Affordable Housing Land Use Policy Review Stage One Working Paper

February 2004

# Preamble

This working paper documents the research that was conducted under part one of the Land Use Policy Review Project, which is one of the projects that were appreoved by Calgary City Council through the Affordable Housing Implementation Plan. This paper identifies current City Policy and analyzes the current Land Use Bylaw in relation to Affordable Housing. In addition, it documents information that was gathered through a literature review of best practices and policies that have been used by other municipalities. The paper concludes with recommendations for Stage two of the Land Use Policy Review. This paper was composed by Karen Donnelly and Whitney Smithers, should you have any questions regarding the materials in this document, please contact either one of us as follows:

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# Executive Summary

Determining suitable locations for affordable housing must balance quality of life considerations for both the occupants of the units and the surrounding community to ensure that healthy community environments are developed and sustained. This recognizes that each affordable housing project must be reviewed on its own merits for the specific geographic location for which it is proposed.

Developing land use policy and processes that promote well situated affordable housing units that suit the unique neighbourhood characteristics is an important objective of land use planning. While providing additional affordable housing units is the primary objective of the work that is being conducted in this Land Use Policy Review (LUPR), it must remain in balance with The City's objective to provide quality living environments for all citizens.

## Scope

Stage 1 of the LUPR reviews current City policies and regulatory environments and documents how land use planning can contribute to the provision of Affordable Housing. The Study provides a land use planning definition for affordable housing; reviews current practices; and makes recommendations for projects for pursuit in Stage 2 of the project.

## A Land Use Definition of Affordable Housing

There are three land use planning components that relate to the provision of affordable housing. These include:

- □ **Housing Type** = form + use + density
- Neighbourhood Characteristics = proximity + access + use mix
- Development Environment = opportunity + feasibility to develop

The LUPR research demonstrates that by focusing on these three elements, land use planning can facilitate, enable and reduce barriers to the development of affordable housing. Land use planning, however, cannot regulate tenure, occupancy or the price of housing.

# Findings

## Existing City Policy

- There is significant existing policy that supports Affordable Housing. All three of the components of the land use definition of Affordable Housing are addressed in these policies.
- Additional geographically focused and sitespecific policy should be included in ARPs and ASPs.

## Existing Land Use Bylaw

- The current LUB is flexible and is not a major barrier to the provision of affordable housing; however, it is dated, complex, and does not accommodate some dwelling types (e.g. Accessory Dwelling Units). The LUB is currently under review and many of these issues may be best addressed through this comprehensive review.
- Standards in the bylaw that contribute to the cost of housing include: setbacks; private amenity spaces; parking; landscaping; etc. These standards have been established to achieve specific planning objectives and compatibility of land uses. It is possible that there are situations where the unique circumstances of an individual project may warrant relaxation of these standards. However, there is a need to ensure that any variances do not compromise community livability.

# Best Practices from other Jurisdictions

- Practices that were seen to exist in Calgary include Small Lot Zoning and Flexible Zoning / Building Conversion.
- Potential initiatives for Calgary that received support from Senior Planning Staff (through a workshop) include:
  - Advocacy Initiatives
  - Accessory Dwelling Units
  - Bonusing
- Some practices that have been successfully implemented in other jurisdictions are either not possible in Alberta due to legislative differences or may be less suited to Calgary's specific context (e.g. condominium conversion).

# AHIP

## Gaps

Advocacy Gap

- Need for a focused internal and external 'voice' for affordable housing
- □ Lack of clear policy statements and guidelines in community plans and studies

## Implementation Gap

- Land use bylaw gaps include exclusion of accessory dwelling units; density measures may discourage smaller unit sizes in some instances; certainty of use; and the complexity of the bylaw.
- Lack of guidelines for variances (e.g. parking)
- Implementation barriers include consistency in interpretation of the Bylaw and additional processing time required for innovative housing forms.

## Recommendations

The recommendations of the LUPR are aimed at strengthening the existing policy and implementation tools that currently support affordable housing and to fill the gaps that were identified. Specifically, the recommendations are:

# 1. Keep doing the things we are doing right.

- □ Maintain a 30 year land supply under uni-city
- Ensure that there is land available for development in multiple sectors and, where possible, under multiple ownership
- Strategically plan how the City will accommodate growth
- Demonstrate a commitment to Smart Growth
- □ Encourage higher densities where appropriate
- Maintain low parking standards
- Maintain small lot development
- □ Maintain a flexible LUB
- Update the LUB
- □ Focus on transit oriented development

## 2. Enable and facilitate affordable housing through policy and implementation guidelines that contribute to livable communities.

There is substantial high level policy that supports affordable housing; however there is a gap between

this policy and translation into tools and guidelines for implementation. This recommendation is to address this gap through:

- Development of city-wide principles and/or policies for affordable housing.
- Inclusion of specific policies in ASPs, ARPs and other planning documents on an opportunity basis.
- Development of guidelines for variances or relaxations for projects that meet municipal affordability criteria.
- 3. Educate and communicate

Develop an education and communication program to promote a better development environment for affordable housing projects. This recommendation addresses, in part, the advocacy gap and the complexity of the land use planning process. This program would focus on promoting an understanding of the land use planning relationships around affordable housing and the policies that have been developed under Recommendation 2.

## 4. Monitor and Evaluate

Monitoring and evaluating the planning initiatives that are undertaken under Recommendations 2 and 3 is an important part of the planning process. Determining the aspects of the initiatives undertaken that have been successful provides an opportunity to take key learnings and apply them in the future. If certain facets are not working, evaluation will ensure there is an opportunity to identify these and find new approaches.

## 5. Re-affirm Land Use

## Planning's business mandate

- Determine future directions for land use planning in relation to corporate affordable housing goals at the conclusion of the 2003-2004 Affordable Housing Implementation Plan (AHIP).
- Continue to develop and maintain an expertise in affordable housing within Land Use Policy beyond the life of AHIP.
- Maintain a close affiliation with other departments that also have resources, knowledge, and research that can be used to create effective land use policy.
- Trouble-shoot issues and captilize on opportunities as they arise.

# CHAPTER ONE: PURPOSE & SCOPE



## Affordable Housing as it relates to Land Use Planning

## Purpose

The purpose of the Land Use Policy Review (LUPR) is to:

- Facilitate and expedite the development of new affordable housing supply in Calgary;
- Undertake measures to maintain, protect and enhance the existing affordable housing supply;
- Build relationships with community stakeholders; and
- Demonstrate the City's commitment towards an adequate supply of affordable housing within Municipal jurisdiction.

Stage 1 of the LUPR reports on the existing state of land use policy as it relates to affordable housing and makes recommendations for changes to policy that would facilitate the provision of affordable housing.

Priority projects are identified based on these recommendations, and will undergo development during Stage 2 of the LUPR, which will commence in 2004.

#### Scope

Stage 1 of the LUPR reports on the existing state of land use policy. It determines how and where City land use policy impacts both the cost of housing, and the specific provision of affordable housing. The review identifies where existing policy currently encourages and supports the development of affordable housing, and makes recommendations where existing policy is lacking.

The scope of the land use policy review is limited to the land use planning process and planning documents. It does not include a review of tax programs or other outside economic factors. Where such programs are peripheral to land use planning but their influences have an impact on housing affordability, they are identified for consideration by the Affordable Housing Implementation Team.

Under the provincial Municipal Government Act (MGA), municipalities have not been delegated the

authority to regulate the cost of housing, or form of ownership through the land use bylaw.

Accordingly, this LUPR review will not address:

- Tax incentives
- □ Alternative design standards
- Development agreements/levies
- Building code
- Maintenance and occupancy regulations, safety codes
- Cost of housing to the end user
- Housing ownership and tenure
- □ Changes to the Municipal Government Act

## Objectives

The objectives of Stage 1 of the LUPR are to:

- 1. Define "affordable housing" as it relates to land use planning and policy;
- 2. Establish the impact of existing land use policies on the provision of affordable housing;
- Determine the policies and land use strategies employed by other municipalities to facilitate the provision of affordable housing;
- Identify the pro's and con's of policies and strategies from other municipalities for The City of Calgary;
- Recommend options for the development and implementation of new initiatives for The City. The options are to be further developed in Stage 2 of the policy review.

Key Results and Deliverables

The Stage 1 Report relates to the following key results, as identified in the **Affordable Housing Implementation Plan**:

- **K6** Integrated planning and execution of affordable housing initiatives within City Business Units.
- K7 Inclusion, consultation, involvement and encumbrance of all involved Business Units.
- **K8** Engaged private sector.

Deliverables for the Stage 1 Report are:

- 1. Definition of affordable housing as it relates to land use planning and policy.
- 2. Summary of analysis of existing City of Calgary policy.



- 3. Review of Best Practices from other North American municipalities.
- 4. Analysis of Best Practices vis-à-vis the Calgary context.
- 5. Recommendations for work to be conducted in Stage 2 of the land use policy review.

# A Land Use Definition for Affordable Housing

## Council's Approved Definition

In 2002, City Council adopted the "Corporate Affordable Housing Strategy" which includes the following definition of affordable housing (in part):

Affordable housing adequately suits the needs of low- and moderate-income households at costs *below* those generally found in the Calgary market. It may take a number of forms that exist along a continuum from emergency shelters, to transitional housing, to non-market rental (also known as social or subsidized housing), to formal and informal rental and ending with affordable home ownership.

Affordable housing projects are targeted to households with 65 percent or less of the area median income. For housing to be affordable, the Canada Mortgage and Housing Corporation (CMHC) has defined that a household should not spend more than 30% of its gross income on shelter costs.

Occupancy, cost, and tenure, however, cannot be addressed in land use policy under current legislation. To undertake the LUPR it is therefore necessary to rethink the standard definition.

## Land Use Planning Definition

From a land use policy perspective, and for the purposes of this review, affordable housing is defined in terms of housing that can meet a broad range of user needs and can be built at a lower cost (to the developer) than traditional market-based housing. This definition acknowledges that land use planning policy alone cannot 'provide' housing that is affordable to particular income groups – rather, it can facilitate the provision of housing that is less costly to build; and it can encourage the provision of affordable housing in community plans. Land use policy can facilitate and encourage affordable housing by influencing: **Housing Type, Neighbourhood Characteristics,** and the **Development Environment**. All of these factors are interrelated and play an important role in facilitating the development of affordable housing. In addition, these factors must be reviewed in a comprehensive manner rather than in isolation.

## Land Use Components of Affordable Housing

Housing Type = form + use + density

Neighbourhood Characteristics = location attributes

Development Environment = opportunity + feasibility to develop

## Housing Type

In terms of housing type, the *form, use* and *density* may vary. **Form** means the physical attributes of a building and includes houses, apartment buildings, residences, shelters and so on. **Use** means the type of activity that takes place within the building. Use recognizes that the same building form could accommodate different activities (or uses). **Density** means the number of units accommodated within a given area. Each housing type has a form, use and density associated with it. For example a house (form) could be used as a single family dwelling (use), but it could also be used as a lodging house (use). In this example, the density could also be varied.

Planning can positively influence affordability in terms of housing type by ensuring that a wide range of housing types such as smaller units and mixed uses are accommodated within the land use bylaw and are encouraged in planning policy.

## Neighbourhood Characteristics

Determining suitable locations for affordable housing must also balance quality of life considerations. Facilitating the provision of affordable housing is meaningless if, in the end, it serves to create communities that people don't want to live in.

In terms of community structure, affordable housing should have direct access to parks, schools, and



other community amenities in the same way as any other residential development. In addition, affordable housing should be integrated into a community, either within separate buildings or as a part of a comprehensive development (e.g. a multi-family complex that has a portion of units that are affordable).

Affordable housing should be located in areas that have the following attributes:

- □ Near to centres of **employment**
- Close proximity to household goods and services
- Sufficient access to **transit** (transit oriented)

These principles are generally supported by The City's *Sustainable Suburbs Study*, July 1995, and are desirable for residential uses in general. Location attributes or characteristics have heightened importance for affordable housing because households that could benefit most from it are less likely to be able to afford a vehicle and the costs that are associated with travelling to and from daily activities.

# Development Environment

A **development environment** supportive of affordable housing has characteristics that promote cost savings, which can be passed along to the end consumer. These include:

- □ Managed supply of available land
- A policy framework that encourages affordable housing in communities, and that promotes understanding and acceptance up front in the planning process
- Processes and regulations that allow for more cost-effective provision of housing
- An approval process that minimizes the risk and uncertainty associated with development

## Regulatory Environment

The Municipal Government Act (MGA) is the statute in Alberta that enables municipalities to govern. It establishes the regulatory structure for land use planning and development. Other statutes such as the Condominium Act and Land Titles Act also impact the planning and development of land. In keeping with statutory requirements, The City of Calgary has developed a Land Use Bylaw, Municipal Development Plan and other land use policies that control and direct land development within The City. Integral to the LUPR is an analysis of these existing documents, policies, and agreements to determine barriers to and opportunities for the increased development of affordable housing in Calgary.

As a part of the review, programs and policies of other jurisdictions are analyzed and will be evaluated in terms of their applicability in Calgary. This study does not include a review of the legislation in other jurisdictions. It is important to note, however, that some of the programs reviewed operate under provincial legislation that differs substantially from the Alberta legislation. For example, in Alberta, municipalities cannot regulate tenure, ownership, occupancy (i.e. in demographic terms such as income level or age) or price. This is possible in some jurisdictions such as Vancouver, which operates under substantially different legislation.

## Conclusions

- The definition of affordable housing as it relates to land use is limited to housing types (form, use and density), neighbourhood characteristics, and the development environment.
- Alberta planning legislation does not enable municipalities to regulate occupancy, tenure, or the cost of housing.
- Land use policy enables affordable housing by allowing a variety of housing types; establishing policies that support a variety of housing types; and ensuring a good development environment, however, planning cannot enact the deliverance of affordable housing in isolation.

The LUPR uses this understanding of affordable housing to develop recommendations that will facilitate the provision of affordable housing in Calgary.

# CHAPTER TWO: EXISTING LAND USE POLICIES & PAST INITIATIVES



# Introduction

This chapter provides a review of existing land use policies and past initiatives that relate to affordable housing.

Its purpose is to:

- □ Provide an overview of the current situation;
- **D** Review past affordable housing efforts; and
- Identify strengths and opportunities in current City policy.

# Council Priorities

Looking Ahead - Moving Forward

In the document *Looking Ahead – Moving Forward*, Calgary City Council identified its priorities for the years 2002 – 2003. Although the document is not an approved statutory policy, it is significant in that it defines Council's priorities, as well as an approach to managing planning issues.

Specifically, *Looking Ahead – Moving Forward* supports advancing "smart growth" in responding to the desire for accessible, affordable and appealing communities. It places priority on the creation of diverse, distinct and livable communities in which all citizens feel safe and secure. It also supports the creation and maintenance of communities that provide opportunities to live, learn, work and play, and where a variety of safe, efficient and affordable transportation choices are available.

In addressing social change, Council's priority is to "work toward a safe, inclusive community ... that responds to the needs of its vulnerable and disadvantaged citizens, and where diversity is embraced and valued as a community asset". – Looking Ahead, Moving Forward

In defining its priorities, **Council has committed to confirming and implementing a comprehensive, long-term affordable housing strategy**, with the intent of achieving an increased supply of safe and affordable housing. A c c o m m o d a t i n g G r o w t h : A Framework for Coordinating Municipal Capital Investment 2003-2022

The *Accommodating Growth* framework provides information on residential growth and City capital expenditures over a defined time frame. It is intended to be used by Council and Administration to better coordinate municipal capital investment priorities in new growth areas, and to make decisions on how to manage long-term growth.

The framework is relevant to the LUPR in that it addresses the City's three guiding goals in managing growth and development:

- Maintain a 30-year land supply within the City's jurisdiction to enable comprehensive planning and support a competitive suburban land market
- Maintain a 15-year planned land supply (with approved policy plans in place) – to ensure a contiguous, concentrated and efficient land supply
- Maintain a 5-year serviced land supply to support a competitive land and housing market

Sufficient land supply to support a competitive market is a critical component of housing price. The framework relates back to the land use definition of affordable housing, then, by contributing to a **development environment** that allows for adequate competition.

# Existing Policy Plans and Studies

Policy plans and studies reviewed in this chapter include:

- □ Calgary Plan (1998)
- □ Sustainable Suburbs Study (1995)
- □ Calgary Transportation Plan (1995)
- □ Employment Centres Strategy (1999)

The reviews are presented in terms of their relevance to each of the components presented in Chapter One: **housing type**, **location attributes** and **development environment**. Policies within each plan are grouped by these categories, and documented as written.

Implicit in the review, and in each of the policies being examined, is the need for **community integration** –



that is, the overriding importance of quality of life. The LUPR explores methods of facilitating the provision of affordable housing in an environment that makes all communities better off. Community integration is understood to be key to the project.

After the review of each plan, some preliminary discussion on the opportunities within and limitations of the policy is provided.

## The Calgary Plan

The *Calgary Plan* (adopted by Council in 1998) is the pre-eminent plan guiding growth and development within the City of Calgary. A statutory plan required under the *Municipal Government Act*, it addresses land use, development, transportation and matters related to the health of the environment, vitality of the economy and social well-being of the community. The *Plan* stresses the need for **integration** of social, economic and environmental objectives in managing the growth and development of the city.

"The Calgary Plan... reflects the kind of community Calgarians would like to see in the future. It is visionary, strategic and long-term. The Plan will provide the basis for actions and decisions to both protect and improve quality of life for all Calgarians, present and future." – Calgary Plan

Affordable housing is accordingly addressed in terms of an overall need for diverse housing stock and the importance of well being for all Calgarians. Access to adequate housing is recognized as an important component of personal health. A key residential goal is to provide affordable and appropriate housing options for Calgarians.

Excerpts of specific relevant policies are listed below.

# Housing Type

Encourage innovative approaches to the design and development of new communities in order to:

• Increase the variety of housing types available within a community (Policy 2-2.2.2B).

Support the accommodation of a more balanced and stable population structure in the inner city and respond to neighbourhood life cycle changes by:

- Promoting the development of a more varied housing mix
- Providing services and facilities that cater to families with children
- Taking other measures as deemed appropriate (Policy 2-2.2.2D).

Encourage research and experimentation to reduce the cost of housing through innovation in housing types and construction methods (Policy 2-2.2.2G).

Emphasize targeting housing solutions to those most in need (Policy 2-3.2.2B).

Encourage a more varied social composition in all parts of the city by locating social housing projects in a variety of areas throughout the city. These housing projects should be small in scale (Policy 2-3.2.2C).

Encourage the provision of an adequate supply of rental accommodation for different socio-economic groups in all parts of the city (Policy 2-3.2.2D).

# Neighbourhood Characteristics (Form and Location)

Promote greater land use efficiency and convenience by encouraging new housing close to transit facilities and within mixed-use centres to support transit and pedestrian mobility choices (Policy 2-2F).

Accommodate a mix of compatible land uses in new suburbs, within comfortable walking distance of each other (Policy 2-2.1A).

Design new communities to encourage people to make more of the journeys by walking, transit or bicycle (Policy 2-2.1B).

Encourage the design of pedestrian and transitfriendly community and neighbourhood centres in new suburbs (Policy 2-2.1C).

Provide a mix of services and amenities for nearby residents and, where appropriate, a range of job opportunities in community and neighbourhood centres in new suburbs (Policy 2-2.1D).

Reduce the cost of developing land for housing by ensuring that, wherever feasible, development in new areas takes place in a concentrated rather than scattered form (Policy 2-2.2.2.1E).



## **Development Environment**

"The ability of the marketplace to provide affordable housing for most Calgarians is a fundamental aspect of maintaining and enhancing quality of life." – Calgary Plan

- Calyal y Platt

Endeavour to have within The City's jurisdiction at least a 30 year supply of developable lands for all uses, to allow for the comprehensive planning of new areas, and to encourage choice and competition in the marketplace. (Policy 1-1B)

Design new suburbs with an aim to reducing the costs associated with the construction, operation and maintenance of public infrastructure (Policy 2-2.1B).

Examine infrastructure and service standards that add to the basic cost of housing and consider the opportunities to relax them where appropriate (Policy 2-2.2.2F).

Encourage research and experimentation to reduce the cost of housing through innovation in housing types and construction methods (Policy 2-2.2.2G).

Review existing subdivision standards and engineering requirements and monitor the effect of changes in them with the objective of allowing experimentation with community design, building design and with various lot sizes and layouts (Policy 2-2.2.2H).

Investigate on an on-going basis ways to speed up the development process (Policy 2-2.2.2I).

Maintain and, where appropriate, increase flexibility in development control procedures to permit the efficient and sensitive use of land (Policy 2-2.2.2.1C)

Endeavour to provide a preplanned and pre-budgeted inventory of easily serviceable residential lands, ready for development, to support a healthy, competitive suburban land market. (Policy 2-2.2.2.1D)

Reduce the cost of developing land for housing by ensuring that, wherever feasible, development in new areas takes place in a concentrated rather than scattered form (Policy 2-2.2.2.1E). Facilitate the provision of shelter within the municipal jurisdiction through a variety of means including:

- Maintaining a working relationship with Provincial housing officials who control funds for social housing projects
- Pursuing relationships with the private sector to encourage the provision of affordable housing for persons in need
- Establishing links with special needs groups working towards housing solutions for low income families, urban natives, persons with disabilities and the hard to house
- Examining ways for the City and senior governments to partner in land development or housing projects, which because of their innovative character, would not qualify for consideration by traditional money sources
- Encouraging the establishment of public, private and joint rehabilitation projects, where appropriate (Policy 2-3.2.2A).

"The City also plays a role in influencing the cost and supply of housing. It can encourage the private sector to explore innovative and creative housing solutions by relaxing and/or removing regulatory barriers that inhibit experimentation."

#### – Calgary Plan

Encourage developers to make available a portion of their serviced land for low priced housing (Policy 2- 3.2.2E).

## Discussion

The *Calgary Plan* lays the foundation for the provision of affordable housing in the city, by addressing the need for:

- adequate supplies of land (which influences cost),
- provision of housing across the socio-economic spectrum, and
- □ self-supporting neighbourhoods.

Furthermore, the *Plan* recognizes factors influencing housing affordability include price, availability, distribution of a variety of housing types and the need for support for daily living. It also advocates locating new jobs closer to where people live and providing housing closer to where the jobs are – speaking to neighbourhood characteristics discussed in Chapter One.



The *Calgary Plan* contains a number of broad-based policy statements that support affordable housing both directly and indirectly. Where it appears to be lacking is in **directions for implementation**. Whether implementation strategies ought to be contained within the *Plan* itself, or within a companion document, is not at issue – for the purposes of the LUPR, it is simply significant to note that these implementation measures, with a direct link back to supporting policy, are not offered in either format.

## Sustainable Suburbs Study

The *Sustainable Suburbs Study*, adopted by City Council in 1995, outlines City strategy for creating more fiscally, socially and environmentally sustainable communities. Its intent was to revisit suburban planning and design to reduce the broad ranging impacts of and costs associated with urban growth<sup>1</sup>.

"Adequate housing is a basic human requirement for self-esteem." – Sustainable Suburbs Study

The *Study* advocated the development of a City-wide policy on Affordable Housing<sup>2</sup>, and suggested a review of the Land Use Bylaw (notably to allow for additional dwelling units) to integrate sustainability objectives with implementation. It recognized that many people were excluded from certain communities because of lack of housing choice and adequate mobility.

Statements contained in the *Study* are, among other things, intended to meet the needs of different demographics and lifestyles, to encourage social diversity and to provide a better balance of socio-economic groups across the city.

Furthermore, the *Study* recognizes the link between long-term social problems and inadequate housing. A number of its policies are intended to ensure that the basic human need of adequate housing is available to all Calgarians. Key policies are listed below.

## Housing Type

All communities must achieve a minimum density of 17.3 units per gross ha (7 units per gross ac) (Policy H.1)

All communities must provide a wide choice of housing types in addition to single family (Policy H.2). H.2 Acceptable Performance Standard:

- a) Ensure that approximately 20% of all dwelling units in a community are other than single family (e.g.: basement suites, apartments, townhouses, semi-detached units, etc.).
- H.2 Design Guideline:
- additional dwelling units in basements, lofts or over garages ... should be provided, particularly in locations close to transit stops, the community centre and neighbourhood nodes.

## Neighbourhood Characteristics

"Communities designed as recommended in this report are very suitable for medium to low income families because they offer an affordable and high quality lifestyle." – Sustainable Suburbs Study

Mixed use public activity centres must be located in all communities in the form of a community centre and a number of neighbourhood nodes (Policy C.1).

Most multi-family housing should be located near community centres, neighbourhood nodes, recreational areas or other public amenities, and be close to transit stops (Policy H.4).

The street system in a community must provide all residents with direct links between key community focal points (Policy T.1).

The transit system must be integrated into the community design and be a key component of the community centre, neighbourhood nodes and other community focal points (Policy T.2).

## Development Environment

Policies and guidelines ensuring that an adequate choice of low to medium income housing is provided in suburban communities shall be developed as part of a new comprehensive city-wide package of policies on affordable housing (Policy H.3).

<sup>&</sup>lt;sup>1</sup> As such, it should be noted that the *Sustainable Suburbs Study* deals only with development in new communities. <sup>2</sup> Affordable Housing in the *Study* is defined as "housing that is within the purchasing power of households earning the median household income for the City of Calgary."



H.3 Design Guideline:

• Developers are encouraged to target a minimum of approximately 10% of all dwelling units... in a community at households earning no more that the median household income.

"Developers argue that City regulations must become more flexible if costs are to be reduced and innovative designs encouraged." – Sustainable Suburbs Study

## Discussion

The *Study* is significant in terms of content and process. **Content-wise**, it advocates a built form that includes many of the neighbourhood characteristics suitable to affordable housing. These include transit orientation, community centres or nodes and mixed use developments.

The *Study* promotes communities designed to ensure locational advantages for multi-family units, thereby reducing the need for car ownership. In this sense, multi-family units would not predominantly be used as a buffer against less desirable uses, or on remnant parcels. Communities designed in this manner would also improve mobility choices by making walking, cycling and transit viable alternatives.

**Process-wise**, the *Study* recognizes the need for more work to be done to address affordable housing in new communities. It recommends that a comprehensive study addressing affordable housing should be undertaken, and that such a study should involve developers, builders, City and public agencies. It also recommends that relevant policies of the *Sustainable Suburbs Study* should be revisited once an affordable housing study has been completed.

The *Sustainable Suburbs Study* acknowledged that new communities provide an excellent opportunity for affordable housing, but found that **there need to be some City-wide policies, guidelines and implementation strategies in place**.

The *Study* also recommended a review of the Land Use Bylaw (notably to allow for accessory dwelling units) to integrate sustainability objectives with implementation. It recognized that many people were excluded from certain communities because of lack of housing choice and adequate mobility.

The *Sustainable Suburbs Study*, in review, contains some solid policy and implementation recommendations for facilitating the provision of affordable housing. It defines a need, and offers recommendations for meeting the need.

However, two key weaknesses are apparent. One is that while recommendations in the *Study* may lead to housing that costs less to build and service, this **cost efficiency may not be reflected in the cost to the end user** (selling/rental price of the unit).

Secondly, the definition of affordable housing linked to household incomes would be very difficult, if not impossible, to implement through land use policy. The requirement to establish median income in setting a price for units, and controlling that sale price, may also be cumbersome for both the City (at the policy and land use level) and the developer.

It should be noted that these weaknesses were likely intended to be resolved in the affordable housing study advocated as an outcome of the *Sustainable Suburbs Study*.

Calgary Transportation Plan

*"A range of housing options exists for all ages, income groups, family types and lifestyles."* – Calgary... 2020, 1989

The *Calgary Transportation Plan*, approved by City Council in 1995, had a key focus of achieving a significant reduction in the vehicle trips that new suburbs would normally generate. As a result, the CTP advocates pedestrian- and transit-friendly community and neighbourhood centres that provide a mix of services for a diverse population, as well as a range of job opportunities.

This is significant as the built form espoused by the CTP demonstrates the neighbourhood and location characteristics that facilitate provision of affordable housing.



The CTP also advocates a variety of housing types in new suburbs, and community design that reduces the costs associated with construction and maintenance of infrastructure.

Key land use directions in the CTP include:

- New suburbs pedestrian friendly designs and a greater mix of compatible local services and amenities.
- Existing neighbourhoods increased housing densities and a greater mix of compatible activities like shops and services.
- Centres of activity mixed use centres and corridors throughout the city to support walking and transit.
- Healthy downtown integrated balance of activities, jobs, housing, cultural events and shopping.

Key policies from the CTP that would facilitate the provision of affordable housing are listed below.

# Housing Type

New suburbs will contain a variety of housing types and be capable of achieving a density of at least 7 units per acre (17.3 units per hectare).

Encourage sensitive types of housing intensification in all neighbourhoods, in accordance with local plans, to promote a more compact, adaptable form.

# Neighbourhood Characteristics (Form and Location)

"Over time and within policies established in individual Area Redevelopment Plans, existing neighbourhoods should be capable of accommodating higher average densities to support greater housing choices, adaptability, and the efficient use of public services." – Calgary Transportation Plan

New suburbs will accommodate a mix of compatible land uses... within a comfortable walking distance of each other.

New suburbs will include community and neighbourhood centres, designed to be pedestrian and transit-friendly. They will provide a mix of services and amenities for nearby residents and a range of job opportunities. Encourage new housing close to transit facilities and within mixed use centres to support transit and pedestrian mobility choices.

## **Development Environment**

The City will continue to protect and manage its longterm growth requirements within the uni-city framework.

Growth management will be integrated with The City's capital investment strategy.

New suburbs will be designed with an aim to reducing the costs associated with the construction, operation and maintenance of public infrastructure.

## Discussion

The *Calgary Transportation Plan* and the *Sustainable Suburbs Study* were developed at the same time, and are intended to be complementary. The *CTP* is relevant to affordable housing in that it contains policies that have an impact on both land use and mobility – for example, transit-oriented development, compact forms of development, and options for walking and cycling.

CTP policies focus more on varied housing forms, mixed uses and neighbourhood centres than affordable housing specifically. For established communities, the policy recognizes that existing ARP's are a tool for creating higher densities and varied housing stock.

## Employment Centres Strategy

"The development of employment centres is integral to The City's ability to accommodate growth in a way that is affordable, efficient and able to enhance Calgarians' mobility choices without substantially lessening quality of life over time."

– Employment Centres Strategy

The *Employment Centres Strategy* builds on the approved land use directions of the Calgary Plan and the CTP by defining a hierarchy of active mixed-use, higher density centres in suburban employment centres. It proposes three levels of employment centres, all of which have a pedestrian/transit



orientation, thus reducing dependence on private vehicles. This is significant for affordable housing through both the concentration on a higher density built form, and ease of access to employment and to goods and services.

As noted, the *Employment Centres Strategy* builds upon work already explored in this Chapter. Accordingly, key factors within the Strategy – such as neighbourhood characteristics and development environment – have already been discussed. However, the *Employment Centres Strategy* also includes a worthwhile discussion on the City's ability to implement its policy objectives.

The implementation strategy can be defined, in part, by the following components:

- Land use planning process plan to achieve long-term objectives;
- Regulatory framework create tools that provide both certainty of use and flexibility in use and design;
- Approval process give greater priority to applications that further strategic objectives;
- Service provider prioritization and provision of services to support strategic objectives;
- Land owner and land developer demonstrate commitment to initiatives through direct involvement as a developer;
- □ Leader, facilitator and expeditor promote and encourage strategic directions.

# Discussion

The *Employment Centres Strategy* does not contain unique policies for affordable housing (that have not been addressed in the previously reviewed policy). The *Strategy* focuses more on implementation measures and, as such, offers useful input on key roles of the City and tools the City has available to implement key objectives.

The *Strategy* is a strong complement to other existing plans and policies, as it establishes a framework for moving forward from broad-based policy statements.

## Housing Issues Report

In 2003, the Calgary Housing Company developed a series of criteria that enable the Company to better perform a selection analysis for prospective new

"An important planning direction is the development of human settlements that are more sustainable over the long term. This refers to urban communities that are environmentally healthy, socially and economically resilient, affordable and offer a high quality of life." – Employment Centres Strategy

sites. The criteria consider proximities to a variety of services, including:

- □ Transit
- □ Shopping:
  - Grocery/Drug
  - □ Retail
  - Convenience store
- Daycare
- Health Clinic
- □ Banking
- □ Employment
- **D** Recreation:
  - Park/playgroundSports facility
- □ Library
- □ Church
- Community resource centre
- □ School:
  - Elementary
  - □ Middle/high
  - Adult education

The criteria are measured in terms of maximum travel time and distance, for customer profiles that include both automobile ownership and non-automobile ownership.

## Summary of Existing Plans

A key civic purpose of land use planning is orderly and managed growth. Most, if not all, plans and studies adopted by Council echo this goal along with the need for fiscal sustainability. In this sense, a key goal of The City for the past few years has been to minimize the costs of development without compromising community quality of life.



From this point of view it could be argued that recent land use policies adopted by Council already *facilitate* the provision of affordable housing. Indeed they promote the components of affordable housing that were defined in Chapter 1.

Within each of the 'components' of affordable housing (type, neighbourhood characteristics and environment), there are four basic things that policy can do:

- 1. Ensure land is available for development
- 2. Ensure support for a wide variety of housing types
- 3. Ensure site selection and design is planned in a
- way that makes the area livable and affordable 4. Create certainty for developers through
- demonstrating civic commitment to the provision of affordable housing

The existing planning policy framework does work towards these objectives.

Highlights of each of the existing plans are summarized in **Table 2.1**. What is generally lacking in the plans is a strategy to implement the policy. A strategy for each of the plans – including responsibilities, mechanisms for implementation, guidelines and monitoring – needs to be developed.

As well, current planning policy does not speak to the more 'educative' role of planning in the development of affordable housing. For low-income housing to be provided for and built in communities, it will no doubt be necessary to work with the communities to heighten their understanding of affordable housing – what it means, who lives there, and why it is important.

A final general observation is that existing plans do not make much reference to the maintenance and preservation of existing affordable housing stock. This issue should be addressed either through Stage 2 of the LUPR or on an opportunity basis as these plans are revised.



# Table 2.1: Highlights of Existing Policy Plans

	Housing Type	Neighbourhood Characteristics	Development Environment
Calgary Plan	<ul> <li>Varied housing mix</li> <li>Social housing projects located throughout the city</li> <li>Adequate supply of rental accommodation</li> </ul>	<ul> <li>Housing close to transit facilities and within mixed-use centres</li> <li>Pedestrian and transit-friendly communities in new suburbs</li> <li>Mix of services, job opportunities and amenities for nearby residents</li> </ul>	<ul> <li>Reduce the costs of land for housing</li> <li>30 year supply of developable land</li> <li>Reduce costs of construction, operation, and maintenance of infrastructure</li> <li>Consideration for relaxing standards that add to the basic cost of housing</li> <li>Innovation in housing type and construction to reduce costs</li> <li>Speed up the development process</li> <li>Support a healthy, competitive suburban land market</li> <li>Provision of shelter through partnerships and projects</li> <li>Encouragement to set aside land for low priced housing</li> </ul>
Sustainable Suburbs Study	<ul> <li>Minimum density of 17.3 uph (7 upa)</li> <li>Wide choice of housing type (20% of all dwelling units other than single family)</li> <li>Provision of accessory units</li> </ul>	<ul> <li>Accessory units close to neighbourhood nodes</li> <li>Mixed use public activity centres in all communities</li> <li>Multi-family housing near centres, nodes and transit</li> <li>Street system with direct links between focal points</li> <li>Transit as key component of community centre</li> </ul>	<ul> <li>Guidelines to ensure adequate provision of low to medium income housing in suburban communities</li> <li>Target a minimum of 10% of dwelling units to be accessible to median household income</li> </ul>
Calgary Transportation Plan	<ul> <li>Variety of housing types</li> <li>Density of at least 7 upa</li> <li>Sensitive intensification to promote a compact, adaptable form</li> </ul>	<ul> <li>Mix of compatible uses within walking distance</li> <li>Pedestrian and transit friendly community and neighbourhood centres – mix of services, amenities and employment</li> </ul>	<ul> <li>Protect and manage long-term growth requirements</li> <li>Integrate growth management with capital investment strategy</li> <li>Suburb design to reduce costs of construction, operation, and maintenance of infrastructure</li> </ul>



# Plans & Agreements Under Development

In addition to plans currently in force within the City, there are a number of programs and initiatives under development that will contain policies related to affordable housing. These include:

- Municipal Development Plan review
- Downtown Urban Structure Plan
- **u** Transit Oriented Development Guidelines
- Development and Building Approvals Process Review

The plans are in various stages of development. Their status and potential vis-à-vis the Land Use Policy Review are discussed below.

## Municipal Development Plan Review

The City Wide Planning section will soon be beginning a review of the Calgary Plan (MDP). At this stage, they are conducting business and environmental scans to identify any potential gaps in the content of the existing MDP.

There is a commitment to work with the Affordable Housing Team on the integration of affordable housing initiatives in the revised MDP. Whether this will take the form of guiding principles, specific policies or both will depend upon the structure and content of the MDP.

## Downtown Urban Structure Plan

The Downtown and Inner City Planning group has embarked upon a Downtown plan that will provide direction for the long-term growth and development of Downtown Calgary. The plan is currently in the initial stages of development and, as such, an approach to affordable housing within the plan has not yet been rationalized or defined.

Both the Downtown Urban Structure Plan and the Affordable Housing teams recognize the value of collaboration on the residential component of the plan. We have committed to working together on the project at the policy and guideline development stages.

## Transit Oriented Development

The City Wide Planning group has initiated a study to define land uses and guidelines around LRT stations. The team working on Transit Oriented Development recognizes the potential for including affordable housing as a key land use and acknowledges the suitability of transit centres to this use. Furthermore, they understand the overall benefit of promoting affordable housing as part of transit oriented development.

A scoping study for the Transit Oriented guidelines went to Council in late 2003. From there, the team will be working on development guidelines. The Affordable Housing Team will be represented on this team.

## Mid-Level Plan Review

The Intermunicipal and Community Planning section is beginning a review of the mid-level planning policies and tools implemented by the City. This presents another opportunity to ensure affordable housing guidelines and principles are captured in policy documents, and there is agreement to work to that end.

#### Development & Building Approvals Process Review (One Window)

At the same time as the LUPR, Development and Building Approvals is reviewing its approval process for affordable housing projects. This review will likely result in process recommendations that will address, in some part, the elements of risk and uncertainty that exist in the current **development environment**.

# Past Affordable Housing Projects

In 2000, a draft discussion paper entitled Implementation Strategy for the Calgary Plan's Affordable Housing Policies was prepared. The Strategy outlined housing policies contained in the Calgary Plan, and included recommendations for the development of affordable housing.



#### In summary, key recommendations were as follows:

For policies dealing with affordable housing provision:

- Establish a program for inclusionary zoning, starting with public development projects and joint venture projects – require provision of affordable housing units to reflect percentage of Calgary households in poverty.
- Expand options for using Density Bonusing to supply affordable housing – include provision for bonusing for affordable housing at select LRT station areas and employment centres.
- Examine options for a linkage fee program target a portion of business tax to an affordable housing fund; explore the potential for a federal Community Reinvestment Program.
- Establish an affordable housing land lease program use City land to allow for land leases at rates below market value.

For policies dealing with development costs:

 Undertake a housing development cost assessment – assess relationship between municipally imposed/controlled costs and housing prices.

For policies dealing with residential intensification:

- Develop policy and implementation guidelines on reurbanization and siting criteria for social housing, for use by development approvals.
- Allow for secondary suites in specific residential zones.
- Examine the potential for manufactured housing within the city.

These recommendations were not pursued, and are presented here as they addressed the perceived needs of the time. However it should be kept in mind that they do not represent approved City Council direction.

# Conclusions

The review of existing relevant planning projects demonstrated that current land use policy does provide a framework that facilitates the provision and maintenance of affordable housing in Calgary. Further, in the revisions to and drafting of a number of planning documents that are currently underway, there is a demonstrated understanding of the need to address affordable housing in a policy context, and a commitment to working with the AHIT team on the development of policy. 'Stumbling blocks' to the implementation of existing affordable housing policy mostly relate to a lack of strategy to take initiatives from broad policy statements to guidelines and tools for implementation. Components of this strategy should include:

- a means for ongoing dialogue between and among City departments and stakeholders to keep affordable housing top-of-mind
- guidelines for affordable housing, for both policy and implementation to help development planners and officers, as well as industry, navigate the process

The presence of "NIMBYism" in the planning process should also be addressed. Though this is largely a social issue, its presence and affect on planning policy and implementation cannot be ignored.

Finally, there is a need to comment on the ability to control the price of units for the end user. A primary constraint of land use policy is that it cannot address cost of the units. Policy can certainly facilitate the provision of affordable housing by creating and maintaining an appropriate development environment and by allowing for certain built forms and neighbourhood characteristics. It cannot, on its own, ensure that affordable units are or will be built. Therefore, any effective affordable housing strategy must consider land use policy as only one component of municipal efforts in providing affordable housing.

## Future Directions

Based on the review of existing land use policy documents, a number of potential initiatives have been identified. These include:

- 1. Continue to demonstrate commitment to *Smart Growth* principles.
- 2. Continue to:
  - ensure a competitive residential market through managed growth;
  - encourage mixed uses; and
  - not regulate minimum dwelling sizes (or similar restrictive measures) through the Land Use Bylaw.



- 3. Ensure that community consultation processes include affordable housing discussions up-front .
- 4. Develop affordable housing guidelines that could address parking variations and other relaxations, location criteria and so forth. Such, guidelines would provide a clear link between policy statements and implementation measures.
- 5. Establish guiding principles for inclusion in policy documents that affect land use.
- 6. Develop a land use policy focused business function around Affordable Housing (that is, through a committed ongoing resource to advocate, educate and promote dialogue among internal stakeholders).

# CHAPTER THREE: EXISTING LAND USE BYLAW



# Introduction

The purpose of this chapter is to document how housing (and specifically affordable housing) is currently accommodated within The City's Land Use Bylaw 2P80. The chapter provides an assessment of the existing uses, rules, districts and administrative requirements as they relate to housing. In addition, it documents how various affordable housing types are accommodated in the bylaw. The chapter will conclude by identifying key issues for affordable housing in the LUB and indicating the nature of work that would be required to resolve these issues.

# Land Use Bylaw Overview

The land use bylaw is the primary planning document that regulates and implements land use policy. A land use bylaw has four main components (or streams of regulation):

- 1. Defines distinct types of uses (or activities)
- Establishes rules for development, which include building and site design requirements such as parking, access, and landscaping.
- 3. Defines **districts** that contain both permitted and discretionary uses, which, when assigned to specific geographic locations, establish what uses may take place at that location.
- Establishes the rules of administration, which include types of permits, information required for permits, decision-making parameters, and amendments.

## Streams of Regulation in the Land Use Bylaw

Uses Rules Districts Administration

In terms of affordable housing, each of these four streams of regulation has the potential to influence how housing projects are evaluated and developed within The City. In this way, the LUB can impact the provision of affordable housing and the cost of producing housing.

# The LUB in Relation to the Land Use Definition of Affordable Housing

Chapter 1 defined Affordable Housing in terms of housing type (form + use + density); neighbourhood characteristics (location characteristics); and the development environment (opportunity + feasibility to develop). All of these components are influenced by each of the land use bylaw streams of regulation to some degree. The following figure identifies the components of the affordable housing definition that are most affected by each of the streams of regulation in the LUB.

Figure 3. 1 Relationship between the components of the LUB and	
Affordable Housing	

		Affordable Housing Definition					
	LUB Streams	Housing Type	Neighbour -hood Character- istics	Development Environment			
B y l a w	Uses	$\checkmark$					
e	Rules	$\checkmark$	$\checkmark$				
sn pu	Districts	$\checkmark$	$\checkmark$				
Land	Administra -tion			$\checkmark$			

# Land Use Bylaw Review

The City is currently undergoing a comprehensive multi-year review of its LUB 2P80. Review of the residential districts is scheduled for 2004. The timing of the review is fortunate because there is an opportunity to provide input into the new LUB as it developed.

## Housing Uses in the LUB

The LUB has several housing related uses that are defined in the bylaw. Some housing uses are not individually defined, but are included in the LUB in a general use category. For example, an emergency shelter is considered a public or quasi-public use by the LUB. This is not necessarily good or bad, but is important in understanding how the bylaw is structured. Figure 3.2 shows the relationship of the existing uses in the LUB to the non-market to market housing continuum.

The definitions for each of these uses, as defined in bylaw 2P80. Given that the LUB was developed over 20 years ago, the definitions likely require updating as they may not reflect the current and emerging housing types. There are also some housing types (i.e. accessory dwelling units) that currently do not have a standard definition in the bylaw and should be added.

Bylaw 2P80 does, however, contain some uses that contribute to the provision of housing options that are not common to many land use bylaws. Worthy of note is the definition of a Lodging House. A single-family dwelling may rent out individual rooms to as many as three individuals before the bylaw considers this to be a change in use from a dwelling to a lodging house. This means that if a homeowner desires, they may rent out as many as three bedrooms separately without requiring a development permit from The City.

With changes in society and demographics, there are demands for new **housing types.** These housing types may have different forms, densities, and uses than traditional housing types. Examples of where some of these new housing types have been accommodated in other cities are reviewed in Chapter 4.

How uses are defined greatly affects the **housing types** that may be accommodated within the standard districts of the bylaw. In addition, clear definitions that are easily interpreted and understood create better certainty and therefore a better **development environment**.

# Housing & the Districts of the LUB

The LUB currently has thirteen main residential districts. In addition, it accommodates dwellings in all commercial districts excepting C-6 and allows for accessory 'custodial quarters' within industrial districts. A summary of the districts and the housing uses accommodated within them are in Figure 3.3.

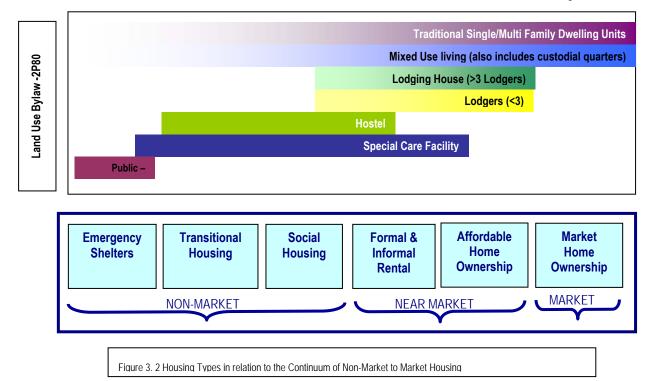




Figure 3. 3: Overview of Housing Choices in the Land Use Bylaw

	stricted ial etached	e a	t t	R-1A Narrow Lot Single-Detached	R-2 & R2A Resid. Low Density	obile	w Aulti-	w Aulti-	ed. Aulti	edium Aulti	edium Aulti	jh Aulti	jh Aulti	cial		ontrol
	RR-1 Restricted Residential Single Detached	R-1 Single Detached	RS-1 & RS2 Small Lot	R-1A Nai Single-Do	R-2 & R2 Low Den	R-MH Mobile Home	RM-1 Low Density Multi- Family	RM-2 Low Density Multi- Family	RM-3 Med. Density Multi	RM-4 Medium Density Multi	RM-5 Medium Density Multi	RM-6 High Density Multi	RM-7 High Density Multi	Commercial Districts	I-2 Light Industrial	Direct Control District
Single Detached Dwelling <sup>1</sup>	Р	Р	Р	Р	Р		Р	Р	D	D	D	D	D			
Semi-detached Dwellings <sup>1</sup>			P <sup>2</sup>		Р		Р	Р	D	D	D	D	D			
Duplex <sup>1</sup>					Р		Р	Р	D	D	D	D	D			
Triplex								D	CU	CU	CU	D	D			
Fourplex								D	CU	CU	CU	D	D			
Townhouses					D <sup>3</sup>		CU	CU	CU	CU	CU	CU	CU			
Stacked Townhouses								CU	CU	CU	CU	CU	CU			
Apartment Buildings								CU		CU	CU	CU	CU			
Lodging House							D		D	D	D	D	D			
Special Care Facility			D	D	D		D	D	D	D	D	D	D			
Hostels										D	D	D	D			
Public & Quasi Public Bldgs		D	D	D	D		D	D	D	D	D	D	D			
Single-wide mobile homes						Р										
Double-wide mobile homes						Р										
Dwelling Unit (mixed use?)														D		
Custodial Quarters															D	
Accessory Dwelling Units <sup>4</sup>																D

2. Semi-detached use is permitted in RS-2 but not RS-1

3. R-2a only

4. Accessory Dwelling Units is an inclusive term for all secondary use dwellings (secondary suites, granny flats, garage apartments)



The structure of the districts within a LUB affects all three of the components of affordable housing. Once a land use district is applied to a specific geographic area (*location attribute*), the range of permitted and discretionary uses for that area is set for those lands. In terms of *location*, different land use districts may be applied to different geographic areas in order to achieve location objectives. For example, a multifamily district might be used in an area that is close to community amenities and transit.

The structure of the district (in terms of the permitted and discretionary uses accommodated in each district) has a large impact on the future development of the site. If the desired *housing type* is listed as a permitted use, that type could be constructed as long as all of the rules of the bylaw are adhered to. If the housing type is listed as a discretionary use, it is up to the discretion of the Approving Authority to determine whether or not the housing type should be allowed. The Approving Authority will make their decision based on city policies that are in place for the area (usually within a Area Structure Plan, Area Redevelopment Plan, and/or a Design Brief).

For a discretionary use, the decision of the Approving Authority can be appealed to the Subdivision Development and Appeal Board (SDAB) by either the Applicant or another affected party. This appeal process and the uncertainty and risk it creates affects the *development environment*.

The increased risk associated with appeals is a barrier that contributes to the cost of providing affordable housing. This is a direct result of the NIMBY (Not In My Back Yard) phenomenon. Community associations have a strong influence on the development of uses that are *discretionary* in the LUB and have the ability to appeal decisions made by the Development Authority.

Some Discretionary Uses in the LUB must be 'Notice Posted'. These uses are identified with the initials N.P. A notice posting is a sign that is erected on the site of the proposed development that notifies all passers of an application to develop a specific use.

In terms of providing a positive *development environment* for housing, the greater number of

affordable housing types that are accommodated as a permitted use, the better. This, however, does not necessarily mean that it is best to always have all housing types permitted in every district. For example, it would not necessarily be advantageous to have a multi-family district that allows for single detached dwellings.

It is important to note that any proposed Land Use District based solutions for affordable housing may be different for established areas as defined in the bylaw. Much of the districting within established communities was done by 'block zoning' whereby large areas had an appropriate land use district applied. The districts were developed with this type of geographic application in mind. Thus the intent of the Districts was that one of the listed uses would be appropriate, but not necessarily all of them. As such, changing an existing land use district in 2P80 would require an analysis of the lands that currently have that land use designation.

## Building and Site Design Rules in the LUB

Building and site design rules typically include such things as building heights, yard requirements, site coverage, parking and landscaping. These rules play a very important role in a land use bylaw and have a great impact on the **built form** and compatibility of urban environments.

Perhaps the most commonly debated rule in affordable housing projects is parking. The provision of parking contributes to the cost providing of housing because it is land consumptive and/or expensive to construct. The provision of parking can becomes increasingly expensive in inner city communities where the land cost is greater and communities may already be facing parking shortage issues. In these areas, structured parking becomes an expensive alternative.

## Use Rules in the LUB

Land **use** rules influence the activities that are permissible within a land use district. Uses may be restricted by the way in that they are defined or through other regulatory means such as a density rule (i.e. units per acre or floor area ratio). For example, a



district in the land use bylaw may allow for an apartment building but restrict the number of units allowed by establishing a density limit.

The purpose behind the rules is to best ensure the compatibility of the use with adjacent uses and to implement land use policy. Well-developed rules and clear definitions provide clarity to developers and community associations. Conversely, unclear rules increase uncertainty and often lead to debate.

In addition to permitted and discretionary uses, The City's LUB also uses a 'certainty of use' or CU as a qualifier for some of the discretionary uses in the bylaw (refer to section 11 (2) (b) of bylaw 2P80). These uses are listed as discretionary uses and are identified with the initials CU. Certainty of use means that the Approving Authority cannot refuse the application on the grounds of use *if* the lands are within a Policy Document (Area Structure Plan, Area Redevelopment Plan, or a Design Brief) that identifies that use. In effect, this means that a landowner, whose land is designated (zoned) as multi-family (e.g. RM-5,) could be denied an application to build a townhouse development on grounds that the use is not appropriate. Therefore, having RM-5 zoning alone does not guarantee that this type of development would be approved unless there is existing policy to support the use. This practice leads to good land use planning; however, it may lead to confusion by builders.

The 'certainty of use' rule is complicated and relies on other municipal documents. This substantially increases the level of risk and uncertainty that is carried by a developer. Further, there isn't a standard set of rules that apply (because the rule varies depending on the policy for an area) so it may create additional frustration and misunderstanding by a developer when they are developing in more than one area of the city.

# Proposed Changes to the Alberta Building and Fire Codes

The province is currently undergoing a review of the Alberta Building Code (ABC) and the Alberta Fire Code (AFC) to develop code requirements for secondary suites. The province is in the process of refining the definition that it will use for secondary suites; however, the definitions being considered are specifically looking at second dwelling units that are being developed within buildings originally intended for single family homes.

Currently the ABC and AFC require that secondary suites be developed to the same standard as a duplex unit. The objective of the review is to determine alternative code requirements that are more economic to develop and do not compromise the health and safety of the occupants of the secondary suite and principle dwelling.

The current LUB 2P80 considers secondary suites to be a type of duplex and thus they are not specifically identified as a use in the bylaw. The proposed changes to the ABC and AFC require that a municipality's LUB specifically recognize secondary suites in their bylaw in order for the new code requirements to take effect. Therefore, if the province does amend the ABC and AFC, the new standards would not come into force in Calgary unless an amendment is made to LUB 2P80.

# Conclusions

- The Land Use Bylaw and how it is administered has a high degree of impact on the housing type and the development environment for providing housing. When the land use districts are applied to specific sites (location), the uses that are likely to be developed in that district are highly influenced by the permitted and discretionary uses that are accommodated in that district. In addition, some rules of development and the required buildings and site designs may substantially increase the cost of development.
- The current bylaw does provide many opportunities for the development of affordable housing and has some uses (ie. Lodgers and Small Lot Development) that are not common to many municipalities.
- The definitions in the bylaw have not been reviewed in some time and may no longer reflect the current and future market trends. A review of



the definition of existing uses and an assessment as to the viability of adding additional uses would ensure that affordable housing types could be accommodated within a standard district in the bylaw.

Some of the land use rules are fairly complicated (e.g. Certainty of Use) and their complexity may lead to greater risk and uncertainty for the developer.

## Possible Actions/Projects

Much of the research required to assess the Land Use Bylaw to determine whether changes should be made is similar to the work that is being completed by the Land Use Bylaw Review Team. Work on the residential section of the bylaw is currently scheduled for commencement in the summer of 2004. Adoption of the new Land Use Bylaw is not anticipated until 2006.

The following are potential initiatives that could be undertaken, which will be reviewed in Chapter 5.

- 1. Monitor and assist the Land Use Bylaw team regarding:
  - Accommodating the full spectrum of housing types;
  - Strengthening the Small lot development district;
  - □ Using Floor Area Ratio for density; and
  - Reviewing Private Amenity Space requirements.
- 2. Make amendments to LUB 2P80 to accommodate secondary suites. This work would only be completed if the Province amends the Alberta Fire and Alberta Building Codes and would include:
  - Developing a definition for secondary suites;
  - Determining appropriate districts for secondary suites to be accommodated (if any); and
  - Reviewing district development rules to ensure that they are appropriate for secondary suites.

- 3. Develop a set of 'equivalencies' and/or guidelines for use with LUB 2P80 (and potentially the new LUB) for use on identified affordable housing projects. These guidelines would assist the Development Officer in the use of discretion and encourage consistency in decision making (thereby reducing developer risk). This initiative would work in concert with other AHIP projects including the 'Development Approval Process Review' (one-window approach), the 'Private Sector Incentive Project,' and the 'Resource Management Strategy.' Equivalencies (or quidelines) could address topics such as:
  - Parking standards
  - Private amenity space
  - □ Use of FAR for density
- Develop a 'ready to use' DC District that accommodates accessory dwelling units, which could be used on an interim basis pending the adoption of the new LUB in 2006.
- Establish clear policy and guidelines that would assist in the interpretation of the bylaw and the use of discretion by the Development Authority. This could be accomplished through a wide variety of advocacy based initiatives such as:
  - Developing guidelines and/or policies in policy plans;
  - Reviewing new policy documents to assess their impact on *housing types*, *neighbourhood characteristics*, and *development environment*; and
  - Creating education and awareness programs for both internal and external stakeholders.

# CHAPTER FOUR BEST PRACTICES



# Introduction

The purpose of this chapter is to identify and describe successful approaches and tools used in other municipalities. It includes a preliminary gap/fit analysis to establish the need for and appropriateness of these 'best practices' in the context of Calgary.

Canadian municipalities act under provincial enabling legislation and thus the authority of municipalities varies substantially. In addition, some Canadian municipalities are governed under a charter rather than under general legislation. While methods used in other municipalities may not be directly transferable to the Calgary context, they were examined for the transferability of the general concept or principles.

# Methodology

Given the large body of literature that exists on affordable housing, the bulk of the methodology for this analysis consisted of a review of existing and readily available material. Primary sources for much of the research was from Canada Mortgage and Housing Corporation (CMHC), Affordability and Choice Today (ACT, which is funded by CMHC), and American Planning Association (APA) publications. City program examples where summarized based on information found in these documents or on municipality websites.

The methodology has two aspects: a discussion of the overriding framework or supports that should be in place for the implementation tools to be meaningful; and a description of the tools themselves. Emphasis is given to the idea or concept behind the practice, and not necessarily on a detailed analysis of its implementation. Examples are used to illustrate the tools and are not intended to represent an exhaustive list of practices across the country.

Municipal initiatives such as tax programs, development agreements, housing foundations and partnerships that do not specifically translate into policy are not addressed in this review. Such initiatives are, however, worthwhile and their absence from this project does not preclude either their potential relevance to the Calgary situation or the ability to address them in other projects under the AHIP program.

# **General Practices**

The American Planning Association's Planning Advisory Service Report *Regional Approaches to Affordable Housing* provides an excellent summary of best practices and strategies for a successful affordable housing model. Though the practices are defined as regional, they are equally applicable at the local level. They include:

- 1. The most important element in ensuring the provision of affordable housing on a regional basis is political will and leadership
- 2. Advocates for regional change must reframe the question of the need for affordable housing as a market inefficiency to be corrected rather than as charity or welfare for the poor or less deserving.
- 3. A regional institution must be charged with identifying and understanding the scope of the affordability problem on a regional basis and creating a forum for action.
- 4. Advocates for affordable housing production must understand the role of the market.
- 5. The state's role is critical, especially in high-cost, high-growth regions.
- 6. States need to be aggressive in persuading local governments to remove regulatory barriers to affordable housing.
- 7. Reliable sources of funding for subsidies and for supporting infrastructure for affordable housing are essential.
- 8. Local governments must have a full toolbox of techniques to provide affordable housing opportunities. Often this toolbox requires state authorizing legislation or hands-on assistance.



Strong communities are built of strong neighbourhoods. Strong neighbourhoods combine social public spaces, social infrastructure, economic opportunity, urban services, and a decent place to live...

Strong neighbourhoods contribute to property taxes, safe communities, a stable workforce and an environment that invites economic opportunity. For these reasons, planners are concerned with housing quality, affordability, and choice, not just as a matter of social equity, but as a fundamental element of community viability.

- APA Policy Guide on Housing, 1999

In addition, in 1999 the APA produced *a Policy Guide on Housing*. The *Guide* contains the following general policies for stimulating the provision of affordable housing:

- 1. Planners should strive to identify and address housing needs in urban, suburban and rural areas.
- 2. Planners should promote [through policy and regulation] housing stock in a wide range of prices, with a variety of types and configurations, to offer choice in locations, type, and affordability to all members of the community.
- 3. Planners should promote development of quality housing that will continue to offer decent, affordable shelter throughout its entire life.
- 4. Planners should help to eliminate housing discrimination in their communities.
- 5. Planners should work to minimize the economic stratification of cities by income level, segregating the poor into one district, the middle-class into another, and the rich into yet another.
- 6. Planners should work to eradicate unsafe and unsanitary housing conditions while working to preserve the existing housing stock.
- 7. Planners should promote better balance between the location of jobs and housing.
- 8. Planners should work for a cooperative and mutually supportive relationship among [all levels of government] based on the recognition that funding for housing programs is best implemented at the broadest level, while program delivery is best implemented at the local level.

9. Planners must work with non-profit as well as forprofit residential developers to implement housing goals.

Although these practices and strategies were written for the United States, they provide insight on the framework required for successful implementation of planning policy for affordable housing and perhaps some guidance as to how affordable housing can be addressed at the strategic policy level.

## Smart Growth

In addition to direct statements, municipal land use policy can address affordable housing through its general approach to growth.

Many municipalities are now advocating the concept of Smart Growth, which aims to:

- create urban neighbourhoods that accommodate growth;
- provide housing choice;
- make efficient use of existing transportation and utilities infrastructure; and
- produce safe, interesting, and comfortable pedestrian environments.

Principles of smart growth are highly compatible with the land use policy definition described in Chapter 1: they provide for a variety of **housing types**; they promote **neighbourhood characteristics** that include transportation choice, mixed uses, community nodes and walkable neighbourhoods; and they advocate a more efficient **development environment** for developers who wish to follow the principles.

## Hope VI

The Hope VI (Housing Opportunities for People Everywhere) program is an urban revitalization demonstration project federally funded in the United States. Hope VI projects are predominantly neotraditional developments in inner city settings.

Its relevance to the policy review stems not from its implementation – it is a federal program designed to transform existing "severely distressed" public housing units – but from some core policy principles that govern Hope VI projects. These principles specifically address the 'livability' of neighbourhoods, and the notion of community integration.



## Applicable principles include:

- Establish a neighbourhood of choice that recognizes the practical implications of creating competitive communities.
- Make civic connections to surrounding neighbourhoods.
- Foster a mix of uses.
- Design a compelling sense of place.
- Build in the basics of livability.
- Redevelop to appropriate densities.
- Incorporate social and supportive services.
- "Make no little plans" create critical mass.

In summary, the principles support the creation of mixed-use communities that appeal to a broad range of people and are socially, economically and financially accessible.

#### Municipal Plans

Most community-wide municipal plans generally address affordable housing, at the least through policy statements advocating support for the provision of it. However, a number of plans do provide more specific direction for how affordable housing should be achieved. The more direct policy statements include:

- Supporting the maintenance of proportions of market to non-market housing stock (Vancouver and Ottawa)
- Monitoring programs for affordable rental and home ownership prices (Ottawa)
- Regulating demolitions to preserve existing rental housing stock (Vancouver)
- □ Regulating strata conversions (Vancouver)
- □ Legalizing secondary suites (Surrey)
- Private sector incentives to provide lower cost housing (Vancouver)<sup>3</sup>
- Ensuring municipal regulations do not unduly increase housing costs (Vancouver)

Policy practices that directly address affordable housing are primarily focused on general policy statements, or they address **housing type** or the **development environment**.

# Advocacy Tools

Advocacy tools are process- and education- based activities that facilitate the provision of affordable housing. They are distinguished from implementation tools in that they are focused more on promotion and awareness of affordable housing objectives, and tend to be more communication-oriented.

## Education Programs

Some municipalities have been effective in advancing their affordable housing objectives through the use of public education programs. The programs identified focused on either the general public or the less sophisticated developer.

Programs aimed at the general public often try to combat NIMBY. Such programs aim to dispel public misconceptions about affordable housing and reduce public resistance to such projects. In addition, many provide people the information they need to evaluate affordable housing proposals and understand their potential impacts.

Programs aimed at the less sophisticated developer vary widely. The two examples shown here show one program that is aimed at non-profit developers of affordable housing and another that is aimed at home owners who may be considering developing a secondary suite.

## Examples:

Examples	
Regional Municipality of Peel, Ontario	<ul> <li>Established an Affordable Housing Education Committee, which consisted of representatives from a wide range of organizations.</li> <li>The education package contains a 16-minute video, a one-minute video vignette and a poster. The video is used by municipal councillors, developers, non-profit housing organizations, and others.</li> </ul>
Toronto, Ontario	<ul> <li>Developed an information brochure for those considering developing a secondary suite. It aims to ensure that landowners consider both the pros and cons of owning a suite.</li> </ul>
Housing & Urban Development, USA	<ul> <li>Developed a project workbook directed to developers of Affordable Housing. The book is extensive and looks at the project right from the concept stage – through to the occupancy stage.</li> <li>This workbook also focuses on the importance of providing good design that is of benefit to the neighbourhood, the development, and the future occupants of the site.</li> </ul>

<sup>&</sup>lt;sup>3</sup> Private Sector Incentives and the approvals process are separate projects being explored under the AHIP umbrella, and as such are not covered in this LUPR.

# Implementation Tools

Implementation tools are bylaw, policy or regulation initiatives that encourage the development of affordable housing through enabling various housing types, and by creating incentives or regulatory requirements. A summary of the Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis for each tool may be found in Appendix A.

## Accessory Dwelling Units (Housing Type)

Accessory Dwelling Units (ADUs) include secondary suites, granny suites, garage studio suites, and similar small, independent apartments sharing utility connections with a principal building (units may or may not be in a separate building). The existence of a kitchen is often used to differentiate ADUs from a guest house (i.e. unit over the garage or in separate building without a kitchen) and a lodging (boarding) house.

An Accessory Dwelling Unit is an independent dwelling with kitchen, bathroom, and sleeping areas. The unit is considered accessory to the principal single family residential use of the site. There are various types of ADUs:

- Secondary Suites usually refers to units that are located within the principal building.
- Carriage house, garage suite, and studio suite are terms that are often used to describe ADUs located as a part of a detached garage.
- A granny flat or cottage is an ADU located in a separate building, usually in the backyard.

Regardless of the built form, legalizing ADUs is often advocated as a means of delivering more affordable housing while making more efficient use of municipal infrastructure. It is argued that allowing ADUs increases the number of dwelling units within a given area at a limited cost (when compared to other dwelling types).

Critics, however, argue that in many instances, legalizing ADUs has little or no impact on the number of suites in existence. They argue that the majority of landowners do not wish to have an ADU and question whether any new units would be constructed even if bylaws were changed to allow them. Those cities that have chosen to legalize some or all ADUs use a combination of policy criteria and regulatory (LUB) requirements to determine when, where, and how the dwellings are accommodated.

## Secondary Suites

Many cities only address secondary suites (see box). Most establish application 'rules' for secondary suites that are either within the LUB or in a policy guideline. Rules include such things as:

- Limiting them to single family detached homes (i.e. A duplex or multifamily unit would not be eligible to apply for a suite);
- Requiring that the owner be resident in either the secondary suite or the principle unit;
- Limiting the size of the suite (e.g. 90 square metres);
- Requiring that additional parking stall(s) be provided; and
- Limiting the number of secondary suites to one.

Research has shown that:

- Rental rates for secondary suites are generally lower than average rents;
- Tenants are generally younger and less affluent than the general population;
- Secondary suites are a significant source of shelter for singles and single parents;
- Tenants tend to have fewer vehicles than the general population;
- Suites are often used as live-in quarters for people who help seniors around the house; and
- Suites are often considered a mortgage helper for landowners.

## **Critical Success Factors**

- □ Full citizen engagement process to fight NIMBY;
- Education programs to encourage illegal suites to become legalized;
- Not charging extra fees for ADUs (i.e. garbage collection);
- Not including ADUs as part of a maximum density calculation; and
- Incentives may be required to encourage legal provision.

# Gap / Fit

One barrier to the development of legal secondary suites in Alberta is the building code requirements. The Alberta Building Code (the Code) does not



differentiate between a secondary suite and an alternate dwelling type. In other words, a secondary suite is reviewed by the code in the same fashion as a duplex or semi-detached dwelling. Secondary suites are required to have their own separate heating systems, water tank, and have fire separation. In addition, door and window sizes, stairwell widths, sound attenuation, and ceiling height requirements are often seen as contributors to the cost of developing a secondary suite. Advocates of secondary suites state that this is not reasonable. It is worth noting that the Code is currently under view and changes may be forthcoming in 2005.

Bylaw 2P80 does not currently identify ADUs in any of its land use districts (other than Direct Control). Secondary suites are accommodated to some degree as they are considered by the LUB as a duplex or semi-detached unit and are discretionary uses in some districts.

# Examples:

Examples:	
District of North Vancouver, BC	<ul> <li>Permitted in single family homes if:</li> <li>A third parking stall is provided</li> <li>The owner lives in the primary unit</li> <li>Only one unit per house</li> <li>Suite is no greater than 968 sq. feet</li> <li>Unit conforms to the building code</li> </ul>
City of Surrey, BC	<ul> <li>Conducted an extensive public education program to fight NIMBY</li> <li>Identified three different areas within the city where secondary suites could be applied for: <ul> <li>Area Rezone, where secondary suites could be developed 'as-of-right'</li> <li>Spot Rezone, where individual parcels could be rezoned to allow the suites. (This zone was later deleted)</li> <li>Single-Family only zone, where secondary suites were prohibited</li> </ul> </li> <li>Five conditions for both new and existing suites: <ul> <li>Located in a single family unit only</li> <li>Applicant must own the home and live either in the main dwelling unit or the secondary suite</li> <li>Max size: 90 square metres (969 square feet)</li> <li>One additional parking stall</li> <li>Only one suite per single family home</li> </ul> </li> </ul>

Seattle, Washington	<ul> <li>Housing choice policy including cottage housing; ADUs (attached and detached); live-work; and small lot development.</li> <li>ADUs less than 93 square metres (1000 sq. feet) are allowed outright in all single family zones, but must be added to or within an existing structure; one extra parking stall is required, and the landowner must occupy one of the units</li> <li>A major public engagement program was developed and is ongoing.</li> </ul>
Toronto, Ontario	<ul> <li>Developed owner guides to educate prospective landowners about the pros and cons of being a landlord.</li> <li>Permitted in all single-detached and semi-detached houses with conditions:</li> <li>Must be self-contained with its own kitchen and bathroom</li> <li>House, including additions, must be at least 5 years old</li> <li>Must have at least 2 parking stalls</li> <li>Must comply with the building code, fire code and zoning bylaws</li> </ul>

## Flexible Zoning and Housing Innovation(Development Environment and Housing Type)

A variety of programs have been developed that aim to meet affordable housing objectives through innovative design or by accommodating change overtime. These include innovations in housing styles and flexible zoning regulations<sup>4</sup>.

Adaptive housing (Sprout, Grow and Flex homes) consists of a 'base', no frills housing unit that can be expanded, enhanced or adapted over time as the needs and/or resources of the family dictates. Providing only the basic required features minimizes construction costs.

New housing styles called Sprout Homes, Grow Homes, Two-generation homes, or Flex homes are similar in that they are examples of innovations in housing form that are aimed at better meeting the changing needs of a family overtime. While each of

<sup>&</sup>lt;sup>4</sup> In Alberta, it is most correct to use the term 'District' to refer to the different categories of land use that may be applied to a geographical area. This is the term that is used in the MGA. Other jurisdictions use the term 'zone' to describe a similar category. In terms of this LUPR, the words zone and district are used interchangeably.



these styles of housing have slightly different strategies, they all:

- Focus on allowing for the use of the building to evolve over time either by providing potential expansion areas within the home (i.e., the attic or basement);
- □ Allow an addition onto a home; or
- □ Allow for the development of a suite (ADU).

The purpose of flexible zoning is to allow for innovation to occur within a land use district. It can support the provision of affordable housing by allowing for different housing forms, uses, and densities under the same land use designation.

Flexible zoning allows for more flexible regulation in terms of land use and building envelope or by allowing a larger range of uses within a building, site or land use district.

## Advantages:

- □ Allows for innovations in housing form; and
- Allows for change in needs of a landowner over time.

Disadvantages:

- Less certainty for developers and the application of more discretion;
- Detentially higher costs of the process; and
- No guarantee that it will result in more affordable housing.

# Critical Success Factors

- □ Must have clear guidelines for implementation;
- Must have clear rules for redevelopment; and
- A Desire by builders/landowners to develop innovative products

# Gap/Fit

There are several examples of flexible zones that have been developed in The City. Through the use of a Direct Control District, there are lands that have zoning that allows:

 Offices, personal service business and retail stores as discretionary uses within residential buildings provided that they are accessory to the residential use (Evergreen)

- Accessory dwelling units (Garrison Woods, MacKenzie Towne, Bridlewood)
- Grow homes (Garrison Woods)

Within the established area of The City, some lots designated R2 would also be considered a type of made-to-convert or flexible type zone. Many of the lots under this land use district are eligible to be subdivided into two narrow lots or be redeveloped as a semi-detached or duplex, which allows for infill development.

## Examples:

Examples.	
London, Ontario	Made-to-convert lots in a new plan of subdivision (allowed for Accessory Suites) to developed at a later date.
Markham, Ontario	<ul> <li>Urban Expansion Bylaw introduced four mixed use and two permissive residential zones, working towards flexible zoning.</li> <li>Mixed use zones permit retail, office and residential on one site and within one building, and increased densities are permitted in all zones. Development controls are more stringent than normal in these zones.</li> </ul>
British Columbia	<ul> <li>Comprehensive Development Zoning uses some principles of flexible/performance base zoning, including mixing land uses on site – customized zoning within the context of municipal OCPs.</li> </ul>

Building Conversion (Housing Type)

Building conversion includes both the conversion of larger homes into multiple dwellings and the conversion of previously non-residential buildings into residential use.

Local planning regulations and bylaws are often viewed as barriers to these types of redevelopments. From a planning perspective, however, these types of situations often represent a wholesale change of use and proposed solutions must be open to scrutiny by the general public. Policies that support building use conversion are most often addressed through Area Redevelopment Plans (ARPs) or similar planning



documents where the specific location and context are best analyzed.

Advantages:

- □ Makes use of existing buildings/infrastructure;
- Ability to strategically look at redevelopment areas and determine which may have the necessary neighbourhood characteristics that would be best suited to the needs of client groups of Affordable Housing; and
- Have a greater propensity to 'fit' with adjacent buildings and structures in terms of architectural style as it is a re-use of an existing structure.

Disadvantages:

- No guarantee that the redevelopment will be affordable;
- Renovation must meet building codes and may be cost prohibitive;
- Even if policy is developed, there is no guarantee that the landowner would take advantage of the redevelopment opportunity;
- Only applicable to buildings located in areas with suitable neighbourhood characteristics;
- Requires additional policy, incentives and potentially regulation to develop; and
- Change in use may make it difficult to meet Land Use Bylaw requirements for parking or other land use rules that may differ from that of the original use.

# Critical Success Factors

- Description: Must have clear guidelines for implementation;
- □ Must have clear rules for redevelopment; and
- Desire by builders/landowners to develop innovative products.

# Gap/Fit

There are two examples that have been developed in Calgary where former hotels have been converted into Single Room Occupancy (SRO) rental accommodation. There are also examples where old warehouse buildings have been converted to luxury loft accommodation.

## Examples:

Exumples.					
City of Sillery,	<ul> <li>Established a program to allow the</li> </ul>				
Quebec	conversion of large houses (i.e. greater				
	than 450 square metres or 4,844 square				
	feet) into multiple units				
	<ul> <li>Program objectives were to:</li> </ul>				
	<ul> <li>Encourage the maintenance and</li> </ul>				
	renovation of aging properties				
	<ul> <li>Make it possible for the elderly to</li> </ul>				
	remain in their homes				
	<ul> <li>Diversify the population</li> </ul>				
	<ul> <li>Ensure that the existing housing stock</li> </ul>				
	is not demolished unnecessarily				

# Small Lot Zones (Housing Type and Neighbourhood Characteristics)

Various municipalities have sought to encourage the development of affordable housing through the development of small lot zones. Small lot zones simply refer to zones/districts that allow for more modest sized lots and dwellings than what would normally be provided.

The development of these modest dwellings and parcels are often either clustered or used as an infill development option. In an infill environment, a larger lot or consolidation of lots may be subdivided into multiple smaller lots that are intended to accommodate single family dwellings. Some municipalities refer to these types of units as 'cottages'. Often cottage developments will have common outdoor amenity areas.

# Advantages:

- □ Allows for modest single family homes;
- Can architecturally blend into existing single family neighbourhoods through attention to the design of the units, open spaces and landscaping;
- Is a strategy for infill and redevelopment sites; and
- May be better able to meet the needs of changing demographics (i.e. more singles and smaller household sizes).

# Disadvantages:

- No guarantee that the units developed will be affordable; and
- Usually requires additional incentives, policy and or regulation to develop.



# Gap/Fit

The City currently has a RS Residential District that allows for small lot development as a discretionary use. Bylaw 2P80 defines 'small lot development' as 'an area that is comprehensively designed for low density residential development on small lots and is subject to a set of approved development design guidelines...' The minimum lot size in the district for single-family detached dwellings is 233 square metres, this compares with the R1A District, which has a minimum lot area of 258 square metres, which is considerably smaller than what most Cities allow (see Fort Saskatchewan example). The R1A District has been a particularly successful district in new development areas.

# Examples:

Examples.	
Seattle, Washington	<ul> <li>Established 'Cottage Housing' as part of their Housing Options program.</li> <li>Cottage developments in Seattle: <ul> <li>Include a minimum of 4 cottages together</li> <li>Minimum of 500 sq. ft. per unit with private and shared outdoor amenity space</li> <li>Have a maximum density of one unit per 1,600 sq. ft. (149 sq. m)</li> <li>may include ADUs (i.e. Carriage House units)</li> <li>Max cottage footprint 650 sq. ft.</li> <li>Max 2nd floor area 350 sq. ft.</li> <li>Storage facilities must be provided for each unit to ensure parking areas are used for vehicle use</li> <li>Has had limited success</li> </ul> </li> </ul>
Redmond, Washington	<ul> <li>Allowed in all areas of the City in low-moderate density residential areas.</li> <li>Requirements: <ul> <li>Minimum of 4 cottages</li> <li>Minimum of 700 sq. ft of private/common open space per unit</li> <li>Max cottage footprint 800 sq. ft</li> <li>Max cottage square footage is 1000 sq. ft. (attached garages included in the square footage calculation).</li> <li>May include ADUs to a maximum of 40% of the principle dwelling</li> </ul> </li> </ul>

# Fort

Saskatchewan, Alberta

- Small Lot Development Bylaw to encourage entry-level housing
  Reduced minimum lot size from 493 sq. m to 408 sq. m
- Required a minimum square footage of 89 sq. m (958 sq. ft) as opposed to 93 sq. m (1000 sq. ft.)

# Condominium Conversion

Rental multifamily buildings that are part of the 'formal' rental housing market are often converted to condominiums and then offered for individual sale. Under Alberta law, municipalities do not have the authority to restrict the conversion of rental stock that was built after 1966.

Many advocates of affordable housing oppose the conversion of rental stock, as they believe that this reduces the amount of affordable housing. This is debatable in terms of an overall affordable housing strategy. Many condominium conversions may become affordable housing units in terms of affordable 'home ownership' rather than rental stock. In addition, there is some evidence that many condominium conversion units are bought for investment purposes and then are rented out again in the informal market.

Formal rental housing refers to rental housing that is measured in CMHC Statistics. This type of housing includes rental apartment buildings greater than 3 units that are not ground oriented and ground oriented rental townhouse complexes that are greater than 3 units.

Advantages:

• One of the few implementation strategies that focuses on rental accommodation.

# Disadvantages:

- Limited to buildings constructed prior to 1966;
- □ Requires substantive research and justification;
- The pursuit of retaining rental accommodation in this manner may run counter to other planning objectives (i.e. encouraging the availability of lower cost home ownership);
- Highly interventionist into the market; and
- Likely would receive opposition from landowners.



# Gap/fit

Detailed empirical studies should be conducted to determine whether or not conversions have an impact on vacancy rates and rents. This study should be Calgary specific as it is possible that other cities are not influenced in the same fashion due to differences in demographics and economic structure. Intervention in the marketplace without this knowledge could damaging to an overall affordable housing strategy.

# Bonusing

Bonusing (a form of incentive zoning) is a voluntary tool that is used to encourage developers to provide public amenities, affordable housing, preserve

**Bonusing** is a mechanism that allows zoning requirements to vary in exchange for the provision of services or facilities that benefit the community.

affordable housing, and/or historic buildings. Affordable housing bonusing programs can be structured to either build affordable housing units, provide cash in lieu of building affordable housing units, or a combination of both.

Bonusing programs can be administered through specific rules for 'as-of-right' bonusing (e.g. Land Use Bylaw based), through negotiation (policy based), or through a combination of both. Most successful programs use both. An APA identifies the major issue for negotiated systems:

Negotiating bonuses allows cities to tailor the details of a bonus arrangement to the unique aspects of each particular site. The disadvantages to this approach are the same as for all discretionary land-use review processes; namely, the process typically means additional time, expense, and uncertainty for the developer and there is the likelihood that similar properties will not be treated uniformly, which can give rise to charges of unfairness or unequal treatment.<sup>5</sup> In Canada, programs are typically based on negotiated agreements rather than as-of-right.

# Advantages:

- It can provide incentives to provide new affordable housing units when applied to large projects;
- It can provide affordable housing with minimal municipal financial involvement; and
- It can have other planning merits (i.e. intensification of particular areas).

# Disadvantages:

- Does not apply to all areas and circumstances;
- Dependent upon developers wanting higher densities (or whatever else is being bonused);
- □ Can be seen as excessively discretionary;
- Subject to criticism if the lands eligible for bonusing are considered to be artificially 'under zoned';
- Requires co-ordination and prioritization with other bonusing programs (i.e. many municipalities have bonusing programs to encourage provision of public plazas, +15s (Calgary), and park-space in addition to affordable housing; and
- Requires fit with broader planning objectives and community values.

# Critical success factors:

- □ A high degree of economic activity;
- □ A strong real estate market;
- Best used in conjunction with other affordable housing programs;
- Good bonus structure (i.e. the matching of an appropriate bonus to the affordable housing that is provided is critical) because if the cost of providing the affordable housing exceeds the bonus value, the developer will have no incentive to provide it;
- Clear and consistent administration of the program, which requires a longstanding, unwavering commitment of both the Administration and Council; and
- Best used as a tool in areas where there is high land value (i.e. downtown and inner city).

Finally, as with most programs, bonusing is most effective when used in conjunction with other programs. In fact:

<sup>&</sup>lt;sup>5</sup> Morris, M., <u>Incentive Zoning: Meeting Urban Design and</u> <u>Affordable Housing Objectives</u>, 2000, American Planning Association.



Research... indicates overwhelmingly that density bonuses and regulatory waivers, in and of themselves, do not lead to the creation of affordable housing units. Such techniques are used most effectively in concert with <u>direct subsides and where there is adequate land</u> <u>zoned to accommodate housing of all types and for all</u> income groups."<sup>6</sup>

# Examples:

Vancouver	<ul> <li>Began a bonusing program in 1988, done through negotiated agreements. Targeted to non-profit core needs households, this secured land for 2,500 units, 800 of which</li> </ul>				
	are completed (1999 numbers).				
Burnaby	<ul> <li>Density bonuses since 1987</li> </ul>				
Toronto	<ul> <li>Density bonusing. Have used this program for various means for many years, started a cash in lieu program in 1986</li> <li>From 1982 to 1999, the bonusing program resulted in sites capable of accommodating approximately 6,000 non-profit units and cash-in-lieu of nearly \$19 million.</li> </ul>				

# Negotiated Variance to Municipal Regulations and Standards

This tool is listed along with bonusing to recognize that there are a number of other negotiated items that are often addressed in the development of affordable housing. There are a broad range of development requirements that municipalities can negotiate including site and building design requirements, landscaping, and parking.

The relaxation and negotiation of these standards is usually conducted on a site by site basis, and is always tied to achieving the objective of more affordable housing. The advantage of this approach is that the merits of a relaxation are addressed within the specific context of the application. The disadvantages include increased uncertainty, concerns with consistency of relaxation, and potential increased costs to the developer (i.e. the need to conduct a parking study to justify reducing the parking standard).

## Inclusionary Zoning

Inclusionary zoning (or set-asides) are either specifically regulated (e.g. a municipality prescripts that one of every five units built be affordable) or are negotiated (e.g. all developments must meet the intent of a specific policy). Under these programs, it is compulsory for the developer to provide affordable housing units.

# Advantages:

- Provides affordable housing when applied on a mandatory basis; and
- Relatively inexpensive (to the municipality) to develop

# Disadvantages:

- □ Is not popular with the development industry;
- Produces affordable units on an incremental basis – cannot meet a wholesale need;
- □ Relatively market-dependent; and
- Can be complicated to implement.

#### **Inclusionary zoning** is a measure employed by a municipality or land use approval authority which requires, as a condition of approval, that a development project include some special component desired by the community, in this case affordable housing. Set-asides is a term used in the United States whereby land is 'set-aside' at the time of subdivision for affordable housing.

Critical Success Factors:

- Strong support from the province and City Council;
- Best used in high-density, high-growth areas, and on major projects; and
- Best combined with incentive or bonusing projects.

# Gap/Fit

In Alberta, there is no legislative authority for municipalities to *require* that a developer provide contributions toward affordable housing. There may be authority; however, for policies that could be negotiated at the ASP or ARP stage. An example would be to increase the minimum density requirements or to require a certain percentage of multifamily units to be provided within the plan area.

<sup>6</sup> Ibid. P. 30



# Examples:

Examples.	
Burnaby	<ul> <li>Mandatory inclusionary zoning –</li> </ul>
	requirement for 20% affordable
	housing on all developments
	involving city-owned land.
Ontario	<ul> <li>Inclusionary requirements are</li> </ul>
	often negotiated in major projects.
Ottawa	<ul> <li>Inclusionary measures are policy-</li> </ul>
	based (contained in Official Plan)
British Columbia	<ul> <li>Amendment to BC Municipal Act</li> </ul>
	in 1993 (Bill 57) allowed
	municipalities to use inclusionary
	zoning practices
	<ul> <li>Inclusionary policies are standard</li> </ul>
	on major projects in larger cities in
	BC.
Vancouver	<ul> <li>Powers conferred by City Charter</li> </ul>
	allow creation of inclusionary
	policies
	<ul> <li>Mandatory inclusionary zoning –</li> </ul>
	Major re-zoning of lands to multi-
	family residential must include
	20% social housing (since 1988),
	at least half of which are
	designated for families with
	children - by 1999 this created a
	capacity for 2,760 social housing
	units, of which 705 had been built
	or had funding and were in
	development.

# Linkage Programs

Linkage programs require the developer to construct affordable housing or provide payment into a housing fund. Linkage fees may be required universally on all development, or they may be based on the impact of a particular development on the community. Most programs that the LUPR reviewed base linkage on impact and thus only applied to projects that would result in the generation of low-income jobs.

**Linkage** programs require that affordable housing units be provided by developments that contribute to the need for affordable housing. Some programs allow for cash to be provided in lieu. For example, in many tourist areas, employers are required to provide affordable housing for their workers.

Linkage programs need strong economic growth to actually generate Affordable Housing units. In the US, they mostly exist where the state has required to the municipality to provide affordable housing. In Canada, there are no legislated or court-imposed requirements for municipalities to have affordable housing policies.

# Advantages:

- Can address the issue of affordability where unbalanced growth is a key issue;
- □ Link impacts of certain development types with the need to provide affordable housing;
- □ Usually supported by residents; and
- Can contribute to 'housing funds' to support the development of affordable housing

# Disadvantages:

- May impact the draw of the municipality for developments that are tied to the linkage fee;
- If linkage fees are applied universally, they will be charged on new residential developments where the costs will be transferred to the new home owner and thus contribute to an increase in the cost of housing;
- May impact the viability of some developments; and
- Open to legal challenge.

# Critical Success Factors:

- Linkage fees must relate to the impact of the proposed development;
- □ Strong economic climate; and
- Legislative authority.

# Gap/Fit

In Alberta, there is no legislative authority for municipalities to *require* that a developer provide contributions toward affordable housing. There may, however, be opportunities to *negotiate* contributions either through individual applications or through the City's negotiated Special Development Agreement with UDI.



# Examples

Examples	
Richmond, BC	<ul> <li>Large residential developments that require rezoning are the target.</li> </ul>
Whistler, BC	<ul> <li>A levy is imposed on commercial developments to meet the resulting increase in demand for housing.</li> </ul>
Banff, AB	<ul> <li>New commercial development must provide housing at a rate of one half- bed per new employee – the rate of employment differs by type of use.</li> <li>Developers of small projects can pay cash in lieu to the Town's housing reserve fund, for the creation of affordable housing.</li> </ul>

# Replacement Housing / Demolition Policy

Replacement housing policies have been used in some cities as a strategy to maintain existing affordable housing units in areas undergoing redevelopment. While programs vary in terms of their delivery, they are similar in that they seek to recover affordable housing units lost due to redevelopment or demolition.

Programs reviewed either require that a portion of the new construction/renovation be developed as affordable housing units or that a fee or levy be paid. Similar to many affordable housing policies, these can either be negotiated under a broad policy or be formally regulated. Unlike some provinces, there is no current legislation that provides for a regulatory requirement in Alberta.

# Advantages:

- One of the few strategies that looks specifically at retaining rental stock; and
- Seeks to retain units within established community areas where displacement is occurring.

# Disadvantages:

- May discourage redevelopment and/or renovation of housing stock that requires rehabilitation to bring it up to a safe living standard;
- May discourage redevelopment and/or intensification in areas where there is municipal infrastructure in place; and
- □ Likely to be opposed by inner city developers.

# Examples:

Examples:	
Vancouver, BC	<ul> <li>Goal: to replace low-income rental</li> </ul>
	units, lost through development,
	especially Single Room Occupancy
	units.
	<ul> <li>Program has three ways of replacing</li> </ul>
	the housing:
	<ul> <li>One-to-one replacement for units</li> </ul>
	lost due to demolition, conversion, or
	closing
	<ul> <li>A \$1000 fee charged to a developer</li> </ul>
	for each low-income unit demolished
	<ul> <li>Earmarking a percentage of</li> </ul>
	development levies for new low-
Habland Dert	income housing.
Highland Park, Illinois	<ul> <li>Has an affordable housing demolition</li> </ul>
minois	tax
	<ul> <li>\$10,000 per single family residence</li> <li>\$10,000 or \$3,000 per unit (whichever is</li> </ul>
	• \$10,000 of \$3,000 per unit (whichever is the greater) for multifamily
	<ul> <li>Exempt from tax if the housing is being</li> </ul>
	replaced with new affordable housing
	<ul> <li>Exempt if the applicant has been the</li> </ul>
	occupant of the dwelling for the five
	years preceding demolition and
	continues as the owner for five years
	after construction of a new dwelling (a
	covenant linked to the property will be
	issued that will require payment of the
	tax plus 5 percent per annum interest
	from the date if the permit issuance, in
	the event that the owner sells the unit).
	<ul> <li>Funds generated are used to:</li> </ul>
	<ul> <li>Promote, preserve, and construct long</li> </ul>
	term affordable housing
	<ul> <li>Provide housing-related services to low-</li> </ul>
	and moderate-income households.
	<ul> <li>Support not-for-profit organizations that are actively engaged in addressing</li> </ul>
	affordable housing needs

# Comprehensive Programs

Municipalities that have been successful in the development of affordable housing typically use many of the advocacy and implementation tools in conjunction with one another in order to achieve success. In addition, many use techniques outside of the planning process (i.e tax incentives and subsidies) to achieve their goals. The following is an example of one such program.



# Colwood, BC

- Inclusionary zoning for the Royal Bay development plan, a 251 hectare development in metropolitan Victoria. Main features include: mixed residential land uses; main streets that support transit, cyclists and pedestrians; and a multiple use village centre with a transit interchange.
- Inclusionary zoning measures in the first phase included a breakdown by residential lot:
  - 8% (52 units) small lots
  - 54% (355 units) detached units with secondary suites permitted
  - 2% (12 units) duplex units
  - 8% non-market attached dwellings, with the land to be transferred to a non-profit society
  - 28% market attached dwellings
- Road width requirements were also reduced to allow for on-street parking and rear lane access.
- Other exaction measures in Colwood include an Affordable Housing Reserve, with a required developer contribution of \$500 per unit for the creation of affordable housing.
- Social housing units are exempt from payments to both the Affordable Housing Reserve and Colwood's Community Amenity Contribution.

# Conclusions

Although there is no mechanism in Alberta to regulate tenure, cost, and occupancy, there are a number of advocacy and implementation land use planning tools that can work together to promote affordable housing.

Key points:

- Programs must be designed to suit the unique circumstances in which a city finds itself.
- Planning can affect affordable housing by permitting a wide variety of housing types.
- Planning tools should be used in conjunction with subsidies, partnerships, and/or other incentives.

It is important to note that the potential of these measures is sometimes compromised by the lack of an integrated framework within which they can be placed. Where measures are implemented without regard for, or in the absence of overall planning policies and community goals, they may have less than desirable – or downright undesirable – impacts.

- Municipal Planning for Affordable Housing, CMHC

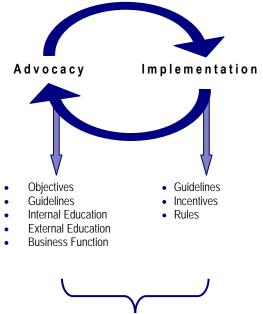
# CHAPTER FIVE: ANALYSIS & RECOMMENDATIONS



# Introduction

In determining which combination of initiatives should be pursued, it is important to ensure that 'advocacy' and 'implementation' tools are complementary.

Since land use planning addresses numerous competing interests and a myriad of issues that occur in varying contexts, locations and economic circumstances, an over-all strategy for achieving affordable housing in Calgary must have a 'portfolio' or combination of both advocacy and implementation





tools.

This portfolio must provide:

- Clear intent and direction;
- □ Adaptive, feasible and efficient tools; and
- A feedback process that allows for ongoing evaluation of both the policy framework and the tools developed to implement the framework.

In addition, a balanced portfolio must provide tools that collectively address:

- □ Inner city, downtown, and suburban areas;
- Regulations (stick), incentives (carrot), and enabling (neutral) solutions;
- Various housing types;

- 'Housing type', 'neighbourhood characteristics', and 'the development environment'; and
- □ The economic climate required for the initiative to be effective.

All of these considerations are important when considering the gaps and opportunities in existing land use policy.

This Chapter presents an analysis of the research conducted in Chapters 2, 3, and 4. It:

- Explores the fit of the best practices from other communities to Calgary's unique regulatory, political and economic environments;
- Identifies both gaps and opportunities presented in existing advocacy and implementation tools; and
- Evaluates the various opportunities and recommends 'go forward' initiatives for Part Two of the LUPR.

# **Best Practices**

The best practices investigation in Chapter 4 identified implementation based initiatives that have been successful in other jurisdictions. To determine which of these best practice solutions might be suitable within the Calgary context, a workshop was held with managers in planning and development.

The workshop used several screening criteria to determine applicability of the practices to Calgary:

- Corporate and AHIP strategy is it in keeping with strategic Corporate and Affordable Housing Implementation Plan objectives?
- Definition focus which component(s) of the policybased definition of affordable housing does the practice target?
- □ Geographic focus can it work in the inner city, existing suburbs and/or new communities?
- Political and legislative environment is the legislative framework to support it in place?
- Existing policy framework does it fit within/is it supported by existing City policies, or is new policy or regulation required?

A summary of the comments and discussion that took place at this workshop may be found in Appendix B.



The analysis presented in this section build upon the discussions of that workshop.

In short, the Best Practices that received the greatest support from the workshop include:

Accessory Dwelling Units

- Bonusing
- Advocacy initiatives

Practices that were seen to be currently existing in Calgary included:

Small Lot Zoning

□ Flexible Zoning / Building Conversion

Those that did not 'fit' the Calgary context due to legislative constraints include:

- Inclusionary zoning
- Linkage Programs
- Condominium Conversion (limited in its application under legislation)

Those that did not 'fit' the Calgary context due to inapplicability or other concerns include:

- Replacement Housing / Demolition Policy
   Condominium Conversion
- Condominium Conversion

A summary of each of these methods may be viewed in Appendix A (SWOT anlaysis).

The key learnings from the Best Practices review and the internal workshop have been, where applicable, incorporated into the advocacy and implementation opportunities that are outlined in this chapter.

Advocacy is "the act or process of advocating or supporting a cause or proposal" – Merriam-Webster Online Dictionary

Advocacy initiatives that are being considered in the LUPR include activities and/or projects that are focused on providing a voice for affordable housing through internal and external education and providing support through the land use planning process.

# Advocacy Tools

# The Advocacy Gap

Advocacy by certain groups (either internal or external to The City) through the planning process is important to the development of affordable housing.

To be successful in its avocation groups must be educated in the planning process and know how to formulate an effective land use argument. Currently both internal and external advocacy groups have been limited in their success.

Effective advocacy requires three main elements:

- Clear policy statements that are supported by City Council.
- □ An effective internal advocacy group.
- □ An effective external advocacy group.

# Clear Policy

As concluded in Chapter 2, The City, through its polices, has strong support for the provision of housing that is affordable to all Calgarians. In addition, current City Council has reiterated the importance of affordable housing in its Council Priorities document. This provides a clear indication at the strategic level that affordable housing is an important consideration in land development within The City.

The gaps identified in Chapter 2 demonstrate a need for a strategy that can take broad policy statements and make them into guidelines for implementation.

# Internal Advocacy

Both development and policy planners must seek to balance the demands of a wide variety of interest groups. Development decisions involve a variety of interests through professional representation in the areas of transportation, parks, utilities and others in the planning process.

There is a similar need for representation in the planning process by an internal advocate for affordable housing. Filling this need would provide a consistent effective **internal 'voice'** that advocates for affordable housing in the development of planning policy and in the review of applications.



#### External Advocacy

An **external advocacy** group has avenues of influence that cannot be achieved internally. Effective external advocacy roles include partnerships, political lobbying, and presentations at public hearings.

#### An example of effective Advocacy

Groups supporting parks and river valleys collaboratively provide strong advocacy for their cause. Internally, the Parks planners provide an internal voice on policy development and planning applications. A dedicated group of volunteers with the River Valleys Committee fulfils the external advocacy roles including lobbying & presentations at public hearings. While there is no direct link between the internal and external groups, together they are effective in furthering their cause.

Although there are numerous groups within The City that are strong supporters of affordable housing, there is not currently a group that has taken an active role in this regard.

This gap is magnified by the fact that a number of agencies and organizations that support affordable housing are not necessarily well versed in the planning and development process.

It is worth noting that *the 2004-2008 The Calgary Community Plan: Building Paths out of Homelessness (November 2003),* also recognizes the importance of advocacy in the development of municipal policy. This plan specifically states that the implementation team should "participate in relevant policy development and reviews, such as the current Land Use Bylaw Review..."

#### Opportunities for Advocacy Tools

Within each of the three elements of Advocacy (as described above) there are various initiatives that could be undertaken. These include:

A1 Develop a business function around affordable housing with dedicated resources. This function would focus on providing comments and feedback to the development of policies and bylaws and monitoring changes in City policy. Ideally, this position would also monitor changes outside of planning processes in areas such as changes in tax policy, development levies and assessments, and transportation plans.

- A2 Include affordable housing policies and guidelines in Area Structure and Redevelopment Plans.
- A3 Develop city wide universal guidelines and/or principles to provide consistent intent and application in both land use policy documents and development applications. These guidelines could include, among other things, locational criteria and/or a checklist that could be used by the Community Planner to determine which sites might be good candidates for various housing types. Upon identification, specific policies could be drafted and included in the Plan.

A4 Develop education and awareness programs for both internal and external groups. Programs under this umbrella could include:

- (a) General education on the planning and development process that could be used by non-profit groups so they are better able to understand the planning process. This could be similar to the existing planning and education programs that are currently provided to Community groups.
- (b) An internal affordable housing awareness education program directed at those involved in the planning, development, and building processes.
- (c) Educate internal and external advocacy groups on how to formulate a land use planning argument.

# Implementation Tools

# The Implementation Gap

Chapter 3 identified a number of gaps and barriers related to the land use bylaw and the processing of applications. These are discussed below:



# Land Use Bylaw Gaps

- (a) Exclusion of various types of accessory dwelling units (secondary suites, granny flats, carriage house units);
- (b) Lack of standard land use districts that accommodate accessory dwelling units;
- (c) Method of density calculation should be reviewed to ensure the development of smaller units is not discouraged;
- (d) Many housing types often do not have certainty of use, which increases uncertainty and risk for the developer; and
- (e) Complexity of the bylaw (must crossreference definitions and various sections of the bylaw to evaluate a proposal). This makes it difficult for less sophisticated applicants to understand the risks and uncertainties that are associated with their development proposal.

# Implementation Barriers

- (a) Processing time increases and certainty decreases when processing innovative housing forms (and thus additional costs to both The City and the developer are incurred); and
- (b) Perceived lack of consistency of interpretation of the bylaw.

# Potential New Barriers

A review of parking requirements is currently underway. Currently there is significant community and political pressure to increase parking requirements in the bylaw. An increase in parking standards would significantly contribute to the cost of providing housing by contributing to additional land and construction costs. This would influence inner city areas the most, since land costs are typically higher and structured parking is often the only means to accommodate parking.

# Opportunities for Implementation Tools

The land use bylaw and the Land Use Bylaw Review present a number of opportunities to review standards and encourage the provision a wide variety of housing types, and for creating a positive development environment. These include:

- T1 Monitor and assist the Land Use Bylaw Review Team to:
  - (a) Include the whole spectrum of housing choices are available in the bylaw (i.e. Accessory Dwelling Units);
  - (b) Focus on the strengths of the small lot residential district and any refinements to that district;
  - (c) Investigate the potential use of FAR to calculate density in multi-family districts (to encourage smaller units); and
  - (d) Investigate and review requirements that contribute to the cost of housing including private amenity space, parking, setbacks, landscaping.
- T2 Secondary Suites implementation strategy. <u>IF</u> the Province makes amendments to the Alberta Building and Fire Codes, changes to the LUB would be <u>required</u> for the changes to take effect. An implementation strategy for bylaw 2P80 would include:
  - (a) Development of a definition for secondary suites in the LUB;
  - (b) Determination of appropriate districts in which secondary suites would be accommodated in (if any); and
  - (c) Review of the Infill Development rules under the R-2 district .
- T3 Establish guidelines and/or equivalencies for use with identified (by corporate properties) and funded affordable housing projects:
  - (a) Parking;
  - (b) Private amenity space;
  - (c) Use of Floor Area Ratio (FAR) for density in multifamily districts; and
  - (d) Infill development rules in the R-2 district.

For example, equivalencies or guidelines could be established for using FAR to determine density to encourage the provision of smaller units. This initiative would be closely coordinated with the Development Approval Process Review and the Application Fee Grant projects.

Having an established set of guidelines and/or equivalencies would contribute to the consistency of decisions on applications and would provide for a better development environment.



- T4 Accommodate accessory dwelling units into the LUB by developing a 'ready made' DC District that could be used by developers (on an interim basis).
- T5 Explore the potential for allowing bonusing for affordable housing units.

# Other Innovative Solutions

In conducting the research for the LUPR and through participation in the Mayor's Round Table, other potential avenues to explore were identified. A specific issue that arose at the Mayor's Round Table was whether affordable housing could be placed on surplus school sites, or considered as an interim use on sites not required in the short term.

For either of these options to be addressed at the policy level, direction would have to be taken from the Joint Use Coordinating Committee (JUCC). In short:

- Surplus sites there is some recognition that the Calgary Board of Education has surplus sites that will not be required for schools. Before these sites can be put to other uses though, the JUCC needs to establish an agreed-upon protocol for the disposition of sites.
- Interim uses school sites that have yet to be built upon are still municipal reserve sites, and housing is not currently an allowed use on reserve sites. However, there is currently a task force examining the use of MR sites, so there is some (albeit limited) potential to revisit this.

# Evaluation

In moving forward with various projects, it is important to measure the initiatives against the:

- Broader objectives of the Affordable Housing Implementation Plan
- □ The political, legislative and administrative environment
- Efficacy of the recommendations vis-à-vis the land use planning definition of affordable housing
- End benefit of any initiative when weighed against the time and resource cost required for implementing it.

Each of these criteria are set out below, followed by a summary of the evaluation. In addition, there is a series of summary tables is presented at the end of this chapter.

# Fit with AHIP Objectives

The correlation between land use policy opportunities and other projects within the AHIP umbrella was studied to identify potential linkages. The purpose of this exercise was twofold: to determine how integral each potential recommendation was to the overall AHIP, and to identify any potential efficiencies that could be had through linking land use initiatives with other projects.

Table 5.1 illustrates the correlation between potential land use policy recommendations and other AHIP projects. As well, similar key result areas for LUPR initiatives and the AHIP projects are identified to demonstrate potential fits with other projects.

Table 5.1 indicates that most of the Advocacy initiatives have some correlation with the bulk of the AHIP projects. Of the Implementation initiatives, working with the LUB review team and bonusing have the strongest correlation. Although implementation guidelines have no correlation with many of the other AHIP projects, they do have a strong correlation with both the private sector incentive project and the development process review.

# Political, Legislative and Administrative Environment

Criteria that were considered for the fit of initiatives with Calgary's unique civic environment included:

- □ Fit with corporate strategy and approach;
- □ Fit with legislative framework;
- Alignment with other current projects (DBA process review, LUB review, etc.);
- Fit with existing policy and regulatory tools, or the need for new tools; and
- Political acceptance referring to broad political acceptance of initiatives outside of the Corporation.

The purpose of this exercise was to gain some sense of the practicality of each of the potential recommendations. Table 5.2 summarizes the fit of



each initiative with the political and administrative environments.

The Advocacy initiatives again had the stronger fit in the existing political, legislative and administrative climate. Most of the challenges to the Implementation initiatives stemmed from the potential lack of regulatory ability with regard to affordable housing, and potential resistance at the community level.

# Fit with Land Use Definition of Affordable Housing

As discussed earlier, a balanced portfolio must provide tools that collectively address:

- Geographic focus applicability at city-wide or community levels, and within existing and new communities;
- Focus on the LUPR definition whether the initiative addresses housing type, neighbourhood characteristics, and/or the development environment; and
- Economic climate responsiveness whether the initiative will work regardless of the state of the private housing market.

Table 5.3 demonstrates the fit of initiatives within the land use definition of affordable housing. Most of the initiatives were adaptable enough to apply in a variety of circumstances, although some were more limited in the scope of housing type enabled. All of the initiatives are dependent upon a buoyant economy in order to bring about the development of units.

# Benefits and Costs

The resource requirements of each of the initiatives, in light of the potential benefit of that initiative, must be a consideration. This characteristic is difficult to assess without more extensive research on each potential recommendation. For the purposes of this Stage 1 report however, the advocacy and implementation initiatives have been 'ranked' according to the best value for the time and resources required (bang for the buck). This ranking is presented in Table 5.4.

# Summary Matrix

Table 5.5 provides a summary of the evaluations. The table provides a snapshot of the key variables that have been used to evaluate the various opportunities in terms of providing a balanced portfolio.

From Table 5.5, the following initiatives are identified as having the 'highest' priority:

- □ A1 business function
- □ A3 policy guidelines
- □ A4 education and awareness
- □ T1 assist LUB review team
- **T**3 equivalencies and guidelines

# Correlation of the Initiatives

To determine 'go-forward' recommendations, for the LUPR, it is helpful to understand how some of the different initiatives correlate. Table 5.6 illustrates the level of correlation between the projects. Understanding the relationship between the initiatives to be understood. In completing this analysis, it became evident that some of the projects were intrinsically linked and should be completed in concert. As such, the recommendations that follow group some of the initiatives together.

# Recommendations

# 1. KEEP DOING THE THINGS THAT WE ARE DOING RIGHT

The LUPR has identified numerous things that we, as a City, have been doing right *(includes in part A1, A4, T1)*. These include:

- Maintaining a 30 year land supply within the municipal jurisdiction;
- Ensuring that there is land available for development in multiple sectors and, where possible, under multiple ownership;
- Continuing to strategically plan how the City will accommodate growth;
- Continuing to demonstrate a commitment to Smart Growth Principles;
- □ Continuing to encourage higher densities;
- Maintaining low parking standards;
- Maintaining small lot development; and
- □ Maintaining a flexible LUB.

Accordingly, the first recommendation of the LUPR is to continue these practices and adhere to these principles



in our ongoing planning work. Added to this recommendation is 'keep working towards the end goal of facilitating the provision of affordable housing'. This includes:

- Liaison with the LUB review team;
- Liaison with other planning projects, including TOD guidelines; the Downtown Urban Structure Plan, the Calgary Plan and CTP reviews, etc.; and
- Ongoing dialogue with affordable housing stakeholders.

# 2. ENABLE AND FACILITATE AFFORDABLE HOUSING THROUGH POLICY AND IMPLEMENTATION GUIDELINES

The research conducted under the LUPR has shown that municipalities cannot require the development of affordable housing and thus, initiatives must focus on removing barriers, enabling and facilitating affordable ousing through the land use process *(Includes A2, A3, T3)*.

As shown in Chapter 2, there is a substantial amount of high level policy that supports affordable housing; however, there is a gap between this policy and translation into tools and guidelines for implementation. The Community Policy (A2); Policy Guidelines (A3); and Implementation Guidelines (T3) initiatives can work together to fill this gap. In doing so, the affordable housing policy statements found in the MDP, Sustainable Suburbs and elsewhere can be reviewed, revised if necessary (in light of work done through AHIP) and carried forward into:

- □ Specific policies in ASPs and ARPs;
- Aids for inclusion of objectives, policies and guidelines in community policy; and
- Guidelines for variances or relaxations for affordable housing projects.

# 3. EDUCATE AND COMMUNICATE

Several gaps both internally and externally were identified as important factors in promoting affordable housing – from NIMBY at the broadest level, to awareness of objectives and abilities across City departments.

Initiative A4 (Education & Awareness) has been identified as an important means to fill this gap. The required education and communication role has two key thrusts:

- City-led Affordable housing initiatives and issue awareness (generally a public and community audience); and
- Awareness of planning policy/guidelines and processes (generally a City and developer audience).

The first thrust should be achieved through collaboration with the rest of the AHIT. The second depends upon the prior development of the policies and guidelines.

# 4. MONITOR AND EVALUATE

Monitoring and evaluating the planning initiatives that are undertaken under Recommendations 2 and 3 is an important part of the planning process. Determining the aspects of the initiatives undertaken that have been successful provides an opportunity to take key learnings and apply them in the future. If certain facets are not working, there is an opportunity to identify these and find new approaches.

#### 5. RE-AFFIRM BUSINESS MANDATE TO PROMOTE AFFORDABLE HOUSING

This review identified a need to:

- Continue to develop and maintain an expertise in affordable housing within Land Use Policy beyond the life of AHIP;
- Maintain a close affiliation with other departments that also have resources, knowledge, and research that can be used to create effective land use policy; and
- Trouble-shoot issues and captilize on opportunities as they arise.



The form that the solution to this need will take is not readily apparent. It will be necessary to solidify and approach by mid-2005, when the resource commitment to AHIP is winding down, to determine how the business function can become entrenched in land use policy.

# A Note on Timing

To establish a scheduling priority for the initiatives, the purposes and outcomes of the initiatives themselves must be considered. Of note:

- Though the Business Function scored relatively high in our rankings, that function has been essentially secured through AHIP until October 2005 (1.5 staff resource positions in Land Use Planning & Policy). Therefore, in sequence, it is an initiative that would need to occur near the end of the project, when we can better assess the need for an ongoing role.
- Timing of the Education & Awareness and the Business Function would have to follow the preparation of policy and implementation guidelines, as the guidelines would form a substantial part of what needs to be communicated in terms of land use policy.
- Some of the initiatives, including working with the LUB review team, will build upon the ongoing practices within the Policy Division, where the AHIT planners may be acting in more of an advisory role. Scheduling of these will be determined in part by other project schedules.

# Recommendations for Other AHIP Projects or Future Initiatives

The research of this LUPR has demonstrated there are a number of potential projects affecting land use and development that fall outside of the realm of land use policy. These potential projects are listed below, for their possible inclusion in other AHIP projects.

The research conducted under this LUPR has indicated that, since housing markets are regional in nature, affordable housing is a regional problem. Solutions at the regional **level should be investigated**. This issue could be brought forward to the Regional Partnership for its consideration.

- Potential changes to the MGA. Prior to building a policy planning case or commencing any resolution on this matter, the City must decide whether this is an appropriate role to assume. A heightened obligation and expectation for the City to 'solve the problem' will likely accompany any change to the MGA to transfer ability to municipalities. The consequences of this action must therefore be carefully considered.
- Both the Calgary Plan and Sustainable Suburbs recommend an examination of current standards and regulations to encourage innovative housing designs and solutions. This would involve consideration of planning, transportation, utility and building code issues, as well as partnerships with the private sector. As such, this initiative is likely best integrated with a number of other projects under the AHIP umbrella.
- Following through with assessing the potential for placing affordable housing on surplus or longer-term school sites. This can be addressed at a policy level only after the JUCC has made a decision on the disposition of surplus sites and the task force has finished its review of uses for MR sites. We recommend that Corporate Properties, through their representative to the JUCC, take the lead on following through with this issue.
- A number of other initiatives and practices identified in this report are likely more applicable to the Private Sector Incentive Project. These include:
  - Negotiated linkage fee;
  - Tax incentives; and
  - Subsidies.



# Table 5.1: Fit with Land Use Definition

Implementation Tool	Geographic Focus	Component of Definition	Responsive to Economic Climate?	
A1 Develop a business function around affordable housing with dedicated resources	City wide	Housing Type Neighbourhood Characteristics Development Environment	N/A	
A2 Affordable Housing (AH) inclusion in community policy	City wide, but at the community level	Housing Type Neighbourhood Characteristics Development Environment	Provides regulatory rules and guidelines independent of economic climate – however, not effective when economy is slow	
A 3 Develop guidelines and/or sample policies for use in the development of policy documents	City wide	Housing Type Neighbourhood Characteristics Development Environment	Provides regulatory rules and guidelines independent of economic climate – however, not effective when economy is slow	
A4 Education and awareness programs for both internal and external groups	ducation and awareness programs for both City wide		Demand for education may be greater during when economy is flourishing.	
T1 New Bylaw: Monitor and assist the Land Use Bylaw team	City wide – predominantly green-field sites and redevelopment sites that include a land use redesignation	Housing Type Development Environment	Provides regulatory rules and guidelines independent of economic climate – however, not effective when economy is slow	
T2 Secondary Suites implementation strategy	Predominantly established and existing communities	Housing Type (however, addresses secondary suites only)	May be effective when economy is slow, but has minimal effect on stock of affordable housing	
T 3 Equivalencies and/or Guidelines for 2P80 and potentially the New Land Use Bylaw	City wide	Housing Type Neighbourhood Characteristics Development Environment	Provides regulatory rules and guidelines independent of economic climate – however, not effective when economy is slow	
T 4 Accommodate accessory dwelling units into the LUB by developing a 'ready made' DC District that could be used by developers (on an interim basis)	New communities and large redevelopments in existing communities (e.g., Garrison Woods)	Housing Type – however, addresses ADU's only	May be effective when economy is slow, but has minimal effect on stock of affordable housing	
T 5 Bonusing	City wide – though likely predominantly a tool in communities experiencing intensification	Development Environment Housing type would predominantly be linked to multifamily buildings	Provides regulatory rules and guidelines independent of economic climate – however, not effective when economy is slow	



# Land Use Policy Review Project Stage: 1 Working Paper Chapter 5: Analysis & Recommendations

# Table 5.2: Political and Administrative Fit

lmplementation Tool	Fit with Corporate Strategy & Approach	Legislative Fit	Alignment with Current Projects	Policy or Tool Required	Political and Community Acceptance
A 1 Develop a business function around affordable housing with dedicated resources	Yes – supported by Council's priorities as documented in Looking Ahead, Moving Forward and in the Corporate AHIP.	No Constraint	Would likely draw from existing and proposed policies and studies: TOD, growth management, MDP & CTP updates	N/A	Likely
A 2 Affordable Housing (AH) inclusion in community policy	Yes – supported by broad policy contained in the MDP.	No Constraint	Can be included in ARP/ASP revisions as they occur; and in 2004 mid-level policy review.	Could be either new policy or revision to existing.	Likely
A 3 Develop guidelines and/or sample policies for use in the development of policy documents	Yes – consistent with administrative approach to policy implementation.	No Constraint	Could fit with IMCP's review of mid- level policy projects.	Higher level policy is now in place, mid-level policy and/or guidelines would be required.	Likely
A 4 Education and awareness programs for both internal and external groups	Yes – consistent with planning education focus and education is identified as a City role in the AHIP	No Constraint	Part of this could fit with the Planning Education Program NOTE that education is also a corporate initiative of AHIP	Likely (i.e., program development for fit with PEP)	Likely
T1 New Bylaw: Monitor and assist the Land Use Bylaw team	Yes – Council direction to address affordable housing is a timely fit with the LUB review	Could address AH through the LUPR definition. Direct mention of AH may either challenge powers enabled by MGA or the interpretation of those powers	Yes	Existing land use bylaw review process; policy support is already in place through the MDP	Some community resistance should be anticipated
T2 Secondary Suites implementation strategy	Yes – consistent with Sustainable Suburbs; are accommodated as duplexes in R-2 districts	Only if changes to Alberta Building & Fire codes are approved	Alignment is with provincial initiative; Focus is on Safe and Healthy suites as opposed to supply	LUB – would be addressed in the review; general policy supports are in place	Could be resistance at community level Political pressure to adopt
T3 Equivalencies and/or Guidelines (e.g., parking standards, amenity space requirements)	Yes – would complement guidelines at the policy level, and is consistent with recent AH applications (i.e.: Manchester)	May challenge perceived regulatory authority if addressed as a policy/standard tool versus negotiated on individual applications	Could fit with IMCP's review of mid- level policy projects, and with the LUB review	Planner Guidelines (Internal use only) for use with DBA one- window general policy supports	Parking variances may meet some resistance
T 4 Accommodate accessory dwelling units into the LUB by developing a 'ready made' DC District that could be used by developers (on an interim basis).	Only an interim solution – one goal of LUB review is to decrease the number of and reliance on DC districts – ADU's as a standard part of some residential districts is preferred	No Constraint - some concerns with creating additional DC bylaws	Creation of additional DC district would be required until the new land use districts take effect	New DC district in the interim – would be available for redesignation applications	Could be resistance at community level – most likely due to parking and safety issues
T 5 Bonusing	Yes – consistent with encouraging private sector support for AH, and with incentives to the private sector for addressing civic objectives	Would either challenge powers enabled by MGA or the interpretation of those powers	Could fit with LUB review, but would also likely require broad corporate support to test authorities within MGA	New policy and development agreements and potentially changes to LUB	Mixed – provides reward for developers, but rewards such as increased density may be opposed



# Table 5.3: Fit of Land Use Initiatives with AHIP Project Focus

		Other Affordable Housing Implementation Plan Projects that share Key Result Areas with the LUPR				ı the			
Implementation Tool	AHIP Key Result Area	Private Sector Incentive Project	Sustainable Resource Management Plan	RRAP Maximization	Development Approval Process Review	Housing Needs Research	Agency Stakeholder Dialogue	AH Communicatio ns Strategy	Homelessnes s Strategy
A1 Develop a business function around affordable housing with dedicated resources	K6 K7		K6 K7			К6			К6
A2 Affordable Housing (AH) inclusion in community policy	K6 K8	K8	K6 K8	К8	К8	К6		К8	К6
A3 Develop guidelines and/or sample policies for use in the development of policy documents	K6 K8	K8	K6 K8	К8	К8	К6		К8	К6
A 4 Education and awareness programs for both internal and external groups	K4 K6 K7 K9		K6 K7 K9	К9	K4 K9	K6	К9	К4	K6 K9
T1 New Bylaw: Monitor and assist the Land Use Bylaw team	К8	K8	К8	К8				К8	
T2 Secondary Suites implementation strategy (IF ABC & AFC are changed)	K8	K8	K8	K8				K8	
T3 Equivalencies and/or Guidelines (eg: parking standards, amenity space requirements)	К8	K8	К8	K8				K8	
T 4 Accommodate accessory dwelling units into the LUB by developing a 'ready made' DC District that could be used by developers (on an interim basis).	К8	K8	K8	К8				К8	
T5 Bonusing	K6 K8	К8	K6 K8	K8		K6		K8	К6

#### Guide to Key Result Areas\*:

K1: More new affordable housing annually

K2: Successful projects for AHPI funding

K3: Affordable housing projects involving the private and not-for-profit sector

K4: Affordable housing has a stronger, accepted role and presence in the Corporation and general community

K5: Effective risk management in City affordable housing activities

K6: Integrated planning and execution of affordable housing initiatives within City departments

K7: Inclusion and consultation of all involved departments

K8: Engaged private sector. Predictable and flexible City affordable housing policies and regulations

K9: Engaged not-for-profit sector. Greater access to resources, funds, lands and expertise

\*Note that Land Use policy can create an environment that facilitates the key results, but may not – in isolation – produce the metrics associated with the Key Results in the Corporate AHIP.

Extent of Linkage/Correlation			
Must be fully aligned			
Many interconnections			
Some correlation			
Limited correlation			
No significant correlation			

# Table 5.4: Resource and Benefits

ΤοοΙ	Benefits and Costs	Value for Time & Resources Required (bang for buck)
A1 Business Function	<ul> <li>Requires substantial resource as well as input from senior management</li> <li>Requires some level of ongoing staff support to maintain the function</li> <li>Significant impact in rationalizing AH efforts related to land use policy, and developing and 'enforcing' suitable policy and implementation tools – would produce great efficiencies in the long run</li> </ul>	High
A2 Affordable Housing in Community Policy	<ul> <li>Requires minimal resource – fairly straight-forward to build AH into policies as they are revised or developed</li> <li>Would likely benefit somewhat from the business function though or could be a part of the business function</li> <li>Requires guidelines and implementation tools for policy to have an impact</li> </ul>	Medium
A3 Policy Guidelines	<ul> <li>Requires considerable resource to develop guidelines</li> <li>Would minimize redundant efforts to address Affordable Housing on a policy-by-policy basis</li> <li>Would require some maintenance function to ensure guidelines are understood and used</li> <li>Requires public input</li> </ul>	Medium
A4 Education & Awareness	<ul> <li>Requires considerable resources</li> <li>Could be integrated with Planning Education and Partners in Planning programs</li> <li>Likely a good fit with a dedicated resource program like the Business Function</li> <li>Would help to reduce confusion and mitigate risk for affordable housing developments.</li> </ul>	High
<b>T1</b> Assist LUB Review team	<ul> <li>Resource would complement some research within the LUB review</li> <li>Likely some very strong, positive synergies to build upon</li> <li>Would ensure AH is appropriately referenced and planned for within the new LUB</li> </ul>	High
T2 Secondary Suites strategy	<ul> <li>Background work has been completed through a separate initiative – majority of work affects building and fire codes.</li> <li>Would fold into LUB review.</li> <li>Would have marginal impact without enforcement to reduce illegal secondary suites due to insufficient incentives to legalize.</li> </ul>	Medium to Low
T3 Equivalencies and Guidelines	<ul> <li>Requires considerable resources to develop guidelines</li> <li>Requires awareness mechanism for DBA staff</li> <li>Requires some level of public input process and DBA input.</li> <li>Would likely reduce some risk (by providing 'known' standards and processes) and reduce some cost for AH developments.</li> </ul>	High
T4 ADU DC District	<ul> <li>Requires some resources from Land Use Policy, LUB review and DBA to draft new district; could use an existing district as the base</li> <li>Minimal impact as the new Land Use Bylaw review is underway, and should be in place in 2006</li> </ul>	Medium
T5 Bonusing	<ul> <li>Requires considerable resources from Land Use Policy staff as well as DBA, AHIT, Corporate Properties and Law</li> <li>Must be developed for a specific geographic area</li> <li>Could have considerable impact as it gives the City a regulatory tool to gain AH units.</li> </ul>	Could vary substantially

ΤοοΙ	Fit with AHIP	Fit with Political/ Administrative Environment	Fit with LUPR Definition	Resources and Benefits "Bang for Buck"	
A1 Business Function	Strong	Strong	N/A	Strong	
A2 AH in Community Policy	Intermediate	Strong	Moderate	Intermediate	
A3 Policy Guidelines	Intermediate	Strong	Strong	Intermediate	
A4 Education & Awareness	Strong	Strong	N/A	Strong	
T1 Assist LUB Review team	Intermediate	Strong	Strong	Strong	
T2 Secondary Suites strategy	Moderate	Moderate	Moderate	Moderate to Low	
T3 Equivalencies & Guidelines	Strong	Intermediate	Strong	Intermediate	
T4 ADU DC District	Moderate	Intermediate	Moderate	Moderate	
T5 Bonusing	Strong	Intermediate	Moderate	Could Vary Substantially	

# Table 5.5: Evaluation Summary



# Table 5.6: Grouping LUPR Initiatives

Correlation of LUPR Projects	A1	A2	A3	A4	T1	T2	T3	T4	T5
A1: Business Function									
A2: Inclusion in Community Policy									
A3: AH Sample policies									
A4: Education and Awareness									
T1: Monitor & Assist LUB Team									
T2: Secondary Ste Implementation									
T3: Equivalencies for AH Projects									
T4: DC to Accommodate ADUs									
T5: Bonusing									
					Euto	t of Links			
					Exter		ge/Correlat		
							ng correla		
						Many int	erconnecti	ons	
						Sor	me correla	tion	
						Limit		tion	
						LIIIII	ed correla	uon	

# APPENDIX A: SWOT ANALYSIS OF BEST PRACTICES



Linkage Programs				
<b>Linkage</b> programs require that affordable housing units be provided by developments that contribute to the need for affordable housing. Some programs allow for cash to be provided in lieu. For example, in many tourist areas, hotels are required to provide affordable housing for their workers.				
<ul> <li>Strengths</li> <li>They can address the issue of affordability where unbalanced growth is a key issue</li> <li>There is a direct link between the impacts of certain development types with the need to provide affordable housing</li> <li>They are usually supported by residents</li> <li>They can contribute to 'housing funds' to support the development of affordable housing</li> </ul>	<ul> <li>Weaknesses</li> <li>They may impact the draw of the municipality for developments that are tied to the linkage fee.</li> <li>If linkage fees are applied universally, they will be charged on new residential developments where the costs will be transferred to the new home owner and thus contribute to an increase in cost of housing.</li> <li>They may impact the viability of some developments</li> </ul>			
Opportunities       Threats         There is a possibility of negotiating a standard requirement for either land or fees through the Special Development Agreement with UDI       Threats				
<ul> <li>Notes:</li> <li>while linkage fees are reasonably common in the states, their success in Canada has been limited and are most often found in tourist areas such as Banff and Whistler where there is specialized legislation that enables the municipality to enforce the provision of either units or cash 'n lieu.</li> </ul>				
<ul> <li>Workshop Feedback:</li> <li>No existing policy</li> <li>Linking development to housing may be okay but not linking to Affordable Housing</li> <li>Assumes people work near where they live</li> <li>Law – can only ask for money where the Act says we can</li> <li>What about bumping up the MR requirement?</li> <li>Developers don't mind contributing as long as it is an even playing field</li> <li>Would need to profile employees required in new developments BUT this assumes that employees will live in the housing built by the developer – need to consider the transitional nature of employment.</li> </ul>				



## Accessory Dwelling Units

An Accessory Dwelling Unit is an independent dwelling with kitchen, bathroom, and sleeping areas that is located either within the principle building or in a separate building. The unit is considered accessory to the principal single family residential use of the site. There are various types of ADUs:

- Secondary Suite refers to an ADU that is located within the principal building and may be located either in the basement or above grade.
- Carriage house, garage suite, and studio suite are terms that are often used to describe ADUs located as a part of a detached garage.
- A granny suite or cottage is an ADU located in a separate building, usually in the backyard.

# Strengthe

Str	engths	We	eaknesses
	Makes efficient use of existing housing stock, land, municipal services, and infrastructure Accommodates emerging societal trends (i.e. demand for adult children and grandparents to have accessory accommodation). Little or no government investment Subsidizes mortgage and maintenance costs for first-time buyers Lower construction costs per dwelling unit. Rents are generally lower than apartment rents (CMHC) Tenants provide security and companionship for older residents Existing policy support (Sustainable Suburbs)		changing bylaws to allow for ADUs does not necessarily lead to the development of additional affordable housing units units developed won't necessarily be affordable (either for the landlord or the tenant) many units may still develop illegally to avoid costs associated with building code requirements; development permit fees; and risk of refusal (of a development permit)
Op	portunities	Th	reats
	The Province is considering amendments to the Alberta Building Code (ABC) that would reduce the cost of developing secondary suites. If these amendments go forward, there is greater potential that legal ADUs would be developed if appropriate amendments were made to Bylaw 2P80. Opportunity to address ADUs in the development of the new LUB which is currently under review.		<ul> <li>Negative perceptions of suites may make implementation difficult, some of these include:</li> <li>Overcrowding of schools, parks, etc.</li> <li>Increased parking problems</li> <li>Higher use of garbage collection services</li> <li>Exterior appearance of buildings</li> <li>Absentee landlords</li> <li>Relies on the homeowners to develop ADU, according to CMHC (2001) the majority of homeowners have no desire to develop one.</li> </ul>

# **Continued Next Page**



#### Accessory Dwelling Units Continued

# Notes:

- **D** ADUs are currently being developed under DC bylaws (Bridlewood, Garrison Woods, McKenzie Towne)
- Basement Suites are currently considered duplex units under both the LUB and the ABC.

# Workshop Feedback:

- ° There is existing general policy that supports (Sustainable Suburbs), specific policy would be helpful.
- Operational guidelines that provide a framework and examples would be helpful (images would be especially helpful).
- ADU's are consistent with other community objectives of sustainability and intensification (i.e. not just affordable housing) really just a density increase and units provided are not necessarily affordable.
- <sup>o</sup> Legally accommodated in R2 but R2 zoning is limited.
- The tools are there no one is taking the opportunity
- ADU's would have to be carefully defined and a planning process to 'embed' ADUs would be very complex
- NIMBY perception issues with respect to parking, overcrowding of neighbourhood; fear change & too much flexibility
- ° ADU's have been more successful where there is market intervention (incentives)
- Need a tool to create the opportunities in suburbs
- ° Market driven to be successful a higher priority for inner city
- Could look at a funding program to retrofit ADUs
- <sup>o</sup> Affordable housing goes in affordable communities.



# Flexible Zoning and Adaptive Housing

Flexible zoning allows for more flexible regulation in terms of land use and building envelope or by allowing a larger range of uses within a building, site or land use district. Adaptive housing (Sprout, Grow and Flex homes) consists of a 'base' no frills housing unit that can be expanded, enhanced or adapted over time as the needs and/or resources of the family dictates. Initially providing only the basic required features minimizes construction costs.

003	13.		
Stre	engths	Weaknesses	
	Allows for innovations in housing form Allows for change in needs of a landowner over time.	<ul> <li>Changing bylaws to allow for innovative building f does not necessarily lead to the development of t building forms.</li> <li>Difficult to define and thus are usually considered discretionary use. Having the uses as discretional limits their effectiveness because there are costs associated with less certainty and there is also perfor increased processing time.</li> <li>There is no guarantee that the innovative building would result in <u>affordable</u> housing.</li> </ul>	hese   a ary otential
Onr	portunities	Threats	
	Opportunity to consider these innovations in the	<ul> <li>Usually requires additional policy, incentives and</li> </ul>	/or
	development of the new LUB which is currently under review.	regulation to develop <ul> <li>New concepts are often considered a higher risk i</li> </ul>	
	Opportunity to consider innovations in the development of Transit oriented design (TOD) or other policy initiatives.	<ul> <li>terms of marketing to prospective residents.</li> <li>Negative community perceptions of innovative ho forms may make implementation difficult.</li> </ul>	using
	City could take lead in development of innovative forms (i.e. first innovation developed is the most difficult as it carries the most risk)		
	General guidelines could be developed for use by policy planners for inclusion of policies into ARPs / ASPs.		
Not			

#### Notes:

- DC Districts have been used in some areas to allow offices, personal service business and retail stores as discretionary uses within residential buildings provided that they are accessory to the residential use(i.e. Evergreen).
- Existing LUB does not restrict the development of some types of 'grow' homes. There is no requirement that all the rooms of a house be developed initially and thus the upper floors or basement may be developed later as additional space is needed by the family.
- Current R2 District would also be considered a type of made to convert or flexible type zone.
- □ The City currently has some Housing Co-ops and other forms that can be accommodated through 2P80

#### Workshop Feedback:

- Not prohibited industry doesn't take the City up on it
- ° Current system is much more responsive than most other systems (i.e. than those found in other jurisdictions)
- Need to provide some parameters while encouraging flexibility
- ° Question: do we want to/should we vary the rules to meet specific City objectives?
- Building Codes are often prohibitive and are the barrier



Во	nusing				
	nusing is a mechanism that allows zoning requiremen	nts to	vary in exchange for the provision of services or		
fac	facilities that benefit the community.				
Str	engths	We	aknesses		
	More acceptable to the development community because they are voluntary Private sector takes the lead in obtaining the affordable housing with less direct municipal		Only successful if there is significant incentive to over come the cost of providing the affordable housing Is limited in application because the program is		
	involvement Can be used to increase densities in areas where there is a public benefit to doing so		voluntary Not effective where there isn't market demand for an increase in achieving higher densities		
	Allows for the provision of AH that might otherwise not be economically feasible		In areas where achieving higher densities may be of value to the developer, there is often resistance		
	Has potential to increase AH with less or no cost to the municipality		from the existing community (NIMBY) Most successful bonus programs are developed in		
	Is a strategy that works in inner city and		site specific areas (i.e. within an ASP or ARP)		
	redevelopment areas. Bonusing has been used successfully? in		Its implementation requires extensive research, community and industry consultation		
	downtown already and therefore maybe more		Requires a high growth economic atmosphere		
	readily accepted or understood?		No control over timing Critics of bonus programs often suggest that land		
			may be 'artificially' constrained by 'under zoning'		
	. m		Requires ongoing administration resources		
-	portunities		reats		
	useful in areas and times of high development and growth		Few areas outside of the downtown have untapped density potential and thus there may be little or no		
	investigate opportunities that may be available in the development of the new land use bylaw		incentive for the developer to provide the AH in exchange for additional density.		
	investigate opportunities to modify the existing		Other incentives, such as parking relaxations, must		
	downtown bonus program investigate the possibility of using density in Transit Planning areas and/or Mixed use areas		be very carefully structured so that they do not create a negative community impact (the consequences are twofold. First, there is the		
	Planning areas and/or Mixed use areas investigate opportunities that may be available within the standard development agreement (which		immediate problem of parking within the vicinity of the new development and second, this may lead to		
	is under review) may be developed in conjunction with the		increased NIMBY issues in the future.)		
	development of ASPs, ARPs, and the Urban Master Plan				
	General guidelines could be developed for use by policy planners for inclusion of policies into ARPs / ASPs.				

# Continued Next Page



#### Bonusing Continued

# Notes:

- **u** Should be used in conjunction with other incentive based programs such as tax or development fee waivers
- Good bonus structure is critical (i.e. the matching of appropriate bonus to the affordable housing that is provided)
- Clear and consistent administration of the program requires a longstanding, unwavering commitment of both the Administration and Council

# Workshop Feedback:

- ° No existing policy look at bonusing in inner city
- Potential conflict in planning logic what is the end goal / planning objective?
- No statutory authority?
- Bonusing is less risky than linkage still need amendments to the Act
- Economic climate 'Let's make a deal'
- Location neighbourhood specific, possible in new districts, a challenge in older districts, probably no demand in new communities.
- ° Look at operational guidelines for use of FAR instead of number of units



Inclusionary Zoning			
<b>Inclusionary zoning</b> is a measure employed by a municipality or land use approval authority which requires, as a condition of approval, that a development project include some special component desired by the community, in this case affordable housing. Set-asides is a term used in the United States whereby land is 'set-aside' at the time of subdivision for affordable housing.			
<ul> <li>Strengths</li> <li>It can provide for affordable housing when applied on a mandatory basis</li> <li>It is relatively inexpensive (to the municipality) to develop</li> </ul>	<ul> <li>Weaknesses</li> <li>It produces affordable units on an incremental basis – cannot meet a wholesale need</li> <li>It is relatively market-dependent</li> <li>It can be complicated to implement</li> <li>best used in high-density, high-growth areas, and on major projects</li> </ul>		
Opportunities       Threats         □       policies could be negotiated at the ASP/ARP stage       □       no legislative backing         □       General guidelines could be developed for use by policy planners for inclusion of policies into ARPs / ASPs.       □       no legislative backing         □       Could be negotiated in the Special Development Agreement       Agreement       □			
<ul> <li>Notes:</li> <li>Requires strong support from the province and City Council</li> <li>best combined with incentive or bonusing projects</li> <li>In Alberta, there is no legislative authority for municipalities to <i>require</i> that a developer provide contributions toward affordable housing. There may be, however, for policies that could be negotiated at the ASP ARP stage. An example would be to increase the minimum density requirements or to require a certain percentage of multifamily units to be provided within the plan area.</li> </ul>			
<ul> <li>Workshop Feedback:</li> <li>No existing policy or legislative mechanism</li> <li>Can't do it (Law)</li> <li>Community plans need to balance a number of issues – not just affordable housing</li> <li>Need to support a variety of housing types</li> <li>Inclusionary zoning did not work in Ontario. In BC it raised awareness of industry.</li> <li>Difficult to implement</li> <li>Need mechanism to make it work</li> <li>Would need to be community driven</li> </ul>			



Replacement	Housing/Demolition Policy	
Replacement housing policies have been used in some cities as a strategy to maintain existing affordable housing units in areas undergoing redevelopment. While programs vary in terms of their delivery, they are similar in that they seek to recover affordable housing units lost due to redevelopment or demolition.		
retaining r Seeks to	e few strategies that looks specifically at rental stock. retain units within established community ere displacement is occurring.	<ul> <li>Weaknesses</li> <li>May discourage redevelopment and/or renovation of housing stock that requires rehabilitation to bring it up to a safe living standard</li> <li>May discourage redevelopment and/or intensification in areas where there is suitable municipal infrastructure</li> <li>Likely to be opposed by inner city developers</li> </ul>
	dressed on a site specific basis in Area pment Plans	Threats
<ul> <li>Notes:</li> <li>This type of policy is not foreign to The City in its application. For example as part of the Stampede Expansion plan, there is a requirement for the Stampede to provide housing for the people that they are displacing.</li> </ul>		



Building Conversion				
Building conversion includes both the conversion of larger homes into multiple dwellings and the conversion of				
previously non-residential buildings into residential use.				
<ul> <li>Strengths</li> <li>Makes use of existing buildings/infrastructure</li> <li>Ability to strategically look at redevelopment areas and determine which may have the necessary neighbourhood characteristics that would be best suited to the needs of client groups of Affordable Housing</li> <li>Have a greater propensity to 'fit' with adjacent buildings and structures in terms of architectural style as it is a re-use of an existing structure</li> </ul>	<ul> <li>Weaknesses</li> <li>No guarantee that the redevelopment will be affordable</li> <li>Renovation must meet building codes and may be cost prohibitive</li> <li>Even if policy is developed, there is no guarantee that the landowner would take advantage of the redevelopment opportunity</li> <li>Only applicable to buildings located in areas with suitable neighbourhood</li> <li>Change in use may make it difficult to meet LUB requirements for parking or other land use rules that may differ from that of the original use.</li> <li>Requires individual site analysis to determine fit</li> </ul>			
<ul> <li>Opportunities</li> <li>Sites for potential conversion could be identified at the land use policy stage (i.e. ARPs, Urban Master Plan)</li> <li>General guidelines could be developed for use by policy planners for inclusion of policies into ARPs / ASPs.</li> </ul>	<ul> <li>Threats</li> <li>Negative community perceptions of innovative housing forms may make implementation difficult</li> <li>Usually requires additional policy, incentives and /or regulation to develop</li> <li>New concepts are often considered a higher risk in terms of marketing to prospective residents.</li> </ul>			
Notes:	1			
<ul> <li>There are two examples in the City where former hor rental accommodation.</li> </ul>	tels have converted to Single Room Occupancy (SRO)			
<ul> <li>rental accommodation.</li> <li>Some warehouse buildings in the inner city have converted to housing, however this has typically been for high-end units (although many are very modest in size).</li> </ul>				
Workshop Feedback:				
<ul> <li>Over laps with 'flexible zoning'</li> <li>Problem in Calgary is that building conversion is taking place, however, it is typically aimed at high end markets</li> <li>May not be a good tool for Calgary,</li> <li>Some potential may exist in 80s and 90s homes</li> <li>Work would have to be done at the ARP stage</li> <li>Type flexibility – warehouses, houses</li> </ul>				



Condominium Conversion	
<b>Condominium conversion</b> refers to the transformation rental housing market to condominiums and then offered	
<ul> <li>Strengths</li> <li>Makes use of existing buildings/infrastructure</li> <li>One of the few strategies that addresses rental buildings specifically</li> </ul>	<ul> <li>Weaknesses         <ul> <li>limited to buildings constructed prior to 1966</li> <li>requires substantive research and justification</li> <li>the pursuit of retaining rental accommodation in this manner may run counter to other planning objectives (i.e. encouraging the availability of low cost homes for ownership)</li> <li>May discourage redevelopment and/or renovation of housing stock that requires rehabilitation to bring it up to a safe living standard</li> </ul> </li> </ul>
<ul> <li>Opportunities</li> <li>Policy could be developed.</li> </ul>	<ul> <li>Threats</li> <li>highly interventionist into the market likely would receive opposition from landowners</li> <li>if housing stock is not well-maintained, it may reenforce negative perceptions about affordable housing</li> </ul>

# Notes:

 Under Alberta law, municipalities do not have the authority to restrict the conversion of rental stock that was built after 1966

# Workshop Feedback

- ° 1000s of rental units have been lost since 1966
- ° may not want to pursue because condo conversions support affordable home ownership



Smal	II Lot Zones		
would		re modest sized lots and single family dwellings than what tage developments in Seatle & Redmond) with some	
A     A	ngths Allows for modest single family homes Can architecturally blend into existing single family neighbourhoods through attention to the design of the units, open spaces, and landscaping Is a strategy for both infill and redevelopment areas and new communities May be better able to meet the needs of changing demographics (i.e. more singles and smaller household sizes) Small lot development has already achieved some success in Calgary.	<ul> <li>Weaknesses</li> <li>No guarantee that the units developed will be affordable</li> <li>May require additional incentives, policy and/or regulation to develop</li> <li>Relies on the motivations of individual landowners and thus initiatives may not be successful in actually having affordable housing units develop.</li> </ul>	
T b d c o		Threats □	
D T Ir			
° P	<b>kshop Feedback:</b> Policy and tools currently exist Overall vision supported in policy		

• Works well for seniors

# APPENDIX B: INTERNAL WORKSHOP FEEDBACK



# Appendix B: Internal Workshop Feedback

# 2003 November 25

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	מחחנ	2001
Alle	JIUG	ະບວ.

Laurie Boucher	Corporate Properties
Sharon Purvis	Corporate Properties
Bruce Irvine	Development & Building Approvals
Jill Floen	Law
Linda Hackman	Land Use Bylaw Team
Laurie Kimber	Land Use Bylaw Team
Brent Toderian	Chief Subdivision Planner
Ian Fawcett	Land Use Policy, Downtown
Ernie Park	Land Use Policy, Intermunicipal & Community Planning
Barb Koch	Land Use Policy, City Wide
Paul Cochrane	Land Use Policy, New Communities & Land Use Bylaw

# Abbreviations:

ADU = Accessory Dwelling Units (includes secondary suites, carriage house units, etc.) FAR = Floor Area Ratio LUB = Land Use Bylaw (Bylaw 2P80) MR = Municipal Reserve UPA = Units per acre

# Comments:

The following is a listing of comments received by various attendees of the workshop (duplicated comments reflect that more than one person stated the point).

- □ May be merit in looking at Advocacy based initiatives
- Most tools are *enabling* and require other initiatives to make them happen
- Don't dismiss bonusing
- Need to also focus on other changes that are occurring in the organization. For example the proposed changes to the parking standards will have a greater impact on housing affordability than implementing any of the initiatives discussed today.
- Advocacy and education are important. Would like to see policies put into Transit Oriented Design.
- □ There needs to be flexibility on applications on a site-bysite basis (i.e. parking)

- There needs to be a something in place that shows 'this is how it will work'. There needs to be a means of accommodating AH when the is the community and political will to make it happen.
- Bonusing could be investigated further
- □ Advocacy based initiatives at the community level
- Need to better understand the customer
- Need implementation guidelines
- ADUs could be a possibility
- Bonusing
- Investigate how we might be able to do small lot development better
- Effective partnerships are key is there a possibility of developing a demonstration project?
- All the implementation tools have potential legislative restraints but it depends on how the issue is approached.
- ADUs and small lot zones might work and would be the best go forward options.



- Can't regulate cost of dwelling unit, income of inhabitant or form of ownership and *must* justify policy based on valid planning considerations
- Implementation strategy guidelines are needed (similar to Barb)
- □ ADUs and Flexible zoning should be investigated further
- Bonusing would be a good tool for non-market housing
- Advocacy important and tie this into Smart Growth principles
- □ Track individual initiatives
- Need to better understand the demand are the right housing choices available
- Need solutions for both inner and outer communities
- ADUs
- □ Are there housing types that are missing?
- Not sure that any of the tools will meet the goal
- No certainty that anything provided will be affordable focus is only on supply
- □ Need better understanding of need
- Can't solve issue through land use planning
- Should look at temporary housing / mobile homes / trailer parks
- Inclusionary zoning is worth investigating as this leads to a more level playing field
- Bonus and ADUs are work investigating
- Advocacy based initiatives should be looked at
- □ Need to know the numbers from the demand side
- There are different constraints and different opportunities for different geographic locations – need a matrix to measure tools against different areas of the City of Calgary Reconsider traditional measures of density – ie FAR vs. UPA
- □ Is looking at smaller units the right way to go?
- Market has responded fairly well to affordable ownership
- Most tools focus on the role of the market and will not get at the needs of customers
- Advocacy role marketing need for it
- Community as an impediment change has to be community driven
- Case law does not support affordable housing as a 'planning objective' – not considered a planning issue because it is not mentioned in the Act.
- □ Haven't gone to soft development charges yet
- Profile of the suburbs is changing
- Implementation tools most of them are not allowable by the province
- Land use/regulatory tools are mostly enabling and in place – a lot are dependent upon someone else coughing up the money

- Wouldn't dismiss bonusing
- □ AH initiative is mostly about having the people working on the projects understand the Council priorities
- Flexibility on actual applications on a site-by-site basis
- Community policy need to have a tool kit with answers to explain to people how it can work – need better preparation, be better able to respond
- Change the mindset at the community level
- Need operational guidelines for different stages in the policy and implementation process
- Need to better understand customers
- Break investigation down into geographies
- Look at ADU's, bonussing, small lot stuff eg: clustering
- There are potential legislative constraints for all tools other than ADU's and small lot zones
- □ Act changes require an AUMA resolution
- □ Need the implementation strategy
- ADU's, flexible zoning (market), bonusing (off-market)
- Need to look at existing and new suburbs
- Need better tools for ADU's
- Need to actively piggyback on Smart Growth initiatives
   spin AH as a complement to other planning goals.
- Need better handle on demand one that translates to housing form
- Would like input for the LUB on housing types that facilitate AH – can the LUB team change/add anything
- Question of affordability of housing still remains
- Demand side this will be critical
- Didn't touch on temporary housing modular, mobile
- □ Inclusionary zoning could follow up on this
- □ ADU's, bonusing
- □ Mechanism for demand/type meeting the needs
- City owned land how to lead by example eg: land for interchanges, interim use of MR school parcels
- Opportunities/ resources for effective partnering demonstration projects
- Parking will be a big issue communities want more it will have a huge impact on affordability
- Issue council priorities versus statutory plans how to mesh the two
- □ Need a land economist involved at some point.