

CITY OF HAMILTON

MOTION

General Issues Committee (Budget): February 15, 2024

MOVED BY COUNCILLOR C. CASSAR.....

SECONDED BY COUNCILLOR.....

2024 Tax Budget Amendments - Discretionary Development Charge Exemptions

WHEREAS, Council recognizes affordability concerns in the community given the recent periods of high inflation and rising interest rates;

WHEREAS, the Mayor directed staff through MDI-2023-02 to reduce the burden on residential property taxes by prioritizing the utilization of debt and emergency reserves while responsibly maintaining the City's credit rating;

WHEREAS, the proposed 2024 Tax Budget recommends a three-year phase-in strategy for unfunded discretionary development charges exemptions provided under the City's Development Charges Bylaw with funding from the Unallocated Capital Levy Reserve of \$9.57M;

WHEREAS, the proposed 2024 Tax Budget recommends the continuation of an eight-year phase-in strategy that leverages \$6.50M annually between 2023 to 2030 to cover the shortfall in historical discretionary tax supported development charge exemptions incurred from 2013 to 2020;

WHEREAS, the *More Homes Built Faster Act* (Bill 23), passed by the Province of Ontario in late 2022, made several changes that reduced the amount of revenues the City of Hamilton can collect from developers to support growth related infrastructure;

WHEREAS, the proposed 2024 Tax Budget includes a total budget for both statutory and discretionary development charge exemptions of \$62.1M, representing an increase of \$42.7M over 2023, which includes a reserve financing strategy of \$35.4M to phase-in the impacts over three years.

WHEREAS, staff have identified an alternative financing strategy for discretionary development charge exemptions through Report FCS24017 that phases the funding over a longer timeline and leverages additional operating budget surplus to reduce the immediate tax impact in 2024 by \$6.5M, or 0.54%.

THEREFORE, BE IT RESOLVED:

- (a) That the recommendations in Report FCS24002, respecting the proposed 2024 tax supported budget and financing plan, be amended to reflect a reduction of \$6.5M to the financing strategy for discretionary development charge exemptions per Report FCS24017.