Public Hearing

TO: Mayor and Council
FROM: Karl Mielke, Senior Planner
Community Growth and Infrastructure
DATE: September 1, 2020
RE: Bylaw 019-20 - Land Use Bylaw Amendments for compact development in future growth areas – Public Hearing

REPORT SUMMARY:

Introduction
Stantec Consulting, on behalf of Waterbridge Developments Inc. has applied for amendments to Land Use Bylaw 022-10 (LUB) that would facilitate the development of more compact and affordable housing product in Chestermere’s future growth areas.

Chestermere has historically been characterized by large lot, low density development in a recreational environment with a small town feel. Economic pressures, housing prices and mortgage qualification requirements in recent years have made it more difficult for homebuyers to afford product that they may have been able to afford in the past. Despite these challenges for homebuyers, the preference for single-detached housing over attached housing forms remains strong in the region.

The applicant, on behalf of the broader development industry, has requested the following amendments as a way of bringing the price point for new homeownership down across a range of housing options by reducing minimum setback distances, minimum lot widths, minimum lot sizes, and maximum lot coverage, within the limits allowed for under the Alberta Building Code. The anticipated impact of the amendments is that the cost for single-detached housing will become more affordable, and the costs of other forms of housing, considered by the market as “entry level” housing forms, would also decrease relative to single-detached product. These proposed amendments are expected to make Chestermere more competitive in the regional housing market, by enabling developers to offer similar compact housing forms to those that are available in neighboring municipalities.

Economic Rationale
It is important to acknowledge that the rationale for these amendments is directly rooted in development economics and housing affordability. However, the more compact development forms proposed should lead to increases in density, which reduces the per capita costs of infrastructure provision and service delivery. The increased density is anticipated to also increase tax revenues for the municipality.
Scope of Proposed Amendments

The scope of the proposed Land Use Bylaw amendments includes requests made by the applicant on behalf of themselves and the broader development industry. Due to the comprehensive nature of these amendments, Administration has also included some additional changes to address current issues not directly addressed by the applicant.

The table below differentiates amendments requested by the applicant, from those requested by Administration. The intent of this differentiation is to allow for some additions to be captured by this bylaw process in order to streamline Community Growth and Infrastructure’s workflow, while at the same time allowing for those amendments to be separated out if necessary, so as not to delay this bylaw if such amendments prove to be contentious. Table 1 below summarizes the full scope of Bylaw 019-20.

<table>
<thead>
<tr>
<th>LUB Section</th>
<th>Affected Regulations</th>
<th>Intent of amendment</th>
<th>Requested by:</th>
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<tbody>
<tr>
<td>Schedules</td>
<td>Schedule A.2</td>
<td>Would add a Land Use Bylaw map overlay, differentiating between the Existing Development Area and Future Development Areas</td>
<td>Administration</td>
</tr>
<tr>
<td>Section 4.2</td>
<td>4.2(y)(ii)</td>
<td>Would exempt freehold street-oriented townhouses from requiring a Development Permit where they are listed as a Permitted use.</td>
<td>Administration</td>
</tr>
<tr>
<td>Section 7.14</td>
<td>7.14</td>
<td>Would require that parking pads that are provided with new homes meet Alberta Building Code requirements to allow for a future garage.</td>
<td>Administration</td>
</tr>
<tr>
<td>Section 7.27</td>
<td>7.27.3</td>
<td>Would allow eaves for Accessory Buildings to encroach into required side yard setbacks by 0.15 m.</td>
<td>Applicant</td>
</tr>
<tr>
<td>Section 7.31</td>
<td>7.31.8</td>
<td>Would allow Secondary Suites as a Discretionary use for Semi-detached Dwellings</td>
<td>Applicant</td>
</tr>
<tr>
<td>Section 7.37</td>
<td>7.37.1</td>
<td>Would establish site design and security requirements for freehold street-oriented townhouse developments that are exempted from requiring a Development Permit.</td>
<td>Administration</td>
</tr>
<tr>
<td>Section 8.1</td>
<td>Number of Parking Stalls Required</td>
<td></td>
<td></td>
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<tr>
<td>8.1.1</td>
<td>Would allow for semi-detached developments that provide one on-site parking stall on one side, and two parking stalls on the other.</td>
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<tr>
<td>8.1.1</td>
<td>Would allow for interior freehold street-oriented townhouse units to provide only one on-site parking stall.</td>
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<td></td>
<td><em>The applicant would like to see this relaxed further, to allow for an average of 1.5 stalls per exterior unit.</em></td>
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<td></td>
</tr>
<tr>
<td>Section 8.1</td>
<td>Number of Parking Stalls Required</td>
<td></td>
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</tr>
<tr>
<td>8.1.2</td>
<td>Would clarify that reductions in residential parking requirements apply to bare land condo townhouse developments and apartments, but not to freehold street-oriented townhouse developments.</td>
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<table>
<thead>
<tr>
<th>Section 10</th>
<th>Land Use Districts</th>
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<tbody>
<tr>
<td>10.2 (R-1)</td>
<td>Would reduce the minimum lot area requirements in Future Growth Areas.</td>
</tr>
<tr>
<td>10.6 (R-1PRL)</td>
<td>Would reduce the minimum lot width requirements in Future Growth Areas.</td>
</tr>
<tr>
<td>10.8 (R-2)</td>
<td>Would reduce the setback requirements for principal buildings in Future Growth Areas.</td>
</tr>
<tr>
<td>10.9 (R-3)</td>
<td>Would reduce the setback requirements for accessory buildings in Future Growth Areas.</td>
</tr>
</tbody>
</table>

**Public Hearing**

Re: Bylaw 019-20 - Land Use Bylaw Amendments for compact development in future growth areas

Date: September 1, 2020
The LUB is the implementation tool for the MDP, and any amendment to the LUB should align with the spirit, intent and direction of the MDP. Some relevant goals of the MDP are articulated in Section 3.2 and listed below:

3.2 Goals

**Goal 4:** Enhance the social, environmental, and fiscal sustainability of Chestermere by creating healthy, livable, and complete communities.

**Goal 6:** Protect the city’s existing community character during gradual infill and intensification.

**Goal 7:** Promote efficient urban form as a means of optimizing existing infrastructure, encouraging efficient use of land and resources, and protecting open space and environmental areas.

**Goal 8:** Achieve high quality housing and community design that offer a range of housing options to meet a broad range of community needs.

The proposed amendments support achievement of these goals by: 1) enhancing the fiscal responsibility of the City through increased tax revenue; 2) protecting the existing community by applying the amendments only to the future growth areas; 3) Ensuring an efficient use of land; and 4) Increasing the affordability of a range of housing forms to meet community needs.
In terms of actual policy, Sections 3.4.2 and 3.4.4 of the MDP provide policy direction related to housing diversity and the planning of new communities:

3.4.2 Housing Diversity

3.4.2.1 Residential Neighbourhoods should provide for a mix of housing types with low, medium and high-density forms. They should include single detached, attached (duplexes, townhomes, and secondary suites), multi-residential development, live-work, mixed-use, as well as a range of unit sizes to support a diversity of choice and affordability to meet the needs of all demographic, age, and income groups.

3.4.2.3 The City shall regularly monitor changing local housing needs and its progress in addressing them. Housing choices should be encouraged through:
- Infill development;
- Policies that allow secondary suites; and
- Promotion of innovation in alternative planning and engineering standards.

3.4.4 Planning New Communities

3.4.4.4 To provide a range of housing choices and meet various housing needs, the City shall support “Planned Lot” development offering smaller lot, single-detached housing within Residential Neighborhood. Planned Lots shall adhere to the following conditions:
- Shall not comprise more than 35% of the single-family housing within an Outline Plan.
- Should be dispersed throughout an Outline Plan, where appropriate, to avoid concentrations of such housing in any one area, and promote integration of these developments throughout the community.
- Design Guidelines for Planned Lots shall be established at the Outline Plan stage.

3.4.4.5 Planned Lot development provides opportunity for innovation and intensification, while maintaining a high quality of life and urban design for residents. To ensure the intent of Planned Lot development is met, a residential land use district in the Land Use Bylaw and Design Guidelines shall be established for Planned Lots. The Design Guidelines shall be referenced in the Land Use Bylaw, and followed in ASP, Outline Plan, and Subdivision. Special consideration will be made to (but not be limited to) the following:
- Architectural massing and variation in building form
- Maximum lot coverage
- Minimum open space
- Building height and roof shape
- Parking and access
- Front and side yard setbacks
- Privacy and transition
- Finish materials and details
- Landscaping

The proposed amendments generally align with Section 3.4.2 by contributing to housing affordability, allowing the use of innovative standards for compact development, and by
allowing more housing typologies to take on some characteristics of planned lot development.

**Waterbridge Master Area Structure Plan (MASP)**
The Waterbridge Master Area Structure Plan lands form the majority of the Future Growth Area. The proposed amendments are compatible with the MASP, and neither support nor conflict with the policy direction of the plan.

**Social Needs Assessment**
The Chestermere Social Needs Assessment was last updated in June 2020. The Housing Context section of the assessment describes the makeup of the City’s housing stock, and highlights some key findings:

- 86% of Chestermere residents own their homes and 9% rent (2018 data)
- Housing typologies for all community housing stock in 2016 were split as follows:
  - 80% single-detached
  - 8% semi-detached
  - 9% row house (townhouse)
  - 3% apartment
- 2020 MLS listing prices:
  - Average: $505,742 in Chestermere / $480,637 in Alberta
  - Median: $493,250 in Chestermere / $420,000 in Alberta
- Renters spend a significantly higher proportion of household income on shelter than do homeowners. Shelter Cost to Household Income Ratios are as follows:
  - For homeowners:
    - 53.1% in 2011
    - 49.6% in 2016
  - For renters:
    - 63.5% in 2011
    - 60.4% in 2016
- 22.1% of homeowners and 40.8% of renters spend more than 30% of their monthly income on housing.

The proposed LUB amendments are not anticipated to affect the range of housing stock typologies in the City, nor their distribution. The amendments are also not likely to affect the ratio of homeowners to renters.

The reduced parcel sizes that would result from reduced setback distances may positively affect housing affordability, and bring Chestermere housing prices more closely in line with the Alberta average.
Potential Taxation Benefits
The proposed amendments would benefit the City by generating increased residential tax revenue, to offset the costs of municipal infrastructure and service delivery. This would support the City in maintaining higher levels of service. The applicant has submitted an analysis of the relationship between side yard street frontage (non-building frontage) and façade frontage (building frontage), outlining the benefits for municipal tax revenue that can be achieved by reducing side yard setback standards. This analysis is attached as Exhibit D.

Public Interest and Early Public Hearing Comments
The vision, goals and policies of the MDP were created through 27 months of community and stakeholder engagement, according to contemporary best practices in planning. The population of the City has only marginally increased since the plan was created 4.5 years ago, and there is little indication that the community sentiment has changed in this time.

This Public Hearing may serve as a community temperature-check, to see if there has been a shift in the public’s historical preference for predominantly lower-density single-detached housing. Early Public Hearing submissions indicate there is significant community opposition to several of the changes proposed in this Bylaw however, it was too early at the time the report was created to have a complete picture of the public’s openness to these LUB amendments. A summary of early Public Hearing submissions is attached as Exhibit H, and further submissions will be heard at the hearing itself.

CIRCULATION and ENGAGEMENT:

Timing Considerations
Staff was requested to bring Bylaw 019-20 forward for First Reading on July 28, 2020. This timing did not allow for the type of community engagement that would be contemplated for amendments of a nature that may significantly change the character of the community.

Staff therefore created a Development Area Overlay (Exhibit B), which identifies the existing and future development areas of Chestermere. Since First Reading, the overlay has been revised to include the Edgewater Crossing ASP area, as the developer of those lands has indicated that buildout is scheduled to begin shortly.

The proposed Land Use Bylaw amendments would only apply to the future development areas of the community, where few residents currently live, and would protect the established areas of the community from infill and redevelopment at more compact standards.

Advertising
The Public Hearing for this bylaw was advertised in the Chestermere Anchor for two consecutive publications. A webpage was created specific to this Bylaw and the related Bylaw 020-20 MDP Amendment for Planned Lots, which can be viewed at the following link: www.chestermere.ca/compact-development.

A set of social media posts was also created in a less technical, more accessible format, to encourage broader public input than would typically be received for these types of technical amendments. Social media posts ran daily, beginning on August 17th, 2020.

**RELATED COUNCIL POLICIES/BYLAWS & STRATEGIC VISION:**

- The proposed Bylaw aligns with the OPPORTUNITIES pillar of Pathways to Amazing Chestermere, by maximizing efficiencies in the development of low-density residential lands.
- The Bylaw may or may not align with the OPPORTUNITIES pillar of growing with purpose. Council will have to determine how to best prioritize community goals in relation to this application.
- The Bylaw aligns with the PARTNERSHIPS pillar by supporting the success of the local development community in the buildout of the future growth areas.
- The Bylaw may or may not align with the RELATIONSHIPS pillar of seeking community alignment. Public Hearing representations may indicate the degree of alignment with community values.
- It is not clear that the proposed Bylaw aligns with the NEIGHBORHOODS pillar of promoting inclusive and diverse housing options. The proposed changes would apply more compact standards to a range of housing options, shifting the spectrum rather than contributing to diversity.

**PREVIOUS REPORTS/COUNCIL DECISIONS (if any):**

- Bylaw 019-20 – Land Use Bylaw Amendments for compact development in future growth areas – First Reading

**ATTACHMENTS (including all In Camera items):**

- Exhibit A – Land Use Bylaw – Redlined version of affected sections, 53 pages
- Exhibit B – Proposed Development Area Overlay, 1 page
- Exhibit C – Regional Land Use District Comparison, 5 pages
- Exhibit D – Taxation Implications of reduced side yard setbacks, 5 pages
- Exhibit E – Bylaw 019-20 – For First Reading, 18 pages
- Exhibit F – Social Needs Assessment – Housing Needs Excerpt, 16 pages
- Exhibit G – Public Hearing Communications and Advertising, 11 pages
- Exhibit H – Anthem United Letter of Support, 1 page
- Exhibit I - Bylaw 019-20 - What we heard - August 18-27 noon, 2 pages
- Exhibit J – Public Hearing Submissions, 34 pages
CHIEF ADMINISTRATIVE OFFICER’S COMMENTS (if any):

Approved by: John Popoff
Director, Community Growth and Infrastructure

Approved by: Bernie Morton
Chief Administrative Officer