

Investigation of Potential City-initiated Land Use Redesignations in Capitol Hill and Banff Trail, PUD2018-0819

EXECUTIVE SUMMARY

This report responds to Council direction that Administration consider City-initiated Multi-Residential – Contextual Grade-Oriented (M-CG) land use redesignations within the plan area of the *North Hill Area Redevelopment Plan* (North Hill ARP) to accommodate multi-residential development. This direction intended to build upon previous City-initiated land use redesignations in the communities of Capitol Hill, contained within the North Hill ARP, and Banff Trail, contained within the *Banff Trail Area Redevelopment Plan* (Banff Trail ARP). In consideration of previous planning work and initiatives within these two communities, the investigation (subject of this report) focused on both Capitol Hill and Banff Trail.

Through Administration's investigation, it was discovered that a restrictive legal caveat is registered on many of the land titles within Capitol Hill and Banff Trail. This caveat does not align with the existing policy and objectives of the two ARPs and is restrictive to redevelopment in these communities. It was determined that additional policy should be included in the ARPs to acknowledge and address the caveat and to further support The City's vision of growth in these areas. Administration also determined that City-initiated land use redesignations within Capitol Hill and Banff Trail are not appropriate at this time, and that such an initiative would be better considered as part of the new multi-community local area plans approach which is currently underway for the community of Capitol Hill.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommend that Council:

1. Direct Administration to include policy in the North Hill Communities Local Growth Planning Initiative (scheduled for completion in Q4 2019) that acknowledges the existence of a restrictive legal caveat affecting parcels within Capitol Hill, and that addresses the misalignment between the caveat and the objectives of the future Area Redevelopment Plan; and
2. Direct Administration to amend the Banff Trail Area Redevelopment Plan to include policy that acknowledges the existence of a restrictive legal caveat affecting parcels within Banff Trail, and that addresses the misalignment between the caveat and the objectives of the Area Redevelopment Plan.

PREVIOUS COUNCIL DIRECTION / POLICY

At the 2017 February 13 Combined Meeting of Council, following approval of a redesignation of a single parcel to Multi-Residential – Contextual Grade-Oriented (M-CG) District, Council made the following Motion Arising:

MOTION ARISING, Moved by Councillor Farrell, Seconded by Councillor Carra, that with respect to Report CPC2017-040, Council direct Administration to consider City initiated M-CG redesignations in conjunction with the process of R-CG initiated redesignations in specific

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locations suggested by the Community as part of the implementation of the *North Hill Area Redevelopment Plan*.

BACKGROUND

The North Hill ARP is a multi-community plan that includes the community of Capitol Hill as well as Tuxedo Park and Mount Pleasant, whereas the Banff Trail ARP is a single-community plan that includes the community of Banff Trail alone. Although governed by separate ARPs, the communities of Capitol Hill and Banff Trail face similar redevelopment pressures and have been reviewed collectively in previous planning projects and initiatives.

On 2016 March 07, Council adopted amendments to the Capitol Hill portion of the North Hill ARP, and to the Banff Trail ARP. Through engagement with residents and landowners, Administration identified areas within both communities that would be appropriate for future intensification. The resulting policy amendments from this work provided a framework for increased density at locations in proximity of LRT stations, along major streets, on corner sites, and near existing multi-residential development.

In consideration of the policy amendments, Council directed Administration to pursue City-initiated land use redesignations to allow for rowhousing on appropriate sites within the communities of Capitol Hill and Banff Trail. On 2017 August 01, Council approved the redesignation of 597 properties from Residential – Contextual One Dwelling (R-C1) and Residential – Contextual One/Two Dwelling (R-C2) Districts to Residential – Grade-Oriented Infill (R-CG) District. To date, three building permit applications for rowhouse development have been submitted and approved as a result of these redesignations.

CONTEXT

The established communities of Capitol Hill and Banff Trail are located in an area bounded by 16 Avenue N.W. to the south, Crowchild Trail N.W. to the west, 10 Street N.W. to the east and Confederation Park Golf Course to the north (Attachment 1). These communities primarily consist of low density development with small pockets of commercial and multi-residential located throughout, as well as large commercial developments along 16 Avenue N.W. A significant portion of Capitol Hill and Banff Trail is within 600 metres of either the Lion's Park, Banff Trail or University LRT stations.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

This investigation delivers a response to Council's Motion Arising that directed Administration to consider further City-initiated land use redesignations to the M-CG district within the North Hill ARP area. In consideration of Council's direction Administration contemplated three options for this report:

- a) That M-CG land use redesignations as advised by Council be considered;
- b) No City-initiated land use redesignations or policy amendments be completed at this time (do nothing); or
- c) Amend and add policy to address the caveat restrictions only (no City-initiated land use redesignations).

While the Motion Arising states that this investigation should focus on the entire North Hill ARP area, through a review of previous Council direction and existing ARP policies, Administration

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determined that it was appropriate to focus the analysis within the communities of Capitol Hill (one of three communities within the plan area of the North Hill ARP) and Banff Trail (the entire plan area of the Banff Trail ARP). These communities have been the subject of many shared previous planning projects which provided the foundation for this investigation. As such, there was an opportunity to build upon the previous work involving both of these communities.

The findings of Administration's investigation are organized in the following five key themes: 1) Public Feedback, 2) the New Local Area Plans Approach, 3) Caveat Restrictions, 4) Calgary Planning Commission comments, and 5) 2019 City Planning and Policy Priorities.

1) Public Feedback

The City-led public engagement offered both online and in-person engagement opportunities for residents and the general public. An open house was held on 2018 April 18, and an online survey was available on the project website for a three-week period. Because there are multiple land use districts which could apply to the various ARP land use classifications, Administration engaged on other multi-residential land use districts in addition to the M-CG district.

As detailed in the public engagement section of this report, residents were generally opposed to the proposed City-initiated land use redesignations. In general, concerns related to the impact on existing infrastructure, parking availability in the area, and a desire to maintain the existing community character.

Some residents expressed support of City-initiated land use redesignations, building upon the recent 2016 ARP amendments, as well as the R-CG land use redesignations completed in 2017. In general, support for land redesignations related to the notion that increased density would help revitalize the community, support local business, and provide additional housing opportunities close to the University of Calgary.

2) New Local Area Plans Approach

The City's new approach to local area growth planning includes a multi-year program designed to create more efficient and inclusive area plans, update and modernize older plans, reduce the size of local policy plans, and to provide these plans to stakeholders in a timely manner. The multi-community planning approach is intended to streamline local area policies and make them more consistent across The City, while also allowing for local area planning that is better aligned with primary transit stations and routes, community service areas, and Main Streets.

Under this new approach, the North Hill ARP and Banff Trail ARP will be updated and consolidated within each of their designated multi-community plan area. This process will establish a new vision and land use pattern for these areas and replace existing local policy. New policy for the Capitol Hill community is to be delivered Q4 2019 as part of the North Hill Communities Local Growth Planning Initiative. The timeline for a new multi-community plan that includes the community of Banff Trail is within the next four-year business cycle as part of One Calgary and will be prioritized based on factors such as market readiness, infrastructure requirements, *Municipal Development Plan (MDP)/Calgary Transportation Plan* alignment, and Planning and Development's Service Plan alignment.

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3) Caveat Restrictions

Through the public engagement in 2018, feedback was received relating to a caveat registered on land titles of parcels within Capitol Hill and Banff Trail that restricts development to one and two-unit dwellings per parcel (refer to Attachment 2 for a copy of the caveat). Similar caveats are registered throughout Calgary in many older, established neighbourhoods. This specific caveat was established in 1952 and implemented to provide additional development guidance to the areas, and includes regulations regarding building footprint, use and height.

The rules of this caveat are now outdated and no longer conform to the long-term planning vision of these communities as contained in the ARPs. Many of the parcels where the caveat is registered have now been identified for higher intensity residential uses in the respective ARPs, however, there is currently no language or guidance in the North Hill ARP or Banff Trail ARP addressing the caveat and its restrictive impact on development.

The presence of this caveat does not prevent Administration or Council from making decisions on planning matters such as land use redesignations or policy amendments. It does, however, present a potential impediment to redevelopment at time of construction as property owners may challenge the increase in density as a civil matter in the Courts. Any such challenge would be a private matter between property owners, and The City's involvement would be limited to providing a letter regarding The City's position. The City currently cannot remove the caveat on each of the private titles. Private property owners wishing to have the caveat removed from their title are required to seek a court order.

To assist property owners who wish to remove the caveat, and to support the vision and implementation of the current City policies, Administration is recommending that specific policy language be included in the respective planning policy documents for the communities of Capitol Hill and Banff Trail that acknowledges the restrictive legal caveats and the misalignment of the caveat with the vision and objectives of growth for these areas. This additional language would make clear that, where there is inconsistency between the caveat and the policy direction for increased density, The City will support the policy. Further, this would provide supportive language for any court applications for the removal of the caveat on an individual basis, thus encouraging redevelopment.

For the community of Capitol Hill, this can be achieved through the North Hill Communities Local Growth Planning Initiative which is currently underway and scheduled for completion in Q4 2019. For the community of Banff Trail, this can be achieved as a minor amendment to the ARP through the Crowchild Trail Study update work that is currently underway and scheduled for completion in Q3 2019.

4) Calgary Planning Commission

On 2019 March 21, Administration presented this investigation to the Calgary Planning Commission (CPC) with the intent of further informing this report. Feedback and comments received from the CPC meeting are provided in Attachment 3. In summary, CPC members highlighted that City-initiated land use redesignations do not always reflect the desired use or built form and can have the negative impact of artificially bolstering property values, resulting in

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additional redevelopment challenges due to inflated land costs. CPC supported Administration's recommendations for including language in the ARPs to address the caveats, and not embark on City-initiated land use redesignations at this time.

5) 2019 City Planning and Policy Priorities

The recently approved City Planning and Policy Service Line Workplan 2019, PUD2019-0253, (2019 March 18) focuses resources on Council priority areas that will enhance investor confidence by delivering policies and plans more efficiently and quickly to stakeholders. These priority areas include an update to the Developed Areas Guidebook, review of the MDP, the new Multi-Community Local Area Plans Approach, and a renewed Land Use Bylaw.

The work plan outlines a strategy for planning initiatives to ensure that staff resources are employed on assignments that will have the most benefit for communities and customers and provide best return on investment. While City-initiated land use redesignations for Capitol Hill and Banff Trail were considered, due to limited resources and higher priority projects, this initiative was not included in the work plan at this time.

Conclusion

In consideration of the above, Administration recommends *Option C* that no City-initiated land use redesignations be completed at this time and that policy be added to address the caveat restrictions. This recommendation aligns with feedback received from the community who were generally opposed to City-initiated land use redesignations. The new approach to local area plans will provide an opportunity to fully consider the appropriateness of City-initiated land use redesignations when updating policy for the communities of Capital Hill and Banff Trail, as well as other communities. This approach was endorsed by CPC who suggested that the land use pattern established through City-initiated land use redesignations does not always reflect the desired built form and can result in inflated property values. Furthermore, this work was not included on the 2019 City Planning and Policy Service Line Workplan 2019, PUD2019-0253, Council approved on 2019 March 18 and is not considered a planning priority at this time.

In response to the restrictive caveat on title on many of the parcels in Capitol Hill and Banff Trail, *Option C* would add language to existing and future planning policy documents for these areas acknowledging the existence of the caveat and that the caveat does not align with the intent of the ARPs and is restrictive to development. Language in the ARPs that acknowledges the conflict between the caveat and current policy direction will assist landowners in the removal of the caveat allowing for the implementation of The City's vision for community growth and increased densities in proximity to transit and other appropriate locations.

Infrastructure Analysis

It is anticipated that the uptake of redevelopment opportunities to maximize land use capacity, as identified in both ARPs, is likely to occur over a long-term horizon. A high-level infrastructure analysis was completed by Administration during the preparation of the 2016 ARP amendments to determine the potential impacts on the transportation and underground utility networks. At that time, the transportation and sanitary sewer analyses did not indicate any issues with either

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the existing street network or sanitary sewer capacity as a result of the allowable densities within the North Hill ARP and the Banff Trail ARP.

A comprehensive land use redesignation would require further detailed analysis of water servicing and would be completed at the time of the application.

Stakeholder Engagement, Research and Communication

On 2018 April 18, Administration held an open house to discuss the intent of Council's motion and the potential City-initiated land use redesignations with residents. The open house included information panels and maps, and City staff were available to answer questions. Residents were notified of the event via email, mail dropped invitation, community signage, and through their Community Associations. In total, 138 members of the public attended.

In addition to this in-person event, Administration set up an online survey. In the survey, Administration asked citizens to answer questions to gain an understanding of their ideas and concerns related to further City-initiated land use redesignations to accommodate multi-residential development in their communities. In total, 144 responses were received: 74 for Banff Trail and 70 for Capitol Hill (refer to the What We Heard Report in Attachment 4).

Overall, there was a high level of interest in the project and a wide range of input was received. Generally, citizens stated that they were unsupportive of the idea of more City-initiated land use redesignations. Some of the main concerns that emerged through the comments were:

- Impact on existing infrastructure and parking;
- Work would result changes to the existing Area Redevelopment Plans;
- Feeling overwhelmed by the current amount of redevelopment occurring in the community;
- Desire to maintain the current community character; and
- The existing caveat (as referred to in investigation section) in Banff Trail/ Capitol Hill which restricts development to one or two dwellings.

Although most residents who attended the open house or filled out the online survey were unsupportive of the idea of more City-initiated land use redesignations, Administration did receive many comments in support. Some of the responses provided in support of the initiative included:

- Support City-initiated land use redesignations at specific locations as identified by the ARPs;
- Redesignation would help revitalize some areas and should provide opportunity for mixed-use development;
- Increased density would help support more local businesses;
- Allows for cohesive and thorough implementation;
- Development in the community should match growth of universities; and
- Support work to be completed in a timely manner.

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Strategic Alignment

Municipal Development Plan (MDP)

Capitol Hill and Banff Trail are located within the Residential Developed – Inner City area as identified on Map 1 of the MDP. The MDP includes a range of policies that encourage growth and supports the development of complete communities to ensure a compact and well-designed urban form that efficiently utilizes land and infrastructure and provides housing choices at transit-supportive densities.

North Hill Area Redevelopment Plan (North Hill ARP)

The North Hill ARP is a multi-community plan, which includes the communities of Capitol Hill, Tuxedo and Mount Pleasant. Adopted by Council in 2003, this ARP is currently the subject of a comprehensive review of local area planning in north central Green Line LRT communities. It is anticipated that this work (the North Hill Communities Local Growth Planning Initiative) will be completed by Q4 2019 and will replace the North Hill ARP. Administration recommends including new policy language within the ARP to fulfill the future plan's vision, inform and facilitate redevelopment, and support wide scale intensification through the whole plan area.

Banff Trail Area Redevelopment Plan (Banff Trail ARP)

The Banff Trail ARP is a single community plan which directs strategic intensification within Banff Trail and allow for more diverse, higher density forms of development within 600 metres of the Banff Trail and University LRT Stations.

The Banff Trail ARP currently does not contain information on the caveat and its' implications on redevelopment. Administration recommends including new policy language within the ARP to fulfill the future plan's vision, inform and facilitate redevelopment, and support wide scale intensification through the whole plan area.

Social, Environmental, Economic (External)

Social

Information on the caveat will support implementation of the vision for both the North Hill ARP and the Banff Trail ARP which provides for land use districts that provide for a broad range of housing choice and support a diverse population in this area. The availability of all housing types will help to increase inclusivity and promote equitable access to housing regardless of age, income, culture, or physical ability.

Environmental

Currently, Administration is recommending against City-initiated land use redesignations but allowing further support through policy to encourage increased density throughout these ARP areas. Increased density contributes to the reduction in greenhouse gas emissions through promotion of public transit ridership and improved air quality.

Economic

By encouraging increased density throughout these ARP areas, The City is supporting intensification of an established community and the opportunity to maximize the use of existing

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infrastructure. Intensification would also contribute to the economic health of the community by attracting new citizens, visitors, and businesses.

Financial Capacity

Current and Future Operating Budget:

None.

Current and Future Capital Budget:

None.

Risk Assessment

As part of this investigation it has been determined that the community is generally unsupportive of City-initiated land use redesignations to accommodate multi-residential and does not support widespread changes to their community. The standard applicant-led land use redesignation process will continue, allowing applications to be reviewed and considered by Administration based on its individual planning merits, and can be circulated to the community on a case-by-case basis where residents will be able to provide site-specific comments.

There is currently no language in the ARPs that addresses the existence of a development-restrictive caveat and its conflict with current policy. Administration's recommendation to include additional caveat information will support the implementation of the ARPs by providing policy in support of the ARP vision for increased density where it conflicts with the caveat restrictions. If Council chooses to forego these policy amendments, The City's position and acknowledgement of the caveat will remain unclear to individual landowners seeking to discharge the caveat to allow for redevelopment.

Should Council consider moving ahead with City-initiated land use redesignations (not recommended), the Community Planning 2019 Work Plan will need to be revisited and adjusted to accommodate resourcing requirements of this additional work. Resource allocation would need to consider several factors, including additional engagement of residents and land owners to determine the appropriate land use districts for each parcel.

REASON(S) FOR RECOMMENDATION(S):

City-initiated land use redesignations in Capitol Hill and Banff Trail have minimal community support at this time. Furthermore, it has been determined that land use redesignations would be better considered as part of the new local area plans approach for these communities. Administration is instead recommending that language addressing the existing restrictive caveats be included in the policy documents affecting these communities. This may assist property owners in discharging the caveat, allowing for the implementation of City policies and the current vision of growth for these areas.

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ATTACHMENT(S)

1. Attachment 1 - Context Map
2. Attachment 2 - Copy of Caveat
3. Attachment 3 - Calgary Planning Commission Comments
4. Attachment 4 - What We Heard Report