

City of Hamilton Response – Finance

The following motion (CARRIED by a vote of 13 to 0) was approved by Council April 16, 2025. Finance staff are in the process of preparing a report to Council for their direction.

Enhancing Support for Growth in the City of Hamilton: Review of Growth Funding Tools and Developer Incentives

- (a) That Finance staff be directed to report back to the May 1, 2025 Audit, Finance & Administration Committee on the following:
 - (i) A draft by-law with a financing strategy and accompanying background study providing staff recommendations for the City of Hamilton Development Charges By-Law 24-072 and/or 11-174 to support development through mechanisms such as:
 - Deferral of the collection of Development Charges from building permit to occupancy;
 - Deferral of the 2025 Development Charges indexing;
 - Exemption of Development Charges for 2- and 3-bedroom housing development units
 - Implementing a pause of the phase-out of the Downtown CIPA partial exemption;
 - Implementing a pause of the phase-out of the industrial rate reduction for non-manufacturing developments;
 - Extending the transition period by an additional 6 months to a total of 12 months;
 - (ii) An assessment of the risks associated with each amendment;
 - (iii) Estimated financial impacts associated with each amendment;
 - (iv) With updated residential and non-residential building starts forecasts based on the current market conditions and financial impacts to the City and the local economy associated with declining housing starts and associated lower expected levels of permit activity;
 - (v) Projected impact on Development Charge revenues and Community Benefits Charges municipal revenue for 2025 and 2026.
- (b) That Finance staff be directed to report back to the Audit, Finance & Administration Committee exploring the option to discontinue the City of Hamilton's Community Benefits Charges By-law 22-158 inclusive of an assessment of the required process, risks and financial impacts;
- (c) That the Mayor be requested to advocate to the Province for changes to the *Development Charges Act* to allow for a more streamlined process to make administrative changes to Development Charges By-laws to better respond to changing economic conditions; and
- (d) That staff be directed to report back through annual Housing secretariat reporting on outcomes.