

Planning & Development Report to
SPC on Planning and Urban Development
2019 December 04

ISC: UNRESTRICTED
PUD2019-1437

Bridgeland Character Home Retention Incentive District: Two-Year Update

EXECUTIVE SUMMARY

This report fulfills Council's direction to monitor the implementation of the Bridgeland Character Home Retention Incentive District and report back either at the end of 2019 or when five development permits have been approved.

The District is implemented through a Direct Control (273D2017) designed to balance the Municipal Development Plan objectives of intensification along Main Streets (2.2.1) and heritage conservation (2.3.3). This balance is intended through allowing an increased number of dwelling units in a Main Street transition area, while incentivizing the retention of heritage 'character homes' by providing those properties with flexible redevelopment opportunities compared to other sites in the district.

In the two-year period following the approval of Bylaw 273D2017, all of the 37 identified character homes in the district have been retained. However, of the 172 properties that are not identified as character homes, redevelopment has been approved or completed on only 15 sites. Administration will continue to monitor development in the Bylaw area. The Bridgeland Character Home Retention Incentive District will also be considered in the context of a report Administration is delivering in 2020 on policy tools and financial incentives for the conservation of Calgary's heritage – including a more comprehensive analysis and recommendation on heritage area/district policy tools.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development and Council receive this report and presentation into the Corporate Record.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 July 31 Combined Meeting of Council, direct control Bylaw 273D2017 was adopted through a recommendation of LOC2016-0200, creating a "Character Home Retention Incentive District" in Bridgeland-Riverside. The adopted recommendations additionally required that Administration "report back to Council on the implementation of the Character Home Retention Incentive District no later than the third quarter of 2019 or upon approval of the fifth Development Permit application involving retention of a character home, whichever is earlier."

At the 2019 September 4 SPC on Planning and Urban Development, PUD2019-1103 deferred the two-year update report on the Bridgeland Character Home Retention Incentive District from Q3 2019 to the 2019 December 4 SPC on PUD.

BACKGROUND

Bridgeland-Riverside is a significant strategic location for redevelopment in Calgary, being located close to Downtown, the East Village, and with access to the Primary Transit Network and active modes of transportation. The 1 Avenue NE Main Street has been identified as one of the 9 priority Main Street areas.

Bridgeland-Riverside is also a significant historic area in Calgary and retains important cultural institutions in addition to many buildings and sites of identified heritage value. The Calgary Heritage Authority has researched and listed 28 sites in the community on the *Inventory of*

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Evaluated Historic Resources in accordance with the Council-approved *Historic Resource Evaluation System* (LPT2008-24). Additionally, in conjunction with Main Streets work in 2016, Heritage Planning performed a visual 'windshield' survey of Bridgeland-Riverside that identified a further 37 buildings of architectural significance and integrity north and south of the 1 AV NE Main Street area. These 37 'character homes' are considered to have collective value in representing Bridgeland-Riverside's historic development and built form. Additionally, certain sites were determined as potential candidates for Calgary's *Inventory* through tangible heritage value alone (Style/Symbolic value in the *Evaluation System*), but due to resourcing constraints, are not yet included with that growing database (the full character home criteria for the windshield survey is available as Schedule D to Attachment 1).

Through the overall Main Streets planning work, land use intensification was proposed along 1 AV NE, and in residential areas immediately north and south of 1 AV to form a transition between the Main Street and low-density residential. It was identified by Administration that re-zoning in this transition area risked increasing a financial disincentive to retain character home buildings. Particularly on lots that may be redeveloped with multiple dwelling units, the financial value gap between retention and redevelopment for the owner of a character home was determined as larger than could be effectively offset with existing incentives for heritage conservation. Therefore in an effort to balance the concurrent objectives of intensification and conservation of identified sites of heritage value, policy approaches were considered, drawing on examples used in other national and international jurisdictions – particularly character home densification incentives in Vancouver.

The Character Home Retention Incentive District (273D2017) is designed to incentivize conserving character homes while enabling the development of ground-oriented residential dwellings. The district created separate land use rules for sites that contained a building identified on the *Inventory* or through Heritage Planning's windshield survey (37 properties), and those that did not (172 properties). Sites without a character home received a land use designation of R-CG. Sites with an existing character home that retained that building would benefit from the uses and rules of the M-CG district, whereas if that home were demolished, the uses and rules of R-C2 would continue to apply (as before the district's introduction). In summary, the primary benefits of a 'Character Home Retention Development' include:

- Increased flexibility of design to incorporate multiple buildings containing dwelling units on a property;
- A higher maximum density than R-CG or R-C2, and the ability to combine parcels for even greater density; and
- Additional allowable uses through a live-work configuration: Artist's Studio, Counselling Service, Office, Retail and Consumer Service.

With approval of 273D2017, Council directed Administration to report back on the implementation of the Character Home Retention Incentive District in 2019 or upon approval of the fifth Development Permit application involving retention of a character home.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

As of the writing of this report, none of the buildings identified as a character home have been demolished in the two-year implementation period. However, no 'character home retention developments' have been approved or built in the same period - where the owner of a character home applies for a specific land use to access the increased potential of M-CG as an incentive.

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Two backyard suites were developed on parcels where a character home exists, with one being already in application phase at the time the district was passed. The owner of another character home built an addition and undertook exterior renovations to the house. While these applications did not incorporate new multi-residential or grade-oriented residential development, Administration supported relaxations where required, referencing the conservation of a character home in the planning rationale.

During the same two-year period, on 172 non-character home sites, redevelopment has either been approved or completed for 15 properties (Attachment 2). On 10 of the sites, buildings have been demolished and redeveloped in the form of single or semi-detached dwellings, one of which included a basement suite, and another with a backyard suite. Additionally, two existing dwellings have built backyard suites. Another existing dwelling unit applied for permits to bring their existing non-permitted suite up-to-code. Finally, as of the writing of this report, there are two approved, but unbuilt developments: a semi-detached dwelling (under appeal), and a land use amendment tied to a development permit to allow a four-unit development where three of the four units are grade-oriented.

The existing built context of Bridgeland-Riverside, and market factors may have impacted development outcomes during the implementation period. At the passage of Direct Control Bylaw 273D2017, 40 of 172 non-character home parcels already contained buildings constructed after the year 2000 – reducing the likelihood of redevelopment. Administration also recognizes the impact of land costs on redevelopment, particularly where parcel consolidation may be required to develop a successful grade-oriented residential project. Furthermore, all outcomes for redevelopment are impacted by downturns in Calgary's developed-areas housing market.

It is unclear at this point if a direct linkage occurs between the observed retention of character homes and the incentives provided in Bylaw 273D2017. In the context of market factors and necessary conditions for successful grade-oriented redevelopment, outcomes of the district are difficult to link to policy alone. Further analysis – particularly for Bylaw 273D2017 as a 'pilot project' for heritage areas/districts in Calgary – should consider these findings alongside demonstrated heritage district outcomes in other municipalities. Administration is currently reviewing this character home approach in the context of developing a comprehensive set of land use planning and financial tools for heritage conservation, scheduled to be presented at Council in April 2020.

Stakeholder Engagement, Research and Communication

Administration requested feedback on implementation of the Bridgeland Character Home Retention Incentive District from two stakeholders considered to represent key impacted groups in the area: The Bridgeland Riverside Community Association (BRCA), who provided written support for the Retention Incentive District with LOC2016-0200, and Ryan Schmidt Architects, who has initiated multiple redevelopment projects in Bridgeland-Riverside and consulted with Administration regarding possible use of the character home retention incentives in Bylaw 273D2017.

The Bridgeland Riverside Community Association (BRCA) noted the non-uptake of character home incentives, but acknowledged fewer overall development applications in Bridgeland-Riverside associated with Calgary's economic downturn. The BRCA conveyed that while new or enhanced incentives (such as greater development relaxations) might improve the appeal of

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character home retention to developers, maintaining an overall built-form context sensitive to existing character homes remains a community priority. The BRCA expressed concern that while Bylaw 273D2017 provides incentives for character home properties, it does not include guidelines impacting the redevelopment of adjacent non-character home sites, which they see as an important element of conservation policy and maintaining the built-form context of the community.

Ryan Schmidt Architects, having worked on multiple Character Home properties within the district area, indicated that the incentives in Bylaw 273D2017 had not provided applicable value or benefit to those projects. They identified the existing incentives as most beneficial for larger-scale projects that in Bridgeland-Riverside would involve assembling multiple parcels at a larger initial investment cost. For single-parcel redevelopment, Ryan Schmidt Architects felt that incentives which instead directly reduced the cost of a project (such as waived fees on servicing upgrades), and/or increased the certainty and speed of application approval would be more attractive to infill developers.

The feedback received from these stakeholders will inform the response of Administration to Bylaw 273D2017 as a 'pilot project' for the use of district/area-based policy tools as a heritage conservation approach. The specific concerns raised will be discussed in the context of the upcoming policy tools and financial incentives report, anticipated April 2020.

Strategic Alignment

2019-2022 Council Directives

A City of Safe & Inspiring Neighbourhoods:

(N3) Cherishing and protecting our heritage will enrich the sense of place in our communities. We need to ensure that The City's heritage processes are suitable to improve the protection and enhancement of heritage assets.

(N5) Growth of the city needs to be managed in a way that achieves the best possible social, environmental and economic outcomes within financial capacities. The cost of growth needs to be minimized for The City while maximizing housing choice and affordability within these constraints.

Social, Environmental, Economic (External)

The triple-bottom-line benefits of historic resource conservation for communities and municipalities (including the economic activity generated through rehabilitation) have been documented internationally and form the basis for the Calgary Heritage Strategy (2008). Highlights of these benefits include positive impacts on job growth, tourism, Calgary's competitive advantage in the labour marketplace, affordable commercial space, reduced carbon emission reductions through 'avoided impact', diverted landfill waste, citizen appreciation and enjoyment of our city, and strengthening of local history and collective identity.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget impacts associated with this report.

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Current and Future Capital Budget:

There are no capital budget impacts associated with this report.

Risk Assessment

No risks have been identified with the recommendation of this report.

REASON(S) FOR RECOMMENDATION(S):

This report provides an outcome summary on the first two years implementation of the Bridgeland Character Home Retention Incentive District. Reporting on the Character Home District was required in the approved recommendations of LOC2016-0200.

ATTACHMENT(S)

1. Attachment 1 – Bylaw Number 273D2017
2. Attachment 2 – Construction Realized & Applications Approved in the District Area of Bylaw 273D2017: August 1, 2017 – December 31, 2019