Bills 34, 37, 38 Status, Resourcing and Permit Reserve Fund Impact

Standing Policy Committee
on Planning and Property
June 27, 2023

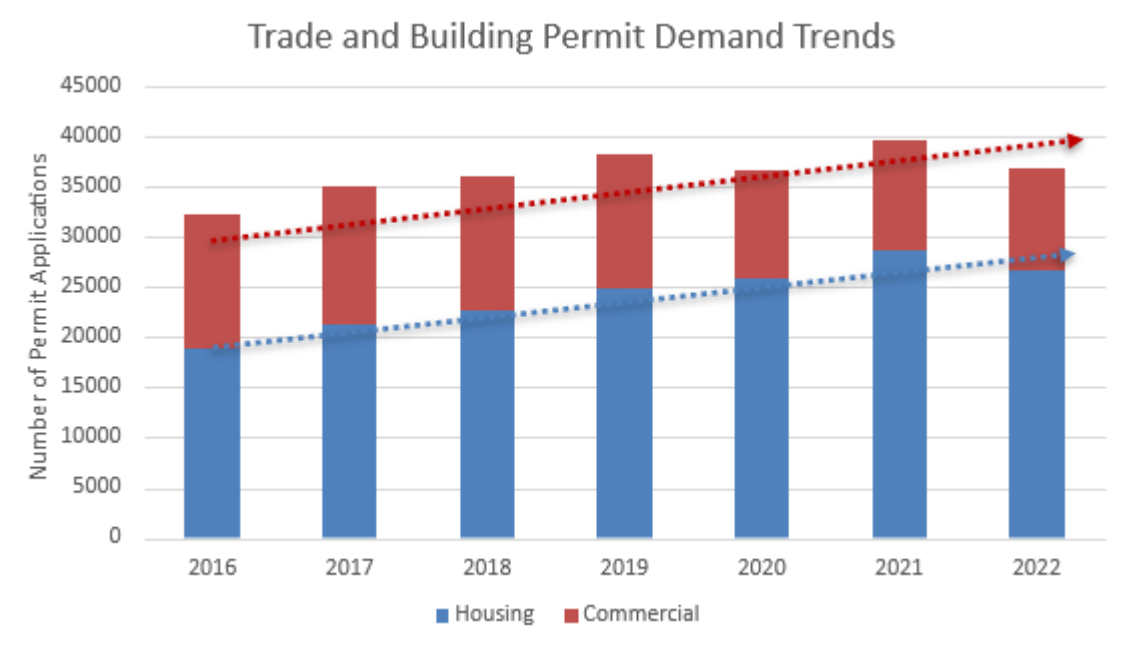
Winnipeg

- On March 22, 2023, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:
- 1.S. That Council direct the Planning, Property and Development Department to report back to the appropriate committee of Council on or before September 30, 2023 on:
  - Status update on the implementation of Provincial statutes and regulations concerning the approval of land use planning decisions and building permits (Bills 34, 37 and 38);
  - Resources required to address these statutes and regulations; and
  - Potential changes to the Permit Reserve in order to implement service and system changes necessitated by Bills 34, 37 and 38.
- And
- 1.KK. That the Winnipeg Public Service report back to the Standing Policy Committee on Property and Development in 90 days with a review of the Permit Reserve Fund with respect to how the fund is used and replenished.

- Bill 34, *The City of Winnipeg Charter Amendment and Planning Amendment*
- Bill 37, *The City of Winnipeg Charter Amendment and Planning Amendment Act*
- Bill 38, *The Building and Electrical Permitting Improvement Act*

Permits

Trends


Trade and Building Permit Demand Trends
Number of Permit Applications
45000
40000
35000
30000
25000
20000
15000
10000
5000
0
2016
2017
2018
2019
2020
2021
2022
Housing
Commercial

- Bill 38, *The Building and Electrical Permitting Improvement Act*
  - In October 2020, the Province of Manitoba introduced Bill 49 (later re-tabled as Bill 38), *The Building and Electrical Permitting Improvement Act,* which was purported to address gaps in Manitoba's regulatory framework by introducing service standards for building and electrical permitting processes. Subsequent Regulations outline the legislated service standards and follow an Ontario model. If service timeframes are not met, Provincial Adjudication may occur resulting in compensation from the permitting authority to the permit applicant.

Performance Standards

	Phase 1 – Oct 1, 2023 - Sept 30, 2024	Phase 2 – Oct 1, 2024 onwards
Intake for Complete Application		
Residential	5 business days	2 business days
Commercial	5 business days	2 business days
Review		
Detached and semi-detached houses, townhouses or row houses where no dwelling unit is located above another dwelling unit and associated accessory structures	25 business days	10 business days
Part 9 buildings other than those listed in the row above	25 business days	15 business days
Part 3 buildings and farm buildings	30 business days	30 business days
Inspections		
Residential	6 business days	2 business days
Commercial	4 business days	2 business days

Staffing Recommendation

- That the following recommendations be referred to the 2024 budget process:
- That in order to align Department service provision with performance timelines required by Provincial legislation, 77 permanent front-line and support service positions be added to the complement of the Planning, Property and Development Department at an estimated 2024 cost of $6.5 million;
- That the 2024 budgeted transfer to the Permit Reserve Fund be increased by $1 million;
- That beginning in 2024, any portion of the Development and Inspections Division (“the Division”) of the Planning, Property and Development Department’s total expenditure budget that remains unspent as at December 31 be transferred to the Permit Reserve Fund;

Permit Reserve Fund

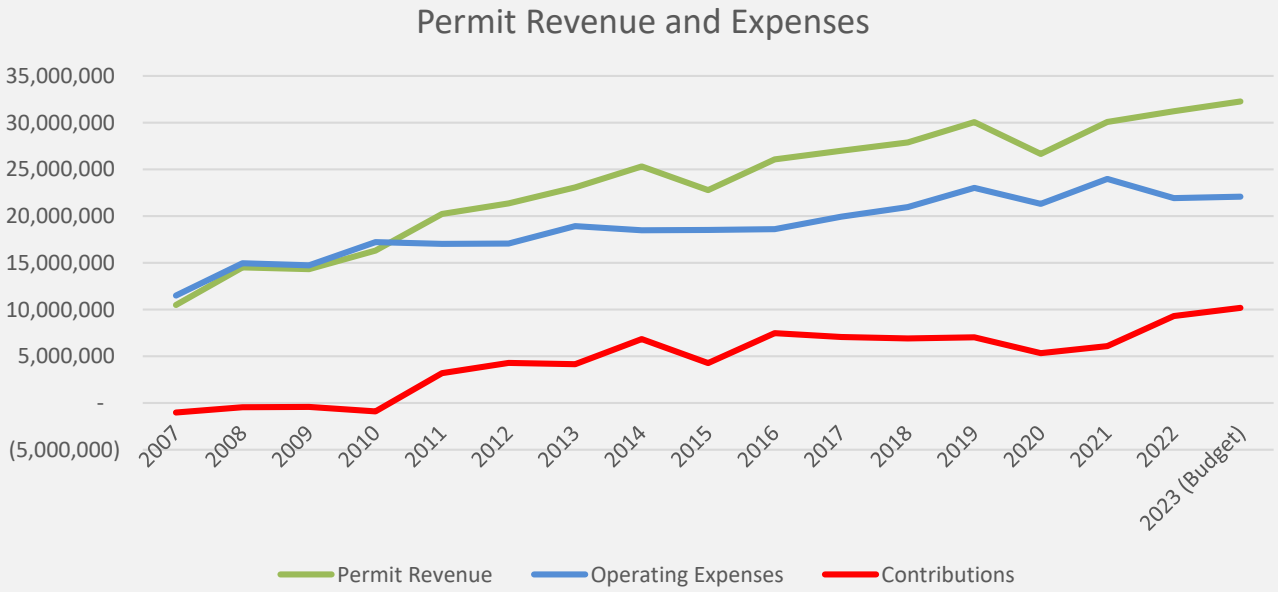
- Common municipal tool for fluctuations in demand and continuous improvement
- Across Canadian municipalities 100%-250% of operating budget expenditures
- Established in 2007 to:

A. Mitigate revenue shortfalls in boom/bust cycles.
B. Fund temporary staffing needs during busy periods during the boom/bust cycle.
C. Provide a source of funds for service and system improvements.

Permit Reserve Fund

- Source is the excess of actual permit revenue, compared to the budget. Maximum $2M.
- All remaining revenue in excess of direct operating expenses is retained in the General Revenue Fund (mill rate contribution)

Permit Reserve Fund



Permit Reserve Fund

Disposition of Permit Revenue in Excess of Direct Operating Costs 2007 - 2022	$ millions
Mill Rate Contribution	$70.7
Offsetting Revenue Shortfalls	3.9
Temporary Staffing*	4.8
Funding Digital Permitting Capital Project	0.6
Total	$ 80.0
*Includes small % of expenditures on non-salaries items	

Recommendations

- That, effective January 1, 2024, the maximum balance of the Permit Reserve Fund be increased from $2 million to an amount equivalent to annual direct operating costs of the Development Approvals, Building Permits and Inspections Service (“the Service”), which for 2024 is currently budgeted at $23,252,907;
- That, for a three-year period beginning in 2025, the Division’s operating expenditure budget be increased by approximately 33.3% of the amount by which revenues exceed direct operating expenditures in the Service operating budget such that by 2027, 100% of revenue is reinvested into the Service.

Risks

Thank you

Winnipeg