



Sept 23, 2024

To: Chair Bradley and Members of Niagara Regional Council via Ann-Marie.Norio@niagararegion.ca

From: Coalition for a Better St. Catharines

We urge all councillors to vote against the extension of the Region's CIP matching grant programs. Regional taxes collected from Niagara citizens should not be used to subsidize luxury condo developments.

Councillors from St Catharines were wrong when they proclaimed:

“Affordable housing will not be built by private industry.”

To the contrary, there is plenty of easily available evidence demonstrating that with proper incentives, private developers will build affordable housing.

To entice private developers to do their part, Niagara must create a meaningful program of incentives for housing at the affordable end of the scale. We must replace the system that currently uses citizens’ tax dollars to subsidize housing for the richest among us. Incentive grants must be targeted precisely to the desired outcome: more affordable, accessible housing or brownfield clean up.

Seven years ago, the luxury condo developer for the Lincoln Fabrics (Harbour Club) project came to St. Catharines Council with the concept for a high-end project at a highly desirable lakeside location. At the time the developer claimed that 85% of units were sold. And yet even though the project was presumably designed to pay out handsomely to the developer, it was granted a \$7.1 million CIP because as St Catharines stated, without evidence:

“it was “the CIP that got it to a place of financial viability”.

What is the rationale for using taxpayers’ money to make luxury condo developments financially viable? How can that be explained to citizens already suffering from steep increases in their property taxes?

The truth is that even though a \$7.1 million CIP was granted seven years ago, not a single shovel has been put in the ground at the Lincoln Fabrics project.

Other high end luxury developments coming to St Catharines will also be applying for grants in the next few years. Now is the time to stop giving CIPs to high end developers. Again, we ask:

Is it the responsibility of the Niagara taxpayer to subsidize, increase the profitability, or mitigate market risks of high-end luxury developments?

There are only two exceptions where a CIP could be used to help reduce developers' risks of building high end developments:

- Where the cost of remediation of a brownfield site presents a barrier to development or
- Where the developer agrees in return to build accessible or below market housing as a sizeable part (at least 30%) of the development.

Say no to extending the Region's subsidizing of developers of luxury condos who want government assistance. Tell developers of high-end housing that in a free market they need to manage their risks without government support.

Let's take a fresh look at using incentives like CIPs to increase much needed affordable housing stock *and* property tax revenues. There are many examples of municipalities using successful private public partnerships to entice private industry to increase the availability of affordable or accessible housing.

Kind Regards,

Dennis Edell
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