



September 13, 2023

To: Mayor Gondek and Members of Council
CC: Executive Leadership Team
From: Tim Ward, Manager Housing Solutions



Re: Addendum to Memo circulated to Mayor Gondek and Members of Council on 2023 August 25 on the matter of The City of Calgary's Housing Strategy Follow Up

Overview:

On 25 August 2023, Administration issued a memo which summarized key themes and frequently asked questions raised during one-on-one meetings held for the Housing Strategy.

On 2023 September 14, the Community Development Committee will receive Home is Here – The City of Calgary's Housing Strategy for decision.

Purpose:

Administration scheduled Councillor/Councillor Office staff briefing sessions to provide additional clarifications on the Housing Strategy 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.

This addendum to the original memo serves as a summary of the Frequently Asked Questions raised during the above briefing sessions.

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General Questions about the Housing Strategy

1. How many Calgary households are in housing need and how does it compare to the past?
 - According to the latest Housing Needs Assessment, at least 84,600 households cannot afford their housing because they earn less than 65 per cent of the area median income and spend 30 percent or more on shelter.
 - The rate of housing need has remained unchanged at 17-18 per cent over the past three decades, however the absolute number of households in need has doubled over that period.

2. What is the difference between Housing Affordability and Affordable Housing?
 - *Housing Affordability*: a measure that analyzes market costs/trends with the purchasing power of Calgarians across the housing continuum, as well as the ability for homeowners and renters to keep pace with the rising cost of housing (i.e., property taxes, rent increases, assessments, and associated costs).

- **Affordable Housing:** The City of Calgary defines affordable housing more narrowly as housing for people who, because of financial or other circumstances, need assistance to cover their housing costs. It may take a number of forms on the housing spectrum, from non-market rental units to attainable homeownership. In order to exclude discretionary overspending, The City targets affordable housing to households earning 65% or less of the Calgary area median income. According to Canada Mortgage and Housing Corporation, housing is affordable when a household spends less than 30% of its income before-tax on shelter.

3. For actions that require a budget, what process is being followed?

Several actions may have current or future budget impacts. These have been identified under the *Corporate Implications* section within the Housing Strategy.

- All actions which cite a budget are included in the current budget adjustment process and will be brought forward for Council consideration in 2023 November.
- For actions which may require budgets that have not yet been determined, Administration will develop specific estimates and bring forward budget requests in future years as part of the service plans and budget processes.

4. What are the tax implications of the Housing Strategy?

- Most of the actions can be completed within existing approved resources.
- All actions which cite a budget are included in the current budget adjustment process and will be brought forward for Council consideration in 2023 November. This will mean that Council will see the budget requests in the housing strategy in the context of other proposed budget amendments and with information on proposed funding sources, which may be the mill rate or others.
- For actions which may require budgets that have not yet been determined, Administration will develop specific estimates and bring forward budget requests in future years as part of the service plans and budget processes.

5. How do we inform the public and dispel myths about affordable housing in all communities?

- There are actions within the Strategy that will enable The City to better work with partners and create awareness and reduce stigma for affordable housing.
- Should the Strategy be approved, Administration will work on an implementation-based communications campaign, including regular progress updates to Council and Calgarians.

6. How will the actions attract investment and partnerships from the Provincial and Federal Governments?

- All the actions are within the scope of the municipal government role. The Strategy serves as a signal to the other orders of governments that The City is at the table and ready to address the housing need in Calgary, and that municipal policies will not serve as the barrier to housing affordability.



- New affordable housing development will continue to take place in partnership with other orders of government.
7. If certain actions within the Housing Strategy are not approved by Council, will Calgary lose funding from the Housing Accelerator Fund (HAF)?
- The Canada Mortgage and Housing Corporation has a point scoring system to incentivize transformational change in municipal housing policy. The HAF Action Plan, which was approved by Council in June, is based on maximizing funding allocation for Calgary.
 - Should Council decide not to proceed with certain actions, the funding allocation may be reduced. **[INFORMATION REDACTED]**.
8. Why doesn't the Housing Strategy address Short Term Rentals?
- The City has existing regulations in place which ensure the safety of guests and neighbours, consumer protections and transparency, and which discourage unlicensed hosts.
 - The City is working with the University of Calgary to examine the issue of short-term rentals in detail. Preliminary results show that the vast majority of short-term rentals are only available for a short period of time. For example, a homeowner may list their property on a short-term rental website for two weeks around Stampede time but then return to living in it afterwards. Most short-term rental listings are not competing directly with long-term rentals.
 - Short-term rentals are an important part of our overall supply of accommodation. To use Stampede as an example, it may be inefficient to increase hotel room supply purely for the Stampede and so short-term rentals allow for temporary uses of properties that boost our economy and provide tourists with alternative forms of accommodation. In addition, short-term rentals near big hospitals are vital in supporting the families of people who are in hospital for a short- to medium-term stay.
 - 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.
9. Are the recommendations presented in the Cover Report and the actions in the Housing Strategy meant to be considered together or can Council Members vote on each individually?
- As multiple tools and tactics are required to address the housing crisis, the recommendations have been drafted to be considered and voted on together. The Housing Strategy represents a multi-faceted and comprehensive plan and Administration's recommendations reflect that.
 - Whether and how the cover report recommendations and actions in the Housing Strategy are amended and voted on is solely within Committee and Council's discretion.

Specific Questions about Actions within the Housing Strategy

10. How will the Housing Land Fund be used? What if more funding is needed in the future?

- Through report CD2023-0205, Council approved the principle of a Housing Land Fund.
- An allocation of funding to the Land Fund would be used to acquire land, prepare encumbered sites for sale and, in some instances, provide sites at nominal value to housing providers.
- If more funding is needed in the future, Administration would bring forward requests to Council through the Budget Adjustment process.

11. How will The City implement the 15% minimum Affordable Housing in all Local Area Plans?

- Including this policy statement in all Local Area Plans will serve as a signal to housing providers and the non-market housing sector as well as residents that The City has a target for affordable housing across all communities and that affordable housing is appropriate across all areas of the city.
- The action is not a policy of mandatory inclusionary zoning/housing.

12. What are the parameters or eligibility requirements of the proposed Secondary Suite incentive program?

The intent of the program is that it would apply to existing residential dwellings for the creation of legal secondary suites. For example, a new housing development seeking the inclusion of a suite would not be eligible. However, the program parameters will be detailed in subsequent steps.

13. Where did the targets of 1,000 more market homes than what would normally be developed, and 3,000 new non-market homes per year come from?

- The targets were set and recommended by the Housing and Affordability Task Force, which took into consideration CMHC's target of 10 per cent more homes than what is normally built to maintain affordability in the market.
- On average, the non-market housing sector has developed 300 new affordable homes a year. This is far below the supply that is required. The target of 3,000 new non-market housing units would result in 15,000 affordable homes in five years which would bring us to just under the national average of six per cent.

14. What are the next steps for the action related to Parking Minimums?

- Administration recommended a modification to the action related to parking minimums as follows:
 - 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 impact 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 the end of 2024.

15. What would implementation of R-CG 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, and advertising.
 - Recommendation: Administration prepares recommendation and report to Council considering public input during the Notification stage.
 - Public Hearing of Council: The public can make their views known to Council, and Council makes the final decision.
- Timeline: Administration can complete this work by Q2 2024.
- Should Council approve the rezoning following the Public Hearing, the effective date would be approximately one month from Council approval.

16. How can the public participate in future R-CG development permits?

Public input is dependent on the permit type. There are three types of development permits.

1. *Permitted.*
2. *Permitted with a relaxation.*
3. *Discretionary.*

Public notification and input to inform Administration's permit decision is undertaken for *permitted with a relaxation* and *discretionary* use permits. Historically this represents 78% of total permits issued (2015-2023).

Public input is not undertaken for *permitted* use development permits that meet all land use bylaw requirements, representing 22% of total permits. Should an appeal be filed on a *permitted with a relaxation* or *discretionary* use permit, the appeal process provides for further public input and consideration.

In our earlier Memo dated 2023 August 25, we included a table that stated Calgarians would continue to have the opportunity to participate in rowhouse applications at the development permit stage. This was a simplified statement, based on historical permit data collected since 2015, that deserves a more comprehensive answer as elaborated on above.



17. Which parcels of land will be applicable if Council approves changes to the base land use district to R-CG?

All low-density residential parcels (e.g., R-C1 & R-C2), which currently do not have an R-G designation, would have the land use of R-CG.

18. Have other cities/counties undertaken blanket rezoning, similar to what is proposed in the Housing Strategy?

Yes. Minneapolis and New Zealand are two examples of regions that have undertaken similar zoning changes to allow for incrementally more units. Evidence from both jurisdictions has demonstrated this change to be effective in producing increased housing supply and maintaining housing affordability.

19. Would an enhanced and concurrent land use and development permit process have an impact on housing supply, and how can Administration evaluate this today?

A concurrent land use and development permit process has been in place for applicants since 2017. If a reduction in fees and skipping Calgary Planning Commission (a time reduction) were added to the current process, there may be an uptake in the number of concurrent applications, yet Administration's position remains that the changes proposed by the Housing and Affordability Task Force and now the Housing Strategy reflect the transformative approach needed to respond to the crisis and have a sufficient impact on housing supply. Red tape reduction, lowering costs, expediency and improving regulatory certainty contribute to the approach.

Administration bases its conclusion on five full years' history, including information, data and customer feedback.