



WE HBA receives the Local HBA of the Year Award at
the Canadian Home Builders' Association Leadership Awards!

COW, May 13, 2024
F-04-24

Delegation material from Michelle Diplock
representing WE HBA

Burlington Development Charges West End Home Builders' Association

May 14th, 2024

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Together **WE** Build the Future

Community Engagement and the Development Charge Process – Comparison with Hamilton

Burlington	Hamilton
	December 21, 2023: 2024 DC Background Study including Draft 2024 DC By-laws
	January 23, 2024: Held in-person Public Engagement Session
March 22, 2024: Draft Proposed DC ByLaw and Background Study	January 24, 2024: Virtual Public Engagement Session
April 24, 2024: Notice of Public Meeting of Council	February 22, 2024: Public Meeting (to be held at AF&A Committee)
May 14, 2024: Committee of the Whole (Statutory Public Meeting)	April 12, 2024: Deadline for feedback on the Addendum to 2024 Development Charges Background Study
May 21, 2024: Council Approval DC Study	May 8, 2024: Council considers passage of 2024 DC By-law
Bylaw Effective Date: June 1, 2024	Bylaw Effective Date: June 1, 2024

The Housing Market Outlook in 2024 looks very very bad

"The GTHA new condominium market reported 1,461 sales in Q1-2024, **the lowest quarterly total since the Global Financial Crisis in Q1-2009 (884 sales).**

Outside of that brief period in early 2009, new condominium sales haven't been this low since the late-1990s. Sales were down 71% when compared to the latest 10-year average for Q1 periods”.

-Urbanation Press Release, April 22, 2024

The Federal Government knows there's an issue

“You can't keep increasing taxes on homebuilding and expect to have more homes built,” Sean Fraser told Global News on Friday.

“When you look at the cost of land it can sometimes be hundreds of thousands of dollars. And you look at development charges which can sometimes push up to six figures. How are you going to sell a home at a price that young buyers can actually afford?”

-Federal Minister of Housing, Sean Fraser,
April 17, 2024

The Provincial Government knew there was an issue

- Bill 23 Transition Policies for Development Charge Exemptions provided a runway of stability and predictability for DC increases.

With the introduction of Bill 185 on April 10, 2024, the proposed legislation “rollbacks” and eliminates the five-year or any transition by way of statute.

This proposal runs contradictory to comments made by the Premier last spring when he said **“They [municipalities] want to increase the DCs. Who does that during a housing crisis? No one does that,”**.

So what can Burlington do?

The Staff Recommendation before you today represents an excellent municipal response to the housing crisis.

- **Current Burlington Development Charge Rates are proposed to be reduced from the rates they are calculated at today by approximately 15%.**

Table ES-4
City of Burlington
Comparison of June 1, 2024 D.C. for Large Apartment Dwelling Units
(\$/dwelling unit)

DEVELOPMENT CHARGES WITH PHASE-IN	Current Rate (April 1st)	D.C. Background Study - Addendum	Difference	Percentage Change
Municipal Wide Services/Classes:				
Services Related to a Highway	5,213	5,127		
Stormwater Drainage Services	1,063	74		
Fire Protection Services	110	869		
Transit Services	420	690		
Parks and Recreation Services	3,011	1,910		
Library Services	482	109		
Studies	18	-		
Total Municipal Wide Services/Classes	10,316	8,779	- 1,537	-15%

Support for the Staff Recommendation

Staff are proposing to remove certain long term infrastructure projects as it is anticipated that these projects would not be built during the 10-year term of the new D.C. by-law.

D.C. Background Study Project No. Reference	Project Description	Gross Capital Cost	D.C. Recoverable Capital Cost
154	AT overpass/underpass of QEW (@ Maple Park) from Greenwood Dr to Maple Ave	\$19,000,000	\$17,100,000
155	AT overpass/underpass of QEW/403 (east of Brant Street) from Truman St to Industrial St	\$26,100,000	\$23,490,000
156	AT overpass/underpass of QEW/403 (east of Appleby Line) from Century Dr to Sutton Dr	\$18,800,000	\$16,920,000
195	Cumberland Ave Extension from Mainway to Fairview St	\$147,600,000	\$147,600,000

Support for the Staff Recommendation

This should have no impact to the municipal levy – but it will have a significant positive impact for new home buyers. At the WE HBA Housing Summit on March 25th we discussed the following:

- **It is profoundly unfair on an intergenerational level to download the costs of infrastructure build to last generations into the amortized mortgages of young people, newcomers, and new home buyers.**

WE HBA believes this approach is appropriate given the crisis at hand and Burlington's desire to jumpstart new home construction in the near term.

Incentivize the type of development you're looking for

- WE HBA recommends the City of Burlington direct Staff to study Community Improvement Plan Area Incentive Programs to advance City priorities.
- The City of Burlington has an approved brownfield incentive program that has never been funded.

SUBJECT: Burlington Brownfield Focus Community Improvement Plan

TO: Community Planning, Regulation & Mobility Cttee.

FROM: Burlington Economic Development

Report Number: ECDEV-01-21

Wards Affected: All

File Numbers: 125

Date to Committee: March 2, 2021

Date to Council: March 23, 2021

Focus on the long-term tax productivity of land

- If the City can incentivize a building that would otherwise not be built, then the long-term productivity of that land is significantly increased.
- In Burlington, a low-density lot paying ~\$20,000/year could be redeveloped into 154 new homes in a tower—paying ~\$350,000 annually for that exact same parcel of land.

Costs to run a City will always go up, and there are two ways to manage it. **Cities can year over year increase the property tax rates, or they can focus on tax productivity of land and increasing the number of tax-payers.**

Conclusion

WE HBA is coming to the City with two asks.

For today:

- Adopt the Staff Recommended Development Charge Reduction.

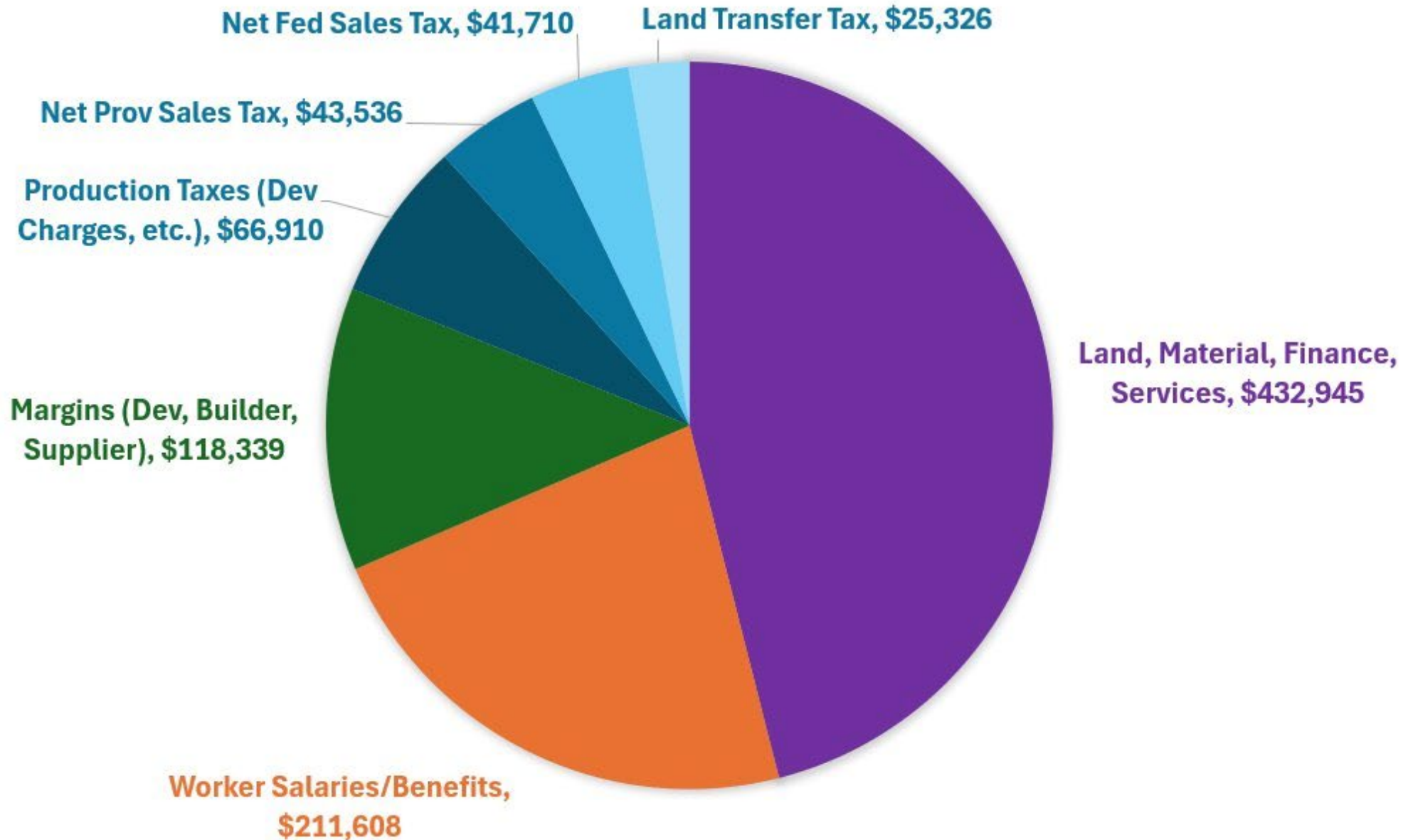
For Later:

- Direct Staff to investigate the use of Community Improvement Plan Areas to use Tax Increment Financing to incentivize Council priorities.

Doing this demonstrates Burlington is taking the housing crisis seriously and working in partnership with industry to ensure Burlington is place where everyone is welcome.

Why Are New Homes So Expensive?

COST COMPONENTS OF A \$940,400 NEWLY BUILT HOME IN ONTARIO (CANCEA)



Tax Increment Finance (TIF) 101

