

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

We are writing to you on behalf of **Corktown L.P.** to express our concern with the proposed removal of the 40% Development Charge Exemption within the Downtown Community Improvement Area. Our company has invested in downtown Hamilton, and we are actively selling over 700 residential units that will deliver before 2028. New housing supply of all types helps the City of Hamilton deliver on its ambitious housing and intensification targets and increase the City's tax productivity of land. In 2023, redevelopment delivered an increased assessment value of 1.9% to the City's overall budget. Importantly, this revenue is generated by the City for the lifespan of the new building.

While we understand the pressures on the residential tax levy, we wish to emphasize that contrary to the previous 5 years, **the residential intensification market is not strong**. Construction costs have escalated, borrowing costs have escalated and the high-density intensification market's probability of success and feasibility for the return needed to build has significantly decreased.

Our company wishes to continue to invest in building housing for Hamiltonians. We urge the City to reconsider removal of this important city building incentive as it will have significant long term negative impacts for Hamilton's future.

We have serious concerns that this will result in our projects being delayed or cancelled in the short term. Although the market may return in the mid-to-long term, it is imperative to maintain a competitive DC rate to keep developments moving through the pipeline. Projects that are not able to begin or proceed today will never materialize in 2-3 years. This will create a gap in the market and significantly impact housing supply during over that time period. We are concerned that in the absence of this program Hamilton will miss their Housing Accelerator Fund unit commitments and miss out on needed funding from the federal government.

Thank you,

Brandon Donnelly

Managing Director



Veronica Green

Vice President

