

## LANDSCAPE SECURITIES PROCESS CHANGES

### Recommendation

That Administration prepare amendments to Zoning Bylaw 20001, as generally outlined in Attachment 4 of the October 29, 2024, Urban Planning and Economy report UPE02420, and return to a future City Council Public Hearing.

<b>Requested Action</b>	Committee Decision Required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Climate Resilience</b>		
<b>City Plan Values</b>	LIVE		
<b>City Plan Big City Move(s)</b>	Greener As We Grow	<b>Relationship to Council's Strategic Priorities</b>	Conditions for Service Success
<b>Corporate Business Plan</b>	Managing the Corporation		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• Zoning Bylaw 20001</li> <li>• Landscape Securities and Inspections</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• September 8, 2014, Office of the City Auditor report CR_1609, Landscaping Securities</li> <li>• December 7, 2016, Sustainable Development report CR_4111, Development Completion Permits - Proposed process and amendments to Zoning Bylaw 12800</li> <li>• April 10, 2017, Sustainable Development report CR_4521, Bylaw 17935 - Text Amendment to Zoning Bylaw 12800 to implement a new process for Development Permit Inspections</li> <li>• May 7, 2019, Urban Form and Corporate Strategic Development report CR_4715, Development Permit Inspection - Annual Report 2018 Results</li> <li>• May 2, 2023, City Operations report CO01328, City Plan - New Urban Trees</li> <li>• October 8, 2024, Urban Planning and Economy report UPE02206, Climate Resilience Planning and Development Action Plan</li> <li>• October 29, 2024, Urban Planning and Economy report UPE01925, Trees on Public and Private Property</li> </ul>		

## LANDSCAPE SECURITIES PROCESS CHANGES

### Executive Summary

- Landscape securities are collected and administered by the City as part of the development permit process to ensure minimum landscaping requirements are met.
- Changes made to the landscape security process in 2017 have led to the rate of security collection declining from 100 per cent to 19 per cent for non-residential, multi-unit housing, and cluster housing developments. This decline is coupled with a low rate of landscaping compliance, leading to an increased need for enforcement activities to compensate.
- Administration is recommending amendments to Zoning Bylaw 20001 to enhance the effectiveness of the landscape security process, improve landscaping compliance outcomes and align with the City's climate resilience goals.
- The proposed amendments move the collection of landscape securities back to the development permit stage, rather than after construction is complete, similar to the process that existed before 2017.
- Administrative processes are now in place to effectively address the issues around the collection, retention and release of securities as identified in the 2014 audit of the program which resulted in the current process.
- These amendments have been informed through engagement with stakeholders which have resulted in the inclusion of a landscaping development bond program, clearer security requirements and an earlier release of a substantial portion of the security compared to the pre-2017 security collection process.

## REPORT

### Background/Pre-2017 Landscaping Security Administration

Landscape securities are collected by the City as part of the development permit process to ensure minimum landscaping requirements stipulated in Zoning Bylaw 20001 are installed and maintained on sites containing new multi-unit housing, cluster housing, or non-residential development city-wide. Landscaping requirements and the programming Administration undertakes to inspect and ensure compliance with those requirements support Edmonton's climate resilience principle as landscaping plays a role in stormwater absorption, the mitigation of overland flooding, combating urban heat island effects and supporting urban air quality.

The value of landscape security collected is based on a landscape plan that is submitted with a development permit application. Small scale residential development (with the exception of row housing) require neither securities nor landscape plans, do not receive dedicated inspections or enforcement from the City, and are outside of the scope of this report and proposed process changes. Prior to 2017, landscape plans and their associated securities were required to be submitted to Administration during the development permit phase (pre-construction). This requirement led to a high level of compliance with Zoning Bylaw 12800 as securities were only released back to developers once Zoning Bylaw landscaping requirements were achieved. Additionally, the security funds were available to Administration to procure the successful installation of landscaping in those cases where developers did not voluntarily comply. These security requirements were calculated at 100 per cent of the value of the landscaping plan submitted by the developer and approved with the development permit. Development sites

## LANDSCAPE SECURITIES PROCESS CHANGES

would receive several inspections, allowing for a partial release of security midway through a two-year maintenance period.

A 2014 audit of the program raised concerns about the growing number of security submissions held by the City, and Administration's inefficiency in timely fund release. In response to the audit findings, changes were made to the inspection and security release process to improve efficiency and amendments were made to Zoning Bylaw 12800 in 2017.

### Post-2017/Current State Landscaping Security Administration

The 2017 amendments to Zoning Bylaw 12800 intended to reduce the number, size and length of time that landscaping securities are held by the City and improve timelines for the inspection and release of landscaping securities to developers. The 2017 amendments:

- Shifted the collection of landscape securities from the development permit phase to the post-construction phase of development.
- Reduced the previously collected security amount from 100 per cent of the value of an associated landscape plan to 20 per cent of the value of that plan.
- Were accompanied by operational program changes to improve the efficacy of the security administration process.

The current process requires developers to request an inspection once landscaping is installed. At this time, the City will inspect the site and then request the security be submitted (for 20 per cent of the total landscaping value). Once the security is collected, the amount is retained for two years and released upon reinspection at the end of that maintenance period. Should landscaping not be installed or maintained, Administration initiates a procurement process to have the landscaping installed. Attachment 1 provides an additional comparison of the security collection and procurement processes before and after the 2017 amendments, as well as the proposed security collection process. Administration has observed the following outcomes as a result of Zoning Bylaw 12800 amendments in 2017:

- An overall reduction from 100 per cent of required securities being collected at the development permit phase to 19 per cent of required securities being collected at the post-construction phase.
- A lack of awareness (or desire) to request a landscaping inspection once landscaping has been installed.
- A significant increase in tax-funded enforcement activities and resources resulting from additional inspections due to low security collection and low compliance rates observed in the field.
- Difficulty obtaining securities from some developers attempting to obtain financing during the final stages of the construction project.

For additional details on compliance and security submissions, please refer to Attachment 2.

### Summary of Proposed Changes to the Landscape Security Process

Several amendments are proposed to Zoning Bylaw 20001 that have been developed following observations and data gathered since bylaw amendments occurred in 2017, informed by a jurisdictional scan of other municipalities' approaches to the administration of minimum

## LANDSCAPE SECURITIES PROCESS CHANGES

landscape requirements (provided in Attachment 3) and results of public engagement with industry stakeholders. Attachment 4 outlines proposed text amendments which would facilitate the following changes to the landscape securities program:

1. A landscape plan would be required at the time of development permit submission and Administration would calculate the required security value based on landscaping minimum zoning bylaw requirements. Following the landscape plan would remain a condition of a development permit.
2. Security submission to Administration would occur after a development permit is issued and prior to the development proceeding to building permit review, thereby providing a strong incentive to submit the security.
3. Once the landscaping has been installed, the developer would request a landscaping inspection.
4. If the landscaping meets minimum bylaw requirements as outlined in the initial landscaping plan, and plant materials are healthy upon first landscape inspection, then 80 per cent of the security would be released.
5. The remaining 20 per cent would be retained for a two-year maintenance period and released upon a successful subsequent landscape inspection.

Attachment 1 provides a more detailed description of the proposed process changes.

While the timing of the security collection being proposed is the same as prior to 2017, there are additional proposed changes to the process intended to simplify the process and provide more predictability and flexibility for developers, including:

- Security values based on minimum bylaw requirements rather than what is indicated on the plan (potentially reducing some security costs as compared to 2017).
- A greater upfront security release (80 per cent) compared to the pre-2017 system and reducing the time funds are retained and the need for additional inspections.
- Internal workflow improvements to streamline landscape plan reviews and inspections, making the revision process more efficient and reducing timelines for security release.
- A landscape development bond model can be developed as a new form of security in addition to certified cheques and letters of credit options currently available. Further information about development bonds is available in Attachment 5.

In response to industry stakeholder interest, Administration also investigated the feasibility of the development of a merit system similar to the model facilitated by the City for Servicing Agreements. Significant implementation barriers were identified to the development of a merit system for landscaping securities in the short-term, however, Administration is committed to reviewing that model and engaging further with industry in the future as compliance levels and work unit operations are stabilized.

## Community Insight

Engagement began in early 2023 to develop an updated, simplified and transparent process for administering landscaping securities. The work included two engagement sessions between City staff and industry stakeholders in January and February 2023. Industry stakeholders who were

## LANDSCAPE SECURITIES PROCESS CHANGES

part of these initial sessions were later interviewed in mid-2024. A further opportunity for feedback was provided in August 2024. Attachment 6 provides additional details about the engagement process, including the results of the interviews.

Key highlights include:

- Regarding the movement of the collection of securities back to the development permit stage (pre-2017 process):
  - Industry and internal stakeholders identified that the post-2017/current timing of security collection has reduced the incentive for industry to follow through with landscaping installation, resulting in low levels of compliance and a significant volume of new work for Administration to carry out additional inspections and enforcement.
  - Larger developers perceive landscaping security amounts to be relatively minimal, with little impact on their available capital. In contrast, upfront security submission may pose challenges for smaller developers who may delay seeking financing until after the building permit process is finalized.
- Regarding security payment methods:
  - Some industry stakeholders have noted that bonds are a preferred method of security submission because they typically incur lower costs compared to letters of credit. Bonds also free up credit that can be allocated to other aspects of a development project.
  - Smaller companies may not benefit from bonds if they encounter challenges in qualifying for them.
- Regarding maintenance period requirements:
  - Industry stakeholders identified that reducing the time that securities are held is desirable.
  - Internal stakeholders have identified that there is a lack of data to establish whether reducing the maintenance period would also increase compliance.

## Legal Implications

The authority to impose both landscaping requirements and a security deposit as a condition of a development permit are granted through the Zoning Bylaw.

## GBA+

Consideration was given to how the proposed changes to the landscape security process may affect property owners as the end users of the development. Where Zoning Bylaw 20001 landscaping requirements are not met by the developer before the property is transferred to the new owner, minimum landscaping requirements then fall to the new owner of the property. In the post-2017/current state where securities are not required at the time of development permit, and the City may not have a landscape security available to procure the installation of the landscaping plan, the legal and financial responsibility falls entirely on the new owner. Moving the security collection to earlier in the development process will prevent owners of newly built properties from being burdened to complete outstanding landscaping work that they may not have been aware of and/or are not financially prepared for.

## LANDSCAPE SECURITIES PROCESS CHANGES

### Environment and Climate Review

Improving the landscaping securities process and compliance rate has environment and climate implications in the following key areas, with opportunities included in each category:

#### 1. Enhancing climate resilience through nature-based solutions

Administration and industry have a joint responsibility for ensuring that minimum landscaping requirements outlined in Zoning Bylaw 20001 are achieved. Landscaping installation provides nature-based solutions to managing stormwater runoff, reducing soil erosion, mitigating urban heat island effect, enhancing climate resilience and improving local air quality.

The installation of trees and shrubs provide windbreaks and shade, minimizing the energy required to both heat and cool buildings throughout the year. As average annual temperatures increase under all climate change projections, adequate landscaping will help further reduce urban heat island effects, where 60-90 per cent of shortwave radiation to ground level can be intercepted by tree canopies<sup>1</sup>. Finally, the carbon sequestration and storage potential of aboveground biomass is a key mechanism for the reduction of GHG emissions through nature-based solutions under Edmonton's Community Energy Transition Strategy.

**Immediate opportunity:** Enhancing the landscape securities process to boost compliance rates can improve natural infrastructure in the immediate term. Adhering to minimum landscaping standards will support Edmonton's Community Energy Transition Strategy by contributing to the Nature-Based Solutions and Carbon Capture pathway, which aims to reduce community GHG emissions by 17 per cent through natural infrastructure.

**Future opportunity:** Future implementation work that connects Zoning Bylaw 20001's soft landscaping requirements and the relevant proposed actions outlined in the Climate Resilience Planning and Development Action Plan can further improve the climate resilience of new development by incentivizing and prioritizing drought-tolerant and native plant installations to minimize water usage and promote sustainability.

#### 2. Supporting biodiversity

Trees and shrubs provide additional habitat for wildlife, improving ecological connectivity in urban environments. They offer nesting sites, food sources, and shelter from predators and adverse weather conditions.

**Future opportunity:** To consider future work opportunities outlined in Report UPE01925 - Trees on Public and Private Property, such as grant programs for private property which may be accessed by developers who demonstrate a strong commitment and compliance record of planting and preserving mature trees and shrubs. By providing economic incentives in addition to the regulatory requirements under Zoning Bylaw 20001, the City can reinforce its existing naturalization initiatives and Integrated Pest Management strategies, creating a cohesive framework that promotes the planting and retention of urban trees and shrubs to support the Natural Area Systems Policy (C531) and meet forest canopy targets.

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<sup>1</sup> Paul A. Rahman, et al., "Traits of trees for cooling urban heat islands: A meta-analysis." *Building and Environment* 170, (March 2020).

## LANDSCAPE SECURITIES PROCESS CHANGES

### Attachments

1. Landscape Security Collection and Procurement Process
2. Compliance and Security Submission
3. Landscape Securities Jurisdictional Scan
4. Mark-up of Proposed Text Amendments
5. Information about Landscape Development Bonds
6. What We Heard Report: Landscape Securities