From Cost Recovery Levy to Smart Growth Policy Tool

Nabila Haque & Sasha Tsenkova

Building Resilience 2017
Canadian Institute of Planners
Low density suburban development – dominant urban growth pattern
- Environmental and economic externalities (Brueckner, 2000)
- Higher upfront cost for municipalities (Blais, 2003; Tomalty and Skaburskis, 2003)

Smart growth plans
- 2007 - “Plan It Calgary” 60-year plan
- Municipal Development Plan (MDP) – integration of sustainable land use and mobility

Calgary shows lack of progress on the ground.

Diversity in implementation of smart growth plans: divergent suburban growth patterns
Research Problem

What is DCC?

- Development levies, capital cost charges, off-site levies or development impact fees.
- Developers pay for the cost of infrastructure that is internal to a new community that they are building including internal roads, sidewalks, parks, bus stops, etc.
- When a new community is built, there are also impacts on infrastructure outside of that specific community--major roads, sewage treatment system, fire & police services.
- The City of Calgary charges developers (residential, commercial, industrial) a levy that helps pay for the cost of the off-site infrastructure and share the costs of growth. – DCC.
• Development Cost Charges (DCCs) – flexible tool, but its implementation does not support smart growth objectives.
  
  • Independent of distance and density (Blais, 2010)
  • Acts as a cross subsidy (Burge and Ihlanfeldt 2013)
  • Encourage inefficient land use
    (Amborski, 2011; Blais, 2010; Baumiester 2012, Brueckner, 2000; Burge and Ihlanfeldt 2013; Slack, 2000).

• What is needed....

  Municipalities should better align the design of their development charges with growth management policies.

• How?
How? Key Design Criteria

- Efficiency
- Equity
- Transparency
- Consistency/Predictability
Theoretical Approaches & Key Concepts

• Economic Approaches: Efficiency & Transparency

Address market distortions & inefficient low density development

“While sprawl is typically believed to be a result of market forces expressing consumer preferences, in fact a web of local zoning ordinances, state policies, and federal laws and programs has encouraged sprawl to such a degree that it is often difficult to build anything else.” (Burchell et al., 2005)

“Any restructuring of DCs should be based on the principle that the charges reflect actual servicing costs as they vary with location, development pattern, and type of use —that is, based on true cost pricing.” (Blais, 2010; Slack, 2002)

• Planning Approaches: Equity & Consistency

Design DCCs in conjunction with smart growth management strategies to support planning objectives.

“Fiscal policy, when uncoordinated with urban planning, is an element that could bring about an inefficient urban structure.” (McFarlane, 1999)

“By undercharging new homeowners for the infrastructure costs they generate, the current system of public finance leads to urban sprawl.” (Brueckner, 2000)

“A well-designed development charges system can reinforce planning goals by steering development away from high-cost sites to more efficient locations.” (Tomalty and Skaburskis, 2003)
Purpose of the Research

Purpose....

- To examine how development cost charges (DCCs) can be designed to provide the right incentive for more compact urban development and implementation of urban planning policies related to sustainable growth.

Anticipated Contribution....

- It will provide a comparative evaluation of the impact of DCCs on key social, economic and environmental outcomes of the various growth management strategies through a credible, research-based body of information.
Broader Conceptual Framework

- **Economic**
  - Cost of Providing Infrastructure and Services
  - Higher Density Developments Subsidizing Low-density Fringe Development
  - Increasing Fringe Area Development

- **Environment**
  - High traffic volume – Air Pollution; Degrading Water Quality
  - Loss of Agricultural Land
  - Loss of Habitat
  - Decrease in Open Space

- **Health**
  - Auto-Dependency; Reduced Walkability
  - Stress – Longer Commute; Increased congestion; Community Segregation

- **Social**
  - Exclusionary Influence
  - Educational System

- **Policy/Decision Making**
  - Urban Growth Management
  - Infrastructure Financing

- **Focus: Residential**

Relationship between DCC and city growth
The Questionnaire Survey:
- 30 semi structured key-informant interviews in
- 3 jurisdictions: City of Calgary, City of Vancouver and Greater Toronto Area (GTA)
- 3 municipal officials, 3 land developers, 2 financing institutions and 2 provincial officials
- Within Calgary – an inner-city and a new suburban community.
- Internet-based customized survey screens
Concluding Comments

• Development charges, even if widely deployed in different ways, cannot solve all growth-related problems.
• Each municipality has different development contexts and needs; so there is no one-size-fits-all solution.
• As a fiscal policy tool, the design of development charges needs to promote an efficient, equitable and transparent system that is implemented in a predictable and consistent manner to avoid market distortions.
• Fiscal tools need to be aligned with financial and regulatory growth management strategies to encourage more compact and sustainable urban development.

Further Research.......  

• Has both theoretical significance and practical application addressing a real-world need.
• Aims to bring together the progressive experience of planners, architects, developers and experts of municipal finance and infrastructure development, who share a common goal of building better communities in Canada.
Thank you!
References

GROWTH MANAGEMENT IN A CANADIAN CONTEXT

Why city-regional growth management matters and how it is rapidly evolving

Melanie Hare,
Urban Strategies Inc
CIP, Building Resilience June 2017
Recent City-Regional Plans

- 2017: Greater Golden Horseshoe
- 2014: Calgary
- 2016: Edmonton
- 2011: Vancouver
- 2016: Victoria
- 2015: Montreal
- 2014: Halifax
- 2010: Chicago
Varied Scale and context

Greater Golden Horseshoe
- 21 municipalities
- 3,156,200 hectares

Calgary
- 12 municipalities
- 510,755 hectares

Edmonton
- 24 municipalities
- 943,900 hectares

Vancouver
- 23 municipalities
- 270,000 hectares

Victoria
- 13 municipalities
- 234,049 hectares

Montreal
- 82 municipalities
- 436,000 hectares

Halifax
- 17 municipalities
- 549,035 hectares

Chicago
- 284 municipalities
- 2,812,000 hectares
Significant and ongoing growth projected

<table>
<thead>
<tr>
<th>Area</th>
<th>2023</th>
<th>2041</th>
<th>2061</th>
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<tbody>
<tr>
<td>Greater Golden Horseshoe</td>
<td>9.25M (current)</td>
<td>13.5M (in 2041)</td>
<td>1.21M (current)</td>
</tr>
<tr>
<td>Calgary</td>
<td>1.21M (current)</td>
<td>3M (in 2076)</td>
<td>1.25M (current)</td>
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<td>Edmonton</td>
<td>1.25M (current)</td>
<td>1.95M (in 2044)</td>
<td>2.35M (current)</td>
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<tr>
<td>Vancouver</td>
<td>2.35M (current)</td>
<td>3.44 (in 2041)</td>
<td>8.6M (current)</td>
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<tr>
<td>Victoria</td>
<td>346,900 (current)</td>
<td>3.9M (current)</td>
<td>409,500 (current)</td>
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<td>Montreal</td>
<td>441,800 (in 2038)</td>
<td>482,625 (current)</td>
<td>11M (in 2040)</td>
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<td>Halifax</td>
<td>409,500 (current)</td>
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<td>Chicago</td>
<td>8.6M (current)</td>
<td>11M (in 2040)</td>
<td>8.6M (current)</td>
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</table>
Competitiveness:
Global Economic Position and Talent Attraction
Resiliency: Climate Change, Adaptation and GHG reduction
Integration:
Mobility, Growth, Infrastructure
Collaboration:
Municipal, Sectoral, Community Hubs

Wychwood Barns, kikisbff.blogspot.ca
Future forward to 2076......
Edmonton Metropolitan Region Growth Plan
Achieving the Vision
The Growth Plan Implementation Process

Member Municipalities - Implementation Planning Items

- Municipal Development Plan Updates
- Regional Context Statements
- New Statutory Plans
- Non-Statutory Plans

REF & Referral Process

- Regional Evaluation Framework for Approval
- CRB Referral for Comment

CRB - Data Analysis Implementation Items

<table>
<thead>
<tr>
<th>CRB Future Studies</th>
<th>CRB Amendments to Plan</th>
<th>CRB Updates to Plan</th>
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<td></td>
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<td>2 Year, 5 Year, 10 Year</td>
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Monitoring and Reporting
Implementation Mechanisms

Member Municipalities - Implementation Planning Items

Regional Context Statements

Municipal Development Plan Updates

New Statutory Plans

Non-Statutory Plans
Implementation Mechanisms

REF & Referral Process

Regional Evaluation Framework for Approval

CRB Referral for Comment
Implementation Mechanisms

CRB - Data Analysis Implementation Items

- CRB Future Studies
- CRB Amendments to Plan
- CRB Updates to Plan
  - 2 Year, 5 Year, 10 Year

Monitoring and Reporting
Monitoring and Reporting

Population Change (2011-2016)

- Red: Decrease
- Light Blue: 0-5%
- Medium Blue: 5-10%
- Dark Blue: 10-15%
- Darker Blue: > 15%
Slide 1
Implementation
Edmonton Metropolitan Region Growth Plan

Slide 2
All the great work of the Plan needs a cohesive and integrated implementation approach.
• Implementation needs to:
  • work within existing systems,
  • build understanding of what drives growth, and what needs to be protected, and
  • gather data to analyze and report on the effectiveness of the Plan in achieving the 50 year vision.

Slide 3
The Plan needs a comprehensive implementation approach that aligns with the Alberta planning hierarchy and municipal processes.
- Through discussions regarding implementation, it is recognized that implementation needs to go beyond land use plans – the Task Force and member municipalities identified gaps with respect to implementation, such as:
  - Implementation beyond land use plans.
  - Linking to policy areas, key growth targets (desire to have more than residential density targets).
  - Further CRB studies and initiatives – what we can do later that we do not have time to do now (during the update process).
  - Greater emphasis of the link between land use and infrastructure.

Slide 4
The Growth Plan introduces a number of transition mechanisms to implement the Plan with three areas of focus:
1. Planning Mechanisms (orange)
   • Municipal planning activities
2. Regional Evaluation Framework (purple)
   • Provincial mechanism
3. Data Analysis (aqua)
These transition mechanisms are subject to approval by the Government of Alberta.

Slide 5
The Planning Mechanisms - Municipality Implementation Items

Regional Context Statements
• Member municipalities are required to conduct an initial scan and gap analysis of existing Municipal Development Plans (equivalent to Official Community Plans in BC, and Official Plans in ON) against the objectives and policies of the Growth Plan.
• The intent is that the Regional Context Statement will serve as a terms of reference for the development or update of their Municipal Development Plans. As well, through this process municipalities may identify gaps within their planning structure (tools) and identify other priorities (opportunities) that are needed to meet the objectives of the Growth Plan (e.g. Transportation Master Plan, Infrastructure Master Plan).

Municipal Development Plans
• A key gap in the implementation of the existing 2010 Growth Plan identified through the update process was alignment of Municipal Development Plan policy with the Growth Plan.
• A number of Municipal Development Plans within the Capital Region did not undergo a comprehensive review or update after the adoption of the 2010 Growth Plan. Therefore, principles and polices of the Growth Plan were not fully incorporated into this critical municipal level planning document, and implementation at the municipal level was not fully realized.
• To address this, there was a push to require member municipalities to update their Municipal Development Plans within 2 years of proclamation. (Originally it was proposed to be 3 years, but CRB members felt this was too long, and that the statutory alignment of the Growth Plan with municipal planning was critical).

Non-Statutory Plans
• The Municipal Government Act, which is the provincial legislation in Alberta, identifies Conceptual Schemes as a planning tool, but these plans are not statutory.
• Historically, municipalities have used these and other non-statutory documents (e.g. outline plans) to guide growth and development. However, due to their non-statutory status, they were not subject to the same review and requirements for alignment with higher order plans.
• As a result, a policy within the Growth Plan states that moving forward, all growth must be governed by Statutory Plans below a Municipal Development Plan.
• Implementation policy also requested the Government of Alberta to clarify the status of non-statutory plans.

The effect of all this is:
• Greater accountability for municipalities to implement applicable objectives and policies through Municipal Development Plans, and statutory plans – to create a stronger link between regional policy and municipal planning activities (or tools).

Slide 6
IMPLEMENTATION
Regional Evaluation Framework – Provincial Mechanism

Regional Evaluation Framework
- The Regional Evaluation Framework is a Provincial Ministerial Order that requires municipal statutory plans, meeting submission criteria, to be submitted to the Capital Region Board for evaluation against the principles and policies of the Growth Plan.
- Purpose is to ensure (accountability) municipalities are implementing land use policies of the Growth Plan through their statutory planning documents.
- Key areas of evaluation – residential density targets.
- This approval process is formal and set – the CRB administration provides a recommendation to the Board, and there is an opportunity for member municipalities to appeal the recommendation.

Referrals
- It has been previously mentioned that the Metropolitan Region Growth Plan is more than a land use plan – in recognition of this, and to reinforce the impact of infrastructure decisions on land use, member municipalities will be required to circulate Master Plans to the Capital Region Board for review against the objectives and policies of the Growth Plan.
- This is NOT an approval process (whereas the Regional Evaluation Framework is). The intent is that Master Plans are circulated to the Capital Region Board as part of a municipality’s standard agency circulation process to:
  a) provide the Capital Region Board the opportunity to provide comment and recommendations with respect to the alignment of the Master Plan with the Growth Plan, and
  b) provide data to the Capital Region Board on municipal infrastructure plans and priorities.
**Slide 7**

CRB Implementation Items: Data Analysis

**Future Studies**
- A number of future work items are critical to implementing key policies of the Growth Plan.
- These are identified in the Growth Plan, and outcomes (recommended policy) will be incorporated into the Growth Plan through formal amendments.
- Proposed amendments must be considered by the Capital Region Board and the Government of Alberta.

**Amendments to the Growth Plan**
- The Board may consider amendments to the Growth Plan (through their bylaws).
- Amendments to the Growth Plan may be necessary to address:
  - outcomes of future CRB studies,
  - changes to the Metropolitan Regional Structure (the Growth Plan includes a process for this), and
  - outcomes of the two-year update, five-year interim review and 10-year comprehensive review.

**CRB Updates to Plan**
To ensure the Growth Plan is responsive and relevant, implementation of the Plan formalizes a review and update process.

**Two-Year Update:**
- intended to incorporate the outcomes of future studies that have been identified as priorities – such as the Land Evaluation and Site Assessment Tool, Regional Agriculture Master Plan and Regional Infrastructure Master Plan

**Five-Year Interim Review:**
- intended to review and update employment and population projections (this aligns with the releases of federal census data),
- consider the need for amendments to the Plan if results of key performance indicators show outcomes are not being met; and
- amend the Growth Plan to integrate the outcomes of other future studies.

**10-Year Comprehensive Review**
- to undertake a comprehensive review and update of the Growth Plan, beginning in year eight.
- The CRB will determine the scope of the review in consultation with the Government of Alberta.

**Slide 8**

CRB Implementation Items:
- The Edmonton Metropolitan Region Growth Plan is built on the successes of the current 2010 Growth Plan.
- One example is the development of the Capital Region Geographic Information Services Platform.
- The CRGIS is a regionally significant data visualization and analytical tool that supports and enables better planning and decision making, at multiple scales, by creating context.
- The visualization of data and information has been an invaluable tool to support the Plan’s policy directions and will be key to future monitoring and reporting on progress towards and outcomes of the Growth Plan.
- The results will inform future amendments to the Plan in year five and for the next update of the Plan in 10 years’ time.

**Slide 9**

Updates, Monitoring and Reporting continued
Key Performance Indicators:

• CRB will collect data for KPIs from member municipalities, federal and provincial agencies, relevant regional stakeholder organizations and agencies, and subject matter experts, and will publish an annual report.
• The example shown is change in population over 5 years.

Reporting:

• The CRB will submit the annual report to the Minister of Municipal Affairs before August 31 of each year.

Slide 10
Closing thoughts...

• Through the experiences and lessons learned through implementation of the 2010 Growth Plan, the Capital Region Board, its members, and Administration understand that robust implementation policies and tools are necessary for a successful plan.
• As a result, the Metropolitan Region Growth Plan spent considerable effort to develop and consider ways to use existing municipal processes (e.g. statutory plans), build a baseline of understanding (future studies), and tools to track and analyze data and effects of the Growth Plan (GIS and key performance indicators).
• A robust implementation plan will support the region’s progress towards achieving the Plan’s 50 year vision. It is a significant step forward and key to success, resulting in a stronger Growth Plan and in the end, a stronger region.
Growth Management in a Canadian Context
Why City/Regional Growth Management Matters

Malcolm Bruce MSM
CEO, Capital Region Board

June 18, 2017
Edmonton Metropolitan Region Growth Plan

- Regional Context
- Plan Imperative
- Key Outcomes
- Lessons Learned
Edmonton Metropolitan Region

Population 1.3M
Jobs 725,000
30% Provincial GDP
12,384 KM

5 Counties
2 Villages
12 Towns
5 Cities
24 Members

Regulatory Change will reduce membership
40 Years of Prosperity

1974
Population: 560,000
22,650 ha footprint
1.8% of total land area

2014
Population: 1,234,000
69,930 ha footprint
5.6% of total land area

June 18, 2017
Land Consumption & Growth

Land Need (Quarter Sections) by Current and Proposed Growth Plan

<table>
<thead>
<tr>
<th></th>
<th>Total Land Req’d</th>
<th>Land for Urban Growth</th>
<th>Land for Rural Growth</th>
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<tr>
<td>Current Growth Plan</td>
<td>765</td>
<td>443</td>
<td>322</td>
</tr>
<tr>
<td>Proposed Growth Plan</td>
<td>466</td>
<td>321</td>
<td>145</td>
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June 18, 2017
Approach

• Understand the Context for the Plan
• Plan without Borders
• Evidence-based Analysis & Decision-making
• Comprehensive Engagement Plan
• Strive for consensus
• Answer all the Mail

Edmonton Metropolitan Region Growth Plan

October 13, 2016
Managing for Growth

Schedule 2:
Edmonton Metropolitan Regional Structure to 2044

June 18, 2017
Policy Framework

Regional Growth

Communities & Housing
Natural Living Systems
Economic Competitiveness & Employment
Integration of Land Use & Infrastructure
Agriculture
Transportation Systems

Regional Context Statements & Municipal Development Plan Updates
Future Studies
Amendments & Updates to the Growth Plan
Monitoring & Reporting
Geographic Information Services

IMPLEMENTATION

June 18, 2017
Plan Outcomes

Outcomes of the Edmonton Metropolitan Region Growth Plan

- Compact development & efficient infrastructure
- Complete communities & housing diversity
- A multi-modal & integrated regional transportation system
- A diverse, globally competitive economy & prosperous Region
- A thriving agricultural sector & an integrated regional food system
- Healthy natural living systems & climate change adaptability

765 quarter sections
2010 Growth Plan Policies

250 quarter sections
2044 Growth Plan Policies

515 quarter sections
Land Savings

$5.0 Billion in infrastructure savings

June 18, 2017
Lessons Learned

- **Governance**
- Resource the effort
- Project Management
- Budget Contingency
- Facilitator
- **Technical & Subject Matter Experts**
- Plan for the final product
- Build Trust through consistency – meeting structure and materials
- **Discipline the process – approval of project deliverables**
- Communications Plan
- **Comprehensive Engagement Strategy & Plan**
- **Evidence Based Approach – Data Visualization using GIS**
- Scenario Analysis
THANK YOU

Visit us at capitalregionboard.ca

Edmonton Metropolitan Region
Growth Plan

June 18, 2017
Growth Plan for the Greater Golden Horseshoe

Larry Clay
Assistant Deputy Minister
Ontario Growth Secretariat
Ontario Ministry of Municipal Affairs
The Greater Golden Horseshoe

- Home to 25% of Canadians
- 110 municipalities
- 70% of Ontario’s and almost ¼ of Canada’s GDP
- Toronto: 4th largest city in North America
Informing Growth – Population Trends

The GGH houses 25% of Canada’s population

Over 1 in 3 new immigrants settles in the region

Immigration will be the main driver of population growth

Larger seniors population  
Higher birth rates
Informing Growth – Employment Trends

- The GGH has 26% of Canada’s jobs
- Majority of new business start-ups occur in the region
- The nature of employment is changing
- Growing importance of transit and transportation (goods and people)
Why Does Regional Growth Planning Matter?

- Dramatic growth forecasted
- Inter-jurisdictional issues
- Housing affordability
- Without planning, modelling shows by 2031:
  - Loss of 800 km² of agricultural and rural land to urbanization.
  - 140% increase in road delay.
  - Higher rates of obesity, heart disease and type-2 diabetes.
  - 29% increase in CO2 emissions.

Compact Development = Infrastructure Cost Savings
How the Growth Plan Works: Forecasts

• The Growth Plan contains population and employment forecasts for all upper- and single-tier municipalities.
  • Upper-tier municipalities (e.g., York Region) allocate these forecasts to lower-tier municipalities (e.g., City of Markham).

• Municipalities are required to use employment and population forecasts when planning growth and infrastructure.

• The forecasts are to be reviewed and updated every five years.
How the Growth Plan Works

Direct growth to built up areas

Create compact complete communities, with range and mix of housing

Revitalize downtowns & intensification areas

Protect what is valuable

Photo: City of Mississauga
How the Growth Plan Works

- Plan and preserve employment lands
- Increase transportation choices
- Align planning and infrastructure investments
- Build better suburbs
Successes & Learnings

Successes so far...

- Have seen increases in intensification across region
- Urban expansions into rural and ag lands more restricted
- A shift to higher density residential types and greater mix of housing
- Increased transit ridership and investments in transit
- Majority of GTA’s new major office aligning with transit

What we’ve learned so far...

- Clarity important – provincial guidance
- “Where to draw the line”
- Performance measurement, data and evidence
- Integrated planning
- Outreach and Education
Growth Plan 2017 – Major Changes

Managing growth and optimizing infrastructure investments
• Increased intensification target
• Higher density in DGA
• New targets for MTSA’s on priority transit corridors
• Standardized land budgeting methodology

Stronger protections for employment lands
• Conversions
• Prime Employment Areas

New agricultural and natural heritage system mapping across entire GGH
• Stronger protection
• Sustainable agricultural industry

Focus on climate change
• GHG reduction and watershed planning
Related Planning Changes

- Growing the Greenbelt
- OMB Reform
- Inclusionary zoning
- Second Suites
- Regional Transportation Planning (Big Move)
- Climate Change
2041 – What Will it Look Like?

- More complete communities
- Less urban sprawl, more compact urban form and diverse housing mix - especially along transit
- Stronger linkages with planning and infrastructure
- Stronger protection of natural heritage, water and agriculture
- Focus on climate change – more resilient communities
- Support changing economy
Going Forward: Observations

• Places to Grow Act
  • Legislative framework is key

• Partnership across all sectors
  • Public, private, non-profit, institutional
  • Media

• Public awareness and Education
  • Counter to NIMBYism

• Data collection/analysis and monitoring critical –
  • Evidence based approach
  • Demonstrate results/successes

• Relationship to other policy areas
  • Housing affordability
  • Economic development
  • Environmental/climate change