>
<b>POLICY OWNER</b>	Director of Financial Planning, Administration and Policy
<b>ADMINISTRATION</b>	<p>The administration of the Development Charges Interest Policy falls under the purview of Financial Planning, Administration and Policy, Corporate Services Department.</p> <p>The Policy should be reviewed during each Development Charges Background Study or relevant legislative change to ensure its continued relevance and effectiveness and to incorporate any changes in the operational environment or strategic direction of the City of Hamilton.</p> <p>The review process for Policy updates involves a comprehensive assessment by Financial Planning, Administration and Policy and subsequent recommendation of any changes to City Council for approval, thereby ensuring transparency, inclusivity and accountability.</p>

<b>Development Charges Rate Lock-In Interest Policy</b>		
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**Development Charges Rate Lock-In Interest Policy**

<b>POLICY STATEMENT</b>	The Development Charges Rate Lock-In Interest Policy sets out the guidelines for application of interest to Development Charges (DC) under Section 26.2 (3) in accordance with Section 26.3 of the <i>Development Charges Act, 1997</i> (DC Act).
<b>SCOPE</b>	This Policy pertains to interest applied to DCs for the purposes of Section 26.2 (3) of the DC Act.
<b>PURPOSE (GUIDING PRINCIPLES)</b>	<p>The purpose of this Policy is to adopt an interest rate policy for Section 26.2 (3) of the DC Act.</p> <p>Section 26.2 (3) of the DC Act, as of January 1, 2020, freezes the DC rate charged to a development based on the application date of a site plan Application or a zoning by-law amendment, only where such application is applied for on or after January 1, 2020. This freezing does not apply to developments whose site plan or zoning by-law amendments were applied for before January 1, 2020.</p> <p>The City is permitted to charge interest on the frozen rate from the date it is frozen to the date of permit issuance.</p> <p>Section 26.3 of the DC Act prescribes the maximum interest rate applicable under Section 26.1 and 26.2.</p>
<b>RELATED LEGISLATION</b>	<i>Development Charges Act, 1997</i> , Section 26.2 (3) <i>Development Charges Act, 1997</i> , Section 26.3
<b>TRANSPARENCY</b>	The Development Charges Interest Policy is to be made available to the public through the City of Hamilton’s official website, ensuring accessibility for all citizens and Council members.
<b>DEFINITIONS</b>  “DC Act”	<i>Development Charges Act, 1997</i> as amended or revised



<b>Development Charges Rate Lock-In Interest Policy</b>		
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<b>DETAILS</b>	<p>For the purposes of Section 26.2 (3) of the DC Act, effective as of November 1, 2023, the interest rate applied will be the maximum interest rate permitted under Section 26.3 of the DC Act.</p> <p>Interest for DC rates locked-in by site plan or zoning by-law amendment applications prior to November 1, 2023 shall be calculated in accordance with the Development Charges Interest Policy adopted by Council on May 27, 2020. The daily interest for any date from June 1, 2022 will be capped at the legislated maximum interest rate under Section 26.3 of the DC Act.</p> <p>If Section 26.3 of the DC Act is repealed, the applicable interest rate for the purpose of Section 26.1 (7) of the DC Act, will be:</p> <ul style="list-style-type: none"> <li>• the Bank of Canada Prime plus 2%, fixed at the date of building permit issuance, compounded semi-annually.</li> </ul>
<b>POLICY OWNER</b>	Director of Financial Planning, Administration and Policy
<b>ADMINISTRATION</b>	<p>The administration of the Development Charges Interest Policy falls under the purview of Financial Planning, Administration and Policy, Corporate Services Department.</p> <p>The Policy should be reviewed during each Development Charges Background Study or relevant legislative change to ensure its continued relevance and effectiveness and to incorporate any changes in the operational environment or strategic direction of the City of Hamilton.</p> <p>The review process for Policy updates involves a comprehensive assessment by Financial Planning, Administration and Policy and subsequent recommendation of any changes to City Council for approval, thereby ensuring transparency, inclusivity and accountability.</p>