May 29, 2009

The Chair and Members
Audit and Administration Committee
City of Hamilton
77 James St. North
Hamilton ON L8P 4Y5

Greetings!

Re: Development Charges

The Hamilton and District Labour Council strongly urges members of the Audit and Administration Committee to support the recommendation from staff to increase the city’s development charges.

As you know, development charges provide the city with resources to expand and support roads, storm sewers, sewer and water pipes, recreational facilities and other services. In addition, the charges also help meet the capital needs of police, fire and library services. These services are fundamental elements of a well-functioning and humane city. They must not be short-changed.

Current development charges obviously are not meeting needs. An increase, even a substantial one, is required to preserve and strengthen the quality of services provided to enhance new development in Hamilton. Reportedly, the increase recommended by staff will add about 3% to the cost of a new single-family home at a time when prices have fallen by 10%. Admittedly, that situation likely will change. However, the proposed development charges are not out of line with neighbouring municipalities and should not put Hamilton at a competitive disadvantage.

The Hamilton and District Labour Council is adamantly opposed to decreasing or freezing the proposed charges. The costs of providing services to new developments must come from somewhere; failure to increase the fees or a decision to increase but then freeze DCs for a period of time only shifts the burden, perhaps as much as $17 million, to those already paying property taxes and water charges. With all due respect to the Hamilton Halton Home Builders Association, “people struggling to make ends meet” likely are not (or should not be) buying new homes during this economic crisis. They, however, should be supported by the city in meeting their obligations by keeping their property taxes at reasonable levels. Requiring them to subsidize the cost of new homes is not fair or sustainable.
Staff has presented the committee with some options should you decide not to support their recommendation. We caution you to be wary of assumptions and projections no matter their source. Indeed, we ask that you look at the big picture, including limiting urban sprawl. We submit that development charges should reflect the true cost of providing services; the costs should be borne by the developer and passed on to the buyer if necessary.

To summarize, the Hamilton and District Labour Council supports the increase in development charges recommended by staff and opposes any reduction or freeze that forces property tax payers to pick up the tab.

Respectfully submitted,

Tom Atterton
Secretary

Cc: Don Fraser
HDLC Political Action Committee