

Memo

August 25, 2023

To: Mayor Gondek and Members of Council  
CC: Executive Leadership Team  
From: Jeff Chase, Director, Partnerships  
Josh White, Director, City and Regional Planning

**Re: The City of Calgary’s Housing Strategy Follow Up Memo to Council**

**Overview**

At the 2023 July 04 Regular Meeting of Council, Administration committed to meeting with all Councillors individually to gather feedback on the Housing Strategy that will be presented to the Community Development Committee on 14 September 2023. Administration thanks every member of Council that took the time to meet and to provide input, especially over the summer months.

This memo includes two attachments: 1) Summary of the key themes heard and, 2) Frequently Asked Questions.

**Next Steps**

For members of Council that requested additional meetings or information, follow-up is in progress. Administration welcomes further follow-up requests from any member of Council in the weeks leading up to the September 14 Community Development Committee meeting.

Administration has scheduled Councillor/Councillor Office staff briefing sessions to provide additional clarifications. These are group sessions. You and your teams will be able to attend one or all of these as your schedules allow. The sessions are as follows:

- 1. Tuesday, September 5 from 10 a.m. to 11 a.m.
- 2. Friday, September 8 from 11 a.m. to 12 p.m.
- 3. Monday, September 11 from 2 p.m. to 3 p.m.

For more information about the Housing Strategy please visit [calgary.ca/housingstrategy](http://calgary.ca/housingstrategy). If you have any questions, please reach out to Jeff Chase or Josh White.

**Attachments**

- 1. Summary of Key Themes from Housing Strategy Engagement with Councillors / What We Heard
- 2. Frequently Asked Questions

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**Attachment 1: Summary of Key Themes from Housing Strategy Engagement with Councillors / What We Heard**

Over the course of Administration's meetings with Councillors, the following key themes emerged:

**Calgary is in a housing crisis and The City needs to act now.**

- Calgary is in a housing crisis and The City needs to do what it can to increase both the supply of market- and non-market housing.
- A fundamental component to acting now is that The City should work in partnership with the federal and provincial governments. Many Councillors are supportive of Calgary demonstrating leadership. There was also an emphasis that we need to ensure the responsibility for housing does not get downloaded or fall exclusively on The City.

**Differing perspectives about challenges with the recommendation to immediately make the base residential district Residential – Grade-Oriented (R-CG).**

- Some Councillors were supportive of the recommendation, while others shared concerns around public perceptions and diverse opinions related to this recommendation, anticipating that it would not be popular or gain widespread public acceptance.
- Councillors suggested the need to leverage land use changes as a critical part of addressing the housing crisis.
- Several Councillors suggested a lack of widespread understanding about what this zoning change means and how it will impact individual households and communities. In other instances, some Councillors disagreed that the zoning change would make a difference, suggesting that there was no substantive evidence from other Canadian municipalities that have enacted similar changes.
- Some Councillors inquired about alternative ways to implement the zoning change, for example, on a pilot basis or in areas close to transit, near schools, or parks, instead of on a city-wide approach.
- More information about the implementation process was requested, and some Councillors expressed the need to see a clear path forward. This includes providing more information that clarifies that the proposed change to zoning will support housing affordability for future generations.

**Challenges with the recommendation to remove parking minimums from all residential districts in the new Land Use Bylaw.**

- Some Councillors shared concerns about public perception of this recommendation and noted the impact it may have on parking availability across the city, particularly as we build more housing.

**A desire to see Administration aligned and in support of the work.**

- Some Councillors suggested the need for Administration to increasingly vocalize support for this work as critical to resolve the housing crisis.

**Increased housing supply is about greenfield and established areas.**

- Some Councillors pointed to the abundance of land and the ability to support more housing affordability through greenfield development, while others highlighted that increasing supply is not about increasing only in one area of the city or the other.
- Several Councillors indicated that the value of providing choice in location, to live in established or newer communities, is foundational to our economic advantage.



## **Supporting infrastructure, particularly in established areas.**

- Some Councillors questioned whether infrastructure could support increased housing supply, particularly in the established areas.

## **Focus on creating great places to live, for all stages of life and generations to come.**

- Some Councillors emphasized the significant challenges for young people who cannot afford to move out of their family's home and move into communities they have lived in for their entire lives. When young people cannot move into the next phase of their lives this affects family networks and can harm Calgary's prosperity.
- Councillors expressed concerns related to maintaining Calgary's competitive economic advantage given increasing housing costs in the city.

## **Improving efficiency of the development process before other reforms.**

- Some Councillors expressed that they are hearing from developers that The City needs to address delays in development process. Some Councillors highlighted that while improvements may be possible, reforms to land-use are required to gain significantly more efficiency.

## **Implementation, resourcing, and budget implications.**

- Councillors expressed a desire to advance this work quickly, highlighting the need to respond to the crisis with urgency.
- Some Councillors recommended proceeding with caution and to stagger the roll-out or create more bite-sized pieces of work to set realistic expectations.



**Attachment 2: Frequently Asked Questions**

Click on the table of contents below to review a specific question or topic area.

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## Residential-Contextual Grade Oriented infill (R-CG)

1. What are Rowhouses (as enabled by R-CG as a zoning district) and how do they compare to other housing forms like apartments?

- In the Land Use Bylaw, R-CG stands for Residential-Contextual Grade Oriented Infill. This zoning district allows for a range of houses where all front doors must be at ground level. R-CG is currently mostly used to develop rowhouses, but also allows single detached homes, and semi-detached homes.
- Typical rowhouses are between 1300 to 1600 sq. ft, with three bedrooms, making them highly attractive to many Calgarian household types; they sometimes include secondary basement suites adding affordable supply and in some cases a mortgage-helping income for the owners of the principal unit.

2. What would implementation look like, including the timeline?

If Council moves forward with the proposed action to proceed with a base zoning district of R-CG, the following steps would be taken by Administration commencing this fall toward consideration of a city-wide land use bylaw change:

- **Preparation:** mapping the land parcels subject to change; preparation of notifications; and communication.
- **Notification:** Affected landowner mail-out; plain language communication and legal letters; broad public communication on how to participate in public hearing, advertising and public hearing.
- **Decision:** Public Hearing of Council where the public can make their views known, and Council makes the final decision. Should Council approve the rezoning, the effective date would be approximately one month from Council approval.

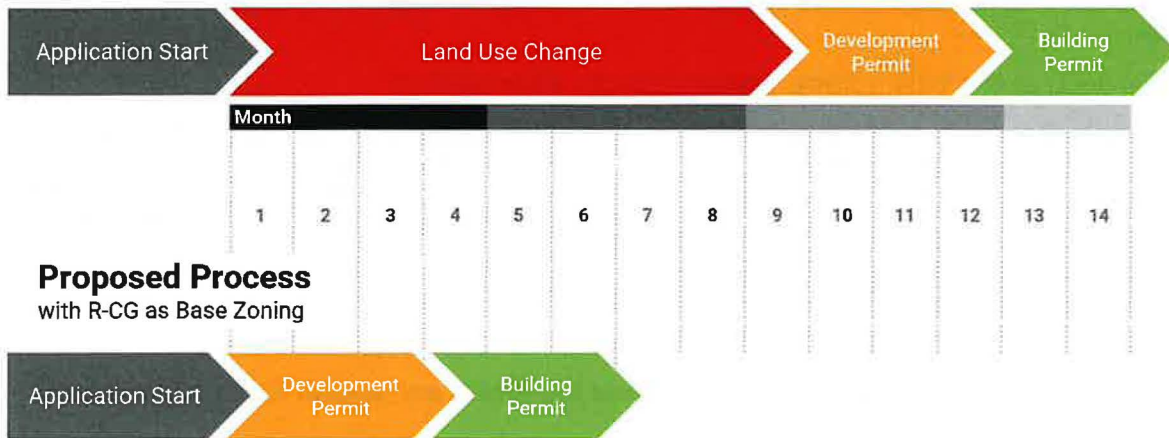
**Timeline:** Administration can complete this work by **Q2 2024**.

3. As an applicant, what is the difference between building a rowhouse today versus if the citywide R-CG as a base zoning district action is approved?

	Build a Rowhouse Today	Building a Rowhouse in the future
Do I need to do a rezoning and go to Council?	Yes	No
Do I need a Development Permit?	Yes	Yes
Do I need a Building Permit?	Yes	Yes
Who makes the decision?	Council (on Land Use) and City Planning Department	City Planning Department
Do I need to advertise or notify my neighbours to build a rowhouse?	Yes	Yes
Is there community input?	Yes	Yes
Can the community influence locations of where rowhouses go?	Yes	No
Can the community influence design details?	Yes	Yes
How much time would it take for me to get all the approvals needed? <i>(Time cost significant due to interest rates)</i>	Average 10 – 15 months	Average four to six months
How much do all necessary applications cost?	\$6,000	\$1,400

4. What is the comparison of average timelines for rowhouse development in the current process versus if R-CG as a base zoning district is approved?

**Current Process**  
with R-C1 as Base Zoning



5. How would you measure the success of R-CG as a base zoning district?

Success includes the ability for more Calgarians to find a stable, quality home that fits their lifestyles, in a community that meets their needs. Administration will monitor and track the number of new units measured against anticipated units, their location, price and effect on city-wide housing costs.

6. How would the R-CG as a base zoning district action connect with the Local Area Plans (LAPs)?

Administration would review the three approved LAPs (including Heritage Communities that have received 1<sup>st</sup> Reading) and bring forward policy amendments to align with Council's direction. For example, amendments would clarify how the Neighbourhood Scale Urban Form Category aligns with a city-wide policy of R-CG as a base district. For LAPs currently under review, Administration would update the working groups and public as to the new direction and amend/draft policies accordingly.

7. What will be the pace of rowhouse redevelopment with R-CG as a base zoning district? How many rowhouse units can be anticipated?

Administration's projections anticipate that R-CG as a base residential district would induce an additional 250 land parcels redeveloping to rowhouses per year, translating into approximately 750 net additional homes (1,000 rowhouses minus former single dwelling that's been replaced) plus secondary suites to be built in the first year. Under R-CG, new single detached homes replacing older ones, and new semi-detached homes are still expected.

Over the long-term, using R-CG as the base residential district may increase Calgary's annual housing starts by eight to 12 per cent. This means 1,500 net more homes per year (2,000 rowhouses minus former single dwelling that's been replaced), which will have a material impact on overall supply in the housing market compared to the business-as-usual scenario.

## 8. Where will R-CG rowhouse developments happen? In every community?

Not all communities will experience R-CG redevelopment, with many newer communities unlikely to experience any redevelopment of this type within the next 15-20 years. Factors including land value, location, age and condition of existing home, lot shape, and lane access all make it more or less likely for rowhouse (or semi-detached duplex) redevelopment to materialize. Notably, a similar zoning (R-G) already exists in all new communities built after 2014 that facilitates single, semi-detached and rowhouse flexibly.

## 9. Will R-CG as the base zoning district improve affordability?

Yes. As with other goods, the balance between housing supply and demand influences price. Research evidence and expert consensus is clear: abundant housing in a variety of locations, types and price-points is fundamental to housing affordability. Rowhouses enable housing product that is in high demand at lower price points compared to single and semi-detached housing forms in the same neighbourhood, improving relative affordability compared to if they are not widely enabled.

## 10. If someone builds a rowhouse, what is the impact on property value of the single-family house adjacent to or directly across from the development?

Based on current market analysis, there is no evidence that there is any negative impact on the property values of homes adjacent to rowhouse developments.

## 11. At what point do we have too many R-CG designations?

The City of Calgary does not determine *whether* we grow, but rather where and how this growth occurs. Any maximum would be arbitrary and have negative effects on housing affordability, economic growth and Council's environmental goals. Nevertheless, Administration continually monitors impacts that are addressed through growth strategy investment, local area planning and land use bylaw changes.

## 12. Can our infrastructure handle R-CG as a base zoning district?

Yes. The vast majority of established area communities, especially those built prior to 1980, are below their historical peak population. Lower population and more efficient new homes result in unused infrastructure capacity. Supporting more housing would optimize current infrastructure investments. The City proactively invests around \$20 million per year in utility infrastructure to address capacity in growth areas. Where development proposals trigger unanticipated local capacity upgrades, The City is introducing a process to equitably share that cost. Our planning framework, including the Local Area Planning Program and Established Area Growth Strategy supports amenities to improve quality of life.

## 13. What can be done about waste and recycling clutter associated with rowhouse development?

Cluttered garbage, recycling and compost bins are not unique to rowhouse developments. To improve the useability of the waste and recycling space, Administration added requirements to Development Permit applications for site design and screening; enabled more room on-site for waste and recycling bins through greater flexibility in site design; and provided educational resources to applicants. Bylaw changes now also allow bin-sharing, the use of new technologies and bin enforcement. Further long-term improvements are also being explored.

## 14. What has been the experience of other Canadian cities?

Recently, other cities and provinces have been addressing their housing crisis by allowing more units on residential land. The provincial governments in British Columbia and Ontario are mandating that



municipalities allow multiple dwellings (usually three to five units depending on lot size). The impact of the change is too early to tell. Many cities are going beyond, to allow for six to eight units. Victoria, which recently adopted multiplex zoning city-wide, thus far has seen no new housing due to overly restrictive development rules (e.g., parking, lot coverage). Those rules are being revised.

In contrast, the R-CG district has demonstrated success in creating homes for Calgarians, with builders seeking rezoning and following through with development. This success can be scaled up through implementation of the proposed R-CG action, with municipal oversight continuing through the Development Permit and Building Permit processes.

Edmonton is adopting a similar approach to enabling more semi-detached and rowhouse development city-wide through its proposed new Land Use Bylaw.

## Growth & Infrastructure

15. How do the recommendations enabling more redevelopment help us build a better city? How do they relate to our growth and resiliency goals (transit, small businesses, schools etc.)?

Compact communities and redevelopment help support population growth, creating walkable and vibrant communities. This sustains the viability of schools as well as local businesses. It is also fundamental to providing efficient public transit. Population and jobs drive demand for transit, which enables feeder routes to be sustained and primary transit to operate at a higher frequency. More housing in existing communities allows more people to live in new, more efficient homes, in neighbourhoods where transportation choices enable lower emissions, aligning with our climate strategy.

16. Can we not just grow in new communities to address affordability? Why do we need redevelopment?

New communities play a large role in enabling supply and affordability. Nevertheless, the demand for housing in established communities is very high. Restricting housing, including ground-oriented and apartment dwellings in established areas would result in demand outpacing supply and further increases in rents and prices, reducing affordability. Offering people the choice to live in housing that suits their needs, including proximity to employment and amenities, can also reduce emissions by decreasing travel distance.

17. Can we not just grow within the established areas' brownfield redevelopments (like Currie Barracks), Transit Oriented Developments (TODs) and corridors, and through building conversions (City-owned etc.)?

Consumer choice has strong impacts on city growth. Significant brownfield redevelopment opportunities are limited. TODs and corridors have land value, population and job targets that mean most new units will be apartments. While apartment homes are crucial, demand for ground-oriented housing in Calgary is high. The vacancy rate for apartments is 2.7 per cent. For rowhouses and townhouses it is one per cent. Both larger scale redevelopment, and incremental infill in locations where people want to live within established areas, are required to meet demand.

18. Cities like Toronto and Vancouver are denser and upzoned, but still unaffordable. If density equals more affordability, how come they are not more affordable?

The reasons for unaffordability in markets like Toronto and Vancouver are complex and multi-faceted. Nevertheless, a fundamental imbalance between high demand and inadequate supply is a major contributing factor. Due to zoning barriers, high government charges and multi-year-long approval

processes, housing supply - particularly ground oriented housing choices - has not kept up with demand in those cities. For decades, both Toronto and Vancouver preserved the majority of their residential lands for exclusively single-family homes (62 per cent Toronto; 81 per cent Vancouver – currently 67 per cent Calgary) contributing to limited housing supply. Densification has focused almost exclusively on very high-density apartment-scale redevelopment downtown and in transit hubs. Toronto City Council is set to approve a middle density housing upzoning proposal in October 2023. In May 2023 Toronto allowed up to five homes per parcel. These changes are still new so their impacts on affordability cannot yet be evaluated.

## Parking Minimums

### 19. Does Administration support going to a zero parking minimum?

As the Task Force recommendations are being incorporated into the Housing Strategy, Administration is recommending a modified approach to parking minimums.

**From:** *In the new Land Use Bylaw: Remove minimum parking requirements in all residential districts*

**To:** *In the new Land Use Bylaw: Ensure parking minimums do not act as a barrier to affordability, including considering location and different residential land use districts in evaluating, reducing or eliminating minimums.*

Administration's recommendation is to focus on the desired outcome of the recommendation, which is to ensure that parking minimums do not negatively affect affordability. Administration wants to evaluate the best approach to achieve this goal; it may look different depending on the location and land use district, including for R-CG. We expect the new Land Use Bylaw to come for Council's consideration by end of 2024.

## Other

### 20. Shouldn't our focus just be on speeding up approvals for development to enable more supply before we start upzoning?

As per the [2022 CHBA National Municipal Benchmarking Study](#), The City of Calgary compares very favourably to other cities on approval timelines, and is continuously working to improve those timelines. Minor improvements are possible but changes to the overall structure of the approvals process (e.g., eliminating the need for applicant-led land use redesignations or enabling more permitted use Development Permits) are required to gain significantly more efficiency.

### 21. Are the planning-related actions what developers have asked for?

The predominant theme the development community emphasizes is reducing barriers in policy, regulation, and process to enable more supply faster. The planning-related actions are focused on these goals. Task Force members used their direct development experience, feedback from housing providers, and years of interaction with developers (including as expert presenters to the task force) to formulate the suite of actions proposed.

### 22. This is focused on the supply side, what about the demand side?

While demand factors such as immigration, interest rates or demographic changes have significant impact on housing markets, policy levers influencing demand are largely outside the control of the City.

The City of Calgary's planning policy, regulation and process have a direct influence on supply and so

several actions focus on measures that can positively influence greater supply to meet current demand, and the 110,000 new Calgarians we expect to have over the next four years.

## 23. Are we letting the other orders of government off the hook by proposing these actions?

No. Solutions to address housing affordability and affordable housing require the participation of each order of government. In Canada, the federal and provincial governments define the housing policy framework and create the tools that municipalities can use to deliver programs locally.

Opportunities exist for The City to collaborate with other orders of government and the housing sector to address housing affordability. Actions within the housing strategy focus on how The City will work with the federal and provincial government and propose what The City can do to directly influence housing affordability and affordable housing.

## 24. What is The City doing about short-term rentals?

The City has existing regulations in place which ensure the safety of guests and neighbours, consumer protections and transparency, and discourage unlicensed hosts.

While it may seem at first glance that there are high numbers of short-term rentals, we have found that listings may be duplicate (for example, single property advertised as an entire home, or separate room) or offered temporarily, for example during the summer season.

Planning and Development Services is currently reviewing the regulations for short-term rentals. The City is carefully thinking through how it regulates them as they currently make up a small percentage of the overall homes in Calgary and they serve multiple benefits for our city.

## 25. The additional budget requests and the timeline to implement the Task Force Actions seem unreasonable and unachievable. As Administration incorporates the actions into the Housing Strategy, how will you respond to this?

The Task Force's recommendations respond to the complex challenges and the urgency to solve Calgary's housing crisis. As Administration incorporates the Task Force actions into the strategy it has refined and sequenced actions to align with corporate capacity and budget, whilst maintaining the intent of the Task Force recommendations. Actions requiring additional or new budget will be considered by Council in the context of other budget asks during the regular budget adjustment process.

## 26. Why do we need to investigate rent control? Won't rent control just make the supply situation worse by deterring rental development?

The Task Force recommended that The City investigate rent control models used in other jurisdictions and provide the Government of Alberta with a summary of the findings. This action is about support for residents experiencing higher than normal increases in rent. The ability to implement rent caps lies with the Government of Alberta. The City does not have the legislative tools to implement rent caps.

## 27. What are the next steps?

On 7 June 2023, Council directed Administration to incorporate the Task Force Recommendations and Actions into the Housing Strategy refresh. The Task Force actions have not yet been approved by Council; they will be reviewed and deliberated as part of the Housing Strategy.

Administration is offering three sessions to members of Council to provide additional information on the housing strategy and answer any additional questions. Members of Council can attend one, two, or all



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three sessions as their schedules permit. Councillor staff members are welcome to attend. The sessions are as follows:

1. Tuesday 5 September from 10AM to 11AM
2. Friday 8 September from 11AM to 12PM
3. Monday 11 September from 2PM to 3PM

On 14 September 2023, Administration will present the refreshed Housing Strategy to the Community Development Committee. The strategy will incorporate all 33 actions recommended by the Housing and Affordability Task Force, a handful of additional new actions, and previously Council-approved actions for work that is underway. Public submissions and presentations will be welcome.

For more information about The City of Calgary's Housing Strategy and details on each of the 33 Task Force Actions, please visit [calgary.ca/housingstrategy](https://calgary.ca/housingstrategy).