

Enabling Streamlined Approvals - Change of Use and Renovation Exemption Area Pilot

RECOMMENDATION(S):

That Council hold a Public Hearing on Proposed Bylaw 6P2021; and

1. Adopt the proposed amendments to Land Use Bylaw 1P2007 (Attachment 2); and
2. Give three readings to **Proposed Bylaw 6P2021** (Attachment 3).

HIGHLIGHTS

- Reducing cost and saving time for business start up and expansion allows businesses to achieve cash flow sooner and reduces their risk. Current approval processes have managed risk for the City of Calgary and provided citizen input into the approval process, however the trade off is time and cost to businesses. Providing a temporary pilot program allows a shift that can be evaluated for success and potential impact.
- What does this mean to Calgarians? Reducing approval processes will allow quicker business start up and expansion, but allows less corporate oversight and no community or stakeholder input into the applications.
- Why does it matter? The current downturn in the economy has resulted in job reduction and business closures creating a loss of commercial services and beloved establishments for all Calgarians. Reducing approval processes allows for faster economic growth, supporting the business community.
- Additional Land Use Bylaw housekeeping amendments are within the proposed amending bylaw, as these changes were missed when Bylaw 48P2020 (C2020-1084) was adopted by Council on 2020 November 02, which removed required minimum parking stall requirements for businesses.
- A temporary pilot program in strategic commercial areas limits risk to the City of Calgary, allows monitoring and evaluation of the pilot, and supports Council's growth policy and Council's Citizen Priorities. The areas chosen are: the International Avenue Business Improvement Area, the Montgomery on the Bow Business Improvement Area and the 10 Avenue/14 Street SW commercial areas in the community of Sunalta.
- Proposed pilot is aligned with and supportive of other corporate initiatives such as COVID-19 Support for Businesses and Land Use Bylaw Amendments to Support Business Needs. Land Use Bylaw Amendments will allow exemptions for two types of Development Permits that are supportive of business growth and reduce identified corporate risks .
- On 2020 November 04, Standing Policy Committee on Planning and Urban Development, regarding PUD2020-1251, directed Administration to bring forward an amending bylaw to the Land Use Bylaw 1P2007 to allow a one-year pilot Enterprise Area for Montgomery on the Bow Business Improvement Area, the International Avenue Business Improvement Area and the 10 Avenue SW and 14 Street SW commercial areas in the community of Sunalta to the 2021 January Combined Meeting of Council.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city
- Previous Council Direction is included as Attachment 1.

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DISCUSSION

The City of Calgary regulates the use of land and buildings with the Land Use Bylaw. The Bylaw requires every development to gain approval with a Development Permit, unless exempted by rules within the Bylaw. Any development exempted must comply with the rules of the Land Use Bylaw and must not be subject to the Calgary International Airport Vicinity Protection Area Regulation, not be in the floodway, and is subject to any restrictions imposed by the Subdivision and Development Regulation. Any exempted development is required to have adequate infrastructure capacity including sewage, water supply, storm water collection and road capacity. Attachment 6 provides more description of the Development Permit process and circulation inputs for the applicant, community and the City of Calgary.

Current approval processes have managed risk for the City of Calgary and provided citizen input into the approval process, however the trade off is time and cost to businesses. Recently, Council has approved land use regulations that reduce barriers and costs to business growth, including the removal of required minimum parking stall requirements for businesses (Bylaw 48P2020) and Centre City Enterprise Area (CCEA). CCEA was instituted as a temporary pilot project in July of 2017 to make it easier for businesses to start operating and for building owners to make improvements to their buildings (Bylaw 30P2017). Specifically, the CCEA allowed exemptions for requiring a Development Permit for change of use applications, exterior alterations, and for additions less than 1,000 square metres.

At the 2019 November 18 Public Hearing, approval of PFC2019-1028 (Bylaw 77P2019) made permanent the exemption of change of use applications within the CCEA and extended the exemptions for exterior alterations and additions, for an additional year, to July 2021. At that Council meeting, Council discussed the benefits to businesses of extending these Development Permit exemptions to other commercial areas. A Motion Arising directed Administration to report back “with recommendations on expanding some or all of the practices associated with the Centre City Enterprise Area”.

Initial scoping identified advantages and disadvantages and highlighted differences between the Centre City and other commercial areas. Differences include the built form context and the level of experience of owners/developers and consultants active in the Centre City. The Centre City has a much higher level of activity, more employment uses and a large residential population.

The benefit to applicants to allow more Development Permit exemptions is less time in approval processes, as an immediate application for a Building Permit is allowed, and less cost, since some permit fees are not paid. Levy fees for Established Area - Treatment Plant are paid as a condition of approval of a Development Permit, but only when new or additional building floor area is built. The benefits to the City of Calgary include less resources dedicated to permit processing, but permit fees are cost recovery, so this is not a significant benefit.

The disadvantage to applicants to allow more exemptions is that they may not receive the information about some regulations prior to Building Permit application. The Development Permit review process can identify Alberta Safety Code issues or Alberta Health Services requirements earlier since it is reviewed prior to the Building Permit. Building Permit plans are typically more expensive and detailed than Development Permit plans and have more professional design fees applied to the applicant. Changes to accommodate other legislative requirements can be more costly later in the design process. The disadvantages to the City of Calgary include increased risk, since several City departments use the permit circulation process to evaluate potential impacts.

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Exemption Area Expansion Pilot

Discussions with City of Calgary staff have identified a small pilot would be the best approach since it could provide immediate implementation and allow a simpler monitoring process. Including only the change of use and renovation exemptions, while not including the exemption for additions, reduces the identified corporate risks, allows community review of building additions and ensures that levy charges are still collected. A focus on commercial corridors, with a high density of individual businesses, and specifically on Main Streets, aligns with corporate and department goals that are focused enabling growth in these strategic areas.

A reduction in processes that affect businesses' ability to start up or expand their operations is critical in the current economy. Choosing a short list of Business Improvement Areas (BIA) will allow strategic and quick engagement with the affected BIA and Community Associations. A short pilot period (1 year) will allow time to monitor the number of changes of use and renovations (through Building Permits) in comparison to past trends and engage the broader public and all BIAs about the exemption pilot project.

The three specific BIA and commercial areas were chosen since these communities have been supportive of innovative approaches in the past, all have had city-initiated land use redesignations, significant City of Calgary investment has been made in transit, public realm and other mobility/road right-of-way upgrades and they provide a good representation of the different types of Main Streets that exist in the city. The three selected are: the International Avenue Business Improvement Area, the Montgomery on the Bow Business Improvement Area and the 10 Avenue/14 Street SW commercial areas in the community of Sunalta. The recommended amendments to the Land Use Bylaw 1P2007 would exempt change of use and exterior renovation applications from requiring a Development Permit, except in Sunalta, where only change of use is exempted.

For context on the number of Development Permits that could be affected by the additional exemptions, Attachment 4 provides a summary of change of use and exterior renovations Development Permit applications in all commercial districts and within Business Improvement Areas from 2015 to 2019.

Land Use Bylaw Housekeeping/Technical Amendments

The housekeeping Land Use Bylaw amendments proposed in the amending bylaw correct wording and are technical in nature and are not a result of the Exemption Area project. The proposed changes are to bicycle parking stalls – class 2, for eight (8) uses. Currently, the required bicycle parking stalls for these uses are based on minimum motor vehicle parking stalls, which were removed when Bylaw 48P2020 was adopted by Council on 2020 November 02. The changes will align with how other uses calculate this category of bicycle stalls and have no additional impacts to the overall 2020 November 02 Council approval.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

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

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Calgary Neighbourhoods hosts a weekly meeting with Business Improvement Areas leadership. These meetings were used to discuss the idea of expanding the Enterprise Area on 2020 July 28 and 2020 August 25. Following these discussions, the three pilot areas were selected and individual meetings have taken place with Montgomery on the Bow Business Improvement Area, the International Avenue Business Improvement Area and the Sunalta Community Association (regarding the 10 Avenue/14 Street SW commercial area).

IMPLICATIONS

Social

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

Environmental

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

Economic

Providing more opportunity for business growth 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

No anticipated financial impact

Development Permit fees will be lost, but less staff resources will be used since there are fewer applications being processed. Development Permit fees use a cost recovery approach so there is no anticipated financial impact. Levy fee collection is not impacted as the fee only applies with building additions.

RISK

The applicant saves time by not applying for the Development Permit, but since the Building Permit circulation is related to Alberta Building Code compliance, there is a loss of information to other parts of the corporation. Loss of information increases the risk to the City of Calgary, and its citizens. Some of the concerns about a Development Permit exemption could potentially be addressed in either the Building Permit review or by other procedures, but this will require process changes.

The current Land Use Bylaw provides Permitted and Discretionary Uses. Discretionary Uses allow public circulation, notice posting, the opportunity for public appeal if approved, and more influence on the application for the Development Authority since approval is not as of right. This discretionary review would not occur for applications included in the exemption. Without a Development Permit, some bylaw provisions such as locational criteria or outdoor lighting limits would not be reviewed for compliance, resulting in potential off-site impacts or non-conforming uses that affect the community. Many of the identified risks (impacts on site grading, issues with surface drainage, loss of levy fees, effects of massing on environment) only occur when additions to buildings are proposed. A more limited Development Permit exemption, only for change of use and exterior renovations, and not including additions to buildings, helps to limit this risk.

ATTACHMENT(S)

1. Previous Council Direction

**Planning & Development Report to
Combined Meeting of Council
2021 January 18**

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C2021-0023
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- 2. Proposed Amendments to Land Use Bylaw 1P2007
- 3. **Proposed Bylaw 6P2021**
- 4. Development Permit Analysis
- 5. Letters from Stakeholders
- 6. Development Permit Process

Department Circulation

General Manager	Department	Approve/Consult/Inform
Stuart Dalglish	Planning & Development	Approve