

Planning & Development COVID-19 Fee Relief Update

RECOMMENDATION(S):

That Council:

- 1) Approve the amendments identified in Attachment 2 to the 2020 Planning Applications Fee Schedule to take effect 2020 November 01, up to and including 2020 December 31, to be offset by drawing from the Planning & Development Sustainment Reserve if required.
- 2) Direct Administration to include the fee relief measures approved through this report for the 2021 January 01 to 2021 April 30 timeframe in the proposed 2021 Planning Applications Fee Schedule.

HIGHLIGHTS

- Administration is recommending that certain fee relief measures implemented by Planning & Development in 2020 May 01 and planned to end on 2020 October 31 continue for an additional six months until 2021 April 30, as the COVID pandemic has not ended and economic challenges for customers and businesses still exist.
- What does this mean for Calgarians? The proposed amendments to the Planning Applications Fee Schedule will ensure that fee relief options are available to customers whom are facing financial challenges, and these fee relief measures will provide a direct benefit to customers.
- Why does this matter? It is important in this unprecedented time that supports are available to customers, developers, and business owners, while being sensitive to the need to fund City operations in Planning & Development.
- The permit types proposed to continue to be waived include: Outdoor Café and Change of Use Development Permits, along with CPAG Pre-Applications.
- Additional fee relief includes: Fee deferrals on Commercial and Multi-Family Building Permits with a minimum permit fee of \$2,000. Planning & Development will continue to offer a 75% refund on their building permit fees until they are ready to construct.
- These fee relief measures are anticipated to cost less than \$1 million dollars over the proposed six months. Any revenue reductions as a result of the fee relief measures can be offset by drawing from the Planning & Development Sustainment Reserve.
- At the 2020 April 30 Strategic Meeting of Council, Council carried the motion for Permanent and Temporary Amendments (for a six month period between 2020 May 01 and 2020 October 31) to the 2020 Planning Applications Fee Schedule. On 2020 June 15, Council carried the motion for an additional amendment to the 2020 Planning Applications Fee Schedule for waiving the fees for Outdoor Café Development Permits. Attachment 1 provides more information of the previous Council direction.
- Strategic Alignment to Council's Citizen Priorities: A prosperous City.

DISCUSSION

Since 2020 May 01, Planning & Development has implemented several COVID-19 fee relief measures to support citizens, business and the development and building industry. To date, Council has approved waiving, deferring, and providing flexibility for application fees.

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Administration has been monitoring the utilization of the relief measures and we have been able to quickly adapt to the change in the overall economy by identifying the fee relief measures that will have the most impact for the next six months. Administration has been refining the fee relief measures by focusing on the areas where fee relief is the most impactful, based on feedback from citizens, business owners, developers, and builders. From this work, Planning & Development was able to identify specific fee relief measures in Attachment 2 to be extended for an additional six months.

Waiving Fees

From 2020 May 01 to 2020 October 31, Planning & Development has been providing several relief measures for customers, including waiving fees for the following applications: Certificates of Compliance (Residential - single, semi-detached, and duplex), Change of Use Development Permits, Home Occupation (Class 2) Development Permits, CPAG Pre-Applications, and Outdoor Cafe Development Permits.

Since 2020 May 01, Planning & Development has seen a 288% increase in the amount of Outdoor Café Development permits submitted (62 in total). There has also been a 23% increase in the amount of CPAG pre-applications submitted. Waiving these fees provides a direct benefit to restaurant owners and potential builders as they move forward with their projects.

Administration was expecting a significant drop in the amount of Change of Use Development Permits, since they tie directly to the opening of businesses. From 2020 May 01, there has only been a 10% decrease (219 in total) in comparison to the previous year. Waiving this fee will continue to help business owners during this difficult time.

Planning & Development is recommending the continuation of waiving the fees for Outdoor Café Development Permits, CPAG Pre-Applications, and Change of Use Development Permits for an additional six months. Attachment 2 provides a detailed list of proposed waived fees for the 2020 Planning Applications Fee Schedule. Planning & Development will also waive the building permit fee for construction required to extend the patio season, or the installation of interior partitions due to COVID restrictions. Planning & Development is recommending that the waiving of fees lapse on 2020 October 31 for Certification of Compliance applications, and Home Occupation (Class 2) Development Permits. Over the past six months, a notable benefit has not been identified for the waiving for Certificate of Compliance applications or Home Occupation (Class 2) Development Permits. Planning & Development has not received any feedback from the waiving of these fees from our customers.

Deferred Fees

Planning & Development is recommending that the deferral of fees continue for commercial and multi-family building permits, with a new minimum permit fee requirement: Building Permits (Commercial and Multi-Family) – 25 per cent of the fee up front with the remainder required from the applicant prior to issuance for building permits with a minimum permit fee of \$2,000.

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Planning & Development is recommending that the deferment of fees for the following file types to lapse on 2020 October 31:

- Development Permits
- Land Use, Outline Plan, Road Closures
- Subdivision by instrument
- Subdivision by tentative plan

Customers that applied for permits with small fees rarely took advantage of the deferral option, and they caused a backlog in file processing, which impacted approval timelines. By removing the deferment of fees for the files listed above and introducing a minimum building permit fee requirement, Administration can focus on providing support to the customers who would benefit the most from this service. Deferrals for Commercial Multi-Family Building Permits were cited as having the biggest impact on industry customers, with over 1300 permits opting to defer payments until the end of the approval process.

Flexibility for Cash Flow

Administration recommends the continuation of temporary refunds for commercial building permits for the next six months. Customers with commercial and multi-family building permits will have the option to receive a temporary refund of up to 75 per cent of their permit fee if construction has not started.

The Planning & Development Sustainment Reserve

The continuation of the COVID-19 fee relief measures may impact the Planning & Development Sustainment Reserve, with an estimated balance of \$75.5 million as of 2020 August 31. The total amount of fee relief that Planning & Development has provided is \$1.6 million. This falls in line with our initial estimate of \$2 million. The majority of fees waived is \$1.1 million for Certificates of Compliance. It is expected that the continuation of the fee relief measures proposed will cost \$1 million. If required, given the revenue decrease, this will be offset by drawing from the Planning & Development Sustainment Reserve.

Next Steps

Since the six month fee relief timeframe spans into 2021, these fee measures will be required in the 2020 and 2021 Planning Applications Fee Schedule. As part of the mid-cycle adjustment, Administration will return with a 2021 fee schedule that will include fee relief measures for the remaining months of the proposed time period.

Administration will continue to monitor the usage of fee relief measures, and will provide an update to Council no later than Q2 2021. Based on the economic conditions, Administration will make a recommendation to either continue the relief measures, or to let the measures lapse.

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STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder dialogue/relations were undertaken

Through the Business Sector Task Force, the Business & Local Economy team has been engaging with business stakeholders to gather feedback from the fee relief measures that have been implemented, and support of the continuation of the relief program.

IMPLICATIONS

Social

Remaining responsive to the needs of citizens through these unprecedented times is a critical social consideration.

Environmental

There are no environmental implications anticipated to be associated with implementing these recommendations.

Economic

Enabling direct financial support to Calgarians who are facing challenges in the current economic environment will further facilitate their continued participation in the local economy.

Service and Financial Implications

Any revenue reductions as a result of the fee relief measures, can be offset by drawing from the Planning & Development Sustainment Reserve.

Other: Planning & Development Sustainability Reserve

RISK

There is a potential financial risk to Administration is that the waived or deferred fees will be larger than anticipated. This risk is low and can be monitored and mitigated through drawing on the Planning & Development Sustainment Reserve.

ATTACHMENT(S)

1. Previous Council Direction, Background
2. 2020 Planning & Development Planning Applications Fee Schedule

Department Circulation

General Manager (Name)	Department	Approve/Consult/Inform
Stuart Dalgleish	Planning & Development	Approve