

What We Heard Report

Landscape Securities Process Changes

| **SHARE** YOUR VOICE
SHAPE OUR CITY

Edmonton

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Public Engagement Summary

What are Landscaping Securities?

Edmonton's zoning bylaw has landscape security requirements for new multi-unit housing, cluster housing, and non-residential development. A landscape security incentivizes the completion of landscaping work in accordance with the Zoning Bylaw and provides funds to the City to complete the work in the event that landscaping is not installed or is deficient. Currently, securities are collected at the time landscaping is installed and are held until the City's staff confirms that the required landscaping has been maintained in a healthy condition for a minimum of 24 months.

Due to the timing of the current landscape security collection process, there is a lack of incentive to submit a security or request landscape inspections upon completion of a development. Additionally, developers are not meeting the minimum landscaping requirements upon first inspection, which has led to a significant increase in administrative work, inspections, and enforcement. While enforcement measures are effective, they represent new and time-consuming administrative tasks that result from the landscaping security process not functioning as intended.

Public Engagement Approach

Engagement was undertaken with the purpose of creating a simple and transparent process to collect and return landscaping securities. The expected outcomes of the project were that the revised landscaping security process would:

- Support a simple and efficient process for the City and industry
- Meet the City's financial policy requirements
- Support The City Plan
- Result in increased compliance with landscaping regulations
- Encourage long-term survival of vegetation

The assumptions underlying the engagement were that:

- Landscape securities will continue to be collected

- The City will determine the amounts
- Landscape requirements were not up for discussion

Who Was Engaged

Participants were engaged to inform a revised landscaping securities framework. Representatives from five industry associations were invited to participate in the discussions. Participants had a range of experience with the landscape securities process and included developers, builders, landscape architects, and consultants.

External Participants

- Alberta Association of Landscape Architects (AALA)
 - Canadian Home Builders Association - Edmonton Region (CHBA-ER)
 - Commercial Real Estate Development Association (NAIOP)
 - Infill Development in Edmonton Association (IDEA)
 - Urban Development Institute - Edmonton Metro (UDI-EM)
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How We Engaged

Phase 1: In-person Workshops

In early 2023, two facilitated discussions were hosted with industry members and Administration to identify issues and propose solutions. The workshop focused on what is and isn't working with the current landscaping security process.

| Type of Engagement | Date | Number of Attendees |
|----------------------------------|-------------------|---|
| Landscape Securities Workshop #1 | January 19, 2023 | <ul style="list-style-type: none"> • 5 external participants |
| Landscape Securities Workshop #2 | February 16, 2023 | <ul style="list-style-type: none"> • 8 external participants |

An integrative decision-making process was employed in the workshops. Aspects of a revised landscape securities program were proposed from both internal and external participants and then clarified and debated. The collaborative engagement led to many ideas being explored and an attempt to synthesize the ideas into a workable model after the second session.

The following aspects of a revised security process were jointly explored:

- Timing of security collection
- A merit framework that provides benefits and penalties based on established track records of builders
- Accepting bonds as a method of payment

Phase 2: Phone Interviews

Due to the complex and technical aspects of the ideas proposals in Phase 1, the project was put on hold while Administration investigated the proposed ideas to determine their feasibility. Engagement activities resumed in 2024.

In spring 2024, the City reached out to the nine external stakeholders who took part in the previous workshops and invited them to sign up for individual 30-45 minute phone interviews. Seven stakeholders signed up for an interview. The purpose of the interviews was to gain a deeper understanding of the perspectives and ideas initially discussed in the earlier sessions and discuss new findings on the feasibility of those ideas. Feedback was also sought on the two-year landscaping maintenance period requirement not originally discussed in the earlier sessions.

| Type of Engagement | Dates | Number of Participants |
|---------------------------------|-----------------------|------------------------|
| Industry Stakeholder Interviews | May 27 - June 6, 2024 | • 7 participants |

Phase 3: Project Update and Feedback Opportunity

A project update was emailed on August 6, 2024 to previous participants, BILD-EM,¹ IDEA, and NAIOP associations regarding the City's proposed changes and providing an opportunity for feedback. The update was accompanied by a draft What We Heard Report regarding previous phases.

A number of contacts responded requesting minor clarifications about the scope of the project. BILD-EM provided a response letter.

¹ CHBA-ER and UDI-EM incorporated as one entity called 'Building Industry and Land Development - Edmonton Metro' (BILD-EM)

Public Engagement Results

What We Heard

In-person Workshops

Discussion 1: What is and isn't working?

| What is Working | What isn't Working |
|--|---|
| <ol style="list-style-type: none"> 1. Security is not tied up in the process for very long. 2. Amount of security collected is low (20%) on compliant sites. 3. Dedicated City staff to manage landscape securities is good customer service. | <ul style="list-style-type: none"> ● Resistance to collection of securities after installation of landscaping. ● No incentive to request a landscape inspection. ● Only 33% of sites have the correct landscaping on initial inspection ● Low compliance rates. Less than 20% of sites have a security submitted. ● New building owners are subject to requirements that are not fulfilled by the builder. ● Current process is costly for City administration. ● Lack of awareness of the landscape security process. |

Discussion 2: What are some ideas to improve the landscape securities process?

Participants proposed various ideas and solutions to address the issues raised with the current landscape securities process.

| Idea Generation |
|--|
| <ul style="list-style-type: none"> ● Move the timing of landscape security collection to earlier in the process. |
| <ul style="list-style-type: none"> ● Introduce developer classifications (Merit System): Developers in 'good standing' would receive benefits, while 'entry level' and those in 'poor standing' would have increased requirements |

| |
|--|
| <ul style="list-style-type: none"> • Allow Bonds to be used for landscape security payment |
| <ul style="list-style-type: none"> • Base the value of the security on the minimum landscaping requirements rather than on the approved landscape plan. |
| <ul style="list-style-type: none"> • Improve customer service by simplifying plan submission and amendment process, and having better reminders |
| <ul style="list-style-type: none"> • Resolving difficulties that emerge from landscaping requirements for public property at the subdivision stage and private property at the development stage. |

Phone Interviews

Question 1: What is your role when it comes to landscaping securities?

Most participants had a site-level development focus with direct experience dealing with Development Permits and the landscape securities process. Some participants had a neighbourhood-level development focus bringing perspectives related to subdivision-level processes. One participant was a consultant who helps builders of smaller-scale developments navigate the landscape securities process.

| Role | Number of Participants |
|-------------------------------|------------------------|
| Site-level developer | 4 |
| Neighbourhood-level developer | 2 |
| Consultant | 1 |

Question 2: Administration has determined that the merit system is not feasible at this time. What are your thoughts on the challenges the City has identified with the merit system? Do you view a merit system as beneficial?

Most participants were in favor of the City pursuing a merit system that rewards developers with an established track record and has increased requirements for those without; however, they generally agreed that the challenges the City identified were significant. Most agreed that tracking

responsibility for landscaping when companies choose to use numbered companies to apply for permits and submit securities is a problematic barrier. Some felt that the problems were not insurmountable, pointing to the Development Agreement classification system as a potential model. Others were against the idea, with concerns that the system could give Administration too much discretion, lead to unfair outcomes, or act as a barrier for developers who are not established.

Question 3: The City would like to move the timing of security collection to the Development Permit stage (after a DP is issued and before drawings are released for plans review). What are your thoughts on this change?

In general, representatives of larger development companies had no concerns with moving the timing of security collection to the Development Permit stage, noting that the security amounts are fairly minimal. Other participants raised concerns that moving the timing of collection to the Development Permit stage could be challenging because it would extend the duration of the security and would not align with timelines for financing for smaller projects that do not have pro formas ready at the permit stage.

Question 4: Would it be beneficial if the City accepted bonds for landscape securities?

Most participants stated that allowing securities to be collected through bonds would be beneficial. Some participants felt that the bond system wouldn't be a practical option due to the timing of financing for those that seek it after obtaining permits. Participants noted that bonds could free up cash or credit to be used on other aspects of a development project.

Question 5: Does the 2-year maintenance period ensure that landscaping in poor health is replaced? Are there challenges with the maintenance period?

Participants generally want to minimize the amount of time a security is held by the City, while recognizing that the purpose of the security is to ensure

landscaping survives and to reduce the risk that the City needs to pay for requirements not being met. Some participants felt that a one year maintenance period is sufficient. One participant felt that two years is a good maintenance period to ensure landscaping survives. Another participant did not have concerns with the two-year period, but suggested a partial release of the security at an earlier point. Another suggested that only one inspection for the entire landscape security process is adequate.

Question 6: Are there any further thoughts you want to share?

Participants appreciated the opportunity to provide feedback and provided some other suggestions for consideration in relation to the landscape inspections process. Comments about the security process noted a desire for more streamlined notices, inspection services, and predictability with landscaping security costs. There were also ideas about how securities could be minimized through phased requirements, particularly for large developments that take a long time to construct after receiving permits. Lastly, some participants noted the perceived inequity with how large scale developments are required to have securities and pass landscape inspections while small scale residential developments do not have the same scrutiny.

Project Update and Feedback Opportunity

Feedback provided through a response letter from BILD-EM included a number of concerns and recommendations. Concerns included (in no particular order):

1. Whether there would be an appeal process for disagreements about security amounts
2. Adequate staffing to ensure timely program administration
3. Details about the proposed Bond acceptance pilot
4. Clarification about the availability of penalties as an enforcement tool
5. The financial impact of collecting securities earlier
6. The financial impact of collecting greater security amounts

Recommendations included:

1. Adopting a merit system to incentivise good performance through reduced securities

2. Reducing the maintenance period to one year, with inspections conducted at installation and at the end of the period.
3. Requiring a landscape security as a condition for occupancy or lot grading approval

City Response to Feedback

| Topic | Response |
|---|--|
| Developing a merit system | Administration investigated the feasibility of a merit system in response to industry interest and identified significant implementation barriers. |
| Movement of the collection of securities back to the Development Permit stage | Options to collect securities at different stages of development were investigated. Zoning Bylaw amendments have been drafted to change the timing of landscape security collection. |
| Security payment methods | Zoning Bylaw amendments have been drafted to allow for development bonds as a form of security payment. A pilot to accept development bonds for securities will be introduced. |
| Maintenance period requirements | Administration will collect further data in the coming years to review the outcomes of the landscape securities process under the new security collection model. |
| Other | Zoning Bylaw amendments have been drafted to base security amounts on minimum bylaw |

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| | requirements rather than approved landscape plans. |
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What Happens Next

A report with proposed Zoning Bylaw text amendments will advance to the Urban Planning Committee on October 29, 2024. If the committee accepts the proposed amendments, a bylaw will be drafted and advanced to City Council Public Hearing in early 2025. Landscape security process changes will not come into effect until the bylaw is approved by Council.