



Coalition for a
Liveable
Sudbury

Input to

Development
Charges

June 21, 2016

Development charges should support

- Fiscal sustainability
- Planning goals

Net financial cost of development

Large review of American communities
(cost of community studies)



In Canada

Service costs for every **\$1.00** received in taxes

- Red Deer, AB: **\$1.66**
- Burlington: **\$1.40**
- **Sudbury?**

Analyses in Calgary, Edmonton, London, Halifax, Region of Peel, Durham:

- Development does not pay for itself
- Smart growth costs municipalities less than conventional development
- There are millions of dollars of savings for municipalities in compact development versus sprawl
- E.g. Durham: over 29 years, infrastructure and service costs would be \$49.5 billion for smart growth versus \$82.5 billion for conventional growth
- These and other communities are using the results of these analyses to make smart decisions

Smart Growth development costs less, brings in more tax revenue

Review of American communities

- Smart Growth developments cost an average of **38% less, and up to 50% less** than conventional development
- Smart Growth development saves municipalities an average of **10% less in on-going services**
- Smart Growth development generates an average of **10X more tax revenue per acre**

In Canada

- CMHC study: Smart Growth costs municipalities 20% less

Green infrastructure and Low Impact Development cost less too

E.g. New York estimated the cost of stormwater management to be \$0.45 per gallon for green infrastructure, \$0.62 per gallon for conventional grey infrastructure

Smart Growth development

Compact, walkable development within existing built areas

- Higher density and proximity
- Mix of housing types
- Mix of land uses

Lower service costs with:

- Alternative development standards
- Infill and higher density
- Urban versus rural
- Use of existing infrastructure



When development charges are averaged across all areas, the City subsidizes development that costs the city more in infrastructure and services

Development charges can be adjusted to reflect the cost of development

- **Area specific rating**

E.g. The City of Kitchener's development charges are 74% higher for suburban residential versus residential in central neighbourhoods

Other examples: Ottawa, Peel, Hamilton, Markham

When development charges are adjusted to reflect the cost of development, it contributes to:

- **Fiscal sustainability**
- **Planning goals**



Planning goals and a healthier more liveable community:

- Walkable
- Transportation options
- Housing options
- Protecting water quality
- Revitalized town centres & complete communities
- Sustainable infrastructure
- Intensification



Recommendations

- Cost of community services study or audit for Greater Sudbury.
- Area specific pricing = more efficient development + equitable distribution of costs
- higher density = lower fees; lower density = higher fees
 - mixed use = lower fees

Recommendations

- Reward: high performance design+ healthy community design
- Reward: best practices for shoreline development; low impact development; protection of natural heritage
 - Reward: walkability; best practices for sustainable transportation; mixed use
- Reward: use of existing infrastructure; strengthening town centres; affordable housing

Reward with:

- lower fees
 - flexibility in payment schedule
 - faster processing
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- CONSULT WITH DEVELOPMENT COMMUNITY
ON MOST EFFECTIVE INCENTIVES



Thank you

References

In written submission, plus:

The Cost of Community Services in the Township of Cavan Monaghan:

A literature review on the fiscal impacts of land use for municipalities in Ontario, Canada. 2011

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The High Costs of Sprawl: Why Building More Sustainable Communities Will Save Us Time and Money. Environmental Defence. 2013.

<file:///C:/Users/User/Downloads/CostsofSprawl-FINAL.pdf>

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Ref: Building Better Budgets: A national examination of the fiscal benefits of Smart Growth. Smart Growth America. 2013.

<http://www.smartgrowthamerica.org/documents/building-better-budgets.pdf>

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Cost of Community Services Study Fact Sheet. American Farmland Trust. 2007.

Green Durham. August 2001.