

23 November 2023

**RE: 2024-25 City of Charlottetown Pre-Budget Submission**

Attn: Manager of Finance

Dear City of Charlottetown Finance Committee,

On behalf of the Greater Charlottetown Area of Commerce (GCACC) and our over 1,100 members, we write to you today regarding the City of Charlottetown's pre-budget consultations.

In our most recent surveys and consultation with members, housing – specifically a lack of available, and affordable, units - is consistently brought up as one of the top concerns. This is no surprise, as we see cities and provinces across Canada all deal with a housing shortage. Housing, however, is a major implication for the growth our workforce and retention of workers.

Charlottetown's population grew 4.2% between July 2021 and July 2022, which had our city seeing the third-highest annual population growth of major Canadian cities that year. Our city, and province, has seen high growth, mainly due to increasing immigration numbers, interprovincial growth, and growth in non-permanent residents (including international students). As immigration targets increase federally, population growth from newcomers is expected to continue.

At the same time, the rental vacancy rate decreased to 0.8% in 2022. As seen in the charts below, housing starts in Charlottetown have also decreased from October 2022 to October 2023.

*Downtown Charlottetown Housing Starts*

Housing Starts by Dwelling Type

	OCT-23	OCT-22	YTD-23	YTD-22
Single	15	18	47	65
Semi-detached	14	16	70	90
Row	0	3	20	55
Apartment	33	0	103	114
All	62	37	240	324

Source: [Canada Mortgage and Housing Corporation](#)

## Charlottetown Housing Starts

Housing Starts by Dwelling Type

	OCT-23	OCT-22	YTD-23	YTD-22
Single	42	34	156	191
Semi-detached	16	24	98	112
Row	0	16	54	101
Apartment	33	0	103	114
All	91	74	411	518

Source: Canada Mortgage and Housing Corporation

While the reduction of these housing starts could be partly attributed to the shortage of construction workers and a focus instead on rebuilding efforts after Hurricane Fiona, our Chamber has heard from developer members that there are municipal zoning and development bylaws that can be amended to encourage the construction of more housing units.

In this letter, we outline several recommendations focused on housing for the City's 2024-2025 operating budget to encourage increasing housing supply, in addition to the efforts already underway by the City.

Our Chamber recommends the following:

### **1. Amend Zoning and Development Bylaw height restrictions to encourage supply growth by building up**

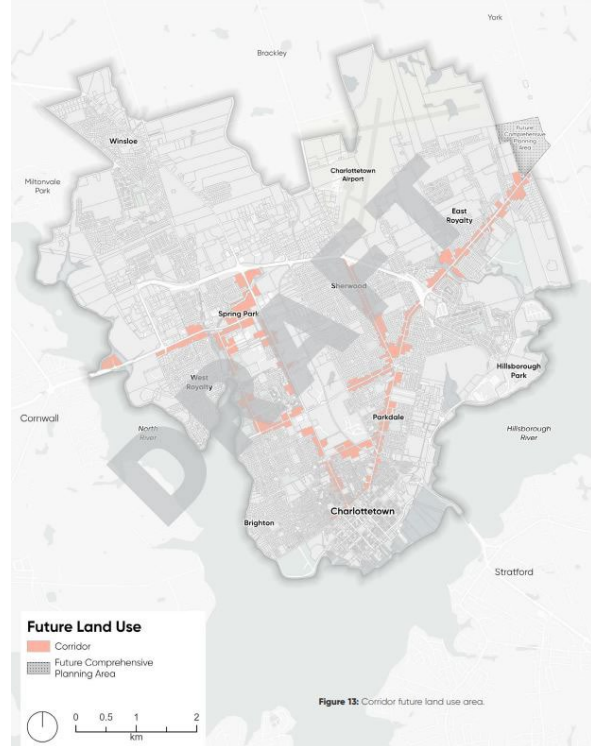
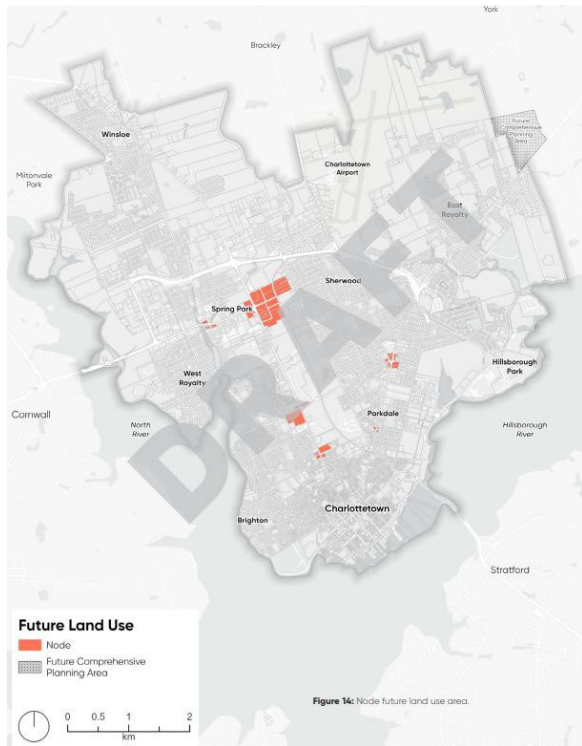
As our population grows, so does increased pressure on housing. Charlottetown is in crucial need of more supply, including affordable units, for its current population and workforce and to prepare for growth in years to come. Additionally, as cities sprawl, it costs more to provide public infrastructure and pushes workers away from their workplaces, increasing traffic congestion.

We recommend Charlottetown start *growing up*, instead of continuing to widen out.

Currently, the standard maximum height for an apartment dwelling in Charlottetown according to the Zoning and Development By-Law is about five storeys (49.2 feet or 15 meters). In addition, the standard maximum allowable height for townhouses/stacked and block townhouse dwelling - as well as buildings in the 500 Lot - is about four storeys, at 39.4 feet (12 meters). With the current housing crisis, our Chamber recommends easing height restrictions, thus increasing the

number of units that can be available in one lot, taking up less space in the City while at the same time providing much-needed units on the market.

Our Chamber appreciates that in its draft new Official Plan, the City is proposing allowing higher density in specific corridors and nodes, proposing permitting up to six storeys in corridors and eight storeys in nodes (*see image below*). We highly recommend this proposal be adopted and for the City to look at amending its Zoning and Development Bylaw height restrictions – even an extra storey or two per apartment dwelling would help create more units on the market.



Corridors and Nodes. City of Charlotteville Official Plan draft, March 2023

## 2. **Reduce the Minimum Parking Requirements for new Multi-Unit Residential construction and Dwelling Units.**

Currently, the zoning bylaw requires a minimum of 1 parking space per dwelling unit. For a building *with three or fewer units* in the 500 Lot area, the current zoning bylaw requires 1 parking space per unit. For a building *with more than three* dwelling units, the current zoning bylaw requires 1 parking space for every two units, with no parking lot to have less than three parking spaces. We note that for affordable housing, the bylaw requires a minimum of 0.75 space per dwelling unit, subject to the property being within 500 metres of a public transit stop.

With this bylaw, developers need to provide the required number of parking spaces or pay the City \$6,000 cash-in-lieu charge per parking space required. We have heard from members that this disincentivizes both the creation of new residential construction or creating additional

dwelling units in existing buildings, particularly in the 500 Lot in Downtown Charlottetown, where there is less space available for parking.

In June 2020, as an example, Edmonton City Council voted to remove minimum parking requirements city-wide, letting developers, homeowners, and businesses decide how much on-site parking to provide and with the goal of making Edmonton more compact, transit-oriented, and walkable.

Reducing, or removing, minimum parking requirements can aid the development of more units, including affordable units, by giving developers an option to spend more money on the creation of more units rather than a certain number of parking spaces.

### ***3. Reduce the 0.5 acre minimum Lot Area required for Garden Suites.***

Another recommendation we have heard from members is to reduce the 0.5-acre minimum Lot Area required for Garden Suites.

This would give more property owners the ability to create single-unit dwellings on their lots, providing more rental options on the market. Being smaller, Garden Suites also typically offer more affordable housing options. Garden Suites, in particular, add additional housing units without changing the look and feel of neighbourhoods and can be an option for affordable housing.

### ***4. Expedite approval process to accelerate development***

Chamber members, notably land developers in our capital region, have indicated that one of the significant challenges they face is an inconsistency in decision-making and timelines at City Hall when it comes to permitting and rezoning approvals, and that the permit process can be long and drawn out, which is discouraging from an investment standpoint. Uncertainty is a significant risk in business, and that risk grows when processes, regulations, and procedures are not consistently and equally applied.

We recommend the City to simplify and streamline its approval process to get projects off the ground faster. We encourage faster permit approvals, accelerating development timelines, reducing red tape attached to the permit process, and improving communication between the council, city staff, and developers.

In conclusion, we strongly encourage the City to **work closely with private-sector developers, the provincial and federal governments, and other relevant stakeholders (such as our Chamber)** to increase the supply of housing units. Collaboration is the key to moving forward and creating sustainable growth for our city. The GCACC is eager to provide support and insights to help in any way we can.

On behalf of our membership, the Chamber would like to thank you for the opportunity to provide our pre-budget recommendations for the City of Charlottetown. We look forward to growing our relationship with the City of Charlottetown and building upon the progress made.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Kim Griffin', is positioned above the printed name.

Kim Griffin

*Greater Charlottetown Area Chamber of Commerce*

*2023-24 Board President*