Sudbury & District Home Builders' Association

Association des constructeurs d'habitations du district de Sudbury

RESPONSE TO DRAFT DEVELOPMENT CHARGES

Sudbury and District Home Builders' Association

July 18, 2018

Appendix D.1

Sudbury and District Home Builders' Association

This response has been prepared in collaboration with and on behalf of the Members of the Sudbury and District Home Builders' Association.

July 24, 2018

Sudbury & District Home Builders' Association

Association des constructeurs d'habitations du district de Sudbury

Contents

Forward

The Sudbury and District Home Builders' Association, representing the construction, development, building and related industries, is a participant on the Development Charges Working Committee. Two meetings have been had to date. Through this Committee, the City of Greater Sudbury (CGS) asked for industry input on the Draft Development Charges.

As a Stakeholder, the SDHBA solicited feedback from its membership and met to formulate this response. Given the two weeks' notice, the industry's' busiest season, and with incomplete Background Study and partial Development Charges, we consider this response ongoing and to be completed once a complete series of reports are presented to us. Only then can will we be able to provide in-depth analysis.

This response includes the following sections:

1. An Introduction and Context that frames the environment in which DCs are being reviewed
2. The Development Charges Act
3. The Official Plan and CIP
4. The Associations' Feedback on each DC Category
5. Conclusion – SDHBA Position on the Draft list of Development Charges
6. Appendices – includes Member feedback

We look forward to providing additional input when Development Charges have been fully developed and collaboratively finding a fair and equitable means to supporting strategic and sustainable development.

INTRODUCTION

Triggered by projected growth, the City of Greater Sudbury (CGS) has embarked on a review of its Development Charges (DCs) that are to replace existing DCs as of June 2019 until the expiration of the By-Law in June of 2024

The CGS requested industry input on the draft capital projects that will establish the new DC rates for the City. SDHBA shared these draft capital projects with its Members for input and comment. Written feedback was received and a meeting was held at which Members discussed not only the draft DCs, but the context in which Members see these DCs being revised.

THE CONTEXT

Taxes now account for approximately 25% of the price of a new home. The SDHBA advocates for the future homebuyers of this region, and with housing affordability having become a serious issue, we feel that DCs must be fair and reasonable and that the process to setting these charges be transparent.

We agree with the principle that growth should pay for growth and that those that come to live in our City will pay for the infrastructure they require. The Development Charges, we feel, should be fair and reasonable, and contribute to a city that is 'open for business and investment.'

The Association supports the Municipality making strategic and fiscally responsible recommendations and decisions that support the intent of its vision, but not necessarily the letter of it, for it is questionable whether it is wise to make significant investments, some of which are detailed in the Draft list of Capital Projects, for insignificant growth. We therefore feel it is necessary for the Municipality to critically assess the strength and limits of the local market and economy before considering any increase to DCs.

Local Growth Scenario

The DC Background Study is not yet complete; however, a number of other reports fairly describe the local context in which new DCs are being proposed:

- Hemson projects population growth of 5,708 over 25 years (2016-2040) from 161,625 to 167,333. This translates into potentially 228 people per year settling in one of 12 wards over 3,500 sq/km.

- The same Hemson report projects a greater growth in households over the same period of 5,710, the conclusion of which is smaller households. Smaller households' free up capacity.

- The Ontario Ministry of Finance (Ontario Population Projections Update, 2017-2041, Table 14.6) shows a marginal population increase of 2,222 from 165,030 to 167,254 (adjusted). This translates into a potential annual increase of 89 persons per year.

- The Conference Board of Canada projects economic growth of 1.1%, employment growth of 1.1% offsetting the decline of the previous year with "Sudbury's population to remain flat over the forecast" (March 13, 2018).

A strong economy leads to population growth that leads to household formation that spurs development. Sudbury's boom-bust cycle has been moderated by a more diversified economy in which the resource sector still plays a critical role but is no longer the linchpin. In fact, only 8% of Sudbury's employed work in the mining companies while 18% work in government, health services and education services (based from a City total of 83,000 employed) that are good paying jobs but are not growing industries.

The Housing Continuum

The housing continuum chart below depicts the housing affordability situation in the City of Greater Sudbury.

The median household income in Sudbury is approximately $63,000 (50% of household make more than $63,000 and 50% make less) yet the average resale home of $252,000 requires a minimum income of income of $70,000, while a new home, averaging $445,000, is affordable to only those households earning more than $100,000. Income growth has lagged average home price growth.

As a snapshot, the price of a new home, as well as an existing home, is out of reach for the majority of local households. Consequently, any increase to Development Charges only intensifies the issue of housing affordability and creates a greater divide within the housing market.

Household Income	$30,000	$35,000	$45,000	$55,000	$70,000	$90,000	$100K +	
Affordable Rental	$720	$880	$1120	$1350	$1710	$2310	$2500	
Affordable Ownership	$116,500	$140,000	$166,000	$210,000	$259,000	$317,000		
Avg. New Home	-	-	-	-	-	-	-	$445,000
Avg. Resale Home	-	-	-	-	$252,484			
Avg. Market Rent	$682 (B)	$848 (1B)	$1058 (2B) $1100 (3B)					

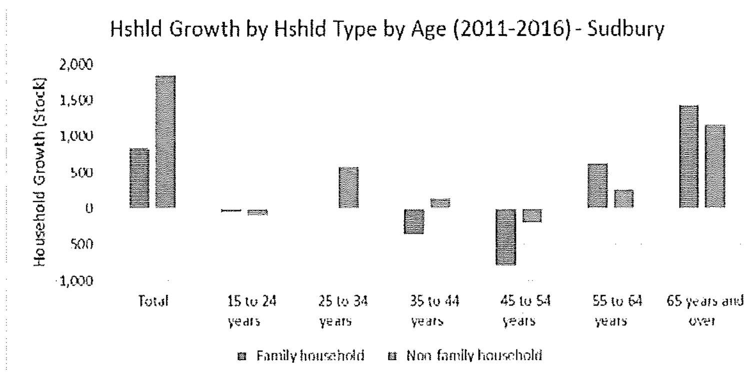
Source: City of Greater Sudbury

Demographics

Sudbury is aging, so are its households. Infrastructure, existing or new, that can be supported by an aging community in a stagnant economy must be critically examined and, this knowledge, should inform the Municipality's evidence-based decision-making process.

The composition of households is also changing and shifting away from the traditional family household to non-traditional. Both demographic factors are clear indicators that the manner in which housing and "healthy and complete communities" are currently being shaped and funded is not sustainable. Household size is decreasing with Sudbury's average now at 2.3 persons per household. Relating this to Development Charges, *an excess capacity is made available by the decrease in average household size.*

The Ontario Ministry of Finance shows a greater proportion of population growth occurring in the 55+ age cohorts than in the household formation age cohorts of 25-39. If not reverted, this wave will impact the City in ways it may not be prepared.



Source: CMHC from Statistics Canada

The Development Charges Act

The Development Charges Act sets a process for municipalities to pass their own development charges by-laws. According to the Act, these by-laws are accompanied by a background study that outline the estimated amount, type and location of development within a municipality and the related calculations of how the new development will affect municipal services like water, wastewater and roads.

A development charges bylaw can only be passed within one year of a background study's completion with mandatory public meetings to solicit the community's input.

The DC Act regulates how revenue from DCs can be use and pays for integral hard and soft infrastructure to support new growth.

The Act calls for a review of DC in a growth scenario, even if that growth is one person. It also allows Municipalities to hold DCs in the face of an uncertain economic future or in insubstantial growth scenarios. This flexibility allows Municipalities to charge less than the maximums prescribed in the Act or even no DC at all. The Hemson Background Study should identify a maximum price and it is Council that can lower that fee, negotiate a phase-in, or implement differential charges based on the square footage of a house.

Ultimately, Council has flexibility in how it supports its housing industry and local market.

The Official Plan and CIP

The Official Plan is an essential reference document when reviewing DCs, however, being under review, reference will be made to the existing OP.

Schedules 1a and 1b identify the various Living Area 1 stretching from Whitefish to Skead, from Wanup to Levack, that are identified as areas to:

> "promote the efficient use of land and achieve the desired land use pattern, phasing policies are established to guide new development in designated growth areas. Within areas designated Living Area I, emphasis will be given to intensification, redevelopment and infill opportunities (3.2.2 pg. 26).

In Section 3.3, Intensification, it is noted that

> "Residential intensification is an effective means of ensuring the efficient use of land and infrastructure in the City. Policies aimed at increased intensification are consistent with the desire to concentrate future development in fully serviced Communities... It is an objective of this Plan that by 2015, the amount of growth occurring through intensification will double to 10%."

Intensification as a policy priority leverages existing infrastructure and services and keeps development fees and other taxes fair and reasonable. Within Sudbury's challenging after-amalgamation framework, the healthy and complete community principle under which equal service may be intended, may not be defensible given a 3,500 sq km municipality with marginal growth.

Without the updated OP, no comment can be made on the correlation between the draft DCs, any updated intensification strategies, and whether or not the above-mentioned 10% intensification target has been achieved.

The Housing Section (18) and related Objectives reads:

> "Adequate and affordable housing for all residents is a fundamental component of Greater Sudbury's Healthy Community approach to growth and development. Housing is also a key contributor to individual success at school, in the workplace, and in the community."
>
> "to promote housing as an important component of the economic development strategy."
>
> "to support a range of housing types for seniors, retirees and young cohorts..."

> "support innovation in housing design and development that minimizes cost in the production of affordable housing."

The SDHBA supports the intent of increasing the supply of new housing that is affordable across income cohorts for the various household types and without adding undue risk. That goal, however, cannot be realized without a strategic prioritization of residential intensification areas and fair taxation on new housing.

New Housing Development

Housing development is a significant contributor to the GDP.

It contributes in two basic ways: through private residential investment and consumption spending on housing services. Historically, residential investment has averaged roughly 4-5 percent of GDP while housing services have averaged between 12 and 13 percent, for up to a combined 16 to 18 percent of GDP, depending on the analysis.

The local housing market has not recovered from the 2009 recession. The influencing factors are many but the impact is evidenced by the economic analysis completed for the Ontario Home Builders' Association (see The Economic Impacts of New Home Construction in Appendices).

Between 2016 and 2017, 94 fewer houses were built and the Sudbury market lost:

- 179 on-site residential construction jobs
- $10 Million in wages
- $62 Million in investment value

Cross referencing Building Permit data, the follow new housing developments occurred from January to June, 2018, and this data (and trend) should prioritize future strategic investment:

Onaping Falls	2	Rayside Balfour	11
Greater Sudbury	4	Valley East	18
Nickel Centre	7	Sudbury	34
Walden	7		

In additional to declining housing starts, the new mortgage rules mean that homebuyers will have to save for longer or buy a cheaper house.

In light of the current environment, economic and demographic forecasts, a re-evaluation of the OP priorities and related investments may be required.

The CIP has a number of important community developments that can form a cultural and tourism model to attract further investment and development. The Association supports this vision.

SDHBA FEEDBACK ON DC CATEGORIES

First and foremost, it is impossible to give a complete response without the Background Study and the partial list of Capital Projects that will form the DCs. Also, it is not clear which of the listed projects are growth related and which are maintenance related costs, the later of which must be removed if they do not support substantial growth.

Based on the data and analysis available, the SDHBA and its Members offer the follow comments:

General Government

We support our community and its vision and applaud the commitment to making Sudbury the best city it can be.

1. The following studies do not meet the requirements of the Development Charges Act and should be removed:
    - Zoning By-law Updates — Items 1.1.1-1.1.3
    - Official Plan Updates — Items 1.1.4 and 1.1.5
    - Development Guidelines — Item 1.1.8
    - Nodes and Corridors Strategy — Item 1.1.9
    - Downtown Master Plan — Item 1.1.10
    - Housing Background Study — Item 1.1.11

2. In addition, we ask for more information about Item 1.1.14, Land and Planning Software.

Library Services

1. Item 2.1.3, the Archive Project (2009) does not appear to be related, in any way, to an increase in the need for service arising from anticipated development, and therefore should be removed.
2. Explain the reason for the difference in this BTE - 38% BTE for Item 2.1.5, Main Library – Background Study when the BTE of the Main Library Building is 56%.
3. The Main Library Building, Item 2.1.6, will be downtown, offering central services and rental office and event space. The Main Library space and services will be equally available to all and benefit the entire community, yet the BTE is only 56%.
4. Please provide clarification on how the DCA treats rental (revenue) space within the Main Library Building and if it is taxable.

Fire Services

We are in general agreement with this section with one question:

- BTE of 0% Training Vehicles — Item 3.2.1

Police and Public Safety

Incomplete sections.

Parks and Recreation

With the Benefit to Existing of 'zero' on many Capital Projects, we strongly recommend a serious review and critique of this entire list with a forthcoming explanation of:

- The reason each has been listed
- The BTE calculations and why certain items have a 0% BTE when they clearly benefit the entire community
    - Items 6.1.1, 6.1.3
- The on-going operating cost
- Whether the lands on which projects will developed have been given by developers under the 5% requirement
- Why projects under review are listed
- Why local specific projects are funded by the development industry and not supported by local fundraising

With regards to investment in this category, the SDHBA requests analysis on the City's recreational infrastructure, facilities and programing inventory citing the physical inventory of recreation infrastructure measured against industry standards.

In general, the SDHBA support strategic parks and recreation investment, however, this list seems to go beyond 'reasonable' with an expectation that the development community and new home buyers are to carry the cost of non-essential projects that are in no way related to growth.

Ambulance

We ask for an explanation of the 0% BTE for 8.1 and 8.2.

Emergency Preparedness

We are in agreement with this section.

Transit

We are in agreement with this section.

Roads and Related

With such an expansive list of projects and minimum time to respond, we offer the following at this time:

- With 45% of Development Charges consumed by Roads and Related projects, and with further expansion of our road network, we feel that there must be stronger correlations between Capital Projects and community specific growth with an explanation provided.
- We question some 0% BTE
- Item 12.40 Traffic Lights Improvements – please list
- We need more information and time to fully review and critique this list

Drains

- Please explain why the sub watershed studies BTE is 0%

Water

- Do any of the projects listed double the taxation of Section 391 fees?

Wastewater

- Do any of the projects listed double the taxation of Section 391 fees?

CONCLUSION - SDHBA POSITION

While modest employment and income growth, as foreseen by Hemson and other agencies, is, under the Development Charges Act, a sign to review and possibly increase DCs, the Associations' professionals do not consider the growth robust enough to support an increase in Development Charges and ultimately, the price of new housing.

With Development Charges being a big part of the cost of a new home in an economy that has not shown substantial growth, nor is projected to, and with the ultimate cost being fronted by Sudbury builders and homebuyers, the SDHBA is voicing concern over the draft list of Capital Projects that will formulate the DC to be ultimately proposed. We need to assess the potential impact of any tax increase that will effect industrial, commercial and residential development and stifle job growth. We need to preserve the health of our local businesses and housing market.

Our concerns, comments and ideas are summarized below:

1. The use of DC should appropriately reflect investment required to support growth and not be an alternative to funding projects that should be supported through other tax mechanisms. How much tax is too much and, within that question, what projects are not growth related but "nice-to-haves"?

2. In the largest Ontario Municipality facing a flat economic and aging population scenario, the principle of building 'healthy complete communities' must be re-evaluated within the framework of on-going operational sustainability. It is not unheard of that small communities within a larger municipality fund raise for non-essential amenities, and we believe it's time that such projects be funded by those that will ultimately use them.

3. Population and household growth alone cannot be justification for an increase in DCs, for even with household growth, the size of households is declining thus creating an excess in capacity. This must be fully demonstrated in the next version.

4. At times, the list of DCs seem to be random, not to strategic, with projects, capital, and taxes attempting to reach every corner of the Municipality. We support DCs that reflect strategic

investment, that considers the current economic reality, that intensifies a small number of *key* priority areas, and that are operationally sustainable.

5. Cost-benefit analysis should accompany the DCs and major projects.

6. Projects that are "maintenance" due to life-cycle required upgrades must be separated and omitted from the DC list unless there is substantial growth in that community to warrant the related level of expenditure.

7. Studies that do not met the DCA criteria must be removed.

8. The comments as stated in SDHBA Feedback by Categories be addressed.

9. Consider that developers, builders and home buyers are hit multiple times through various taxes. The impact of compounding taxation trickles down through our locally owned companies and business with the weight being borne by the industry and home buyers. Arguably, less income is available to spend and support local business.

10. Consider the additional costs to developers, builders and home buyers of the Energy Efficiency requirements.

11. Prior to the revision of the DCs, assess the strength and limits of our market and economy.

12. In support of a fair, equitable and affordable housing market, we ask that the Municipality consider staggered development charges with rates based on house value and square footage. Increasing the supply and variety of small to medium sized homes can meet the demands and needs of the current population as well as be an attraction for new population.

13. Without the Background Study and the incomplete list of Capital Projects, we cannot offer a final recommendation. We see this response as part of a continuing conversation and negotiation.

14. In order for the industry to provide robust feedback, we ask that the Municipality recognize the time required to solicit feedback from and meet with our members and write a response. We hope more time is given next time.

We thank you for this opportunity to contribute to the Development Charges process and look forward to further discussions.

Appendix D.1

Sudbury and District Home Builders' Association

APPENDICES

Appendix 1: Economic Impacts of New Home Construction

Canadian Home Builders' Association

Greater Sudbury

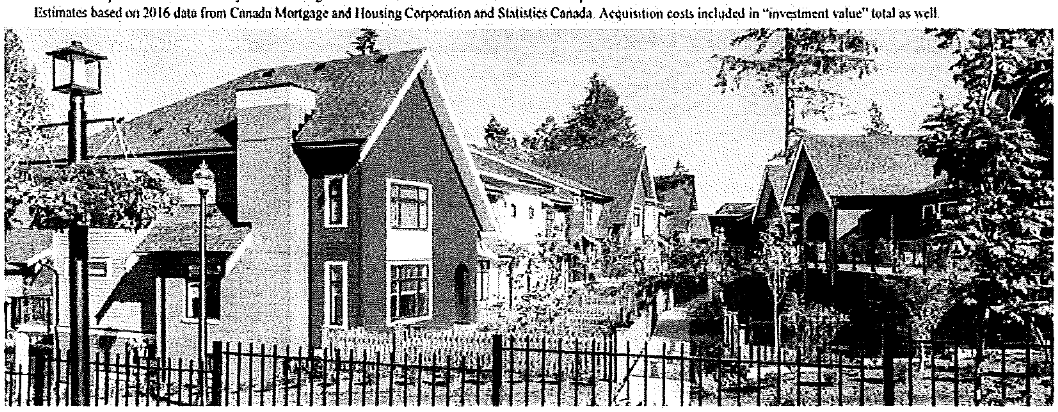
2016 ECONOMIC IMPACTS OF NEW HOME CONSTRUCTION

The new home building industry is essential to Greater Sudbury's economic strength and prosperity.

289	**New housing starts** – a key to economic growth in our community.
610	**On-site and off-site jobs** in new home construction, a major source of employment in Greater Sudbury.
$36	**Million in wages** – that show up in purchases across the entire local economy.
$125	**Million in investment value** – the largest single wealth-builder for most families.

For more information, please contact: Laura Higgs, Executive Officer
Sudbury & District HBA | 1942 Regent Street, Unit C, Sudbury, ON P3E 5V5
[redacted] | http://sudburyhomebuilders.com/

Economic Impacts were calculated by Will Dunning Inc. Economic Research for the Census Metropolitan Area.
Estimates based on 2016 data from Canada Mortgage and Housing Corporation and Statistics Canada. Acquisition costs included in "investment value" total as well.



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Sudbury and District Home Builders' Association

Canadian Home Builders' Association

Greater Sudbury

2017 ECONOMIC IMPACTS OF NEW HOME CONSTRUCTION

The new home building industry is essential to Greater Sudbury's economic strength and prosperity.

195	**New housing starts** – a key to economic growth in our community.
441	**On-site and off-site jobs** in new home construction, a major source of employment in Greater Sudbury.
$26	**Million in wages** – that show up in purchases across the entire local economy.
$63	**Million in investment value** – the largest single wealth-builder for most families.

For more information, please contact: Elizabeth De Luisa, Executive Officer
Sudbury & District HBA | 1942 Regent Street, Unit C, Sudbury, ON P3E 5V5
[redacted] | http://sudburyhomebuilders.com/

Economic Impacts were calculated by Will Dunning Inc Economic Research for the Census Metropolitan Area.
Estimates based on 2017 data from Canada Mortgage and Housing Corporation and Statistics Canada. Acquisition costs included in "investment value" total as well.

Appendix 2: Member Written Feedback

Note: Some text modified for confidentiality.

"The issue we encounter is that due to the rising costs for builders, some are trying to cut costs where they can, therefore in some cases, builders are using suppliers from out of town to install our product in new homes, which affects our business. We are a locally owned company. When we support local companies, the money stays within our community."

"Since history has shown that current private builds account for close to 50% in the singles and 200% in multiples new construction starts, how do they affect and get calculated into the future Development Charges amount?"

"When you look at the numbers presented by Hemson, if you review 2016 to 2031, the population growth is 2.5%, the household growth at 6%. How can that happen with only 2.5% population growth and employment growth of 4%?"

"I've been in this industry since 1980 and since 2009 we have been stagnant. My opinion is to work on creating new jobs by working with manufactures and companies to FIRST increase growth. Development Charges should be dropped to stimulate growth in new housing and in turn you are generating revenue with new property tax. You can increase the property tax to these new home by 2 to 3% to offset the reduction of development charges ... could this be an alternative?"

"We need to realize we will be losing a large percentage of retail space due to online shopping. How will this affect property tax revenue?"

"Our city is not "growing" and yet our city government is planning to spend monies in ways that might not be helping the city to grow and afford some of the grandiose projects now being considered or already on the books. Splash pads, skate parks, dog parks are nice things to have but with a tax base that is not growing can the city afford these "nice" things right now? What about community fund raising or selling corporate signage to pay for these types of items? What are the costs of maintaining these splash pads and items over the long term? Is there a plan in place to make up for those costs? Will the City impose a User Fee?"

"I like splash pads, dog parks, skate parks, swimming, pools, soccer fields, etc., but what we need is a city or politicians that can perform on growth and not just talk about it. We also need more transparency in how these items end up on the table and why they are being considered."

"It seems to me a large percentage of people who have projects in mind are halted by bureaucracy in Sudbury and it's not getting better. We are doing a project in a small town out of Sudbury and that city welcomed the growth with open arms. Actually, the project is all approved and on its way without the road and all the infrastructure in place...WOW what a different view of growth versus Sudbury."

"We have a succession plan for our company however we are not sure if we will be able to sustain what we have established in the past 35 years, and if we do not find a proper solution we might be forced to restructure. It's sad to see what we have all worked on building in the last 20 to 30 years is starting to crumble."

Appendix D.1

Sudbury and District Home Builders' Association

Sudbury & District Home Builders' Association

Association des constructeurs d'habitations du district de Sudbury

Thank you

Should you have any questions, please feel free to call

Elizabeth De Luisa

Executive Officer

Sudbury and District Home Builders' Association

[redacted]

Coalition for a Liveable Sudbury

Making connections. Working toward sustainability.

April 29, 2014

City of Greater Sudbury
City Clerk
P.O. Box 5000 Station A
200 Brady Street
Sudbury ON P3A 5P3

Coalition for a Liveable Sudbury written submission.
Re: Development Charges

Within the limitations of the Development Charges Act, Development Charges should have two main objectives:

- Fiscal sustainability: charges reflect actual servicing costs as they vary with location, development patterns, and type of use.
- Planning tool: support planning goals such as intensification, use of existing services, sustainable mobility, and watershed planning

Fortunately, these two objectives coincide well. By supporting good planning principles, infrastructure costs are reduced over the lifetime of the development.

Development charges as a planning tool

Development charges have the potential to influence the location and design of development within our community. Therefore, development charges must be seen not just as a revenue generator but as planning tool as well.

Development charges should support healthy community, sustainable mobility, sustainable development, and intensification goals.

Sustainable mobility infrastructure is a growing need in our community. Funding for pedestrian, cycling and transit infrastructure should be specified so that it is integrated in all new developments so that they are walkable, bikeable, and well serviced by transit.

Protecting water quality is another top priority for our community. Development charges should encourage best practices when it comes to water quality, shoreline development, low impact development, and storm water management.

Affordable housing is another need in our community that can be supported by development charge policies.

A system that uses uniform or average cost development charges (as in Greater Sudbury) subsidizes development with higher capital costs and long term costs to the city. Factors such as location, lot size, density, and development design will affect how much infrastructure is required. Using development charges that reflect the true cost of providing services can support planning goals by steering development to more efficient locations, and away from high cost sites.

Development charges and fiscal sustainability

Development charges are seen as a revenue generator. However, it is very important to think ahead to the long term net cost or benefit of a development. Some developments, and nearly all residential developments, will be a net loss to the City when it comes to cost of services versus taxes received. Longer term fiscal sustainability must be kept in mind.

The infrastructure deficit is a significant challenge for the municipality. Life cycle costs of maintaining and renewing infrastructure continue to rise. It is important to limit the amount of new infrastructure that will have to be maintained in the future. It is also important to understand the true lifetime costs of development, depending on its form and location. Development charges are a fiscal tool to recover costs of new development, but should also be used to encourage growth that supports fiscal sustainability into the future.

On going service costs for commercial development is roughly 0.30 cents for $1.00 of tax revenue. Agricultural land has a similar net benefit (roughly $0.34 : $1.00).

However, residential development is a net loss to the municipality. For example, in Burlington, each residential unit costs $1.40 in services for every $1.00 received in property tax. Comparable numbers have been found in other municipalities.
The net loss is greater for rural residential, and least for high density infill development. Infrastructure and service provision is more cost effective for higher density development. Using existing infrastructure is more cost effective than building new infrastructure.

Alternative development standards using smart growth principles have led to lower infrastructure costs. For example, in Ottawa, construction costs were $8500 less per unit with alternative versus standard development standards. The Canada Mortgage and Housing Corporation compared the cost of infrastructure provision for a traditional residential development versus a 'smart growth' or 'new urbanist' design. They found that initial costs to provide infrastructure and services would be $4,301 less per unit, with a saving of $10,977 per unit over the infrastructure's life cycle. Another comparative study by CMHC found total costs to be 20% lower.

Appendix D.2

Recommendations

1. To reflect the difference in capital burdens of different residential projects, and to meet planning objectives:

- Development charges should rise with lower density: both the #units/ha and the total floor space should be considered
- Development charges should be lower for mixed use projects: commercial elements will be a gain for the C[illegible] and will allow residents to walk to more destinations, reducing wear on roads infrastructure.
- Development charges should vary by area: development charges should reflect differing costs by area. For examples, town centres and infill projects should have lower development charges than greenfield projects; development charges should be lower where there is existing infrastructure; and development charges should be lower for urban versus rural residential development.
- Development charges should reward high performance design that lower the impact on municipal infrastructure and/or meet planning objectives: projects with alternative development standards following smart growth principles, using green infrastructure, using low impact development, protecting natural heritage features, or supporting sustainable transportation should be encouraged with lower development charges, faster processing of development applications, or greater flexibility in timing of payment (especially beneficial for projects that take a long time to complete). Similar incentives are already in place to encourage development of brownfields, and in the downtown core. Developers should be consulted on what the most effective incentives would be.

Area specific pricing means calculating and assigning costs within specific parts of the municipality. This is especially relevant to Greater Sudbury, with such a wide range of areas within the municipality.
Area specific pricing encourages more efficient development and equitable distribution of costs.
Note that area specific development charges do not have to apply to all services. For example, in Markham, a city wide average approach is used for city wide services like general government and libraries, while area specific charges are calculated for illumination, roads, sewers, storm water management, etc.

An audit assessing the cost of services and the tax revenue generated for different locations and types of development would contribute to an accurate area specific approach.

2. Funding for sustainable mobility infrastructure from development charges should be specified so that it is integrated in all new developments.

3. Specific mention should be made of best practices for shoreline development, low impact development within urban watersheds, and protection of natural heritage features on the property. These attributes should be rewarded with lower development charges or faster processing of applications.

4. Similarly, affordable housing projects and mixed use projects should be rewarded.

Thank you for the opportunity to comment.

Contact:
Naomi Grant
Chair, Coalition for a Liveable Sudbury
[redacted]

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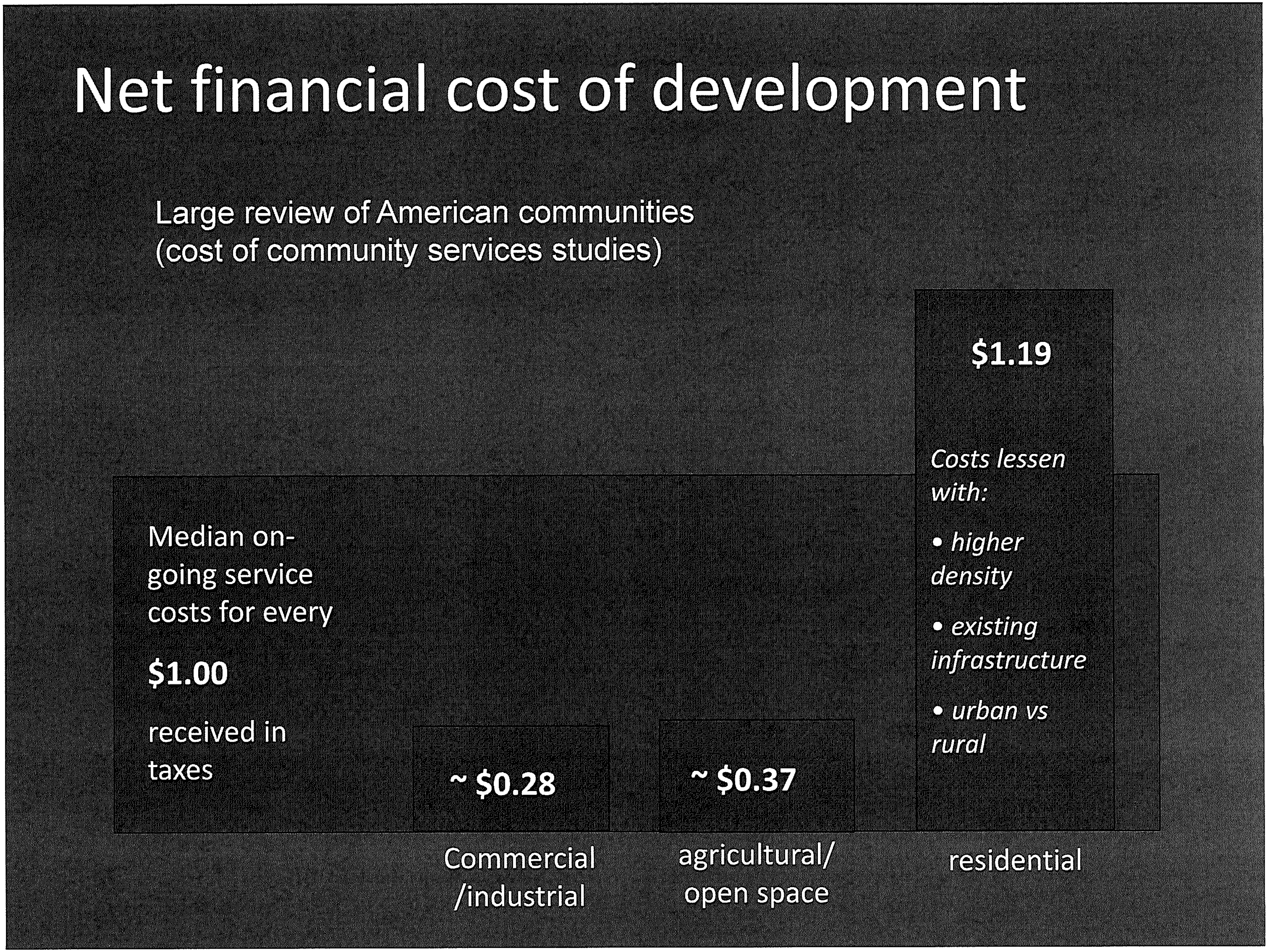
Coalition for a Liveable Sudbury

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 services studies)
Median on-going service costs for every
$1.00
received in taxes
~ $0.28
~ $0.37
$1.19
Costs lessen with:
• higher density
• existing infrastructure
• urban vs rural
Commercial /industrial
agricultural/ open space
residential

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

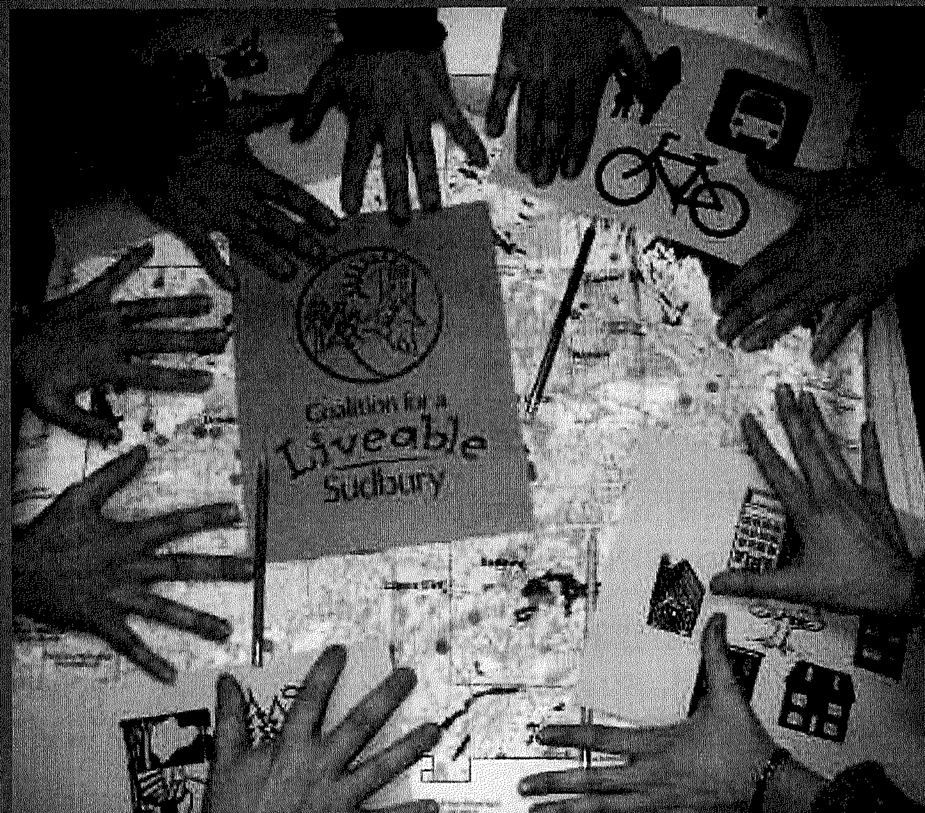
Recommendations

- 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

- CONSULT WITH DEVELOPMENT COMMUNITY ON MOST EFFECTIVE INCENTIVES



Thank you

References

In written submission, plus:

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Montreal, December 19th 2018

By email: kris.longston@greatersudbury.ca

M. Kris Longston
Manager – Community & Strategic Planning
City of Greater Sudbury
200 Brady St.,
Sudbury, Ontario, P3A 5P3

Subject : Request to include a property within the Downtown DC exempt area.

Mr. Longston,

We are the owners of a piece of land overlooking city hall (see attached pin description) and we are working hard on building a project to house 826 people in 2 buildings of 17 stories, one for affordable seniors assisted living retirement home of 476 units, and another for affordable housing consisting of 350 units. In order for us to be in a financial position to provide affordable housing without city subsidies, we would need to be exempt from development charge fees.

Following a meeting with the Mayor, Jason Ferrigan and Fern Cormier to name a few, we have been referred to your department to seek such an exemption. As you will see, our property is partially in the downtown DC exempt area, and partially out of it. We would like to formally request that all of our property be included as part of the downtown DC exempt area.

Secondly, we would request that the Council considers granting us an exemption of development charges for this project of 826 units, to facilitate the construction of the affordable building and the senior's affordable assisted living retirement home.

We are available should you have any questions, and would like to thank you in advance for the time you will invest in our request.

Yours truly,

JACK WOLOFSKY
President, 2356268 Ontario Ltd

[redacted]