

**Calgary's Housing Strategy 2024-2030 - Land Use Amendment Citywide,
 LOC2024-0017, and Land Use Bylaw Amendments**

RECOMMENDATIONS:

That Calgary Planning Commission:

1. Forward this report (CPC2024-0213) to the 2024 April 22 Public Hearing Meeting of Council; and

That Calgary Planning Commission recommend that Council:

2. Give three readings to the proposed amendments to the Land Use Bylaw 1P2007 (Attachment 3), including:
 - (a) Textual amendments (Section 1 and 3, Attachment 3);
 - (b) Redesignation (Section 2 and Schedule A, Attachment 3) of parcels *located at* various addresses from the:
 - (i) Residential – Contextual Large Parcel One Dwelling (R-C1L(s)), the Residential – Contextual One Dwelling (R-C1(s)), the Residential – Contextual Narrow Parcel One Dwelling (R-C1N), the Residential – Contextual One/Two Dwelling (R-C2) districts, and Residential – Grade Oriented Infill (R-CGex) **to** Residential – Grade-Oriented Infill (R-CG) District.
 - (ii) Residential One Dwelling (R-1(s)), Residential – Narrow Parcel One Dwelling (R-1N), and Residential – One/Two Dwelling (R-2) **to** Residential – Low Density Mixed Housing (R-G) District.
 - (iii) Residential – Contextual Large Parcel One Dwelling (R-C1L(s)), the Residential – Contextual One Dwelling (R-C1(s)), the Residential – Contextual Narrow Parcel One Dwelling (R-C1N), the Residential – Contextual One/Two Dwelling (R-C2) districts, and Residential – Grade Oriented Infill (R-CGex) Districts **to** Housing – Grade Oriented (H-GO) District; and
 - (c) Procedural amendments to delete redundant districts from the Land Use Bylaw (Section 4, Attachment 3).

EXECUTIVE LEADERSHIP COMMENTS

The Chief Administrative Officer David Duckworth, Chief Operating Officer Stuart Dalglish, Acting General Manager Debra Hamilton and General Manager Katie Black strongly support the recommendations put forward in this report. The recommendations are founded on a robust planning rationale in alignment with the *Municipal Development Plan* (MDP) and specific direction provided. Approving these recommendations will reduce barriers to the development of homes, provide a greater range of housing choice for Calgarians and demonstrate a significant step forward in delivering on Calgarians' and businesses' housing needs through *Home is Here – The City of Calgary's Housing Strategy 2024-2030* (Housing Strategy).

HIGHLIGHTS

- This application seeks to redesignate (rezone) portions of the city and amend the Land Use Bylaw to allow for a greater range of low-density housing forms. This change will allow for rowhouses and townhouses in all low-density residential parcels across the city in addition to the building types already allowed (e.g., single-detached dwellings, semi-detached dwellings, duplexes and suites).

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- Calgary is in a housing crisis. Our competitive position as a liveable and affordable city is at risk. The Housing Strategy, approved in September 2023, includes a series of integrated outcomes and actions that will set Calgary on a path to ensure that housing is affordable for everyone.
- To achieve Outcome 1– Increase the supply of housing to meet demand and increase affordability, Council directed Administration to bring forward proposed changes to land use rules and regulations to remove barriers. See Attachment 1 for further information on previous Council direction.
- This proposal represents an incremental density increase in residential areas, allows for development that is compatible with the character of the existing neighbourhood and is in keeping with the applicable policies of the MDP.
- Administration sought public input through a wide variety of approaches, including holding public information sessions across the city, online information webinars and input portals, and having a dedicated call centre, among other tactics. This input has informed Administration's recommendations.
- What does this mean to Calgarians? Calgary is in a housing crisis. Land use rules that restrict housing supply in the face of growing demand are one of the barriers to addressing the crisis. Over 84,600 Calgarians cannot currently afford their housing. Between 2020 and 2023, rents increased by 40 percent and prices for single-detached homes increased by 37 percent. Removing restrictive rules to add greater opportunity for the development of new homes throughout the city creates opportunities to improve housing options and affordability for Calgarians. More supply means fewer people are competing to find a home that fits their needs and budgets.
- Why does this matter? In 2023, Calgary's population grew by 42,000 people and is expected to reach two million in the near future. Acting now to increase housing supply and choice is critical towards ensuring Calgary maintains its affordability advantage over other cities and continues to attract people, investors and businesses.

DISCUSSION

Existing planning policy in the MDP supports a wide variety of housing options throughout all communities in Calgary. However, Calgary's Land Use Bylaw, which pre-dates the MDP, does not support implementation of that policy as it includes restrictive zones that explicitly do not allow for a variety of housing types. In fact, 67 per cent of all low-density residential parcels only allow single detached homes, and an additional 20 per cent only allow single or semi-detached homes. Actions approved through the Housing Strategy provide an opportunity to start modernizing the existing approach to zoning, in alignment with approved policy, to address the housing crisis in Calgary. Municipalities around the world have similarly started to move away from the traditional approach to zoning. Administration has looked at best practices and learnings from other cities that have undertaken similar rezoning (included in Attachment 2).

The recommendations of this report reduce the barriers and restrictions that are contributing to the housing crisis. The proposed amendments can be grouped into three categories: (1) rezoning to increase supply, (2) changes to the R-CG district rules, and (3) procedural amendments. Together, the proposed amendments implement three of the actions identified in the Housing Strategy (1.C.4, 1.C.6 and 1.C.7 detailed in Attachment 1).

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Rezoning to Increase Supply

This report proposes the necessary bylaws (Attachment 3) to immediately implement Action 1.C.6 of the Housing Strategy to rezone to a new base land use district. The Housing Strategy directed rezoning to the Residential – Grade-Oriented Infill (R-CG) District citywide, however, as this district is only applied in the Developed Areas, its Developing Areas equivalent, the Residential – Low Density Mixed Housing (R-G) District, is also included. More information on what districts will be rezoned to the R-CG or R-G Districts is available in Attachment 1.

This report also implements Action 1.C.7 by proposing rezoning parcels to the H-GO District, where identified as suitable in the following three approved Local Area Plans: North Hill Communities, Westbrook Communities and Heritage Communities.

Changes to the R-CG District Rules

This report proposes amendments to the existing rules of the Residential – Grade-Oriented Infill (R-CG) District (Attachment 3) to implement Council's direction and incorporate community feedback. As directed by Council, the proposed amendments will allow for both a secondary suite and backyard suite on one parcel and will eliminate the parking requirements for backyard suites as directed in Action 1.C.4 of the Housing Strategy.

Based on community feedback, specifically concerns regarding the built form and ability to provide comment on future development proposals, Administration is recommending the following two changes:

- List rowhouses as a discretionary use in the R-CG district. Currently rowhouses could be either permitted or discretionary uses in the R-CG district. This change allows for additional review and community involvement at the development permit stage.
- Add Contextual Single Detached Dwelling as a permitted use in the R-CG district. This is currently not a listed use within the R-CG district, and this will allow current development rights to be maintained.

More details on the proposed Land Use Bylaw Amendments can be found in Attachment 4. No changes to the rules in the R-G or H-GO Districts are proposed.

Procedural Amendments

Attachment 3 proposes amendments to delete redundant sections of Land Use Bylaw 1P2007. The following low-density residential districts are proposed for removal: R-C1(s), R-C1L(s), R-C1N, R-C2, R-CGex, R-1, R-1(s), R-1N, and R-2. This is necessary to implement a singular base residential district to implement action 1.C.4.

The Housing Strategy had actions for immediate implementation to address Calgary's housing crisis by increasing housing supply and housing affordability. There are additional actions in the Housing Strategy that are not being proposed at this time. Administration is exploring all additional policy and regulation amendments outlined in the Housing Strategy through various programs and work items. This will include updates to the Municipal Development Plan and aligning Local Area Plans with Housing Strategy recommendations.

The recommendations in this report provide an opportunity for Calgary to address the housing crisis by removing barriers, enabling housing supply, increasing housing choice throughout

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Calgary and meeting the housing goals of our MDP. A detailed planning evaluation of this application is provided in the Background and Planning Evaluation (Attachment 1).

ENGAGEMENT AND COMMUNICATION

- Outreach was undertaken by the Applicant (N/A)
- Public/interested parties were informed by Administration.

City-Led Outreach

Administration conducted a broad public information campaign with the goal of providing all Calgarians with easy-to-find and plain language information to allow an understanding of what is being proposed and how to share their perspectives with Council. Key outreach actions included:

- Six in-person public information events were spread geographically across the city to provide access across all quadrants and 660 people attended. Three additional in-person sessions are planned in March 2024, ahead of the Public Hearing of Council meeting.
- Four online events provided 465 Calgarians the opportunity to receive information without having to attend in-person.
- A dedicated City Engage Portal page with a survey for Calgarians to ask questions and provide their feedback directly to Council. This page can be translated into Calgary's ten most commonly spoken languages.
- A searchable address map on the website, which shows the proposed future land use for parcels across the city.
- Radio, television, print and social media outreach.
- Outdoor advertising.
- A dedicated 311 call centre with the ability to provide hard copies of all website materials and in various languages, upon request.
- Mailbox campaign including an initial drop in January where over 500,000 information postcards were sent to all residential addresses in Calgary. A second one is planned for April with another 500,000 postcards. By mailing directly to residential addresses, all Calgarians were provided information on the project, regardless of whether they were renters or owners.

In addition to the public information campaign, Administration has provided opportunities to meet with various organizations, groups and interested parties for them to learn more about the proposed changes, ask questions and provide support to any non-City led events.

Attachment 5 contains a summary of engagement and outreach performed to date, including an overview of feedback received from Calgarians. Administration has received comments in support of and in opposition of the proposed rezoning. Themes from what we have heard at the in-person information sessions to date include:

- **Impacts to community:** Concern of loss of on-street parking, increased traffic congestion, loss of community character, loss of property value, insufficient infrastructure capacity, loss of trees and landscaping, building scale and rezoning of park spaces.

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- **Citywide approach:** Disagreement with citywide rezoning and requests for a staged, community-by-community approach; questioning the need to take this action now; desire to accommodate new residents in new communities, on transit corridors, in towers or where redevelopment is already occurring.
- **Housing crisis:** Questioning how these recommendations will lead to more affordability; questioning the accountability and responsibility of individual property owners toward solving the crisis; concerns expressed that the crisis is the result of federal immigration policies rather than a result of City zoning.
- **Council:** Sentiment voiced that this is a foregone conclusion as Council has already decided, resulting in a lack of trust in Council and Administration; perception that this change is only being proposed to secure federal funding; demands for a plebiscite/referendum.
- **Need for more homes:** Perspectives shared that more homes are needed citywide for choice and affordability for all Calgarians; benefits of utilizing existing infrastructure and amenities and reducing the need for new infrastructure in new communities.
- **Citywide equity:** Perspective shared that, to be equitable the rezoning must apply to all low-density residential communities without exception.
- **Economic benefits:** Perception that citywide rezoning has economic benefits, such as attracting new businesses and residents to the local economy.
- **Density near transit:** Support voiced for higher density development at stations and on corridors in addition to the proposed rezoning.

Many of the planning related concerns raised have already been addressed through existing planning tools and amendments to the R-CG District in the ten years since it was introduced. For example, enhanced landscaping requirements were updated in 2022 to require a landscaping plan for developments of more than three units, including screening of waste and recycling bins and increased planting requirements. Other areas of concern have informed Administration's recommendations. For example, textual amendments to list rowhouses as discretionary uses in the R-CG district address concerns related to community character, building scale, uncertainty and ability to comment. Future work such as the Zoning Bylaw (one component of the City Building Program) will explore alternatives to the historical residential zoning of parks and open spaces. More details can be found in Attachment 1.

A thorough What We Heard report will be provided to Council ahead of the Public Hearing as public information sessions are still being held after the 2024 March 7 Calgary Planning Commission meeting. Attachment 6 contains a summary of comments received at the closed session of Calgary Planning Commission on 2023 December 21.

IMPLICATIONS

Modernizing policy and regulations today could have a lasting effect on the ability of future generations to thrive in Calgary. Reducing processes and barriers in alignment with planning policy to enable more housing helps to deliver on the actions of the Housing Strategy. Calgary is anticipated to see continued population growth, with over 110,000 new Calgarians in the next four years, and people need homes. Diversifying our communities with different housing options is one action of the Housing Strategy that gives Calgary the best chance to ensure our continued social, environmental and economic success.

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Social

The housing crisis affects our entire society. While not all Calgarians feel they are impacted, the situation affects us directly or indirectly. Housing uncertainty can have adverse effects on people's physical and mental health. Providing more housing choices across the city helps provide options for people and families with different household compositions, accessibility needs, income levels and mobility needs and preferences. Today's households are better served by greater housing choice, which includes smaller homes. Providing housing options for all Calgarians throughout every Calgary's community is a more equitable and inclusive approach to planning our city.

Environmental

Buildings and vehicles are the two largest contributors to greenhouse gas (GHG) emissions in Calgary. Giving Calgarians the choice to live in smaller, more energy efficient homes in locations with mobility choice is a meaningful action towards GHG reduction. Adding more homes on already-developed parcels makes better use of existing infrastructure and services. Adding more residents to existing communities provides a stronger customer base for transit, making it a more viable and desirable transportation option than driving.

Economic

Housing availability and security is just as essential as the businesses that make up our economy. Without viable housing, we will struggle to attract people to work in our city. In 2023, Calgary experienced the highest annual jump in rental housing costs for any major market nationwide, due in part to Calgary's relative affordability. However, if this continues, it will make the situation for many Calgarians untenable, especially those entering the housing market, and will reduce Calgary's ability to retain and attract talent in a variety of sectors. As an increasingly large segment of our population is forced to commit a higher proportion of income to housing, they will have less income for other basic needs. Densifying communities means a more efficient use of capital infrastructure and operating services which is beneficial to The City's fiscal sustainability. Adding homes to communities allows for orderly, economical and beneficial development, as well as more efficient use of capital infrastructure and operating services.

Service and Financial Implications

Other: No immediate budget implications. Future business plans and budgets will monitor and respond to shifting patterns in growth and redevelopment as a result of this proposed change.

RISK

The City's Housing Strategy contains 98 action items. While this rezoning proposal garners a significant amount of attention, this action alone will not solve the housing crisis. It is, however, an important part of the overall strategy.

If the recommendations of this report are approved, Administration recognizes there is a need for strong capital investments in the Developed Areas to enhance public amenities. The Housing Strategy includes actions to consider this. Furthermore, making rowhouses discretionary may lead to a higher number of development permit appeals, potentially impacting timelines to achieving home occupancy. Administration will continue to apply rigour to the development permit process.

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If the recommendations of this report are not approved, the existing rezoning process will continue, and existing development barriers will remain; there will be no process, timeline or cost saving gains achieved for housing construction in the low-density residential market. High competition and continued pressure on the existing supply will continue. This could also result in more pressure on new community growth, which would require additional capital investments.

More supply, choice and different price points in the market housing sector will benefit the entire housing system. Without market supply in the middle of the affordability spectrum, Calgary's ability to attract and retain new people and business is at risk. Taking advantage of the opportunity to modernize Calgary's approach to zoning in alignment with the MDP is an important step towards address the housing crisis.

ATTACHMENTS

1. Background and Planning Evaluation
2. Supplementary Information and Jurisdictional Scan
3. Proposed Amendments to the Land Use Bylaw 1P2007
4. Summary of Proposed Land Use Bylaw Amendments
5. Communications and Outreach Summary
6. Calgary Planning Commission Initial Comments
7. Calgary Planning Commission Presentation

Department Circulation

General Manager	Department	Approve/Consult/Inform
Debra Hamilton	Planning & Development Services	Approve
Stuart Dalglish	Chief Operating Office	Approve
Katie Black	Community Services	Consult
Carla Male	Corporate Planning & Financial Services	Inform
Michael Thompson	Infrastructure Services	Inform
Doug Morgan	Operational Services	Inform
Chris Arthurs	People, Innovation & Collaboration Services	Inform
Jill Floen	Law, Legislative Services & Security	Inform