

15 March 2021

City Council

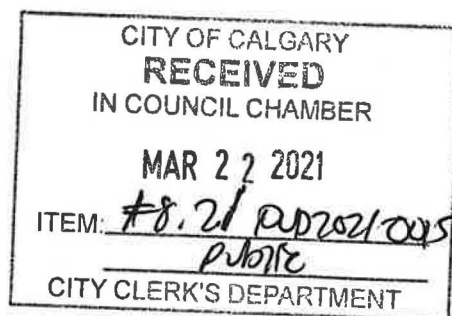
Re: The Guidebook for Great Communities, 22 March 2021

Please approve the best possible version of the Guidebook for Great Communities so many people can work on local area plans and so we can begin to renew our land use bylaw.

I have been involved with the Guidebook for Great Communities and North Hill Communities Local Growth Plan as the Renfrew Community Association's Director of Planning (2018-2019) and representative on the North Hill Plan's working group (2018-present). In the last couple of years, I have written many letters to the Planning and Urban Development Committee. The Guidebook is a first step towards greater productivity, affordability, and adaptability.

Productivity

Calgary, like most North American cities, has built lots of infrastructure in the last century. **Combining low density development with expensive infrastructure is a recipe for an expensive city. It makes a fragile city that cannot endure difficulty.** We may say that people want that combination, so the market should supply it. However, because we ignore the long-term infrastructure costs, people cannot make fully informed decisions. It is like eating at a restaurant where both tenderloin steak and hamburgers cost the same because the full bill doesn't arrive until after the diners have left the table. **Our cities are like an intergenerational dine-and-dash; someone's children will get the bill.**



Our 2017 Infrastructure Status Report states that in January 2017 we had \$84.7 billion in assets.¹ Taking an average of the 2016 and 2017 property assessments (\$303 billion² and \$311 billion,³ respectively), we can estimate that private property was worth \$307 billion in January 2017. That means our private to public investment ratio is 3.6:1. To put that as a percentage, Calgary's assets are worth 27% of the private property in town. As a city, we are playing an infinite game with the goal of enduring; we cannot go out of business and sell our streets and pipes to neighbouring towns.

If, like homeowners saving for their inevitable roof repair, the City decided to collect enough money each year to replace our assets, it would need to collect \$2.98 billion dollars every year (see table below, based on the assumption that Water Resources' user fees cover their engineered structures' and buildings' replacement costs). That would work out to about \$971 for every \$100,000 of private property if we shared it evenly between residential and non-residential property ($\$2.98\text{B} \times (\$100,000 / \$307\text{B}) = \97.68). For the average median house worth \$470,000 in January 2017, that would mean raising taxes from \$1,848 to \$4,562. **This would mean increasing taxes by 2.5 times, without including services that people expect from cities.**

	Value (\$B)	Average Remaining Asset Life (years)	Annual cost (\$B/year)
Engineered Structures			
Water	52.33	38	1.3771
Roads	20.77	12.61	1.6471
Transit	2.04	32.99	0.0618
Waste and Recycling	0.2	54	0.0037
IT	0.04	17.72	0.0023
Buildings			
FM	0.96	35	0.0274

¹ <https://www.calgary.ca/content/dam/www/cs/iis/documents/pdf/infrastructure-status-report.pdf>

² <https://newsroom.calgary.ca/download/282439/2017propertyandbusinessassessmentrolls.pdf>

³ <https://newsroom.calgary.ca/download/499159/factsheet-2018propertyandbusinessassessmentroll.pdf>

Recreation	0.72	24.29	0.0296
Calgary Housing - BU	0.48	31	0.0155
Police	0.46	28.47	0.0162
Fire	0.42	26	0.0162
Calgary Housing Company	0.41	24	0.0171
Transit	0.32	26.95	0.0119
Parking	0.31	28	0.0111
Parks	0.17	8.7	0.0195
Library	0.12	29.3	0.0041
Water	0.06	25	0.0024
Waste and Recycling	0.06	53	0.0011
Roads	0.05	14.02	0.0036
IT	0.01	12.11	0.0008
Land Improvements			
Parks	2.41	7.92	0.3043
Roads	0.35	6.63	0.0528
Recreation	0.06	18.5	0.0032
Transit	0.03	-10.23	-0.0029
Police	0.01	11.24	0.0009
Waste and Recycling	0.004	23	0.0002
Parking	0.001	6	0.0002
Vehicles			
Transit	1.42	12.48	0.1138
Fleet Services	0.24	2.79	0.0860
Fire	0.09	3.9	0.0231
Police	0.04	3.34	0.0120
Parking	0.02	3	0.0067
Calgary Housing Company	0.0007	5	0.0001
Machinery and Equipment			
IT	0.36797	0.94	0.3915
Fleet Services	0.10384	4.76	0.0218
Police	0.0868	2.84	0.0306
Transit	0.08043	4.27	0.0188
Fire	0.073	4	0.0183
Waste and Recycling	0.06154	11	0.0056
Roads	0.01534	4.27	0.0036
Parking	0.007	7	0.0010
Recreation	0.00339	8.5	0.0004

Parks	0.0033	3.85	0.0009
Total			4.36
Total without Transit's Land Improvement that should have been fixed around 2007 (negative number above)			4.36
Total without Transit's Land Improvement and Water's Engineered Structures			2.99
Total without Transit's Land Improvement and Water's Engineered Structures and Buildings			2.98

Calgary is not the only place with this predicament. The Black Diamond and Turner Valley amalgamation report put it directly: "The growing need for funding to address infrastructure deficits and replacement needs is colliding with either a shrinking, or a peaked ability to generate revenue. **The ability to tax our way out of these challenges is no longer possible.**"⁴

Instead of raising taxes, **we could allow some level of growth (at least duplexes) everywhere** so places can become more productive in terms of value/area. Some Calgarians have objected to this idea. **The Guidebook is a compromise that allows residents to work together to decide where different levels of growth are most appropriate so Calgary can become more productive.** Without the Guidebook, the choices appear to be letting infrastructure decay, raising taxes, or broadly allowing some level increased productivity.

Affordability

Calgary's housing is broadly affordable because we have been able to build on the perimeter. However, if we decide that we are struggling to afford our existing assets,

⁴ Black Diamond and Turner Valley: Amalgamation Feasibility Study, 12 July 2017, page 9.
<https://www.town.blackdiamond.ab.ca/DocumentCenter/View/1053/Final-Amalgamation-Feasibility-Study--July-2017>

how can we ensure that more affordable forms of housing are available? By allowing them. Markets can only respond to the extent that regulators allow them.

Currently, on the lots marked in orange, an older detached house can only be replaced by a larger detached house. This ensures that as land values increase, only wealthier people will be able to move into neighbourhoods.

Allowing the next increment of growth, like missing middle housing, would allow more market-rate, often family-sized, homes to be built.



Markets are not the only solution to affordable housing. We need to build and maintain subsidized housing too. However, in cities where housing is difficult to build, where the wealthiest parts of cities prevent any construction, both market-rate and subsidized housing gets pushed to poorer neighbourhoods. This does not seem equitable or something that should happen in an anti-racist city. When the market cannot keep up with demand, it forces the public to do more lifting on subsidized housing, which makes all housing more expensive.

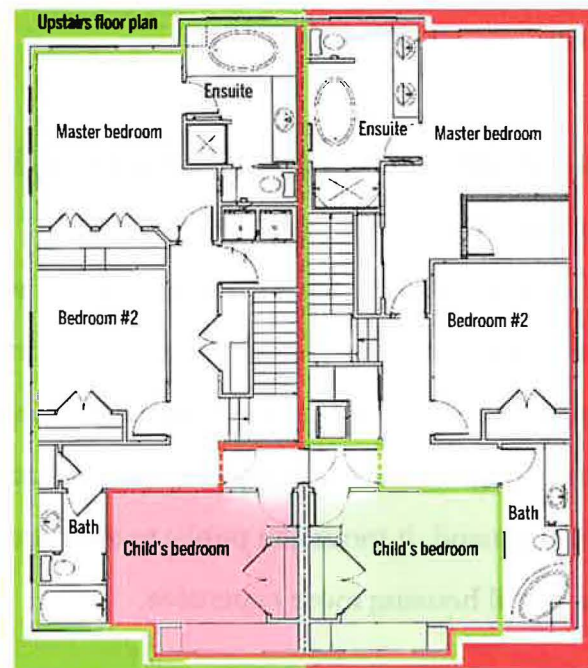
Jenny Schuetz of the Brookings Institution said, **"For local governments that complain that ... finished housing is too expensive, the single thing that they could do that would be most useful is make the development process shorter, more streamlined, and more transparent."**

The Guidebook is a step towards that exact objective and, I hope, to a simpler land use bylaw.

Adaptability:

People predict the future poorly. Yet, we act as though the planners who designed our neighbourhoods, whether Brookfield, Carma, or Olmsted, produced plans suited for our unknown future. When building neighbourhoods with detached homes that are far from work, developers didn't predict oil embargoes and rising gas prices in the 1970s, or that divorce rates would rise in the 1970s and 1980s, forcing families to drive farther between homes.

In uncertain times, we need land uses that allow us to adapt. For example, this is a floor plan for a duplex in Edmonton that was built by parents who were tired of shuttling children between two houses. The children's rooms can be part of either side of the duplex by locking interior doors. It's not for everyone, but because it has two exterior doors, it's forbidden in most of Calgary.



A low-density neighbourhood that allowed more housing choices would not have to be an awful place. It might be like Renfrew.

These are century-old duplexes. The one on the right now has one door and has become a detached home. Allowing people to add doors

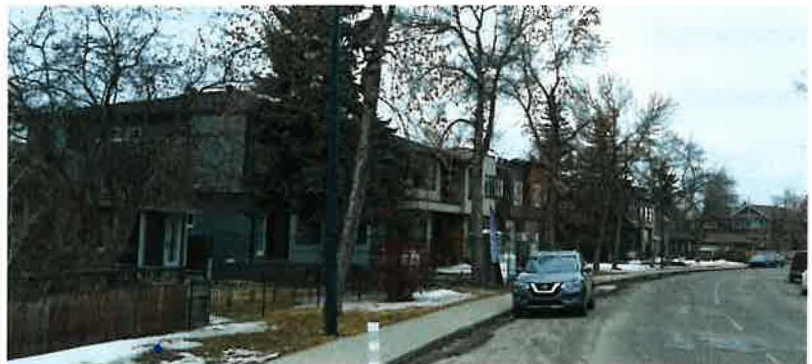


remove doors. People still build detached homes in Renfrew and we still have houses from the 1910s to the 1950s.

Duplexes could be added to existing homes like these, which began as detached homes in 1925 and 1953.



It would probably mean more contextual semi-detached homes, like these.



If we allow each lot to have four homes, we could see incremental growth like this 1911 house with four doors.



In 1912, J. E. Ralls (carpenter) and Wm. H. Dann (CPR yardman) built these houses at the 4 St and 10 Av, and a fifth behind it at 508 10 Av. In



1913, Ralls lived in 1102; Dann lived in 1108. Currently, these could not be rebuilt because of our parking minimums. Nor can similar detached homes be built elsewhere on corner lots.

Maybe it could allow incremental construction like this three-plex (on the left) built in 1948 by Clarence, Carl, and



Edna Oleson. Carl and Clarence were floor finishers. In 1967, Suzanne Crum bought the

three-plex. The City of Calgary's My Property map says work was done in 1976. Presumably, that's when three more homes were added at the back (to the right).

Historically, many people, not just institutional investors, could create wealth and housing by building missing middle housing. Our current planning system and land use bylaw appear to be keeping those kinds of investors from building lasting wealth in our city.

Or perhaps, people would build buildings like these rowhouses from the last decade. With three or four bedrooms each, rowhouses like these could produce lots of family-sized houses. A more flexible land use bylaw could also produce more accessible houses in the same



sized building. The curved one is on a lot zoned for 3-5 storey apartment buildings and is a block from the MAX line on 16th Av. Yet, because there's only room for five garages on the lot, it's a two-storey five-plex. We should reconsider parking minimums.

The Guidebook is a step to an improved land use bylaw. On the left is a fourplex from 1960. On the right are semi-detached homes from 2018. Both cover the same amount of the lot. The building with fewer units is taller. Yet building more fourplexes like that in Renfrew would require Council approval. Is Council regulating the right things if it is going to ensure that Calgary continues to have broadly affordable housing?



With a land use bylaw that allows adaptation, we wouldn't need to accurately predict the future. **By forbidding any change in neighbourhoods, we've ensured that when it inevitably arrives it will be highly disruptive.**

In Calgary, we cannot predict next week's weather, next month's oil prices or next year's Flames' season. Yet, our zoning and infrastructure require a future that is as wealthy or wealthier than our past and present. We need zoning and infrastructure that will allow people to adapt in uncertain times.

To the extent that the Guidebook allows many people to increase Calgary's productivity, simplifies our planning process to allow more affordable housing choices, and allows families and neighbourhoods to adapt, I think it will benefit most Calgarians. Please approve it. Please direct administration to write a land use bylaw so clear that anyone can understand it and be able to make our city more productive, more loveable, and more anti-fragile.

Thank you,
Nathan Hawryluk