

Media Release - For immediate release

Community Groups Decry the Absence of Public Consultation to Ensure Property Taxes do not Pay for the Cost of new Subdivisions

March 31, 2014 - Ottawa, ON - Groups concerned with democracy, protection of greenspace, healthy transportation, and reducing urban sprawl are urging the City of Ottawa to be more open and transparent with its intentions related to the update of its Development Charges By-law.

A Development Charge per new house or apartment unit is paid by the developer and charged back to the home buyer through the purchase price of the home. Development Charges are supposed to cover the cost of building the infrastructure that is required to make the new development possible. Every five years, now before the end of June 2014, Ottawa must update the by-law that sets out the charges per type of housing and location.

A schedule submitted to Council in February 2013 showed that a report on "guiding principles, framework and vision statement along with a public consultation process" would come forward in January 2014 but no such report has been released to date.

The schedule indicated that the Background Study and draft By-law would become available in April 2014, in preparation for a meeting of Planning Committee on May 13. "This is no substitute for seeking public input at the early stages and then throughout the development," says Erwin Dreessen, co-chair of the Greenspace Alliance. "The City is wrong to consider the development industry the only stakeholder in this by-law. New homebuyers and all property taxpayers have a stake in its outcome. The way the process is run now, it is highly unlikely that anything said on May 13 will make any difference."

"A greater effort should be made to have growth pay for growth," says Bob Brocklebank, secretary of the Federation of Citizens' Associations. "You're unlikely to hear this from developers. That is why the public has to be part of the process. Fair development charges would reduce the pressure on the City's capital budget and potentially on property tax increases, as development charges would reflect the real cost of providing the infrastructure. When I appeared before Planning Committee in February 2013, Councillors were assured that there would be opportunities for public input throughout the development of the by-law. Clearly, that's not what has been happening."

It is in the interest of homebuyers to pay "correct" prices. That is why charges specific to the cost of development are important. In the past ten years all suburbs have been charged the same rate, even though there were (and are) significant differences in the cost of growth; specifically, the cost of expansion in Kanata West and Leitrim was much higher than in other suburbs. Properly differentiated prices also promote social justice. When charges are averaged, some pay too much, others too little. Prospective homebuyers can not take advantage of lower costs and are subsidizing homebuyers in areas where the cost of development is higher.

"The City has been criticized for doing public consultations quite poorly, and in December 2013 announced a new Public Engagement Strategy," says the Healthy Transportation Coalition's Trevor Haché. "But with the update to the Development Charges By-law there appears to be a blatant attempt to limit public participation. Clearly, developers and members of the business community have been consulted on this new By-law, so why is the public being shut out? The implications of this By-law on the City's finances, environment, and our healthy transportation network are too important to not do far better in engaging the public."

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Background

About development charges

The principle that growth should pay for growth should be more strictly implemented than it has been in previous iterations of the Development Charges by-law. For example:

+ Charges should be differentiated by area in accord with the cost of building the infrastructure. There are significant differences in the cost of providing infrastructure between Kanata, Stittsville, Orleans, Barrhaven, Leitrim and Riverside South. These differences should be reflected in the Development Charges. Averaging costs over all urban areas outside the Greenbelt does no service to prospective homeowners who could otherwise profit from lower cost development.

+ The discount for "benefits to existing development" for road expansion should be reduced since new roads increase traffic. New roads in a suburb are a benefit to that neighbourhood and perhaps surrounding neighbourhoods but they are not a benefit to anyone in other parts of the city, yet everybody is forced to help pay for them.

+ The discount for "benefits to existing development" for transit service expansion should take into account only the percentage of the population that uses transit.

In an October 2013 report on the affordability of the Transportation Master Plan, staff revealed that the City has written to the Province to ask that the Confederation Line project be exempted from the "historical service level" calculation (imposed by the *Development Charges Act*) and from the 10% statutory reduction for transit. These are the type of changes that the Region of York profited from in 2006.

While we support these demands, they don't go far enough: All transit costs should be exempted from the 10% statutory reduction. With the public behind it, the City could have taken a stronger position. Excluding the public may have cost the taxpayer millions of dollars.

For background information about the need for "correct prices" as presented by Pamela Blais during the Planning Summit in April 2012, please see <http://www.greenspace-alliance.ca/node/589>.

About the community groups

The Federation of Citizens' Associations is the forum for community associations and similar non-profit volunteer groups in Ottawa. Member associations share information about issues facing their communities and, when appropriate, take joint action. The FCA encourages discussion of civic affairs.

The Greenspace Alliance of Canada's Capital was founded in 1997, works to preserve and enhance green spaces in the National Capital area, and engages with all levels of government. It believes that urban greenness is essential for a community's quality of life, contributing to personal, social, economic, cultural and spiritual well-being, and connecting us with the natural and cultural history of our region.

The Healthy Transportation Coalition helps ensure the National Capital Region becomes a worldwide leader in healthy transportation policies and infrastructure. The Coalition has individual, organizational and business members.