



Staff Report

Report Title: Bruce County Development Charges Background Study

Prepared By: Matt Farrell, Building and Planning Manager/CBO

Department: Building and Planning

Date: Oct. 18, 2021

Report Number: BLDG-2021-10-27

File Number:

C02-BLDG21

Attachments: Bruce County 2021 DC Background Study

Recommendation:

That the Township of Huron-Kinloss Council hereby approves Report Number BLDG-2021-10-27 prepared by Matt Farrell, Building and Planning Manager/CBO AND directs staff to provide the noted concerns to the County prior to the Public Meeting for consideration.

Background:

On October 1, 2021, the County of Bruce released its final Development Charges Background Study and proposed by-law to the public. Township staff did participate in previous stakeholder meetings and voiced concerns about the quick implementation of By-law and lack of communication to the lower tier municipalities who will be expected to collect the fees. The County has not had a development charges by-law in the past.

The Township has had Development Charges in affect since amalgamation. Previous to that, the former Township of Huron and Village of Ripley had by-laws in place. The Township's approach has been to focus on the recovery of costs related for improvements to hard services like water and sewers in relation to increased demand caused by development; growth pays for growth. We do not have a development charge for non-residential construction. The Township also has area ratings so that growth in a specific part of the municipality will pay for the needed services. For example Ripley has a higher water charge in order to help offset the cost of the new tower.

Discussion:

The County is holding a public meeting on October 28th to consider the by-law and anticipates that the background study will be adopted and bylaw passed on December 2nd.

The proposed per unit charge would be \$6,393.00 for single and semi-detached dwellings and \$1.88 per square foot for non-residential development. From the report, it is anticipated that 10% of the residential growth and 4% of the non-residential growth will occur in the Township of Huron-Kinloss over the next 15 years.

The following services are proposed to be covered under the by-law; Highways (Roads and Public Works), Parks and Recreation, Library, Long-term Care, Ambulance, and Housing Services. The County intends to spend \$41.70 million over the next five years, of which \$14.33 million (34%) is recoverable from development charges.

The report does not clearly define the direct benefits for Huron-Kinloss from these costs recovered through development charges. The County has previously indicated that Long-term Care and Housing Services are favored in other municipalities and none of the proposed road upgrades are slated to occur in our municipality. Staff would like to receive further details on the advantages for Huron-Kinloss with the implementation of County development charges.

As described in the Plan the Bruce – Homes Interim Report, housing affordability is becoming a critical issue within the County. Historically low supply levels have led to rapidly increasing sale prices across the region to the point where 83% of buyers cannot afford the average resale home let alone a new home. Higher utility, insurance and maintenance are also contributing to the difficulty in obtaining home ownership as the increased cost have outpaced any increase to income. The Homes Interim Report recommends the reduction of Development charges as a tool in solving the affordability problem.

The County is in an ideal situation to attract new residents to the area. There are certain trends emerging that will see an increase in migration to our borders. The "GTA exodus" started prior to the pandemic but is exponentially increasing as people look to get away from high density urban settings to a more natural and spacious setting where they are able to work from home. There is also the "Drive until you Qualify" phenomenon occurring as families are moving further away from larger populated centers to find a home that meets their need, and they are able to afford. This is happening with the County borders as well. We want to ensure that our resident attraction efforts do not want families to drive right out of the County.

There is also no guarantee that we will continue to experience the same level of growth. If development were to drop at some point, either the charge will need to increase, or the level of service decreased in order to account for the funding shortfall.

For these reasons, staff have concerns that it now may not be the most appropriate time for the County to be implementing a Development Charge.

Financial Impacts:

Additional staff time will be required to collect the development charge fees on behalf of the County

Strategic Alignment / Link:

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

Respectfully Submitted By:

Matt Farrell, Building and Planning Manager/CBO

Approved By:

Mary Rose Walden, Chief Administrative Officer