

GROWTH MANAGEMENT FRAMEWORK UPDATE - SUBSTANTIAL COMPLETION STANDARD

RECOMMENDATION

That the January 17, 2023, Urban Planning Economy report UPE01554, be received for information.

Requested Council Action	Information Only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Urban Places		
City Plan Values	LIVE, ACCESS		
City Plan Big City Move(s)	A Rebuildable City A Community of Communities	Relationship to Council's Strategic Priorities	15-Minute Districts
Corporate Business Plan	Transforming for the Future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Growth Management Framework 		
Related Council Discussions	<ul style="list-style-type: none"> CO01337 Edmonton Transit Services in Newer Developing/Developed Communities, Urban Planning Committee, February 8, 2023 UPE01186 Development Cost and Revenues, Urban Planning Committee, August 23, 2022 UPE01029 Growth Management Framework Update, Urban Planning Committee, June 14, 2022 UFCS000096 City of Edmonton Unfunded Parks - Status Update, Urban Planning Committee, March 2, 2021 		

Executive Summary

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- The City Plan carefully considers how to phase growth areas over time to ensure that the aspirations of the plan are met for the city to be more prosperous, equitable, sustainable and vibrant.
- Substantial completion is one tool to address phasing growth, financial sustainability and meet planned infrastructure commitments.
- Substantial completion consists of a set of metrics and thresholds for the developing area that will give Administration a clear technical basis for recommendations regarding the appropriate timing to commence statutory planning in the future growth area.
- Industry engagement on this component of growth management has raised concerns about its potential impact on housing affordability in the developing area.
- Substantial completion will be contained in an Administrative Standard, will be referenced as part of land use planning applications and reported on annually.

REPORT

The City Plan Implementation Context

This report focuses on how growth management, specifically a substantial completion standard, can assist in the implementation of the City Plan. The City Plan provides guidance for how the city can be a vibrant and sustainable community of two million people in the future.

The transformational shift in the growth pattern needed to realize The City Plan requires new approaches and tools to foster a transition from the historical growth pattern. This report outlines how introducing a substantial completion standard, as directed for in The City Plan, can provide a strategic tool to assist with growth aspirations as a community. Investments in growth require purposeful choices to ensure the growth is financially sustainable and progressing toward the vision and targets outlined in The City Plan.

The City Plan targets 15-minute districts that allow people to easily complete their daily needs in a convenient manner by walking, rolling, cycling or taking transit. Growth management and the substantial completion standard can also be employed as a tool to assist the city in ensuring new communities in the developing areas have the infrastructure, services and amenities needed to create 15-minute communities.

Substantial Completion

The pace and location of growth is influenced by City Council's authorization and approval of Area Structure Plans. Area Structure Plans are statutory plans that typically consist of three to five neighbourhoods. These plans provide a vision for future development and identify public and private infrastructure obligations, which are detailed through subsequent stages of the development process.

Substantial completion consists of a set of metrics and thresholds for the developing area that will give Administration a clear technical basis for recommendations regarding the appropriate timing to commence statutory planning in the future growth area. It addresses phasing growth, meeting

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planned infrastructure commitments and financial sustainability. Substantial completion also recognizes that a city's financial sustainability supports affordability for all of its residents. The City Plan states to "require substantial completion of the developing area including service provision, amenities and infrastructure prior to authorizing the preparation of statutory plans for contiguous development of the future growth area". To do this, Administration is developing the substantial completion standard that consists of a proposed set of metrics and associated thresholds for the developing area. This will formalize the appropriate timing for commencing statutory planning in the future growth area, authorized by Council based on Administration's recommendation.

The City Plan integrates its systems and networks including the development pattern areas: redeveloping area, developing area and future growth area. The developing area's 90 neighbourhoods are in, or have completed, their first phase of development and are not expected to redevelop over the next 10 to 20 years. Substantial completion is based on a set of thresholds that apply to any district that contains developing area neighbourhoods. Nine of Edmonton's 15 districts have developing area neighbourhoods. Attachment 1 provides a map showing the development pattern areas and developing area neighbourhoods by district.

Substantial completion contributes to city building through a variety of methods. The goal of monitoring substantial completion is to provide complete communities and an urban form that aligns with The City Plan thereby reducing greenhouse gas emissions and delaying premature conversion of agricultural land for urban development. The Edmonton Metropolitan Region Growth Plan objectives include complete communities which accommodate people's daily needs and that greenfield planning and development contribute to complete communities. In The City Plan context, complete communities means Edmontonians are able to easily complete their daily needs within a 15 minute transit ride, walk, bike or roll. Secondly, The City Plan concept will result in a reduction of greenhouse gas emissions by six per cent per person. Finally, as stated in The City Plan, "agricultural / residential areas are identified for the long-term conservation and ongoing support of agricultural lands and activities. Over time, these lands may transition to include future residential uses in Edmonton's future growth area".

Metrics and Thresholds

Three substantial completion metrics are proposed: residential, non-residential and parks absorption in developing area neighbourhoods. For residential, lot registration and building permits are the data source, building on Administration's established growth monitoring work. For non-residential services, zoning is the data source, which typically keeps pace with market demand generated by residential development. Finally, parks completion will be determined by measuring assembled, designed and built open spaces that are available for Edmontonians' use.

Administration will forecast progress on the required metrics, so that sufficient lead time is provided to industry for planning, approvals and construction of initial stages of development in the future growth area, well before land availability is exhausted.

Administration proposes to report on a set of tracked metrics related to service and infrastructure requirements primarily or partially in the City's control including fire halls, school sites and transit service. Tracked metrics will demonstrate progress on the City's developing area

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commitments and may inform investment decisions without directly impacting the future growth area. A summary of the metrics is in Attachment 2.

To determine when required metrics have been met, thresholds are proposed at the district level. In developing the approach to thresholds, Administration considered input from industry partners that development areas experience varying paces of development and unique challenges. As a result, Administration has developed an approach to thresholds that acknowledges these variations where each district would have a different threshold to be met across the three required metrics. Administration is using The City Plan's 1.5 million population horizon and associated dwelling unit projections as the basis for determining the thresholds. Additional information about the development of the thresholds is included in Attachment 2 along with a map showing the proposed thresholds for each district.

Substantial Completion Standard

As indicated in the June 14, 2022 Urban Planning Committee report UPE01029 Growth Management Framework Update, required metrics are to be formalized in an administrative standard. Within the Corporate Policy Framework, a standard sets a minimum level of acceptable quality or actions and should be considered if measurement and compliance and performance monitoring are necessary. The standard is already in use for Facilities Off-Site Levies.

Next Steps

Approval of the Substantial Completion Standard by Administration is expected by the end of Q2 2023. Administration will implement the standard including reporting the substantial completion baseline in 2023. Annual monitoring of the metrics will provide the opportunity for stakeholders and the public to understand progress toward completion of the developing area. The first full report on substantial completion will occur in 2024. Substantial completion will also complement other growth management components that focus on activating residential growth and a mix of housing in priority growth areas and throughout the redeveloping area.

COMMUNITY INSIGHT

Industry engagement on substantial completion occurred online in December 2021 and April 2022 with local representatives from the Urban Development Institute, Canadian Home Builders Association, Infill Development in Edmonton Association and NAIOP, Edmonton's Commercial Real Estate Development Association. Industry representatives advised that the measures should be simple and tell a story about how complete a neighborhood is without using the components in isolation. Industry asked that the City consider forecasting the remaining lot supply relative to planning, design, and approval time required for the future growth area. There were diverging opinions on the metrics that should be used, including a lack of support for including medium and high-density residential completion and City amenities and services, such as transit. Industry shared their general preference to minimize metrics that are out of their control, i.e. those made through public investment.

Further in-person engagement with local representatives from the Urban Development Institute, Canadian Home Builders Association, Infill Development in Edmonton and NAIOP was held in

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early December 2022. Feedback will be shared in Administration's presentation to Urban Planning Committee, as it was not available at the time of writing this report.

During Phase two and three of The City Plan engagement, complete communities were discussed including reference to complete neighbourhoods and streets. For example, in the Choices for our Future City What We Are Hearing document, it states: "Edmontonians clearly articulated their preference for Edmonton's future development to promote the development of new, vibrant urban villages located throughout the city. These villages are intended to be developed into 'complete communities', offering a range of employment, amenities, services and transportation options that make it possible to meet your daily needs locally and often without a vehicle. These urban villages would form the key focal points of the city's transportation network and be well connected to each other by fast, efficient and frequent transit service."

GBA+

Growth Management GBA+ research was completed through Q3 and Q4 2022. Findings statements are as follows:

- The affordable housing deficit is in the very low and low income categories, with certain population groups more vulnerable
- There are numerous barriers to transit, particularly outside of the core area
- Park access and quality may be an issue for low income and racialized communities
- Vulnerable populations are often more likely to live in areas more prone to climate change events and have fewer resources to mitigate its impacts

Growth management equity measures are focused on tracking 15-minute district related metrics, such as housing diversity and affordability, and access to transit services and parks. With specific attention to the rising cost of living due to inflation and the economic downturn, equity measures will emphasize maintaining housing affordability. Administration will monitor the City Plan's affordability target of maintaining less than 35 per cent of average household expenditures in Edmonton spent on housing and transportation. Coordinated City Plan implementation engagement will enable a more focused understanding of who is impacted, why and what impact this component of work has in a broader context for all Edmontonians.

ATTACHMENTS

1. City Plan Development Pattern Areas and Developing Area Neighbourhoods by District
2. Metrics and Thresholds Summary