



Staff Report

Report Title: Bruce County Development Charge Study 2023

Prepared By: Jodi MacArthur, Treasurer

Department: Treasury

Date: May. 1, 2023

Report Number: TR-2023-05-36

File Number: C11

Attachments: Bruce County Development Charge Study Notice

Recommendation:

That the Township of Huron-Kinloss Committee of the Whole hereby receives for information Report Number TR-2023-05-36 prepared by Jodi MacArthur, Treasurer.

Background:

In 2021, the County of Bruce conducted consultation and released a Development Charges Background Study and proposed by-law for comment. Ultimately, County Council decided not to adopt the by-law. The background information is available on the County's website <https://www.brucecounty.on.ca/development-charges>

Discussion:

The County intends to conduct a study in 2023, with renewed interest in establishing development charge fees. Following the release of the 2021 study, Huron-Kinloss Council and staff had expressed several concerns. Until the final report is drafted, it is difficult to determine whether these concerns will still be relevant, however staff feel it is important to provide this information to Council early in the process as it may guide participation in stakeholder meetings and feedback conveyed through our County Council representative, Mayor Murray.

A summary of concerns identified in the 2021 Development Charge Background Study are outlined below:

- The background report predicted that 10% of the County's residential growth and 4% of non-residential growth will occur in the Township of Huron-Kinloss in the next 15 years, however the report does not clearly define the direct benefits for Huron-Kinloss from the costs recovered through development

charges. The County has previously indicated that long-term care and housing services are favoured in other municipalities and none of the proposed road upgrades are slated to occur in Huron-Kinloss.

- As described in the Plan the Bruce – Homes Interim Report, housing affordability is becoming a critical issue within the County. Low supply levels have led to record high sale prices across the region. The Homes Interim Report recommends the reduction of development charges as a tool in solving housing affordability.
- If growth declines at some point, development charges will need to increase or service levels decreased to offset the funding shortfall.
- In today's economic climate it is a challenge to attract business and industry to our area. For this reason, the Township of Huron-Kinloss does not impose development charges on non-residential development. There is a belief that a County development charge may counteract the Township's business attraction and retention efforts.
- The collection of development charges on behalf of the County will place additional burden on Township administration as there will be many questions from the public. The Township would like to see the County establish their own system to collect these fees that can be verified by the municipality prior to issuance of a building permit. That way it is not up to Township staff to determine if the charge applies.

The first stakeholder meeting is scheduled for July 5, 2023 at the County Administration Building in Walkerton. They have also indicated that a delegation to Council is possible. If Council would like more information, staff can contact the County to request a delegation. There will be additional opportunities for feedback as the process unfolds.

Financial Impacts:

The 2021 draft by-law proposed a per unit charge of \$6,393.00 for single and semi-detached dwellings and \$1.88 per square foot for non-residential development. It was not clear whether non-residential development included livestock housing which would have a significant impact to Huron-Kinloss.

Strategic Alignment / Link:

The information provided in this report is consistent with and in keeping with the municipality's Vision & Mission.

We are a prosperous community that continues to grow in a sustainable manner by investing in infrastructure.

Respectfully Submitted By:

Jodi MacArthur, Treasurer

Report Approved By:

Mary Rose Walden, Chief Administrative Officer