

CITY OF PETERBOROUGH
CITY WIDE DEVELOPMENT CHARGES
August 5, 2024

Mayor Leal and Members of City Council

Hemson has prepared an Amended Development Charges City Wide Background Study reducing the City Wide Development Charge from approximately \$70,000 to \$68,000. This change is a step in the right direction, however, it is a “baby step.”

The City of Peterborough increased the City Wide Development Charge from approximately \$34,000 to \$70,000 over a three year period. The proposed \$2,000 reduction in the City Wide Development Charge is laughable.

Development Charges are a “trust fund agreement” between the developer and the municipality, whereby, “growth pays for the cost of growth.” The Development Charges Act was implemented decades ago and the home building industry has funded the trust fund agreement faithfully ever since.

There are currently 47 Development Charges Act appeals to the Ontario Land Tribunal (O.L.T.) dating back to the Year 2021. That number includes the City of Peterborough City Wide Development Charge passed in 2024. Obviously, there is a province wide issue with development charges being determined by the two firms that prepare these reports; CN Watson and Hemson. CN Watson and Hemson have discovered a method to grow their firms and that growth is paid for by the home building industry through the Development Charge fund.

The basic problem with the City of Peterborough City Wide Development Charge is that the report is based on the City’s Asset Management Plan. The Hemson amended report has determined that the City of Peterborough will spend 1.94 billion dollars upgrading services related to a Highway and Sewage Services by the Year 2051; the planning horizon of the City’s new Official Plan. That translates to the City of Peterborough spending an average of 71.9 million dollars per year reconstructing the services listed within the Amended Development Charge Study. What funding does the current City of Peterborough budget propose for upgrading services related to a Highway and Sewage Services in the Year 2026? We are certain that the proposed budget does not include \$71.9 million for these expenditures.

The Province of Ontario has filed Bill 17, the *Protect Ontario by Building Faster and*

Smarter Act, 2025 to speed up the construction of new housing. When passed, Bill 17 will change the time when homebuilders are required to pay Development Charges from the building permit stage to the closing of a home purchase and sale agreement or at the time that the occupancy permit is issued by the local Chief Building Official. This change makes complete sense as a homebuilder does not have to fund the Development Charge upon building permit issuance. Interest charges and real estate fees will not be added to the development charge paid by a home purchaser.

Yes, Councillor Duguay, we believe that Development Charges funded in part the reconstruction of Parkhill Road West. We also believe that Development Charges paid a portion of the design error that became obvious with surface water draining over the new road. We also believe that Development Charges will fund the installation of a sanitary sewage forcemain down the centerline of Parkhill Road from Brealey Drive to Wallis Road at such time as a sewage pumping station is built to service those lands west of Chandler Crescent.

CMHC reports that the home building industry obtained building permits to build **seven** housing (single family, semi-detached, row housing, and apartment/condominium) units in the City of Peterborough in the first six months of the Year 2025. At this rate, the City of Peterborough will never meet it's stated goal of 4,700 housing units.

“You cannot solve the funding problem by killing the goose that lays the golden egg.”

We recommend that the City of Peterborough revisit the City Wide Development Charge and apply a reasonable annual increase based on the \$34,000 charge that existed three years ago. The Province of Ontario and the City of Peterborough needs housing. All housing sectors must contribute towards the cost of upgrading the services downstream of each individual development project.

City ratepayers must pay the City Wide Development Charge applicable to affordable housing units.

Housing units created within the Central Business District must pay the City Wide Development Charge.

Murray J. Davenport