

THE UNASSAILABLE CASE AGAINST BLANKET REZONING

Introduction

While we applaud the City for endeavoring to address the affordable housing issue currently plaguing major urban centers across Canada, there are a number of serious impacts associated with the blanket rezoning approach. In the opinion of the authors, there exist much more effective solutions to deal with the issues without the attendant drawbacks, in particular the wholesale disruption of existing, highly functioning neighbourhoods.

The following discussion paper elaborates on the efficacy of the blanket rezoning approach, the myriad unintended consequences and provides alternatives tailored to address the affordability issue based on sound planning principles, which more adequately consider related social, environmental and economic objectives. The proposed solutions are readily implementable, predictable in terms of results and well within the City's purview with respect to resources and expertise.

Blanket Rezoning PROs and CONs

The following provides a summary of the City's arguments in support of the Blanket rezoning initiative along with the myriad counter arguments.

PROs

The City of Calgary is advocating for a proposed blanket rezoning initiative as part of its broader strategy to address housing affordability and diversity within the city. Based on the City's published documents¹ these are the primary arguments in favor of this initiative:

1. **Increased Housing Options and Affordability:** The initiative aims to redesignate residential areas that currently only allow single or semi-detached homes to also permit row houses and townhouses. This change is intended to provide more housing options, thereby improving housing affordability for Calgarians by increasing the supply of homes. The proposal is aligned with the city's broader housing strategy, "Home is Here: The City of Calgary's Housing Strategy 2024-2030, which was approved to address ongoing housing affordability challenges.
2. **Streamlining the Development Process:** By changing the default zoning, the initiative seeks to streamline the development process, eliminating the need for individual public hearings for each new project within the rezoned categories. This is expected to reduce bureaucratic hurdles and accelerate the construction of new homes, facilitating a quicker response to housing demand.
3. **Supporting Diverse Community Needs:** The rezoning initiative is seen as a way to support the needs of diverse households by allowing different types of housing within communities. This includes facilitating the construction of rowhouses and duplexes, which can provide more affordable housing options and potentially include secondary suites for additional income or affordable rental options. These housing types are intended to attract a range of residents, from families to single occupants, enhancing community diversity.
4. **Utilizing Existing Infrastructure Efficiently:** The proposal argues that most established communities, particularly those built before 1980, have existing infrastructure capacity to support increased density. This is due to declining populations in these areas and the

¹ <https://www.calgary.ca/council/ward-1/articles/housing-strategy-update.html>

construction of more efficient housing units. By increasing the types of housing allowed, the initiative aims to make better use of existing infrastructure.

5. **Improving Overall Housing Market Dynamics:** Adding new homes to the market, even if they are initially priced higher, contributes to overall housing affordability. This is because it reduces competition among buyers and renters, leading to more reasonable prices across the market. Additionally, offering a variety of housing types gives consumers the flexibility to choose homes that best fit their budgets and lifestyles.
6. **Encouraging Development in Established Areas:** The initiative is part of a broader approach to encourage development within established areas of the city. This is intended to meet the high demand for homes in these locations, providing more housing choices closer to employment and amenities, which can reduce commute times and environmental impact.

The aforementioned objectives can be readily achieved through conventional planning protocols and processes without resorting to a “sea change” in the form of Blanket rezoning.

CONs

Counterarguments to the proposed blanket rezoning initiative by the City of Calgary are based on various concerns and acceptable principles of urban planning and development. While the initiative seeks to address housing affordability and increase housing options, there are myriad potential downsides and challenges that must be considered by an informed City Council:

1. **Negative Impact on Community Character and Cohesion:** The introduction of higher-density housing forms in traditionally low-density neighbourhoods will radically alter the character and cohesion of established communities. The aesthetic and historic attributes along with the cultural identity of neighbourhoods will undoubtedly be compromised, affecting the quality of life for current residents. The change will invariably lead to a mismatch in community expectations and the physical environment.²
2. **Potential Negative Impact on Development Timelines** Contrary to the anticipated streamlining of the development process, there exists through the appeal process a significant potential to extend project approval timelines and overwhelm the capacity of the SDAB and Alberta Court of Appeal. An unintended and very real impact.³
3. **Displacement and Gentrification:** In mature communities with older homes the introduction of higher-density zoning provides developer incentives, which drives older property values displacing long-term residents, thus altering the demographic composition of the community. This process of gentrification reduces residents *aging in place* and can erode the social fabric and cultural identity of the neighborhood replacing it with a more homogeneous and less vibrant community.⁴
4. **Environmental, Climate Change and Green Space Concerns:** The higher density forms proposed will lead to a reduction in green space, trees and permeable surfaces reducing

² Talen, E. (2005). *New Urbanism and American Planning: The Conflict of Cultures*.

³ Chomik, B. Opinion letter re: blanket rezoning negative effects on approval process. March 2024 (Addendum A)

⁴ https://southwarknotes.files.wordpress.com/2009/12/loretta_lees_tom_slater_elvin_wyly-gentrification__-routledge2007.pdf

evapotranspiration, exacerbating the urban heat island effect, limiting biodiversity through loss of habitat and increasing peak discharge of stormwater and its associated impacts.⁵ Reduction of the urban tree canopy runs directly counter to the City's stated climate change goals. Passive CO2 sequestration will be reduced by 22Kg per annum with each mature tree lost to increased building coverage.

5. **Negligible Affordability Improvements for Lower Income Households:** While adding more housing units is intended to improve affordability through increased supply, there's no guarantee that new developments will be accessible to lower-income households. The market will continue to produce housing units financially out of reach for many, particularly in desirable neighbourhoods, thus not effectively addressing the core issue of housing affordability for all segments of the population.
6. **Strain on Existing Infrastructure and Services:** While the initiative assumes existing infrastructure can support increased density, there could be unforeseen impacts on local services and aged infrastructure, including roads, schools, parks, and emergency services.⁶ Higher density, in areas previously planned for single family, could lead to congestion, overburdened public amenities, and a need for significant upgrades to infrastructure, which might not have been adequately anticipated or budgeted for. In this respect a more thorough analysis of these issues is warranted prior to the wholesale application of blanket rezoning.
7. **Parking and Traffic Congestion:** Increased density typically leads to more vehicles in a given area, potentially exacerbating parking shortages and traffic congestion. This will diminish the quality of life for residents, reduce the attractiveness of neighbourhoods for potential buyers, and negatively impact property values. The proposed changes do not adequately address these challenges, particularly in areas without robust public transportation options.
8. **Loss of Single-Family Homes:** While the initiative does not forbid the construction of single-detached homes, market dynamics will likely favor the development of more profitable multi-family units. This will gradually reduce the stock of single-family homes, a desirable structural option for empty-nesters and seniors wishing to remain in their existing neighbourhoods. It will also limit choices for families desiring this type of housing and alter the landscape of neighbourhoods that traditionally featured detached homes. The incentives to redevelop perfectly accommodating single family bungalows will displace many seniors, who would have otherwise preferred to age in place.
9. **Lack of Certainty and its Proven Impact on Health and Well-Being:** The Blanket rezoning proposal provides no certainty as to an individual's living environment even in the short term. Certainty of one's preferred living experience is a key determinant in the home buying process. Conversely, uncertainty has a major negative impact on one's health and well-being. Uncertainty exerts a strong pull on our thoughts, and inhibits our ability to act, leaving us anxious and psychologically fragile. Waiting for certainty can feel like a million tiny cuts, leaving us consumed with anxiety.⁷

⁵ Gobster, P. H., Nassauer, J. I., Daniel, T. C., & Fry, G. (2007). The shared landscape: What does aesthetics have to do with ecology?

⁶ Haar, C. (2017). Suburbs under Siege: Race, Space, and Audacious Judges

⁷ Robinson, Brian E., Ph.D "Why You Hate Uncertainty and How to Cope", Psychology Today. Nov. 2020.

This unintended consequence of the initiative is contrary to the City's planning for healthy communities' principles as articulated in the most recent Area Structure Plans (example - Nose Creek Area Structure Plan) and has the potential to create uncertainty and its related negative health impacts for +/- 300,000 Calgary Households currently occupying single-family and semi-detached dwellings.⁸

We defy anyone living in a single-family dwelling in any neighbourhood, to wake up and discover an 8-unit multiplex with limited parking going in next door and not suffer severe anxiety. The health care system is under enough duress without additional burdens.

10. **Loss of Freedom of Choice:** Freedom of choice is a central tenet of Western Civilization, the freedom to choose between different possible courses of action and by extension, the freedom to live in a neighborhood which reflects and embodies one's preferred attributes in terms of aesthetic, environmental, social and economic characteristics. Up till now the citizenry of Calgary have had the freedom to aspire to and ultimately choose their preferred living environment. In a headlong and misguided rush to enforce equity and inclusivity in all possible circumstances, the City is sacrificing this particular freedom, a choice that has been clearly demonstrated by the majority of Calgary households.
11. **Massive Economic Impact:** An analysis by experienced certified appraisers suggests a potential loss in existing equity for the \$200B of current investment in single family and semi-detached units with a concomitant impact on the Municipal tax base. This potential impact warrants a detailed economic analysis.
12. **Reduction in Home Ownership in Favor of Increased Rentals⁹.** Home ownership has been proven to develop more engaged communities as home owners are more apt to invest in their property and community. This fosters a stronger sense of belonging, participation and community engagement.¹⁰ Ownership provides greater personal control over housing costs compared to renting. Home ownership is also considered a form of forced savings, leading to wealth accumulation (asset-based wealth/welfare) over time as owners pay down their mortgages¹¹. This equity is often leveraged for other investments, education, or retirement, contributing to greater economic stability and security overall.
13. **The Blanket Rezoning Model is Unproven.** Based solely on hypothesis, there exists no verifiable proof that the proposed blanket rezoning model provides the results it espouses; whereas Comprehensive Neighborhood Development Plans have been proven with positive results for many decades in Calgary. To deploy an unproven model on the citizenry without ample testing, due diligence and proof of positive results would be unconscionably irresponsible. *Once deployed the negative effects of the blanket rezoning initiative would be difficult, if not impossible to reverse.*
14. **Blanket Rezoning Cannot Respond to Local Needs.** Just as community associations are more attuned to the needs of their community than Municipal Government, which is equipped to understand its citizens better than the Province, which governs it's provincial population at a more appropriate scale than the National Government. Blanket rezoning is

⁸ Statistics Canada 2021

⁹ <https://www.stats.govt.nz/news/housing-affordability-more-challenging-for-renters-than-homeowners/>

¹⁰ Putnam, R. D. (2000). *Bowling Alone: The Collapse and Revival of American Community*.

¹¹ Ley, David "Housing Booms in Gateway Cities" John Wiley and Sons Ltd. New Jersey, 2023

a national initiative, that naively purports to solve micro, community scale issues with a macro solution.

15. **Sundering the Social Contract.** Property zoned for a specific use creates an implicit social contract between the individual and the city. Before that social contract is radically altered to ostensibly affect the greater good, the efficacy of the proposed change must be clearly and unequivocally demonstrated.

Each of these counterarguments emphasizes the need for a balanced approach to urban development, one that considers the long-term impacts on communities, infrastructure, and the environment. While the goals of increasing housing affordability and diversity are commendable, the methods to achieve these objectives need to be carefully evaluated and designed to mitigate potential negative outcomes. In other words, PLANNING in the traditional sense as opposed to a retrograde “one size fits all” approach.

The Creation of a Perpetually Affordable Housing Supply

As evidenced, the ability of the initiative to address the key issue of affordability is questionable and the consequential impacts, unintended and otherwise, are legion and significant. The City’s proposal for blanket upzoning is wielding a sledgehammer, when a scalpel is required to reshape the urban landscape. The City does however possess the means in both ‘men and material’ to solve the problem and on their own substantial land base.

In addition, there exists a significant potential supply of affordable housing in the form of secondary suites in existing units that could be unlocked with appropriate modifications to the current regulations.

Land Cost – A Barrier to Affordability

Land development and building when in the hands of the private sector are “for profit” enterprises. Developers target returns in the 20 to 25% range with builders adding another >14% to the final home price.

The land component of the majority of most lower density housing forms (i.e., single-family, semi-detached, duplex, townhouse and multiplex) is between 25 and 30% of the final selling price of the unit with materials, labour, marketing, project management and profit constituting the remainder.

Developers and builders are incentivized to deliver housing products that will render an acceptable profit margin and, given the fixed cost components, there is little scope for providing ‘affordable’ versus ‘market rate’ housing.

While the City has virtually no influence over most of the fixed cost components (i.e., materials, labour, marketing, project management and profit), it has at its disposal a land base and the administrative capability to deliver housing between 25 and 33% below market values for comparable units, or truly affordable housing.

City Land Supply – A Lost Opportunity

Over the past twenty years, the City of Calgary has generated through planning studies, redevelopment schemes on City-owned parcels adjacent to LRT stations, excess school sites and larger agglomerations. These redevelopment initiatives represent the potential for thousands of affordable housing units of various structural types (townhouses to hi-rises). Unfortunately, very few of the identified opportunities

have been acted upon. These studies could be easily reactivated and form the basis of a comprehensive affordable housing strategy.

Community Land Trust - A Mechanism to Perpetual Affordability

The City establishes a housing management entity (**Community Land Trust**) that oversees the development of affordable housing. Alternately, parameters are established for nonprofit organizations to acquire and hold the land permanently (off the speculative market) and undertake the development. Land is held in the CLT or leased from the City for a nominal amount, long term (say 99 years). Durable, long-term housing is developed and sold by CLT absent the land cost at approximately 30% less than comparable housing. Purchasers are screened to meet an income and means test to qualify for affordable housing. Terms of sale require that the property must be owner-occupied. Owners may sell the property however; the property must be sold to the CLT at cost base plus the cost-of-living increases over the duration of occupancy. The CLT can re-sell the property into the market again on an affordable basis (presumably 30% under market) providing a perpetual affordable housing model, limited by the durability of the property. When the property reaches end of life, the CLT may rebuild on the property under the same model because the land stays under the control of the Municipality or CLT.¹²

The model is equally applicable in the delivery of rental units. The split between ownership and rental would be determined through an examination and projection of City supply/demand characteristics.

Given this model, affordable housing remains perpetually affordable rather than only initially affordable and thereafter absorbed by the market. A key component is the availability of City owned land. The model could also utilize Provincially owned land, such as surplus school sites (or underutilized sites). Most school land owned by the province carries the caveat that if sold, must be sold at market value. This has historically hindered the re-development and efficient re-use of these sites for affordable housing and other community functions. By leasing these sites to a CLT rather than selling the land, the perpetually affordable aspect is achieved.

Summary and Recommendations

The following provides a comparison of blanket rezoning versus Comprehensive Neighborhood Plans coupled with a CLT in terms of addressing the City's stated objectives.

¹² <https://cltweb.org/wp-content/uploads/2022/06/Origins-Evolution-CLT.pdf>

BLANKET REZONING	COMPREHENSIVE NEIGHBORHOOD PLANS + CLT
1) Increased Housing Options and Affordability	
Questionable ability to provide affordable housing in numbers capable of satisfying demand. Unlikely to address affordability for lower income households	Well located, contextually appropriate projects at scale and affordable rate. Ability through reduced land costs to address lower income households. Encouraging the deployment of secondary suites and laneway housing in all zones where residence is owner occupied.
2) Streamlining the Development Process	
Blanket rezoning has potential to cause a significant backlog of appealed development permits at SDAB and Alberta Court of Appeal if affected residents and/or community associations are opposed.	A comprehensive neighborhood plan will designate the most appropriate sites for intensification along with CLT projects, thereby eliminating friction in the approval process.
3) Supporting Diverse Community Needs	
The majority of Area Redevelopment Plans currently provide for diverse housing options and the Local Area Plan Process is providing for alternatives and considerable intensification. Therefore, blanket rezoning is unnecessary.	Comprehensive Neighborhood Plans along with the CLT model achieve the stated objective without the attendant impacts.
4) Utilizing Existing Infrastructure Efficiently	
Sporadic/scattered redevelopment engendered by blanket rezoning of single-family neighbourhoods is not an efficient use of infrastructure v/s selective large-scale redevelopment.	Development of City land which has sat vacant in prime locations for an extended period (+/- 25 yrs.) would be an extremely efficient use of existing infrastructure. Especially on a larger scale that takes advantage of public transit (ie LRT Stations)
5) Improving Overall Housing Market Dynamics	
<p>“Adding new homes to the market, even if they are initially priced higher, contributes to overall housing affordability” is not only counter-intuitive, but spurious in the extreme. By the City’s own admission, blanket rezoning will result in <i>“adding higher priced homes to the market”</i>.</p> <p>The Authors’ experience over the past 40+ years suggests that house prices in YYC have remained stable or increasing, except during two periods (NEP 1981 and 2007 sub-prime mortgage crisis) caused by exogenous and extreme events. We are unaware of any instance in history where an oversupply without a concurrent financial anomaly has caused a significant reduction in average house prices.</p>	The CLT model will provide truly affordable housing in perpetuity, again without the attendant disruption and negative impacts.
6) Encouraging Development in Established Areas	
Blanket rezoning represents a shotgun approach to re-development in established areas and will not achieve the volume or type of development required to address the affordability issue. This is best accomplished through comprehensive and contextually appropriate planning.	Comprehensive Neighborhood Plans accomplish this objective in a more rational and considered way allowing for intensification that provides for desired synergies and adjacencies, mixed uses, live/work and unique living arrangements (coop housing, etc).

RECOMMENDATIONS

We respectfully table the following recommendations to Calgary City Council for due consideration:

- 1) That the City abandon the Blanket rezoning initiative/bylaw in favour of Comprehensive Neighbourhood Plans (Local Area Plans) that identify specific areas/sites to be rezoned for duplex, townhouse and multiplex structures along with multi-family uses, including four and five storey, mid-rise and hi-rise buildings.
- 2) That the City establish a Community Land Trust along the lines as previously described to deliver below market rate housing in both ownership and rental tenure in a variety of structural types.
- 3) That the City identify and make available under a lease structure, municipally owned parcels throughout the City to provide land for the Community Land Trust initiative.
- 4) Additionally, the city may consider allowing secondary suites and laneway housing in all zones, along with a review and modification of existing regulations.

Authors:

Stephen Shawcross is an Urban Planner and past partner/director of the IBI Group (now Arcadis), a multi-disciplinary consulting firm of some 40,000 professionals practicing world-wide. Over the past 44 years he has been involved in the planning and development of some 40 Calgary communities including Garrison Woods, Currie Barracks, Quarry Park and the University District. He has also authored/directed over 100 studies for the City of Calgary, including the initial community intensification exercises (Shaganappi, Banff Trail, and Capitol Hill) and development feasibility studies for City owned lands for transit-oriented developments (TODs).

Sano Stante CCIM, ICD.D is a 40+ year veteran Calgary real estate professional. A past Chair of RECA Residential Council, Past Chair of Attainable Homes Calgary Corp, Past President of CREB, and past Director of CREA's MTC responsible for Realtor.ca. Sano is a founder of NewWay forming, Sungroup Solar and Tri-Energy Tech.

Mr. Stante has been instrumental in innovative projects throughout Western Canada, from bridges to residential subdivisions, high-rise to historical preservation, to health-care. Sano is an effective advocate of sustainable communities and received the Quality of Life award from Alberta Real Estate Association. Sano currently instructs real estate sales management at REDI U of C Haskayne. Sano is a native Calgarian with deep roots in the community and a key player in the improvement of Calgary's urban landscape with a passionate interest in sustainable development.

Addendum A

While Blanket Rezoning intends to streamline the development process, it may inadvertently prolong it. Currently, the process involves lengthy rezoning procedures followed by permit applications, totalling around 10 months on average. However, by eliminating public input in rezoning decisions, Blanket Rezoning may lead to increased appeals against permit approvals. These appeals can prolong the process by up to 4 months, resulting in an overall timeline of 14 months or more. Additionally, if appeals are escalated to the Alberta Court of Appeal, further delays of up to 6 months or more can occur. These complications could overwhelm the SDAB and Alberta Court of Appeal. Thus, while intended to streamline development, Blanket Rezoning poses significant risks to efficiency and may inadvertently extend timelines.

The following was authored by **Bill Chomik**, Architect AAA, FRAIC, HON. AIA, who was the **Chair of Calgary's Subdivision, Development and Appeals Board from 2016 to 2023**

One of the City's arguments in favor of the Blanket Rezoning initiative is that the development process will be streamlined. Theoretically, the permitting process will be shortened, due in large part to the elimination of the typical current rezoning process whereby land use amendments take an average of 6 months to complete including public hearings at City Council. Typically, development permits (DP) take an average of 4 months to complete, creating an overall development timeline of an average of 10 months.

Appeals against development approvals issued by the City's Development Authority (DA) where land use amendments were previously made to permit those developments are not uncommon but are reduced in number due to community and directly affected neighbor involvement at the public hearing where the rezoning was granted. The community's and neighbors' objections to the rezoning would have been heard and potentially implemented at the public hearing, thereby reducing the probability of appeals at the time of DP approval.

By forcing Blanket Rezoning on residential communities, where there is little public say or discourse around site-specific concerns, affected parties will likely appeal the DP, despite the permitted use and absence of relaxations or variances on the approval. Under Section 685 of the Municipal Government Act, affected persons can appeal the approval to the Subdivision and Development Appeal Board (SDAB) if they argue the DA has erred or misinterpreted a bylaw and indeed did grant relaxation(s). The appeal must be heard. After a maximum 21-day appeal application period, followed by a maximum 30-day hearing scheduling period, the SDAB typically sets a "Procedural & Jurisdictional" (P&J) appeal hearing which effectively opens the hearing. The date for the "Merit" appeal hearing where the actual appeal is heard and debated is set at this time, typically on average 2 months from the P&J. After the Merit appeal hearing, the SDAB has another 15 days to issue its decision. Over 4 months has been added to the development timeline, plus the 4 months consumed in the DP application process for an overall process of 8 months (vs 10).

However, there is more. If the SDAB rules in favor of the DA's approval by denying the appeal, the appellant, who has had no say whatsoever in the rezoning process and is emotionally compelled to stop the development, can ask the Alberta Court of Appeal to overturn the decision of the SDAB. This application to the court has to occur within 30 days of SDAB's decision. On average, today it takes the

court 2 months to determine whether it will hear the appeal. If leave is not granted, the DP survives approval. If leave is granted, there is a 30-day submission period (of evidence) and then it could be 2 to 4 months before the court can schedule a hearing depending upon the court's workload. Conversely, if the SDAB rules in favor of the appeal, the applicant (developer) must wait 6 months before reapplying for the development. Alternatively, the applicant can also take the Court of Appeal route. In either scenario, 6 months or more is added to the development timeline for an overall process of 14 months (vs 10).

These are real risks to Blanket Rezoning, and it is most certain that the workloads of the SDAB and the Alberta Court of Appeal will increase, perhaps significantly. This will add even more time to the development timelines, ironically an unintended goal of streamlining the development process.

Bill Chomik, Architect AAA, FRAIC, HON. AIA