

Planning & Development Policy Prioritization Strategy

EXECUTIVE SUMMARY

This report outlines a strategy that Planning & Development will use to prioritize policy planning initiatives by the end of 2018. Prioritization is required to ensure that planning staff resources are employed on assignments that will have the most benefit for communities and customers and which will be most effective towards enabling Calgarians to continue to build a great city. With numerous policy plans in need of updating, it is important to intentionally manage resources to focus policy efforts in areas where change is happening and being constrained by inadequate policies. Prioritization is also needed to ensure that planning efforts focus on helping small businesses and industry in the current economic situation (see Attachment 1). Through prioritization, policy plans can be created more quickly to meet the needs of communities, landowners and industry.

The strategy is based the goals of the Municipal Development Plan on and Council's five priorities. It recommends focusing efforts on two Priority Themes that are seen to be most relevant to enabling growth in Calgary's current situation: "*a prosperous city*" and "*a city of inspiring neighbourhoods*". The list of priority initiatives is further narrowed down by the second layer of Program Streams. These two streams prioritize policy efforts that either enable growth or serve a strategic purpose (see schematic in Attachment 2). The policy planning initiatives identified for 2018 are presented in Attachment 3. Key pieces of the strategy are the update to the Developed Areas Guidebook and the Local Area Plans project. The latter offers a revised approach to community planning and is briefly described in Attachment 4.

Due to existing commitments and stakeholder expectations, 2018 will be a transitional year in which the Policy Prioritization Strategy will not be fully implemented. The transition year will allow the strategy to be adjusted to best reflect Council's new priorities, which will guide Administration's initiatives for the 2019-2022 cycle and which are anticipated in late 2018 January.

The Industry City Work Plan 2017 Year-end Report is associated with this report and will also be presented to the SPC on Planning and Urban Development on 2018 January 15 (PUD2018-0021). The purpose of the report is to provide the year-end report to Council on the progress made on the Industry/City Work Plan in 2017, and to advise Council of the 2018 Work Plan.

The P&D Planning Prioritization Strategy report is provided to Council for information to establish the basis for the necessary conversation on prioritizing policy initiatives. Administration is recommending reporting back and finalizing the Strategy in conjunction with the report on the Developed Areas Guidebook in 2018 Q3.

Planning & Development Policy Prioritization Strategy

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommend that Council receive this report for information.

RECOMMENDATION OF THE SPC ON PLANNING AND URBAN DEVELOPMENT, DATED 2018 JANUARY 15:

That Council receive Report PUD2018-0011 for information.

PREVIOUS COUNCIL DIRECTION / POLICY

There has been no previous Council direction.

BACKGROUND

The primary role of policy planning is to present the desired future state of a community and provide a framework, through guidance and regulation, within which development towards the goals is enabled.

Planning & Development undertakes various forms of policy planning, including local area planning, strategic growth planning, implementing government legislation, and developing tools and guidelines for specific topics such as urban design, building safety or development in proximity to railways.

Provincial legislation only requires Calgary to have a Municipal Development Plan and a Land Use Bylaw. Local area plans such as Area Structure Plans, Area Redevelopment Plans and Outline Plans are not legislatively required. The City uses this system of local area plans, however, to enhance the inclusiveness and predictability of community growth planning. These policy plans translate the higher-level, strategic objectives of the Municipal Development Plan/Calgary Transportation Plan at the local level or in relation to a specific topic.

Policy plans are designed to support the realization of the MDP/CTP by proactively enabling development of Calgary and its communities by stakeholders. To be successful the policies contained in the plans must be effective towards guiding growth to meet the aspirations of the community and the MDP. They must speak to aspects that are within The City's mandate on which to act and they must be implementable by stakeholders.

Maintaining Calgary's system of local area plans has become gradually more challenging as the city has evolved and grown. In many instances, communities' Area Redevelopment Plans were approved long before the introduction of the Municipal Development Plan (MDP) / Calgary Transportation Plan (CTP) in 2009.

Increasing development interest in established communities has led to redevelopment pressure and to more frequent questioning of the policy guidance provided by older community plans. Many communities are asking for their policy plans to be updated to meet these challenges and provide more contemporary guidance that considers the newer MDP/CTP. Some communities also do not have a local area plan. Their growth is guided solely by the high-level policies of the Municipal Development Plan and good planning practice that recognizes the character of the community.

Responding to Challenges

Planning & Development Policy Prioritization Strategy

Over the 60-year timeframe of the Municipal Development Plan (MDP) there will be situations, emerging technologies and social and economic changes that may need to be addressed through specific policy initiatives. While all seven goals of the MDP remain equally important, during the MDP's course there will be current situations and trends that will require a more urgent focus on some of the goals more than others. From Administration's perspective, the following present today's challenges:

- Economic downturn and need for economic diversification and small business growth;
- Volume of existing policy plans, obsolete and missing policy;
- Numerous communities requesting policy work to guide ongoing development;
- Obsolete policies that constrain growth in areas where it is desired; and
- The need to address new legislative requirements or specific issues.

A continuing factor is limited organizational and staff capacity for both policy planning, and the implementation actions arising from policy plans.

A detailed discussion of these challenges is presented in Attachment 1.

The purpose of this report is to communicate Administration's proposed 2018 policy work plan course that most effectively supports Council's growth and development vision for Calgary, continues with existing policy planning initiatives already directed by Council, and responds to the challenges referenced above.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Planning & Development is currently striving to resource and schedule 78 policy planning initiatives, of which 65 have been directed by Council. There are currently 260 statutory and non-statutory planning policy documents, many of which are substantially outdated, or even obsolete, and numerous communities are asking for updates. In addition to these 78 policy initiatives, new policy work may also be needed to address specific issues, for example, strategic growth and economic diversification.

To establish the 2018 work plan course, Administration undertook a process that included considering strategic drivers that would guide what policy work should be done, developing a policy prioritisation strategy based on those drivers and the challenges referenced earlier, and acknowledging there is Council-directed policy work that is yet to be completed. The result of this process, and how it has been applied to establish a 2018 policy plan work program, is summarized below.

Strategic Drivers

Council's priorities for 2015-2018 are aligned with the seven goals of the Municipal Development Plan. These priorities and goals inform Planning & Development's policy workplan.

Municipal Development Plan Goals: a prosperous economy; shaping a more compact urban form; creating great communities; urban design; connecting the city; greening the city; managing growth and change.

Council priorities: a prosperous city; a city of inspiring neighbourhoods; a city that moves; a healthy and green city; a well-run city.

Planning & Development Policy Prioritization Strategy

These already established 2015-2018 priorities are expected to be sufficiently consistent with Council's 2019-2022 priorities (currently being developed) to be used as guidance for this 2018 policy plan work program.

Constant pursuit of all the priorities and goals is critical to the long-term growth of the city. In recent years significant progress has been made towards "*a city that moves/connecting the city*" through RouteAhead, construction of new Bus Rapid Transit routes and the Green Line. Significant steps have also been taken towards "*a city of inspiring neighbourhoods/shaping a more compact urban form*" by the successful work on Main Streets. "*A healthy and green city/greening the city*" has recently been the focus of land use bylaw changes to enable local food production and new provincial legislation has placed increased emphasis on environmental well-being.

The current economic situation has, however, brought attention to the need for strategic policy actions that will promote "*a prosperous city/a prosperous economy*" by supporting the diversification of Calgary's economy and working to attract new business activity. The economic situation has also reinforced the need to review and improve policies and regulations to continue to support "*a city of inspiring neighbourhoods/creating great communities*" as they are critical towards maintaining Calgary's appeal to a skilled workforce and continuing to attract capital investments from businesses that have national and international options. Finally, the situation has also placed emphasis "*managing growth and change*" and on the need to remove barriers to development in areas where the communities and market are ready, but the right enabling policy or regulation is not yet in place.

Doing the right thing, not everything

To successfully respond to the challenges confronting Calgary, Planning & Development needs to focus its efforts. By focusing its work on the right things instead of everything, Planning & Development will serve citizens and customers better. It should work on policy where it can be most effective towards realizing the Municipal Development Plan by enabling healthy development in communities that are experiencing development activity. It should also focus work on providing policies that support the business community. Making more effective use of planning staff will allow new policies to be provided sooner, which supports citizens, communities and customers.

Priority should be determined according to these key criteria:

- Relevance to Calgary's current situation,
- Alignment with MDP/CTP goals,
- Achievement of Council's priorities,
- Enabling development in areas where market readiness exists,
- Managing growth and change, and
- Improving policy service.

Policy Prioritization Strategy

The policy prioritization strategy has been designed to provide guidance over a one to four-year period while allowing for adaptation to Calgary's evolving situation and changing Council priorities over a longer timeframe. It employs a two-layer approach of Priority Themes and Program Streams to ensure policy initiatives are prioritized to the greatest effect. The strategy is illustrated in Attachment 2.

Planning & Development Policy Prioritization Strategy

Priority Themes

Initial guidance towards prioritizing Planning & Development's policy work is based on Council's five priorities. When combined with the criteria noted above work in the following two key theme areas is seen by Administration to warrant greater urgency and highest priority for resource allocation:

- A prosperous city;
- A city of inspiring neighbourhoods.

These themes have been identified because they are a response to the current situation while proactively addressing Calgary's long-term needs. A *prosperous city* places the focus on policy work that supports businesses, economic diversification and initiatives that improve processes and regulations that better enable growth. Placing a key focus on a *city of inspiring neighbourhoods* further reinforces the efforts to support Calgary's economic growth by employing planning resources towards providing policies that promote healthy and attractive communities.

Council's priorities are set for four-year periods. For the strategy to remain effective towards prioritizing policy work these priority themes must be regularly re-evaluated to ensure they still address the most critical drivers.

The two priority themes provide the primary guidance to begin prioritization to address the issues facing Calgary today. However, most planning policy initiatives can be seen to serve one of these two key themes or even all of council's five priorities. A second, more detailed level of evaluation is needed to narrow down the priority works.

Program Streams

As shown in the Priority Themes above, all policy initiatives provide a benefit towards Calgary's goals overall. Some initiatives may have a longer-term benefit or have a lesser effect at a local level than others and may not be as highly prioritized in today's situation. Focus should be placed on policy works that can be achieved in the near term and which will make a difference towards the challenges discussed above.

When further evaluating initiatives for prioritization, two main program streams can be identified:

- initiatives that enable growth and
- initiatives that serve a strategic purpose.

Included in the *Enabling Growth* stream are initiatives that are effective towards enabling growth in alignment with the Municipal Development Plan and considering the current situational challenges. Efforts relevant to this are in areas where demand and change is occurring but where it may be hindered by obsolete or ineffective policies. It also includes work on key initiatives that have proven effective towards achieving the Municipal Development Plan, such as Main Streets, urban design guideline work and work on specific local area plans that implement its structure of activity centres and corridors.

A key initiative in the *Enabling Growth* Programs Stream is the new Local Area Plans Approach. This initiative responds to the challenge of reviewing and renewing the 260 policy documents and local area plans. Its objective is to provide future policy plans that are more relevant to Calgary's needs, more easily updated and that contain policies that can be executed. Attachment 4, Local Area Plans Approach, provides an overview of this initiative.

Planning & Development Policy Prioritization Strategy

The focus of the *Strategic Programs* stream is on those initiatives that improve policy service to stakeholders and citizens and enhance the effectiveness and ability to implement the policies. Examples of this are policy work such as the review of the Municipal Development Plan, the coordination and sequencing of Urban Design initiatives, refining the Developed Areas Guidebook and revising Land Use Bylaw regulations to improve infill.

Initiatives towards managing Calgary's growth and change contribute significantly to the strategic programs' focus, as illustrated by the Industry/City Workplan efforts. The strategic level also must include initiatives that are required to respond to Federal or Provincial legislative requirements or that provide strategic policy tools for specific issues, e.g. flood mitigation, economic diversification.

Determining Priority Initiatives

Policy planning work that is aligned with one or both themes and which fulfils the criteria of a program stream will be prioritized in terms of timing and resources. Planning initiatives that cannot be linked to one of the themes and streams will receive lower prioritization. Planning & Development may not be able to undertake these lower-priority projects until existing resources are no longer required for the priority projects.

Should Council determine that a policy initiative is to be undertaken by Administration despite its lower ranking, Administration may propose one of the following:

- a) replacement of a priority initiative and its subsequent delay; or
- b) the submission to Council for approval of a specific business case to provide funds and staff to undertake the task in addition to the identified priority initiatives.

Determining Policy Staff Resources

Planning & Development currently has approximately 600 employees. The services they provide are planning policy work and core customer services, which include the review and processing of Development Permits, land use amendment applications and Building Permits, building inspections and customer support. With a 20 per cent contingency, there are approximately 48 planners available for policy work.

Even if policy work is done on a prioritized basis, capacity must also be maintained to address actual resource requirements that are greater than estimated, and enable staff to respond to urgent Council direction or unanticipated issues. A contingency of 10 per cent of staff time should be reserved for this.

Other Policy Planning Staff Resources

Planning & Development also undertakes or supports various policy initiatives in the area of building safety, which includes projects such as The Calgary Construction Site Guide, The On-Site Construction Safety Best Practice Manual, Accessible Design Guidelines and Energy Code work. Approximately 5 staff members are tasked with this work. Since this report is focused on the land use and community planning policy assignments, for 2018 these initiatives and resources have not been considered in the 2018 policy planning work program. Should the approach taken through this report prove to be a model on which to build, they will be included starting in 2019.

Alternative Options

Planning & Development Policy Prioritization Strategy

Administration is confident that a prioritization strategy is required. However, there is concern that prioritizing initiatives over others does not give proper consideration to the fact that Council has directed Administration to do specific policy work. The following alternative options were considered.

Maintain Existing Approach

Administration could continue its current approach of implementing assignments based primarily on the direction of Council and the availability of resources. Doing so would place a strong emphasis on meeting individual stakeholders' expectations. It would also respond exactly to Council's existing direction. However, this approach would leave Administration with very little capacity to address the critical policy issues that have been previously discussed in a timely manner. This approach also does not consider that Council's direction was provided under different economic circumstances. In today's situation, Council's direction may be different and a conversation on priorities may be appropriate.

Individual Business Cases

This option is similar to maintaining the existing approach outlined above. It has the addition of requiring a business case for supplementary resources for every new policy initiative that is added to Planning & Development's current list. This approach would allow Council to consider its priorities on a case-by-case basis while maintaining its previous direction. However, the case-by-case approach would not be guided by a strategic objective. Subsequently, it may not enable the consistent and effective allocation of resources towards addressing Calgary's situation. It would also add process and additional cost and lead to longer implementation times. Administration would be less able to plan pro-actively.

Proposed Approach

The Policy Prioritization Strategy offers an enduring method of identifying those policy initiatives that are best suited towards achieving Council's direction by identifying important policy themes and priority project streams. This allows policy planning resources to be allocated to the greatest effect towards achieving Council's direction to implement the Municipal Development Plan and enable healthy community growth citywide. This supports intentional project management by Administration, which benefits communities, the development and building industry and businesses.

2018 P&D Policy Planning Program

All existing policy initiatives have been reviewed by Administration regarding their ability to serve these key Policy Themes and Program Streams and the P&D Policy Planning Program for 2018 is presented in Attachment 3. This list does not include policy work on building safety policy issues, which, as referenced earlier, is being considered as an aspect of Planning & Development's 2019 workplan. The list has been structured into Strategic Policy and Enabling Growth initiatives and further refined according to various criteria such as whether a policy is required to comply with Federal or Provincial legislation, whether it has been directed by Council or has been initiated by Administration, and whether it supports the new approach to local area plans currently under development.

Transition Year (2018)

Planning & Development Policy Prioritization Strategy

Due to existing commitments and stakeholder expectations, 2018 should be seen as an opportunity to lay the foundation for full implementation of the Prioritization Strategy in 2019. In this transitional year, Administration should focus on rectifying policies that are not aligned with the MDP and which may be constraining development, as well as taking the necessary policy actions to comply with Federal and Provincial legislation. Through the transition year the strategy will be adjusted if necessary to best reflect Council's new priorities and to respond to the results of the One Calgary initiative. Further consultation with internal and external stakeholders will inform this process.

Two key policy initiatives during 2018 will place Planning & Development in a strong position to implement the prioritization strategy in 2019: the updated Developed Areas Guidebook and the establishment of a new approach to local area plans (see Attachment 4). Currently ongoing initiatives will continue and will be coordinated as possible with these two efforts. Planning & Development will strive to sequence its pending policy works to best align with, and benefit from these initiatives. This will ensure that these policies are effective and relevant moving forward.

Approximately 48 planners are currently available to undertake this extensive complement of work and, when allocating these resources, Planning & Development maintains a sufficient capacity reserve of approximately 20 per cent to support customer applications. The 2018 P&D Policy Planning Program clearly illustrates the need to match Planning & Development's resources to our priorities.

2019 Policy Planning

Using the refined strategy, policy planning for 2019 will be prioritized to best realize Council's new priorities while also addressing the key priority themes as described previously. This approach will guide Administration's initiatives for the 2019-2022 cycle.

Conclusion

A major step towards intentional resource management and a service-based approach to policy planning initiatives has been taken with this report. However, further engagement with Council and external and internal partners is needed. The list of existing policy commitments raises the question whether Council would provide the same direction to undertake this list of work today? Although the focus of this report is on land use planning policy initiatives led by Planning & Development, it must also be established whether internal partners have the resources to fulfill these commitments. Administration must also engage communities and industry so that staff resources can be focused where they can be most effective towards providing policy that is executable by stakeholders.

During 2018 the initiatives to update the Developed Areas Guidebook and the new approach to local area planning will be instrumental in this regard. These two projects are closely linked and mutually dependent. Both will involve significant stakeholder engagement. The results of these initiatives will further inform the prioritization strategy.

Administration is therefore presenting this report for information to Council to establish the basis for the necessary conversation on prioritizing policy initiatives. Administration is recommending reporting back on the implementation of the Strategy in conjunction with the report on the Developed Areas Guidebook in 2018 Q3.

Planning & Development Policy Prioritization Strategy

Stakeholder Engagement, Research and Communication

Collaborative consultation amongst Administration led to the comprehension of the situation, identification of critical themes and need for prioritization. Industry and community partners, such as BILD Calgary, as well as community representatives from the Federation of Calgary Communities have informed this conversation through engagement on the Growth Strategy, Local Area Plans Strategy and Developed Areas Guidebook.

Fundamental to the strategy is the need to promote innovation in ideas, processes, and outcomes which will motivate Administration, industry and community to support the new approach. Demonstrating this commitment to achieving relevant and effective policies and tools that improve service to stakeholders is key to successful implementation.

Strategic Alignment

The Policy Prioritization Strategy is intended to focus policy work on advancing the Municipal Development Plan (MDP). The priority list is consistent with section 1.4.1 of the MDP, which describes one of the roles of the MDP as providing strategic direction to support corporate decisions around managing growth and change, prioritizing corporate initiatives and public investment.

Social, Environmental, Economic (External)

The Policy Prioritization Strategy strikes a balance between addressing economic imperatives, fulfilling Council's direction and the need to advance social and environmental objectives. The policy strategy supports economic activity related to building and development, while still ensuring that communities are healthy, diverse and livable over the long term.

Financial Capacity

Current and Future Operating Budget:

In general, there are no operating budget implications associated with this report as the proposed work plan will be carried out within existing budget allocations. However, should Council direct Administration to undertake additional policy initiatives not currently considered a priority, additional specific budgets may be required.

Current and Future Capital Budget:

There are no capital budget implications associated with this report.

Risk Assessment

The Policy Prioritization Strategy has been developed to mitigate the risk to The City if Administration's resources are not allocated to be most effective to addressing critical issues confronting Calgary today and in the near future. By employing the Strategy and prioritizing policy work, Administration is better positioned to advance Council's priorities.

There is a risk that additional, unanticipated work will be required by the Department and can't be accommodated with existing resources. To mitigate this risk, a process has been established to scope incoming work, and evaluate new work requests using the prioritization criteria established in the strategy.

Planning & Development Policy Prioritization Strategy

To ensure that the strategy remains relevant to current conditions, it will be reviewed periodically and adjusted when necessary.

REASON(S) FOR RECOMMENDATION(S):

Prioritization of policy planning work is required to ensure that Planning & Development's resources are employed where they are most relevant and where they will be most effective. Use of a prioritization strategy will support intentional management and improve the delivery of policy planning services to support customers and communities who build the city and implement the Municipal Development Plan. This report is provided to Council for information to establish the basis for the necessary conversation on prioritizing policy initiatives. Administration is recommending reporting back and finalizing the Strategy in conjunction with the report on the Developed Areas Guidebook in 2018 Q3.

ATTACHMENT(S)

1. Attachment 1 – Discussion of Current Challenges
2. Attachment 2 – Planning & Development Policy Prioritization Strategy Schematic
3. Attachment 3 – 2018 P&D Policy Planning Program
4. Attachment 4 – Local Area Plans Approach – Summary