

Homeowner and Small Business Support Improvements – Land Use Bylaw

EXECUTIVE SUMMARY

Council initiated the Zero-Based Review program in 2011, which includes focusing on both efficiency gains and service effectiveness improvements. On 2016 November 28, the Zero-Based Review (ZBR) of Calgary Building Services (CBS) was approved by Council through PFC2016-0884, *Calgary Building Services Zero-Based Review and Administration's Response*. The amendments presented in this report (Attachment 1 – Proposed Amendments to Land Use Bylaw 1P2007) implement changes to Land Use Bylaw 1P2007 (LUB) as recommended in the ZBR.

The focus of the CBS ZBR was to implement changes that would make the experience simpler and easier for homeowners and small businesses. The ZBR concentrated on homeowners and small businesses, as these groups typically require the most assistance and the most City resources to navigate application requirements and processes. These groups are often one-time applicants and are less familiar with processes and requirements than industry professionals. The ZBR highlighted several areas for review, of which the LUB is only one area. This report contains the suggested amendments to the LUB.

The proposed amendments presented in this report clarify use definitions, remove redundancies, align portions of the LUB with the Alberta Building Code, and remove process requirements from the LUB. Attachment 2 – Customer Impact Table, outlines the impacts these LUB changes will have for customers. Attachment 3 – Images, gives a visual account of some of the more technical rules. The ZBR report suggested reviewing specific rules, and if appropriate, remove them from the LUB. After review, it was determined that there is value in having some of the rules remain in the LUB, and so they are not included in the proposed amendments. For a description on these, see Attachment 4 – Rules to Retain in Land Use Bylaw 1P2007.

In addition to amendments focused on improving the experience of homeowners and small businesses, this report also proposes housekeeping amendments to the LUB. These amendments are intended to improve clarity, correct inconsistencies, and eliminate discrepancies. Attachment 5 – A Comparison of the Current and Proposed Text shows a comparison for all the amendments presented in this report.

This report recommends that the Standing Policy Committee on Planning and Urban Development directs Administration to prepare an amending bylaw, and forward the bylaw directly to a Public Hearing of Council no later than 2018 March. This allows for time to complete the required advertising period to notify the public.

Homeowner and Small Business Support Improvements - Land Use Bylaw

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development:

1. Direct Administration to:
 - a. prepare an amending bylaw to the Land Use Bylaw as outlined as proposed text in Attachment 1;
 - b. forward the proposed Bylaw directly to a Public Hearing of Council no later than 2018 March to accommodate the required advertising; and
2. Recommend that Council hold a public hearing and give three readings to the proposed Land Use Bylaw Amendment.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2017 DECEMBER 13:

That Council:

1. Hold a Public Hearing on **Bylaw 16P2018**; and
2. Give three Readings to **Bylaw 16P2018**.

PREVIOUS COUNCIL DIRECTION / POLICY

On November 28, 2016 council approved the recommendations contained in report PFC2016-0884, *Calgary Building Services Zero-Based Review and Administration's Response*, as part of the consent agenda, after it was approved at the Priorities and Finance Committee meeting held on November 15, 2016:

"That the Administration Recommendations contained in Report PFC2016-0884 be approved, as follows:

1. Approve Administration's Response to the Recommendations in Kogawa Ltd's Report (Attachment 1);
2. Receive for information the Opportunity Identification Report (Attachment 2), Customer Segmentation (Attachment 3), and the CBS ZBR Final Report (Attachment 4)."

BACKGROUND

The Zero-Based Review Program is a continuous program aimed at efficiency gains and service effectiveness. The initial report establishing the Zero-Based Review Program was approved in 2011 (FCS2011-31, *Implementation of the Efficiency and Effectiveness Program, Including Zero-Based Review (ZBR) Method and Pilot*). Since 2012 eight reviews of various departments have been completed, along with refinements to the methods of the program.

The Zero-Based Review of Calgary Building Services (CBS) was scoped around customer segments and focuses on improvements for the homeowner and small businesses, as opposed to professional groups like contractors or architects. CBS operates as the first point of contact for customers of Planning & Development, and work directly with applicants for development permits,

Homeowner and Small Business Support Improvements - Land Use Bylaw

building permits, and business licenses. In 2016, CBS answered 143,565 calls at the Technical Support and Trade Support call centres, served 57,955 customers at the front counter, and processed 5,135 development permits. CBS also processed 15,223 building permits and 60,150 trade permits in addition to business licencing and inspections. Homeowners and small businesses make up 79 per cent of the City's customer base and contribute eight per cent of permit fees. Individually, homeowners and small businesses tend to be infrequent customers and are not part of the development and related industries, presenting challenges in their understanding of the rules, requirements, and processes surrounding their applications. As such, these customers require more support, and are drivers of cost and staff time.

An implementation update on the CBS ZBR is anticipated to be presented to the Priorities and Finance Committee in Q1 2018. This report will outline the accomplishments and progress of implementing the ZBR recommendations, and the deliverables for 2018. The ZBR centres on improving the customer experience for homeowners and small business owners via three focus areas: develop a self-directed online experience for homeowners and small business owners; simplify processes and business rules; and adopt a portfolio management decisions making framework. All of the service improvements will be to ensure that services are enduring, easy, intuitive, and accessible.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Zero-Based Review (ZBR) highlighted several areas for review to assist homeowners and small businesses, including amendments to the Land Use Bylaw. The investigation has been grouped into three categories based on the proposed amendments: homeowners, businesses, and housekeeping amendments. The effects of the proposed amendments to Land Use Bylaw 1P2007 (LUB) have been summarized in the table presented in Attachment 2. The textual changes to the bylaw are available in Attachment 5, comparing the current text to the proposed text.

Homeowners

Development permits from 2013-2016 were reviewed to determine what types of development permits are common for homeowners, and which may be appropriate for amendments. Common projects homeowners undertake include retaining walls, accessory buildings, and interior renovations like finishing a basement or renovating a kitchen. These projects must comply with the LUB and other related legislation, such as the Safety Codes Act. As such, there are several types of permits that may be required depending on the scope of the project: a development permit under the LUB, a building permit under the Alberta Building Code, and various related permits, such as electrical, gas, plumbing or mechanical permits. Projects are often effected by side setback rules, separation distances, accessory building rules, and other rules in the LUB. The proposed amendments help to broaden the range of projects for which homeowners may not need a development permit, reducing time and costs for simple alterations to their home or parcel which have minimal impact on neighbouring parcels.

Retaining Walls

The Alberta Building Code requires a building permit for retaining walls 1.2 metres and taller, while the LUB requires a development permit for retaining walls 1.0 metre or taller. The proposed amendment suggests aligning the LUB with the Alberta Building Code, requiring a development permit for retaining walls at 1.2 metres and higher. This alignment not only makes it clear for

Homeowner and Small Business Support Improvements - Land Use Bylaw

customers when permits are required, but will increase the likelihood that a homeowner can build a minor retaining wall that has a low visual and physical impact without a development permit. From 2013-2016, 89 development permits were taken in for retaining walls on low density residential lots. 1.12 per cent of these development permit applications were refused. The proposed amendments also clarify how the height of a retaining wall is measured, which is from the lowest grade to the upper grade, as seen in Image 1 in Attachment 3.

Side Setback Rules

The LUB requires that one side setback area of a house be free and clear of all projections. This means that elements of the building such as window wells, air conditioning units and fireplace cantilevers cannot be in both side setback areas for homes without a development permit (see Image 2 in Attachment 3). These side setback limitations add barriers for homeowners when they develop their basements or add an air conditioning unit as a development permit increases costs and time to complete the project. From 2013-2016, 832 development permits were taken in for air conditioning units, with 1.92 per cent refused. For window wells, 248 applications were received, with 1.21 per cent refused.

Bedrooms are required to have windows of a minimum size under the Alberta Building Code. This often requires homeowners to expand their current windows/window wells or add new ones, which may not be allowed if the other side of the house already has projections into the side setback. Also, as air conditioning units are most efficient when placed near the mechanical systems of the house, the free and clear side yard rules may exclude the optimal location unless a development permit is applied for, with the alternative side setback being cost prohibitive for installation.

The proposed amendments would allow window wells and air conditioning units to be placed in either side yard, reducing the need for a development permit to build safe and efficient homes. All other current rules, such as the maximum distance a window well and air conditioning unit may be placed in the side setback area, will remain to manage potential placement impacts.

Separation Distance between Accessory Residential Buildings and the Main Residential Building

Currently the LUB requires all Accessory Residential Buildings, which include structures such as detached garages, sheds, green houses, and carports, to be separated from the main residential building by 1.0 metre (see Image 3 in Attachment 3). This requirement was originally intended to address massing when detached garages are placed next to the house and ensure space for maintenance. This rule, however, also limits homeowners' options for placing small sheds and other accessory buildings on the parcel. This often leaves no convenient options other than next to the property line, which can have potential impacts for neighbours. From 2013-2016, 337 applications were taken in to relax the separation distance, with 1.78 per cent refused. Removing the required separation distance for Accessory Residential Buildings under 10.0 square metres would provide more options to place small sheds on the parcel, but still retain the separation distance for larger buildings such as detached garages. All other rules would still apply, limiting height, parcel coverage, and location in the front yard.

Accessory Residential Buildings on Non-Subdivided Semi-Detached and Duplex Housing Forms

Accessory Residential Buildings are currently exempt from requiring a development permit when they are listed as a permitted use, follow the rules in the LUB, and do not exceed 75.0 square metres. This allows for a garage to be built without a development permit.

Homeowner and Small Business Support Improvements - Land Use Bylaw

Rules in the LUB allow semi-detached and duplex houses on lots that are not subdivided to have Accessory Residential Buildings up to 150.0 square metres; however, a development permit is needed, even when they are listed as a permitted use and follow all of the other rules. The proposed amendments exempt Accessory Residential Buildings for non-subdivided semi and duplex forms up to 150.0 square metres. This is similar to the existing exemption which allows for Accessory Residential Buildings for single family homes to be built without a development permit. This provides the same opportunities for subdivided and non-subdivided lots as the potential impacts are similar. Image 4 in Attachment 5 shows an example of how this looks for a subdivided semi-detached home.

Businesses

Businesses can require many different types of approvals. Commonly a development permit for a Change of Use is required when a different type of business is taking over a space, followed by a building permit for interior alterations in addition to a business licence. The proposed amendments were identified primarily through these sorts of applications, which allow file managers to note that gaps may exist between Land Use Bylaw 1P2007 (LUB) and current business models being applied for. The amendments aim to clarify specific use definitions, and remove application requirements from the LUB, all of which will help simplify the LUB text for applications, and increase opportunities for small businesses by reducing the gaps, and better accommodating their style of businesses.

Use Clarifications

As new types of businesses and activities occur, uses in the Land Use Bylaw must be brought up to date. The amendments propose updates to Child Care Service, Home Based Child Care – Class 2, Home Occupation – Class 1, and Beverage Container Drop-Off Depot to better represent businesses in Calgary.

Child Care Service

Child Care Service covers a variety of businesses including day cares, after school care, and pre-schools. The definition currently states that these businesses may provide educational programming for children, specifically listing pre-schools as an example, but not kindergarten. The proposed amendment adds kindergarten within the use definition to reduce confusion and provide clarity for customers and staff alike.

Home Based Child Care – Class 2

Child care out of a home currently falls under either the Home Based Child Care - Class 1 use or Home Based Child Care - Class 2 use, depending on the number of children under care in the home. The proposed amendment expands the style of dwelling that Home Based Child Care – Class 2 may operate out of. Currently the LUB only lists single family forms, and the amendment adds semi-detached and duplex styles.

Home Occupation - Class 1

Other types of home based businesses are primarily captured under two uses, Home Occupation - Class 1 and Home Occupation - Class 2. The Class 2 use is more intense, managing potential impacts through a development permit. Home Occupation – Class 1 businesses are intended to be nearly invisible to neighbours, and do not require a development permit. Currently the Class 1 businesses are, however, prohibited from using an accessory building or garage for the business,

Homeowner and Small Business Support Improvements - Land Use Bylaw

including for storage. The proposed amendment allows these businesses to have storage within an enclosed accessory building or garage, as long as required parking stalls are not impacted.

Beverage Container Drop-off Depots & Electronic Recycling

Stand-alone electronic recycling drop-off centres have become more common, but are not clearly reflected in the LUB, limiting opportunities for this business type. The proposed amendments modify the current Beverage Container Drop-off Depot to be more inclusive of other forms of recycling, instead of being limited to bottle depots that may include additional recyclable materials. This will provide opportunities for new businesses with similar activities and manage potential impacts through the development permit process and review.

Application Requirements

Section 26 (3) of the LUB allows the Development Authority to ask for information that is required to evaluate an application. This could include things like building elevations, floor plans, site plans, parking studies, etc. depending on the scope of the development. Currently there are some uses in the LUB that include rules noting information that must be shown on a site plan, but this is not present for all uses. This inconsistency causes confusion for customers.

For example, Section 149 (g) notes that if an Auto Body and Paint Shop has activities outdoors, screening “*must be shown on plans required at the time the application for the use is made*”. Bottle depots are also required to have screening for outdoor activities, but Section 155, which lists the rules for Beverage Container Drop-Off Depots, does not note that these must be shown on plans submitted at the time of the application. This inconsistency causes confusion for what is required in what circumstances, and may lead applicants to wonder why it’s mentioned for certain uses but not for others, when it could be required for both.

The proposed amendment removes these use rules that require specific information on plans, knowing that Section 26 allows the Development Authority to ask for information that is required for evaluation of an application.

Housekeeping Amendments

Housekeeping amendments have also been included in this report. These types of amendments are undertaken regularly by Administration and are intended to improve clarity, correct inconsistencies, and eliminate discrepancies in the LUB independently of other projects.

Proposed amendments related to corrections in numbering, grammar, spelling and the like can be seen in Attachment 5, which compares the current and proposed text. More substantial housekeeping amendments can be seen in more detail in Attachment 2, showing their impacts for staff and customers. These include:

- Provide a second option to reduce the required side setback depth in the R-G (R-Gm) district through private maintenance easements, that when combined are a minimum 1.5 metres wide. This actually results in building separations of 1.8 metres, and increases flexibilities for design without requiring a building code variance.
- Allow for Parking Lot – Structure to be a listed use in all districts if it is for a Public Transit System;
- Amend the rules for privacy walls on balconies to have a consistent maximum height of 3.0 metres; and
- Add School Authority – School to all Districts that allow for School – Private.

Homeowner and Small Business Support Improvements - Land Use Bylaw

Other ZBR Review Topics

The ZBR report suggested reviewing certain topics in Land Use Bylaw 1P2007 (LUB) to see if they may be more appropriately housed in other City bylaws. Review showed that there is value in keeping these rules in the LUB as they currently are, with no amendments proposed in this report. The following topics were reviewed as per the suggestion of the ZBR report, and have been outlined in detail in Attachment 4 – Rules to Retain in Land Use Bylaw 1P2007 as to why no amendments are suggested:

- Outdoor Speakers;
- All residential air conditioning unit rules for low density residential districts;
- Drainage from accessory buildings; and
- Corner visibility triangle.

Moving Forward

Small businesses and homeowners have unique and urgent needs when it comes to accessing City services with cost and time savings being very important to a successful start or project. LUB changes are only one way in which to assist these customers. With this in mind, Administration has elected to accelerate the implementation timeline of the Zero-Based Review (ZBR) to create a more positive customer experience in the immediate term. In 2017, Administration created the Calgary.ca/myBusiness web hub that provides information on starting, changing, or moving a business, with online payment being available in 2018. Homeowners can apply using a new, straightforward application process that consolidates 51 applications into one single application form. Homeowners will be able to apply for the most popular permit applications online (basements, decks, and garages) starting 2017 December. Administration is focused on creating an easier experience, having direct assistance for these groups, cultivating a training and service culture, and ensuring that consistent and relevant information is available through multiple platforms.

Stakeholder Engagement, Research and Communication

Administration engaged industry and citizen stakeholders in the development of this report. Through the Federation of Calgary Communities (FCC), the proposed amendments were circulated to citizens for comments through the FCC's blog and website, with a request for comments through email or phone. No comments have been received. Industry was engaged through BILD Calgary Region, which took the proposed changes to their Inner City Committee for comments. Comments were compiled by BILD and submitted through email. They were supportive of the amendments, noting that many would help homeowners as well as builders and developers.

Strategic Alignment

The proposed amendments align with Administration's key goals of advancing the vision of the Municipal Development Plan/Calgary Transportation Plan, realizing development and ensuring buildings are safe.

Homeowner and Small Business Support Improvements - Land Use Bylaw

Municipal Development Plan Vision is Advanced

The proposed amendments align with policies in the Municipal Development Plan (MDP), especially in supporting policies focused on having a prosperous economy, and creating great communities. The proposed amendments support the following policies in the Municipal Development Plan:

- MDP Policy 2.1.2 (e) Remain open to innovation and provide flexibility to accommodate the changing needs of business.
- MDP Policy 2.1.2 (f) Create and maintain clear policy direction, application procedures and development standards to reduce uncertainties and risks to the economy.
- MDP Policy 2.3.1 (j) recognize child care services as an integral part of 'complete communities' and accommodate these services as appropriate within residential communities and workplace contexts
- MDP Policy 2.3.2(a) Respect the existing character of low-density residential areas, while still allowing for innovative and creative designs that foster distinctiveness.
- MDP Policy 3.5.1(a) Recognize the predominately low density, residential nature of Developed Residential Areas and support retention of housing stock, or moderate intensification in a form and nature that respects the scale and character of the neighbourhood.
- MDP Policy 3.6.2(h) New communities and neighbourhoods should be designed and have a built form that allows for adaptation, which can evolve and be reused over time.

Development is Realized

Development includes small-scale projects, such as a homeowner putting up a shed, or a business applying for a development permit for a change of use. The proposed amendments will give homeowners and businesses more flexibility and options when completing home renovations or opening their business.

Buildings are Safe

Safety is supported by aligning the Land Use Bylaw with the Alberta Building Code in regards to retaining walls, certain side setback depths and barrier-free parking. By better aligning with the Alberta Building Code, potential issues can be highlighted and corrected earlier in the application process, ensuring safe buildings.

Social, Environmental, Economic (External)

Social

The amendments help to foster an environment where residents are given the flexibility and opportunity for developing their parcel as they desire, with low impacts to neighbours. This creates pride in ownership and in their neighbourhoods. Other amendments provide opportunities for small businesses to flourish in Calgary, creating a positive environment for not only the businesses but their customers too. This encourages complete communities with services available for residents.

Homeowner and Small Business Support Improvements - Land Use Bylaw

Environmental

Calgary is fostering sustainability by encouraging stand-alone recycling businesses to locate in Calgary through modification of the Beverage Container Drop-Off Depot to be more inclusive of other forms of recycling.

Economic

Small businesses are encouraged to open and operate in Calgary by expanding use definitions to be more flexible and provide more options for business owners.

Financial Capacity

Current and Future Operating Budget:

No implications to the operating budget have been identified through this report.

Current and Future Capital Budget:

No implications to the capital budget have been identified through this report.

Risk Assessment

No risks have been identified with these amendments.

REASON(S) FOR RECOMMENDATION(S):

Administration recommends approval of these proposed amendments as they focus on improving the experience for homeowners and small businesses by decreasing the number of permits required for simple developments, saving both time and costs. The housekeeping amendments also make Land Use Bylaw 1P2007 easier to read and understand for all.

ATTACHMENT(S)

1. **Attachment 1 – Proposed Bylaw 16P2018**
2. Attachment 2 – Customer Impact Table
3. Attachment 3 – Images
4. Attachment 4 – Rules to Retain in Land Use Bylaw 1P2007
5. Attachment 5 – A Comparison of Current and Proposed Text