



February 21, 2024

Via E-mail to: Tamara.Bates@Hamilton.ca

Chair and Members
 Audit, Finance and Administration Committee
 City of Hamilton
 71 Main Street West
 Hamilton, ON L8P 4Y5

Dear Chair and Members,

Re: Item 10.1 2024 Development Charges Background Study and By-law Update

DeSantis Homes is a multi-generational developer and homebuilder, with land holdings within Downtown Hamilton as well as other parts of this community. We are writing to identify our serious concerns with the DRAFT Development Charges By-law and its proposed reduction and phasing out of the Downtown CIPA exemption.

Staff Report FCS23103(a) summarizes the key comments Staff has received regarding the recommended reduction and phasing out of the Downtown CIPA exemption, including:

“Residential Downtown CIPA DC Exemption

- High interest rates which translate to high financing costs are impacting development;
- Increases in construction costs are resulting in higher unit prices;
- Lower demand is resulting in slow housing sales;
- A reduction in exemptions will further negatively impact desire for development in the downtown;”

We agree with these concerns and will add that the DC exemptions in the Downtown have been a significant driver for the development that has occurred in the past several years, including the projects we have developed. These incentives have allowed for the continued development of residential units in the City’s Downtown. Any reduction in these incentives will result in delays and/or cancellations of projects in the Downtown, including several projects that we have in the planning stage.

Any slowdown of development in the Downtown will have a negative impact across the City and especially in the Downtown. There continues to be a significant need for an increase in the permanent population in the Downtown. The recent development and increase in the Downtown population has occurred as a result of the DC exemptions. If this momentum is reduced and/or stopped, it will result in negative impacts on the Downtown including impacts to:

- Downtown businesses and commercial amenities;
- Ridership in public transit, including HSR and GO;
- Office vacancy;
- The ability to secure funds for much needed public service facilities;
- Tax base as a result of a lack of development; and,
- Construction jobs related to development.



The Staff Report acknowledges that the Downtown CIPA exemption is a discretionary one and City Council has the ability to maintain it. The development of the City's Downtown is too important to not maintain the momentum of growth and development that it has experienced in these past several years.

For all these reasons and more, we respectfully request that the Committee and Council direct Staff to maintain the Downtown CIPA exemption in the DC By-law update.

Regards,

A handwritten signature in blue ink, appearing to read 'G. DeSanits', is written over the typed name.

Gabriel DeSanits
President,
DeSantis Homes