

CLIFF BUNGALOW-MISSION COMMUNITY ASSOCIATION

Planning and Development Committee

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August 30, 2022

City of Calgary

Planning and Development

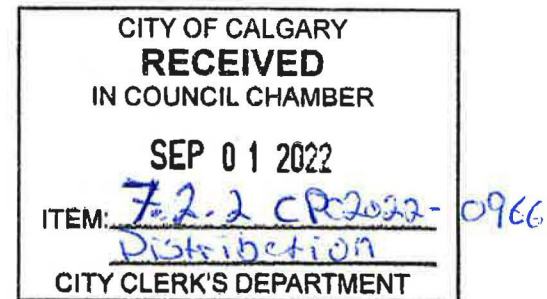
Third floor, Municipal Building

800 Macleod Trail SE

Calgary, Alberta

Re: **LOC2018-0250**, 617 17 Avenue SW (Multiple Addresses)

Decision: **Withheld pending outcome of unresolved matters¹**



The Cliff Bungalow-Mission Community Association (“CBMCA”) is withdrawing its position of “Objection” to this LOC Application, reflecting perceived progress on issues of importance to community. The CBMCA’s final decision is now pending the outcome of two unresolved matters as noted below:

1. **Concrete action should be taken towards creating a formalized density bonusing policy for the community of Cliff Bungalow-Mission.** The CBMCA believes that this Application lays bare the failures of the existing policy framework. This failure is not the fault of either the Applicant, the File Manager, City Administration or the current iteration of City Council.

That said, City Council does have a responsibility to address this policy failure. A density bonusing framework would allow for more reasonable community share of the value created through future LOC Applications. A density bonusing policy would also work to correct numerous perverse incentives and unintended consequences of the current policy framework that are adversely impacting the community of Cliff Bungalow-Mission, while still allowing incremental density to be sought on parcels where there is a strong rationale to do so. ***The CBMCA is thus requesting that a motion is introduced at the Council Public Hearing on October 4th to direct City Administration***

¹ The CBMCA will ultimately issue one of four decision types: 1 Opposed, 2 Concerned, 3 No Objection/Comment or 4 Support.

1. **Letters of Opposition** indicate that the Application has serious discrepancies with respect to our ARP’s and/or Bylaw 1P2007. When a letter of opposition is issued we will consider filing an appeal with SDAB if remedial actions are not forthcoming in an amended Application.
2. **Letters of Concern** indicate that either we have insufficient information on which to base a decision or that the Application has some discrepancies with respect to our ARP’s and/or Bylaw 1P2007. When a letter of concern is issued we may consider filing an appeal with SDAB if further clarifications and/or amended plans are not provided.
3. **Letters of No Objection/Comment** are provided for reference. They do not indicate approval or opposition. We would not normally consider filing an appeal with SDAB after providing a letter of No Objection/Comment, unless affected residents requested our support or the DP is issued with relaxations to the relevant bylaws.
4. **Letters of Support** indicate that we consider the Application to be in general accordance with our ARP’s. To obtain a letter of support the applicant is strongly encouraged to work the CBMCA and affected residents through a charrette or similar community engagement design-based workshop. We would not consider filing an appeal with SDAB after providing a letter of support.

to work with the community to create a density bonusing framework specific to the community of Cliff Bungalow-Mission.

2. **Further details are required on the tangible community amenities being proposed as part of this LOC Application.** Without a fuller understanding of the community amenity package being provided (in terms of real outputs rather than monetary inputs), it is difficult to make a final decision as to whether this project should earn the support of the community. The CBMCA believes that even under a voluntary community contribution framework, an acceptable mix of community amenities should be provided. It is unclear whether that has been accomplished. The CBMCA continues to note that proceeds from the sale of a public laneway required to develop this project could be put towards funding an acceptable community amenity package.

While concerns with regards to context and massing remain valid, the CBMCA believes that all stakeholders – including the File Manager, the Applicant and Councillor Walcott – have engaged thoroughly with the CBMCA in good-faith and continue to work towards addressing the community's remaining concerns.

Concerns Addressed by the Applicant and City Administration

1. **The CBMCA believes there has now been sufficient engagement since the LOC Application was reintroduced.** The CBMCA is satisfied that both the Applicant and City Administration have thoughtfully and thoroughly engaged the CBMCA in good-faith.
2. **Micro-issues related to the LOC.** The Applicant did address micro-issues related to the LOC Application, while other micro-level concerns are not addressable until the DP Application. The CBMCA will send comments to the File Manager and Applicant prior to August 31, 2022 outlining suggestions around the wording in the draft ARP amendment and draft terms of the Direct Control District. While these comments are likely too late to be incorporated into the CPC submission, the CBMCA hopes there is some flexibility with regards to taking these comments into consideration prior to the Council Public Hearing.

Assessing the merit of this LOC Application within Cliff Bungalow-Mission

The CBMCA continues to have significant concerns with regard to the context of massing and density in this location as it relates to planning concepts such as density step-downs, locating incremental density on busier thoroughfares, the historic context of the boulevard of 5A Street SW and the Cliff Bungalow ARP. The CBMCA believes these critiques – which are outlined in our comment dated June 30, 2022 - remain valid.

Positive attributes of this Application include higher density, increased housing supply and proximity to transit; however, these positive attributes would be true of ANY parcel undergoing an LOC Application within the historic community of Cliff Bungalow-Mission. As a result, if these conditions were deemed sufficient for an LOC Application to gain approval, the neighborhood of Cliff Bungalow-Mission would inevitably lose many of the defining characteristics of what makes the community special, including the historic nature of the Cliff Bungalow neighborhood and density within a low to medium massing scale. Thus, in order to preserve these important characteristics of Cliff Bungalow-Mission, an LOC Application needs compelling rationales - beyond those noted above - in order to earn community support. The CBMCA believes the CPC and City Council should use this same approach when assessing LOC Applications for this community. And absent compelling additional rationales, the Cliff Bungalow's ARP – which remains the guiding statutory document for the redevelopment of the neighborhood - needs to be respected.

All that said, the CBMCA does recognize there are some compelling rationales for this LOC Application beyond the generic attributes noted above. These include the environmental remediation of a contaminated site, considerable improvements to the 17 Avenue SW pedestrian realm, an initial parcel that was likely too small for commercial development without additional land assembly (which then necessitated a residential component) and an undetermined mix of community amenities.

In contrast, prior LOC Applications within the community of Cliff Bungalow-Mission, including most recently LOC2020-0048 and LOC2018-0143, were approved with weak rationales. Approval of these two prior LOC applications by previous iterations of City Council have resulted in a significant loss of trust between community residents and City Council. To minimize outcomes like these from reoccurring and to restore a strong level of trust between the community and its council, there needs to be a recognition of the need for additional safeguards within the community of Cliff Bungalow-Mission. The CBMCA believes a formalized density bonusing framework developed in conjunction with the community would help achieve this objective.

Unresolved concerns

Concerns with regards to community amenities

The CBMCA has provided input on community amenities that would be of benefit to the community of Cliff Bungalow-Mission, but there has been no further communication with City Administration as to the community amenities that will be provided to the community. Without a fuller understanding of the community amenity package being provided, it is difficult for the CBMCA make a decision as to whether this project should earn the support of the community at this time. The CBMCA believes that even under the current voluntary density bonusing framework, enough funds should be provided to deliver a reasonable mix of community amenities for the community. It is unclear whether that has been accomplished.

The need for a density bonusing policy

The Applicant has offered a voluntary contribution that is fairly similar to contribution rates made for similar projects within the inner-city (outside of the Beltline). Under the current voluntary contribution regime, it is idealistic to expect the Applicant to come to the table with a substantially larger contribution. The Applicant is a private entity that has an objective to make a profit for its shareholders. And by the time this LOC Application was submitted, the Applicant had already negotiated prices for its land assembly that likely assumed an expected voluntary contribution based on past precedents. ***The CBMCA realizes that this implies the current Application should be assessed under a framework that incorporates the existing voluntary contribution policy as this was the regulatory regime in place when the Application was submitted.***

That said, the voluntary contribution framework is extremely unfair to the community of Cliff Bungalow-Mission.² Since 2019, three LOC Applications in the community of Cliff Bungalow-Mission have been brought to CPC, with the community only receiving about \$0.10 for each dollar of incremental density value created by council. Relative to the density bonusing policy that exists in the Beltline (where \$0.75 for each dollar of incremental density created are directed to the community), the voluntary framework has cost the community of Cliff Bungalow-Mission an estimated \$10,000,000-\$15,000,000 in community benefits over the past three LOC-Applications alone. These are funds that could be used to pursue MDP objectives such as affordable housing, urban forestry, public art and recreational facilities without the use of additional taxes.

² The current framework is regressive, benefiting landholders and developers at the expense of communities.

Beyond the inherent unfairness of the low community contributions, the voluntary contribution framework is bad public policy because it creates a number of perverse incentives and unintended consequences. The most important unintended consequences is that it incentivizes developers to knock-down existing housing outside of the Beltline (typically older housing stock, which is affordable) instead of developing the empty parking lots within the Beltline. This reduces the supply of privately owned affordable housing, but also is detrimental the build out of the Beltline community. The voluntary framework also has an adverse impact with regards to historical preservation because developers have a perverse incentive to seek upzoning in historical neighborhoods instead of adding to the built-form of the Beltline. And these perverse incentives disproportionately affect Cliff Bungalow-Mission more than any other neighborhood in Calgary for three important reasons:

1. Cliff Bungalow-Mission is directly contiguous to the most attractive part of the Beltline, so developers looking to upzone land in the heart of the Beltline can simply look a few blocks away and pay a substantially lower contribution rate (~10% instead of 75%)
2. Cliff Bungalow-Mission has the highest land value of all the multi-family, inner-city neighborhoods within Calgary. As a result, the perverse incentive to seek up-zoning in this community is higher than any other because the incremental value gained from upzoning is higher (per unit density) in Cliff Bungalow-Mission than it is in any other community.
3. Cliff Bungalow-Mission has a higher proportion of historically important structures than other inner-city communities, so upzoning within this community results in a higher chance of demolition of historically important structures and streetscapes relative to other communities.

This underscores that the need to counteract perverse incentives is especially urgent and imperative for the community Cliff Bungalow-Mission. *A density bonusing framework, in addition to allowing for a more reasonable split of value created through an approved LOC Application, could work to limit these unintended consequences, while still allowing upzoning on parcels where it makes sense.*