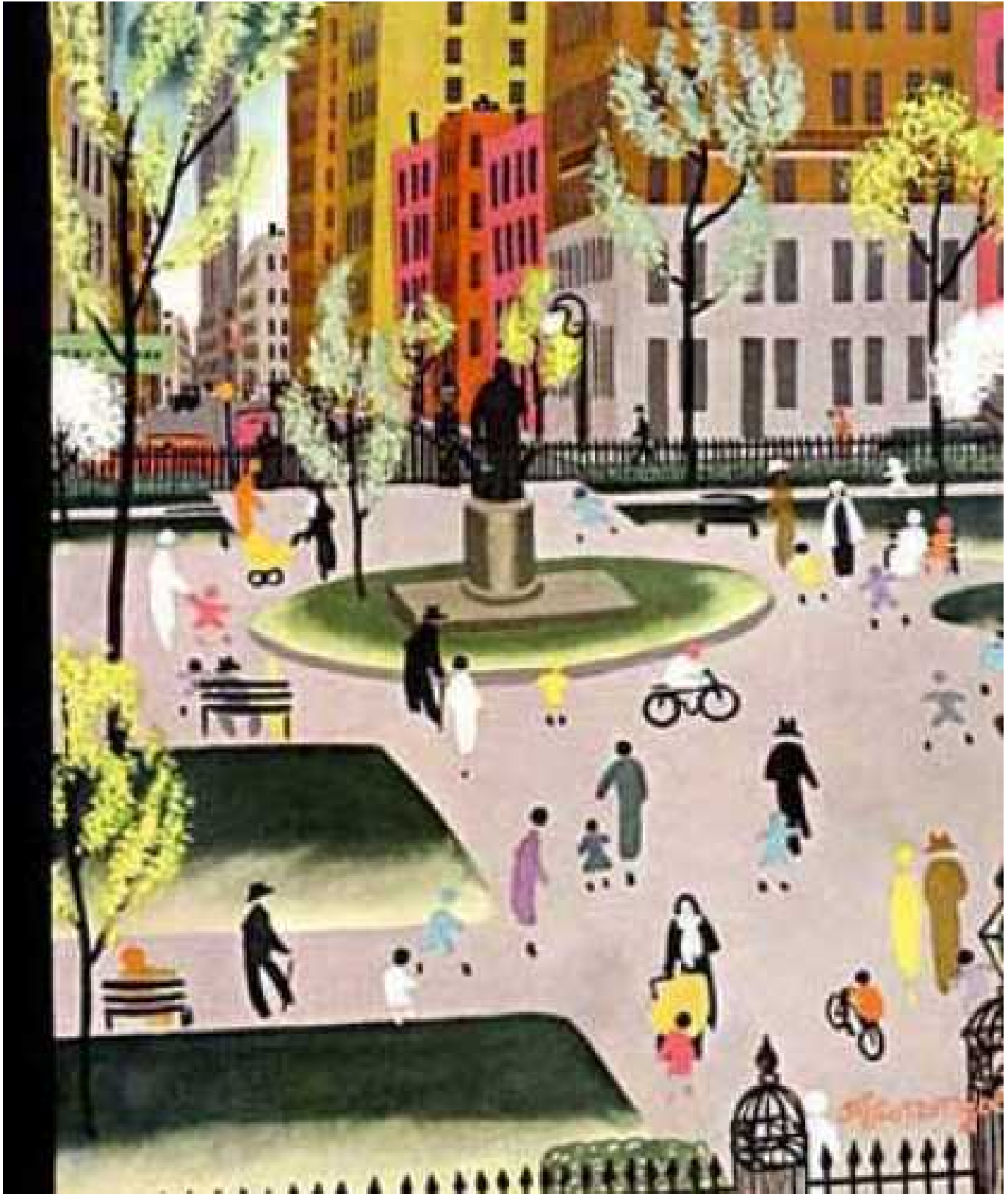


Barriers to Intensification

Conversations with Industry



BARRIERS TO INTENSIFICATION

Conversations with Industry

The **Intensification Implementation Group** (IIG) was informally set up in the spring of 2009 in conjunction with the adoption of Official Plan Amendment 76 (OPA 76), a refresher of the City of Ottawa's 2003 Official Plan (OP).

The IIG's mission is to identify the regulatory barriers to intensification that exist within the City of Ottawa's current practices and standards, and to engage external agencies (such as Hydro, other utilities and school boards) in a similar discussion, with the ultimate aim to remove as many barriers to intensification as possible while maintaining the highest standards in community design, safety and good planning.

One of the first tasks undertaken by the IIG is to hold a series of conversations with members of the home-building industry who are or have recently been actively engaged in projects defined as intensification. This report highlights their responses.

While the industry has its own set of market-driven imperatives and priorities whose focus may differ from the City's, it remains usefully informative for the City to gain the industry's perspective on what they perceive as the most pressing roadblocks to the OP's goal of a denser, more compact and walkable city.

The responses provided by industry are presented for information. The IIG has sought to validate its own hypotheses and assumptions on barriers to intensification with the industry that actually makes it happen and to a large extent these were confirmed. There were some surprises along the way but, by and large, these conversations with industry showed that there is a relatively common interpretation of the more fundamental barriers to intensification between City staff and members of the industry.

This report is divided in two sections. The first section presents the responses, ranked in order of importance, and a brief discussion for each of the points. The second section is a point form summary of the discussions with industry members, sorted by major themes.

The anonymity of responses has been promised to respondents to facilitate frank discussion. The participants were representatives of the following thirteen companies: Ashcroft, Claridge, Domaines du Marché, Domicile, le Groupe Lauzon, le Groupe Lépine, Minto, Properties Group, the Re:Development Group, Regional, Richcraft, Uniform and Urban Capital. Four other companies were invited to participate but did not.

1. RESPONSES RANKED IN ORDER OF IMPORTANCE

The questionnaire had two sections (see Appendix A). The first section was a list of big-issue barriers to intensification, worded as major themes. The second was a more detailed list of barriers under each of the big-issue themes.

1.1 Big Issues

Respondents were asked to rank each of the ten Big Issues from 1 to 10, 1 being the most important. In tallying the responses, the issue with the lowest score ranked most important (i.e. the lower the score, the more that big issue was ranked high in importance). The results are as follows:

<u>Rank</u>	<u>Issue</u>
1	Zoning
2	Development charges
3	Education and culture shift
4	Hydro
5	Process
6	Engineering standards
7	Cash-in-lieu of parkland
8	Costs (other than DC's and parkland)
9	Parking
10	Heritage

That **Zoning** would emerge as the top barrier to intensification is no surprise. As was noted in the *Residential Land Strategy*, "zoning was introduced to Ottawa in 1964 at a time when the goal of urban planning was to reduce urban densities and reinforce land use separation. Today the City's planning goals have changed, yet we retain a number of performance standards in our Zoning By-law that impede the achievement of intensification targets and transportation objectives."

Likewise, **Development Charges** (DC's) have been and remain a contentious issue for developers who undertake infill and intensification projects in areas that already have a full complement of municipal services, including roads, water and sewer services, parks and community facilities, etc. The questions remain:

- How to properly price development charges in existing built-up areas so that they reflect the need to contribute to maintenance of existing infrastructure, as opposed to paying for new infrastructure in greenfield areas?

And,

- How to correctly apportion the share of new projects in the upgrades to infrastructure to be financed by DC's. Under a pro-intensification approach, the DC by-law will seek at the very least not to be punitive to infill and intensification, and ideally, to provide a financial incentive to the types of projects that respond to the OP's goal of intensification.

In that regard, **Education and Culture Shift** is also an unsurprising third in the overall ranking of big issues. As the City continues to transition in its approach to planning from a car-oriented mentality to a more transit-first mentality, the number of cultures that need to change is significant. Every City department, every branch and section, whose staff deal with land, transit, transportation, rights-of-way, fleets, parks, recreation, or real property, operate under a series of assumptions and practices that may need to be changed. As the questionnaire highlights, the leadership to undertake those changes, which has originated from Council with the adoption of the OP, must now extend into implementation and be shared by all as a common and inspiring task to make our city a better place.

1.2 Ranking of Detailed Issues

In the questionnaire, the second set of answers pertained to a series of more detailed issues that were recorded during the interviews, and grouped under each of the Big Issues from the first section. Respondents were asked to rank those detailed issues using a scale of 3-2-1, with 3 being the most urgent and pressing issues for the City to tackle, 2 being mid-term priorities and 1 being all others. Some of the detailed issues received no ranking from some respondents.

To rank these detailed issues, the maximum number of points for each was calculated by multiplying the number of responses to each issue by three (for example, if all twelve respondents ranked the issue, then the maximum possible score for that issue would be 36, based on a maximum attribution of "3 – most urgent" by all twelve companies). The actual score was then translated into a percentage.

Each of the Detailed Issues that received a score of at least 75% is commented in the following paragraphs, with recommendations in ***bold italicised dark blue print***.

ZONING

The top-ranked Big Issue is Zoning. The following is the ranking of the detailed issues, in order of importance.

Zoning must match density targets	92%
Match performance standards to reflect intensification	81%
Allow taller buildings on some streets	78%
Dual-zone institutional lands to allow residential	75%
Have a design- and built-form oriented zoning approach	73%
Eliminate FSI	72%
Interpret by-law to favour mixed uses	64%

The first-ranked issue raised by developers is one that was also raised in the Residential Land Strategy: that zoning in Intensification Target Areas must quickly be updated to reflect the targets. ***Staff is already undertaking technical work to accomplish this.***

The second issue is to introduce zoning performance standards that better reflect a denser, mixed-use urban built form. In many target areas, zoning still reflects the 1950's values of land use separation, lone buildings on patches of grass, and a low-density urban form. For example, minimum front and side yard setbacks, maximum FSI, or maximum lot coverage provisions, are zoning mechanisms that were introduced to contain density. With Density Targets, new zoning tools will be needed. There will have to be a minimum FSI, a maximum front yard setback, and provisions for zero-side-yard construction at locations where a continuous urban fabric is encouraged. (A separate detailed issue raised under zoning is specifically to "Eliminate FSI.") ***Staff recommends that this work be done as part of the zoning updates to match density targets.***

Allowing taller buildings on some streets is a controversial issue. Certainly, each of the Target Areas should have a Community Design Plan (CDP) to establish an appropriate built form and height specific to each location. In the case of older Secondary Plans, there may indeed be a need to revisit height restrictions if it is clearly apparent that the intensification targets cannot be met under existing zoning. But there are other ways to achieve higher density, all having to do with built form. (A separate detailed issue raised under zoning is specifically to "Have a design- and built-form oriented zoning approach") For example, higher lot coverage may allow for the same amount of floor space in a lower-profile building. In some of the Target Areas where the intent is to create or consolidate the urban fabric (especially Mixed-Use Centres and suburban Town Centres), this would certainly be a desirable alternative. ***Staff has recommended that the density and intensification targets be a central element in the preparation of new Community Design Plans and revisions to older Secondary Plans that apply to Target Areas, with specific attention to the built form implications of existing zoning, and that changes be made as appropriate to reflect the new targets.***

Another item that received a score of 75% is to “Dual-zone institutional lands to allow residential uses”. This is mainly aimed at old school properties that are sold by school boards and purchased by residential developers for conversion. On the other hand, communities will typically wish to preserve institutional zoning to make it more difficult for school boards to close and sell neighbourhood schools. This is acutely sensitive in the older parts of Ottawa, where a significant number of schools have been closed over the past twenty years. Typically, school boards cite demographic factors (the depletion of school-aged children from inner cities is a generally acknowledged phenomenon). However, the permanent closure of a school and the building’s conversion to residences permanently eliminates the possibility of providing families with a nearby school, and this in turn accelerates the exodus of families from central neighbourhoods. Also, school boards have tended to favour larger school buildings for a variety of economic and management reasons. The smaller size of old schools in central neighbourhoods is often a close second in the list of reasons behind a school closure. ***Staff intends to engage school boards in a discussion about school buildings, school site layouts and school locations, but does not recommend rezoning institutional lands to allow residential uses as-of-right.***

DEVELOPMENT CHARGES

Separate DC area for Target Areas	82%
DC incentives for mi-rise bldgs	79%
Fully cost suburban DC's to reflect infrastructure	70%
Target Areas should be priority for capacity upgrades	67%
Collect DC's later in process in Target Areas	61%
No DC's for adaptive re-use	61%

The top-ranked Detailed Issue is to create a distinct DC area for intensification Target Areas. This would allow the City of Ottawa to set DC's in Target Areas that reflect the recovery of growth-generated costs in terms of upgrades to existing infrastructure and to provide a financial incentive to development within Target Areas. The technical work required to separate growth-related costs for existing infrastructure is significant. There are also a series of other capital costs that are subject to DC's (including parks and community facilities) but for which there are no capital projects planned. Nevertheless, as intensification progresses, the demographic need for a new library, community centre, pool or park in older parts of the City may arise (one can think of the future communities at LeBreton or Bayview as examples). Having a separate DC area for Target Areas would allow for the evaluation of need and for the planning of such facilities. ***Staff recommends that technical work be undertaken to determine the extent of a new DC area, along with the concurrent evaluation of infrastructure condition and capacity, so that a new DC area may be introduced for the 2014 DC By-law.***

The next Detailed Issue is a wish for DC incentives for mid-rise buildings. The City of Ottawa's 2009 Official Plan defines a mid-rise building as a 5- to 9-storey building. The vision for Traditional Mainstreets is one of mid-rise buildings, and this may also apply to other Target Areas pending the preparation of Community Design Plans for each. Mid-rise buildings achieve a balance that seems to work in terms of community acceptance (they are typically preferred to high-rise buildings) and the density required to sustain retail activities, high levels of transit service, and ensuring a steady stream of pedestrians to keep streets lively and safe. However, the industry consistently says that mid-rise buildings are the most financially challenging type of building for them. The economies of scale are not comparable to larger high-rise buildings. ***Therefore, staff recommend that the suitability of providing DC incentives for mid-rise buildings be investigated and that the matter be addressed at the time of the 2014 DC By-law.***

EDUCATION & CULTURE SHIFT

Council should take a leadership role in promoting intensification	100%
Staff should take professional stands despite politics	91%
Clearly define role of Community Assn's; give equal weight to others	67%
Ensure early political buy-in for intensification projects	67%

The first-ranked response was added to the questionnaire after the initial round of responses after it was requested by a number of respondents. The 100% score highlights the fact that the industry wishes City Council to play a key role in providing strong and clear direction in the promotion of intensification.

Likewise, the second-rated response (“Staff should take professional stands despite politics”) reflects a frustration from the industry about the unpredictability of public opinion within old established urban areas.

Staff feels that there is a significant culture shift already underway both at the professional staff and at the political levels in coming to terms with intensification and the future shape of the city. Culture shift is something that happens incrementally, from one project to the next, with the incorporation of the experience, teachings and results of each project carried onto the next one, and with each generation of planning documents (from the Official Plan to Community Design Plans) taking successive steps forward in shaping the city. Staff also recognize that political champions are an essential component to the dialogue with communities and industry.

HYDRO

Have Hydro give detailed feedback early in process	89%
Hydro should be more flexible with their standards	86%
Bury wires in Target Areas	81%
Resolve the 5-metre setback from wires issue	78%
Hydro should have clearer points of contact	67%
Hydro billing to developers should be timelier	53%

There is a significant amount of discussion and work already underway to address various Hydro-related issues, having to do with Official Plan issues as well as recommendations from the 2008 Auditor General's report. Report # ACS2009-ICS-CSS-0033 (Planning and Environment Committee, September 22nd 2009) includes recommendations that will, among other initiatives, establish a criteria and a policy framework for the burial of overhead hydro wires, and explore funding models to undertake this work. ***As a minimum, and to further inform the establishment of these criteria and policies, Intensification Target Areas should rank at the very top in the list of priority locations for wire burial, since the intensification targets associated with each of those areas may be in jeopardy due to the 5-metre setback from overhead wires imposed by the utility for new construction.*** The fourth-ranked issue, "Resolve the 5-metre setback from wires issue", will ultimately be resolved by burying the overhead wires.

The top Detailed Issue, however, has to do with the timeliness of Hydro's feedback on development applications at circulation. ***Staff are reviewing this matter with Hydro as well.***

The second most important issue for developers is that Hydro be more flexible in the application of their standards. ***While it isn't possible for City staff to have any direct influence over this, the suggestion should be passed on to Hydro.*** As urban development becomes more prevalent to accommodate growth, a strict adherence to suburban standards cannot be expected.

PROCESS

Educate Committee of Adjustment on intensification goals	85%
City Legal should process agreements faster	82%
Streamline Design Review process, make it more efficient	81%
Allow urban amenities on ROW when sidewalk not affected	78%
Do not hold up Site Plan Approval over landscaping	75%
Embed Encroachment Agr'mt process into approvals process	73%
More flexibility on Noise By-law for urban project sites	70%
Provide incentives for adaptive re-use	70%
Avoid adding requirements to SPC as project goes on	64%
Policy of renting/buying heritage bldgs before building new	55%

Of the three top issues, “Educating the Committee of Adjustment on the City’s intensification goals” obtains a relatively high rating of 85%. During the course of the interviews, much feedback was received on the Committee of Adjustment process and how it can add another layer of complication to infill development, not least because of neighbourhood objections but also because of the complexity of older sites and the likelihood that more variances will be required. The general tone was that the Committee of Adjustment should be provided with a better understanding of the City’s intensification goals. ***Staff recommends holding an information session with all Committee of Adjustment panels to provide an overview of new planning directions flowing from the 2009 Official Plan update, notably with respect to establishing a stronger link between good urban design and intensification.***

There were comments related to the amount of time it takes the City’s Legal department to process agreements. ***Staff recommends forwarding this comment to Legal for their information.***

The third highest-ranking detailed issue under the Process heading was “Streamline the Design Review process and make it more efficient.” Under Bill 51 and the new Official Plan update, urban design takes on a whole new prominence in the City’s review of development applications, and design review is now extended to all intensification Target Areas (Central Area, Traditional and Arterial Mainstreets, Mixed-Use Centres and suburban Town Centres). The Design Review panel and process do require adjustments in response to these new policy directions. Those are in the process of being developed. ***Staff will report to PEC once a new Design Review panel and process are ready to be put in place.***

Several developers have observed that the current provisions that regulate City rights-of-way preclude the inclusion of urban amenities such as benches, bike racks, public art, etc., even if the portion of the right-of-way in question is not used for any travel purposes, either vehicular or pedestrian. The sense is that there might be an advantage to provide more flexibility to allow such amenities to locate on sections of a public right-of-way that are clearly not used for movement purposes to enrich an infill project with more than just landscaping. ***Staff is inclined***

to agree and would refer this topic to Public Works, Roads & Traffic Operations for further discussion.

Some developers have indicated that Ottawa is among the only municipalities that considers landscaping to be such an important element on a site plan that approval can be held up by discussions surrounding landscaping. ***Given the importance that landscaping can play on the design of a site, staff are not inclined to recommend any changes to our practice in this respect.***

An interesting suggestion was to embed the Encroachment Agreement within the Development Review process. Because of the frequent instances in which encroachments can occur in infill situations, there may be merit in researching a way to do this. ***Staff recommends that the integration of the Encroachment Agreement process into the Development Review process be investigated and, if feasible and deemed appropriate, implemented.***

ENGINEERING STANDARDS

City eng'rs - more flexible with standards for urban sites	92%
Review rd widenings on Trad Mainstreets; clean some out	89%
Develop urban standards for stormwater; do not apply suburban	88%
Public Works should allow use of rear lanes	76%
Lobby province to review OBC for adaptive re-use	70%
Lobby province to review OBC to apply seismic/sprinkler to all res	42%

Engineering standards applied to urban sites tend to reflect suburban best practices, including stormwater management techniques that involve surface ponding or other measures that involve controlling all stormwater runoff within a development site in manners that consume land that could otherwise be used for intensification. While there are options for stormwater control (such as green roofs or the use of turf blocks instead of asphalt for interior parking areas), there are also situations where the only means to control stormwater are expensive underground storage tanks or oversized pipes. This is the consequence of a number of factors, the clearest of which is the limitation of the City's storm sewer capacity and the persisting existence of combined sanitary and storm sewers. ***The Capacity Management Strategy proposes a number of crucial measures that will significantly assist the City in achieving its intensification goals. In addition, the City continues in its efforts to separate wastewater and storm sewers where feasible.***

The second major issue raised by Industry relates to the right-of-way protections in the Official Plan as they apply to Traditional Mainstreets. There remain cases of narrow Traditional Mainstreets (Bank Street through the Glebe is an example) where the OP calls for a road widening that implied a complete redevelopment of the street. In such cases, proponents are usually able to obtain relief from the widening requirement but this is an extra process with time implications that add complication to intensification projects. ***Staff recommends that the efforts undertaken since the 2003 OP to "clean up" right-of-way widening requirements be continued and updated to reflect Intensification Target Areas; and that those areas be dealt with as a priority.***

The third item, which is related to the first one, calls for the adoption of urban stormwater management standards in lieu of applying a one-size-fits all standard which is based on suburban best practices. ***This is an exercise that should be undertaken under the Capacity Management Strategy.***

The fourth item that merits consideration deals with existing rear lanes. In most cases, unless the City maintains the lane, there has been reluctance from the City's part to allow the use of rear lanes for primary vehicular access to new infill developments. Extensive urban design research now exists to demonstrate that lanes are in fact a key municipal asset to help achieve the following objectives:

- better urban design of buildings and public space along the frontage of buildings,
- minimize conflicts between pedestrians and vehicles at the sidewalk, thus contributing to creating a more walkable city,
- increase curbside parking capacity.

It is recommended that the City undertake a revision of its policy on rear lanes and that, in the interim, all lane closure applications only be approved if the closed lane or portion of lane has no possibility, either present or future, to provide vehicular access for properties that might adopt it immediately or redevelop over time with rear lane access. It is also recommended that, where rear lanes presently exist, that all infill projects be required to provide vehicular rear lane access and that maintenance and liability agreements be facilitated in situations where the City does not provide maintenance of the lane in question.

CASH-IN-LIEU OF PARKLAND

Consider retained open/green space toward parkland	75%
Cap all dedication at 10% of land value	70%
Collect CIL later in process	61%

The top issue in the category of parkland dedication is a suggestion that the City consider open or green space as part of a development's contribution toward parkland. This is a thorny issue. With the new Urban Tree By-law especially, the City now has a number of goals in terms of preserving natural and open space features that translate into potentially smaller amounts of lot coverage that, in certain situations, could have a detrimental impact on the pedestrian environment as well as run counter to efforts to establish or consolidate a strong urban fabric. To complicate matters further, Parks and Recreation standards for the types and sizes of spaces acceptable as City parks, are based on suburban best practices that mostly involve amounts of land that are too extensive for established urban neighbourhoods to achieve.

An important objective in Intensification Target Areas is to achieve a good balance between the built-up fabric and open green space. ***In this respect, it is important that the City work toward establishing urban standards for parks and open spaces that reflect the compactness of the older urban areas. In the meantime, it is recommended that the City exercise discretion on a project-by-project basis, on the advise of the Planning and Growth Management Department, to obtain appropriate amounts of open or green space that combines a number of Corporate goals and objectives including good urban design and the achievement of a compact mixed-use urban fabric, and to deem such spaces to satisfy part or all of the City's parkland requirement depending on the amount and design quality of the space in question.***

The Parkland Dedication By-law as amended contains requirements that could be revisited to provide more flexibility, especially inside the Greenbelt, for the provision of parkland. Examples include:

“Land that has been or is to be conveyed for; stormwater management facilities; floodplain or conservation purposes; roadways; walkway blocks; or any other non-parkland purpose will not be credited against the required parkland conveyance or money-in-lieu of parkland Conveyance.

- There may be situations where stormwater management facilities can also be designed as water features that become the focal point of a public open or green space. This possibility is currently precluded in the By-law.
- There are situations where public walkways can be designed as part of a natural feature such as a row of mature trees that provide high quality urban green space that might fulfill site-specific needs. This possibility is currently precluded in the By-law.

Even though it did not rate 75% of responses, the issue of capping parkland dedication at 10% was raised and has been addressed in Staff report N^o ACS2009-ICS-PLA-0189.

COSTS (OTHER THAN DC'S AND PARKLAND)

More leniency in accommodating construction on City property	81%
Accept fees later for smaller projects	67%
Different fee structure for small projects	64%
No Site Plan fee for adaptive re-use projects	61%
No securities for landscaping	56%
Hold or reduce parking meter rates in Target Areas	39%
Fee incentives for condos when market is depressed	39%

The top issue under Costs (Other than DC's and Parkland) was leniency in accommodating construction on City property. Much of the feedback from Industry dealt with the amount of money the City charges for the use of its property (typically a right-of-way) during construction and the strict enforcement of parking control on construction trucks. ***The City may wish to consider a friendlier approach to parking control for construction sites that are located in the older and more land-constrained neighbourhoods, depending on the situation; and examine its fee structure to see if there are ways to differentiate rates between revenue-generating City property (such as a metered parking space) and non-revenue generating City property.***

The second top issue, although it did not rate above 75%, was of particular relevance to small-scale infill, which the City promotes as part of its intensification strategy to provide for the ongoing renewal of established neighbourhoods with redevelopment that is compatible with the low-profile residential character of established areas. The financial architecture of small-scale projects is affected by the timing of City fees. In many cases, fees are payable at the time of application. ***There may be merit in establishing a cut-off size of infill project below which some preferential treatment may be given in terms of collecting fees at later stages in the approvals process. The financial implications to the City of such measures would have to be analyzed. Such an approach would also have to be evaluated against the backdrop of adding further complexity to the current fee structure.***

Related to this, the third issue is a suggestion that a different fee structure be created for smaller projects. ***This could be investigated as part of the research into the possibility of accepting fees later, discussed above.***

PARKING

Reduce or eliminate requirements in Target Areas	81%
Eliminate requirement for retail in mixed-use building	78%
Reduce standard dimensions for spaces and aisles	58%
Reduce requ'mts where Virtu-car spaces are provided	58%
Better link between policy and move away from cars	56%

Parking did not emerge as one of the top issues probably because the industry feels that they need to provide residential parking regardless of lower minimum requirements to meet market demand. However, under the Parking theme, the two detailed issues are lower or no parking requirements in Target Areas (and let the market provide however much parking it sees fit), and the elimination of requirements for retail space in mixed-use buildings. These are issues that the City has been addressing for quite some time in successive updates to its zoning provisions.

Reduced parking requirements are already applied to a number of strategic areas of Ottawa including the downtown core and radiating outward from it. ***Further work should be carried out to match these revised parking requirements to all Intensification Target Areas identified in OPA 76 as part of the upcoming revisions to the Zoning by-law. In areas where resident on-street parking permits are issued, residential infill below a certain number of units could be completely exempt from the requirement to provide off-street parking to facilitate small apartment infill. The City should also expand the areas where resident on-street parking is made available and examine the possibility of dedicated curbside spaces for permit holders, especially if the supply of curbside parking can easily be increased with new parking permissions on both sides of a given street.***

There are two major complications with providing retail parking in mixed-use buildings, and these are made more acute in mid-rise developments. First, it is difficult and expensive to provide separate access to residential and retail parking on sites where parking is underground (and this represents a large majority of intensification projects). Where it is feasible, providing separate parking access would likely impose undesirable design features such as two garage door entrances and wider paved entries. Second, because parking requirements vary according to the type of retailer, developers don't know how much retail parking to provide if they don't know who will lease the retail space. Therefore, most mixed-use projects end up also requiring a cash-in-lieu application, which lengthens and complicates the process and cost to developers, and makes a mixed-use building more expensive.

Retail proximity is an essential component of complete walkable communities. The Zoning by-law must reflect the leap of faith that must take place to move the Corporate approach to parking away from the assumption that every land use will be reached by automobile. Ottawa is fortunate to have a large number of healthy and rejuvenating retail Mainstreets. A key reason for people's choice to live in new building on those streets is retail proximity. This proximity in turn leads to lower car trip generation and livelier streets and public spaces, which are among the ultimate goals of the OP. The provision of off-street parking is expensive and, in many cases,

a requirement to provide parking can entirely preclude a small business from locating within retail space at the ground floor of a new mixed-use building (notably in the case of onerous cash-in-lieu of parking obligations added as a start-up cost to any new business) and therefore deprive the entire community of the retail proximity that the City encourages. ***It would make sense to revisit retail parking requirements for Intensification Target Areas, starting with Traditional Mainstreets.***

Two comments flow from this recommendation:

- (1) If there were to be no minimum, there would have to be a maximum. The City's interest would not be served in having the market oversupply the provision of on-site parking, for non-residential uses especially, at locations that are targeted for intensification and higher transit use.
- (2) The elimination of parking requirements for mixed-use buildings is partially in place. The Ontario Municipal Board will hear an appeal in the fall of 2009 regarding the retail floor area below which no parking is required. The City's current zoning exempts retail space less than 150 m² from providing parking. The appeal before the OMB would see that size increase to 450 m².

HERITAGE

Co-ordinate Heritage policies with OP/Target Areas/Mainstreets	75%
Incorporate intensification into Heritage goals	73%
Improve integration of Heritage process into approvals	67%
Do not discourage historical architecture/styles/elements	61%

The top ranked issue under Heritage is also the most difficult one to deal with successfully. Heritage Conservation Districts are among the most sought after residential locations and are therefore under significant intensification pressure. Combining new development with the preservation of the area’s heritage is complicated because it requires a clear understanding of the elements that define the heritage identity of a specific location and sufficient design sophistication to integrate any new intervention into a heritage fabric in a way that enhances the essential elements of this heritage identity. In many respects, existing provisions under the Zoning by-law for areas subject to a Heritage Overlay provide a significant amount of design control, and relief can be granted selectively from the provisions of a Heritage Overlay once it is clear that a proposed infill will successfully be inserted into its context.

Internally, for planning purposes, it may be worthwhile to research and identify in further detail and for each of the Heritage Overlay areas, which are the elements that define the heritage identity of an area. In some cases it may be building height and in those cases, intensification can be directed to match building height but be permitted to steer away from other, less important characteristics such as building footprint. In other areas, footprint and height might both play a defining role. In yet other instances, building height might be a lesser consideration, but façade retention the more relevant instrument of identity preservation. This research might form part of a report that would be attached to each Heritage Overlay Area to provide guidance to Development Review planners when working with development applications in these areas.

APPENDIX 1

Letter and Questionnaire Sent to Industry Participants



May 27th 2009

To all industry participants to the "Barriers to Intensification" interviews

Re: Ranking of Issues

Thank you for your time and input to the interview I conducted with you this spring, or earlier last fall in some cases. The interviews are now finished and the responses have been summarized in the attached document, "Summary of Developer Interviews".

As I mentioned when we met, I'd like to ask you to rank the issues raised by all interviewees in the order of priority you believe the City should tackle them. For this, I attach a second document called "Questionnaire", where I first ask you to rank the 10 "big issues" in order of priority, and then under each of the 10, the following pages break out a number of points which I ask you to rank using a 1-2-3 point scale (3 being most urgent).

Please complete this ranking by June 5th 2009. The goal is to compile the responses and report the results to Planning and Environment Committee on xx June 2009. The results will also help the Department structure and kickstart the work of the Intensification Implementation Group.

Yours truly,

A handwritten signature in black ink, appearing to read "Alain Miguelez".

Alain Miguelez, MCIP, RPP
A./Program Manager, Development Review (Inner Core)

Attach. 2

cc: John Moser
Richard Kilstrom
John Smit



BARRIERS TO INTENSIFICATION

Please rank the following big issues in the order of importance in which you believe the City should treat them.

_____ Development charges

_____ Cash-in-lieu of Parkland

_____ Parking

_____ Zoning

_____ Hydro

_____ Costs (other than DC's and parkland)

_____ Process

_____ Heritage

_____ Engineering Standards

_____ Education and culture shift

BARRIERS TO INTENSIFICATION

Below is a list of more specific issues raised during the developer interviews on which the City can exercise change. Under each section, please give 3 points to the ones you consider most important and urgent for the City to address; 2 points to the ones you consider mid-term priorities, and 1 point to all others.

1. DEVELOPMENT CHARGES

- _____ There should be a separate DC area for the Intensification Target Areas
- _____ The City should collect DC's later in the process in Target Areas, instead of upfront.
- _____ DC's for suburban development should fully reflect the cost of building new greenfield infrastructure, especially roads.
- _____ Capacity upgrades in Target Areas including downtown should receive priority.
- _____ Provide DC-based incentives for mid-rise buildings, which are the most expensive type of building to develop.
- _____ There should be no DC's for adaptive reuse projects.

2. CASH-IN-LIEU OF PARKLAND

- _____ Revise by-law to cap all cash-in-lieu at the equivalent of 10% of land value.
- _____ Collect cash-in-lieu of parkland later in the process, rather than ahead of the building permit.
- _____ Consider green or open space retained on a site toward the project's parkland contribution.

SCORING FOR THIS SECTION:

- The most important and urgent items: 3 points
- Mid-term priorities the City should address after the most important ones: 2 points
- All others: 1 point

3. PARKING

- _____ Visitor parking requirements for Intensification Target Areas should be reduced or eliminated.
- _____ Parking should not be required for any retail use that is within a mixed condo-retail building due to the difficulty of providing separate entrances and parking facilities.
- _____ Standards for minimum dimensions of parking spaces and aisles should be reduced. There should be a provision to allow for up to 60% of parking stalls in an underground garage to be sized for small cars.
- _____ Parking policies and requirements should reflect the big-picture societal shift away from car dependence.
- _____ There should be reduced requirements where Virtu-car spaces are provided.

4. ZONING

- _____ FSI should be eliminated as a zoning mechanism.
- _____ Taller buildings should be allowed on some streets.
- _____ Zoning must match density targets.
- _____ There should be dual zoning on institutional lands to include residential uses.
- _____ Zoning should have a design- and built form-oriented approach.
- _____ Zoning performance standards reflect a wish to separate land uses and should be revised to match new direction to intensify.
- _____ The interpretation of the Zoning By-law should favour mixed uses within a building, especially with respect to parking requirements.

SCORING FOR THIS SECTION:

- The most important and urgent items: 3 points
- Mid-term priorities the City should address after the most important ones: 2 points
- All others: 1 point

5. HYDRO

- _____ The 5-metre setback from overhead wires sterilizes development potential.
- _____ There must be detailed feedback from Hydro on development applications early in the process.
- _____ Hydro wires should be buried in Intensification Target Areas.
- _____ Hydro should have more flexibility in the application of their standards to accommodate development in urban locations.
- _____ There should be clearer points of contact at Hydro with whom to discuss applications.
- _____ Hydro's billing to developers should be done in a timelier manner.

6. COSTS

- _____ Parking meter rates should be held constant or reduced in Intensification Target Areas to remove upward price pressures on surface parking lots that would be good project sites.
- _____ The City should be more lenient in accommodating construction equipment and vehicles in tight urban conditions with not much space. This includes encroachment permit fees.
- _____ The fee structure for small projects should be distinct and scaled to the budget of a small project.
- _____ The City should accept fee payments later in the process rather than upfront to facilitate small projects with tight budgets.
- _____ The City should provide fee incentives for condos at times when the market becomes depressed, to ensure an ongoing stream of projects.
- _____ Urban amenities like benches and bike racks should be permitted in City rights-of-way when the width and linearity of a sidewalk are not compromised.
- _____ There shouldn't be securities for landscaping.
- _____ Site Plan Approval should not be held up over landscaping.
- _____ There should be no Site Plan fees for adaptive reuse projects.

SCORING FOR THIS SECTION:

- The most important and urgent items: 3 points
- Mid-term priorities the City should address after the most important ones: 2 points
- All others: 1 point

7. PROCESS

- _____ Streamline the Design Review process and make it more efficient.
- _____ Avoid adding requirements to a site plan as a project goes on.
- _____ Ensure the Committee of Adjustment understands the City's intensification goals, and upholds them.
- _____ There should be more flexibility in the Noise By-law to deal with construction sites in urban locations.
- _____ The City's Legal Department should process agreements faster.
- _____ The Encroachment Agreement process should be embedded within the overall approvals process in Intensification Target Areas.
- _____ There should be incentives for adaptive reuse of buildings.
- _____ The City should have a policy of renting or buying heritage buildings before building new facilities.

8. HERITAGE

- _____ Heritage staff should not discourage new construction from having historical architectural elements or styles.
- _____ The Heritage process should be better integrated into the general approvals process.
- _____ Heritage policies should be well-coordinated with the Mainstreets policies and the intensification targets and goals of the Official Plan.
- _____ Heritage policies should seek to incorporate intensification into its preservation goals, and not seek to "keep everything the way it is".

SCORING FOR THIS SECTION:

- The most important and urgent items: 3 points
- Mid-term priorities the City should address after the most important ones: 2 points
- All others: 1 point

9. ENGINEERING STANDARDS

- _____ City engineers should be more flexible in the application of their standards in response to complex urban sites.
- _____ Road widening provisions for Traditional Mainstreets should be reviewed and, where widenings are unrealistic or undesirable, should be removed from the OP.
- _____ Suburban stormwater standards shouldn't be applied to urban sites. Urban standards must be developed.
- _____ Public Works must allow the use of rear lanes for vehicular access to parking, especially when proponents offer to enter into a maintenance agreement registered on title.
- _____ The City should lobby the Province to review the Ontario Building Code to provide more flexibility for existing buildings, to support adaptive reuse projects.
- _____ The City should lobby the Province to review the Ontario Building Code to apply seismic and sprinkler requirements to all residential construction to level the playing field.

10. EDUCATION AND CULTURE SHIFT

- _____ Clearly define the role of community associations and ensure public consultation takes in a broader range of comments to which equal weight is given.
- _____ Ensure early buy-in from politicians for intensification projects.
- _____ Staff should take professional stands in favour of good intensification projects notwithstanding the political winds surrounding them.

SCORING FOR THIS SECTION:

- The most important and urgent items: 3 points
- Mid-term priorities the City should address after the most important ones: 2 points
- All others: 1 point