

# **AFFORDABILITY AND CHOICE TODAY (A•C•T) STREAMLINED APPROVAL PROCESS PROJECT**

## **Small Lot Housing**

**City of Charlottetown  
Charlottetown, Prince Edward Island**

Prepared for:

**Federation of Canadian Municipalities**

**Canadian Home Builders' Association**

**Canadian Housing and Renewal Association**

**Canada Mortgage and Housing Corporation**

Prepared by:

**Energy Pathways Inc.**

**Ottawa, Ontario**

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## FOREWORD

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The project documented in this case study received funding assistance under the Affordability and Choice Today (A•C•T) Program. A•C•T is a joint initiative, managed by the Federation of Canadian Municipalities, the Canadian Home Builders' Association, and the Canadian Housing and Renewal Association, together with the funding agency Canada Mortgage and Housing Corporation. The A•C•T Program is administered by the Federation of Canadian Municipalities.

A•C•T, which was launched in January 1990, was designed to foster changes to planning and building regulations and residential development approval procedures in order to improve housing affordability, choice and quality.

Through A•C•T, grants are awarded to municipalities, private and non-profit builders and developers, planners and architects to undertake innovative regulatory reform initiatives in municipalities across Canada. Three types of projects are awarded grants under the A•C•T Program: Demonstration Projects, Streamlined Approval Process Projects, and Case Studies (of existing initiatives).

- *Demonstration Projects* involve the construction of innovative housing that demonstrates how modifications to planning and construction regulations can improve affordability, choice and quality.

- *Streamlined Approval Process Projects* involve the development of a method or an approach that reduces the time and effort needed to obtain approvals for housing projects.
- *Case Study* grants are awarded for the documentation of existing regulatory reform initiatives.

Change and innovation require the participation of all the players in the housing sector. A•C•T provides a unique opportunity for groups at the local level to work together to identify housing concerns, reach consensus on potential solutions, and implement action. Consequently, a key component of A•C•T-sponsored projects is the participation and cooperation of various players in the housing sector in all phases of each project, from development to realization.

All projects awarded a grant under the A•C•T Program are documented as case studies in order to share information on the initiatives and the benefits of regulatory reform with other Canadian communities. Each case study discusses the regulatory reform initiative, its goals and the lessons learned. Where appropriate, the cost savings resulting from modifications in various planning, development, and construction regulations are calculated and reported.



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## PROJECT OVERVIEW

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Urban intensification has become an increasingly important strategy for maximizing land use within existing municipal boundaries. Intensification has several advantages, in that it can:

- Help limit suburban sprawl
- Contribute to revitalizing older, downtown residential areas
- Encourage an adequate population and tax base necessary to sustain the core municipality
- Result in substantial savings in infrastructure development costs
- Help minimize maintenance costs

By the late 1980s, the City of Charlottetown was giving intensification through small lot infill development careful consideration. As in many other municipalities, urban development in Charlottetown had become very constrained, and lengthy delays in the approval process indicated the City needed to review its zoning and development by-law and investigate intensification options.

The municipality's interest in undertaking a small lot housing study was endorsed by the Home Builders' Sector of the Construction Association of Prince Edward Island, the Architects Association of Prince Edward Island, the provincial office of Canada Mortgage and Housing Corporation, and Atlantic Peoples Housing Ltd.

### **Development Tools Require Revision**

*Our traditional approach to zoning evolved during the post World War II period, largely as a means to control excessive growth pressures. Today, most communities, like Charlottetown, face the opposite problem of too little growth, and our old tools are in need of some change and re-direction. Rather than measures which simply attempt to suppress undesirable development, the new tools aim at inducing positive development.*

—City of Charlottetown Small Lot Housing Study, Appendix 1.

In an application to the A•C•T program for funding to conduct the study, the City identified six project objectives:

- To minimize the time required for approval of infill housing projects
- To revise the zoning by-law to allow infill housing
- To create site development guidelines for infill housing
- To identify infill housing construction techniques and designs that would complement existing neighbourhoods
- To modify access and parking provisions for infill housing projects
- To identify opportunities for redevelopment for residential use in the core area

The City of Charlottetown was awarded an A•C•T grant in 1992 to meet its objectives by developing guidelines for infill housing and revising its zoning by-law to accommodate this housing form.

One of the key findings of the project was Charlottetown's reliance on variances and re-zoning related to infill development. This reflected a lack of flexibility in the zoning by-law, and unnecessarily complicated and lengthened the approval process.

The project team noted that many municipalities have shifted from relying on rigid requirements to allowing flexible performance standards. A number of municipalities have revised their by-laws to combine fixed requirements with flexible performance standards. The project team advised that community input would be an important factor in establishing practical and acceptable performance criteria.

The project team concluded that the City could meet its objectives and achieve flexibility through relatively minor adjustments to, and fine-tuning of, existing regulations. Selected sections of

the zoning by-law could be amended, and architectural and site development criteria could be established.

Before the City could proceed with public discussions and implementation of the recommendations made in the project team's report, the provincial government passed legislation to amalgamate seven area municipalities into a new City of Charlottetown. This meant consolidating seven municipal plans and zoning by-laws into one. The project team proposed that the findings of the A•C•T project could be incorporated into the process of amalgamation.

At the time of publication, the amalgamated City was in the process of revising its official plan and zoning by-laws. The project team was confident that smaller lot sizes would be adopted, and was encouraging the introduction of architectural and site development guidelines for infill housing.

# 1.0 PROJECT DESCRIPTION

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## 1.1 Potential for Infill Development

During the 1980s, residential, industrial and commercial activity shifted from the City of Charlottetown to the six adjoining municipalities. This shift gradually eroded Charlottetown's ability to sustain itself, such that its revenues were no longer sufficient to meet service demands. In addition, by the late 1980s, the City was close to becoming fully developed. With expansion not an option, intensification policies and guidelines were urgently needed.

The City commissioned a development plan and strategy in 1987 which included the following policies for infill housing:

- Encourage the infilling of vacant lots, provided minimum standards are met
- In cooperation with property owners, and with their consent, prepare a list of potential infill lots for distribution to the real estate industry
- Permit off-lot parking and promote multi-storey parking for residential purposes

In 1990, the City of Charlottetown, the Prince Edward Island Housing Corporation (PEI Housing), Canada Mortgage and Housing Corporation (CMHC), and the PEI Department of Transportation and Public Works jointly prepared a list of sites with potential for infill or redevelopment. They specifically

looked at sites that would be suitable for senior citizen units and/or social housing, but the resulting list was relevant for many types of residential infill projects.

Developers had undertaken some infill and conversion projects, but many sites did not satisfy regulatory requirements. Variances and re-zoning were required, which resulted in lengthy approval delays, a source of concern to City Council and municipal staff. This situation and the City's 1987 infill housing policies led to the municipality's decision to undertake a small lot housing study.

## 1.2 A•C•T Project Objectives

In 1992, the City was awarded an A•C•T grant for a small lot housing study. The overall goal was to develop guidelines for infill housing and revise Charlottetown's regulations in order to facilitate this housing form.

The Home Builders' Sector of the Construction Association of Prince Edward Island (CAPEI), the Architects Association of Prince Edward Island, CMHC, and Atlantic Peoples Housing Ltd. (APHL) endorsed the project. The project team included a representative from the City of Charlottetown and a representative from PEI Housing, assisted by an architect from P. Wood & Associates.

Through the A•C•T project, the City of Charlottetown aimed to:

- Minimize the time required for approval of infill housing projects
- Revise the zoning by-law to allow infill housing
- Create site development guidelines for infill housing
- Identify infill housing construction techniques and designs that would complement existing neighbourhoods
- Modify access and parking provisions for infill housing projects
- Identify opportunities for redevelopment for residential use in the downtown area

### **1.3 Project Methodology**

The project team carried out the following activities:

- An assessment of Charlottetown's development history and its current situation
- A review of three types of intensification (conversion, infill and redevelopment) and the opportunities for each in Charlottetown
- A review of the zoning and development by-law, variances, and the preparation of recommendations regarding revisions
- Literature and case study reviews on site development and design criteria for infill housing, and an assessment of three Charlottetown case studies using these criteria
- Preparation of recommendations for development guidelines for infill housing

## 2.0 PROJECT RESULTS

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The results of the A•C•T project are documented in a comprehensive report entitled *City of Charlottetown Small Lot Housing Study*.<sup>1</sup> Highlights of the project team's findings and recommendations are presented with regard to the following:

- Redevelopment trends
- Variances and re-zoning
- Regulatory fine-tuning
- Parking
- Design guidelines for infill housing

### 2.1 Redevelopment Trends

Charlottetown's older, historic downtown neighbourhoods presented a positive and appealing example of relatively intense development. The project team felt, however, that their charm could be easily and disastrously affected by unsympathetic infill development. The team recommended that any policies or guidelines that encouraged intensification through infill should seek to preserve and complement the existing character.

Some infill had occurred that was unsuited to local surroundings, but for the most part, the original character of the old neighbourhoods had remained intact.

PEI Housing had developed a wide range of infill housing projects since the mid-1970s. While the success of these projects varied, particularly in terms of design, the overall trend had been positive, with more recent developments being relatively successful examples of residential infill. Other non-profit groups had also been active in developing group housing in Charlottetown's central neighbourhoods. Intensification efforts thus far had contributed to retaining a strong mix of housing options and socioeconomic diversity within these residential areas.

#### **Urban Intensification Requires A Balanced Approach**

*In reviewing the literature and case studies of intensification efforts in other communities, one thing is very clear. Simply revamping land use controls and regulations will not achieve the desired results. While existing by-laws and approval procedures should be re-examined and made more accommodating, this must be complemented by a public information campaign to explain the benefits of higher density forms of development, and preparation of design and performance guidelines which reflect local concerns and encourage positive results.*

—P. Wood & Associates, p. 46.

### 2.2 Variances and Re-zoning

The level of demand for variances and by-law amendments can be an effective indicator of the level of demand for intensification and infill options, the validity of current regulations and the demand for greater flexibility. During the five-year period from 1989 through 1993, the municipality issued an average of

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<sup>1</sup> P. Wood & Associates (Charlottetown: 1995). A copy of the report may be obtained from the Planning Department, City of Charlottetown, P.O. Box 98, Charlottetown, P.E.I., C1A 7K2, Tel: (902) 566-5548, Fax: (902) 566-4701. A copy may also be obtained on loan from the Canadian Housing Information Centre, 700 Montreal Road, Ottawa, Ontario, K1A 0P7, Tel: (613) 748-2367, Fax: (613) 748-4069, TTY: (613) 748-2143.

17 variances each year. This heavy reliance on variances indicated a lack of regulatory flexibility. The fact that the zoning by-law allowed almost no discretion on the part of City Council contributed to the frequent use of variances.

With no detailed policy framework in place to guide municipal staff and City Council on granting variances for small lot development, decisions could prove unsatisfactory and inconsistent in the long term. Applicants and municipal staff were uncertain as to what was likely to be approved, and the resulting confusion contributed to delays and frustration with the process, and created unnecessary extra work for City Council. A lack of policy or guidelines could also undermine investor confidence, particularly in relation to new or innovative housing. Over-reliance on variances and amendments to impart flexibility to the by-law created a less than desirable, if not intolerable, situation.

The project team found that zoning and development by-laws were shifting from reliance on rigid standards to more dynamic performance standards. New land use controls and development guidelines had the common objective of increasing flexibility in order to encourage innovative design solutions and streamline the approval process. The focus was not so much on restricting unwanted development, but rather on creating a regulatory environment conducive to creative and workable options for housing, and specifically for urban intensification.

#### *No Model By-law Found*

Based on its review of case studies of small lot and infill regulations across Canada, and additional reports from Canadian and American cities, the project team concluded that no consensus existed on acceptable development standards. It was evident that each approach to regulating small lot or infill housing had been tailored to local circumstances. A lack of a generally acceptable model by-law indicated to the project team that it needed to develop a solution tailored for Charlottetown. Many examples were available regarding guidelines and performance standards, as evidenced in the material accompanying the project team's report (see appendices).

#### *Keep Minor Variances Minor*

For minor variances, the existing by-law required that notice be provided in writing to all property owners within 30 metres. If any neighbour objected to the variance application, the variance was directly denied, with the right to appeal to City Council. According to the municipality's Development Officer, this requirement in the by-law had resulted in most applicants choosing to go through Council for approval. The process was automatically and unnecessarily burdened.

The project team recommended that the zoning by-law be amended to exclude the written notification requirement, and the Development Officer should be given the authority to determine if a variance would cause significant or permanent

injury to another party. Alternatively, the by-law could be amended to require an opponent to provide proof of injury. In streamlining regulations accordingly, use of minor variances should prove more acceptable to applicants and reduce the demand for the lengthier major variance approval process.

#### *Type of Variance Applications*

The by-law noted five types of variance applications: 1) modification of lot regulations; 2) modification to parking provisions (i.e. cash in lieu); 3) extension of a non-conforming use; 4) temporary buildings or uses not exceeding three months; and 5) re-establishment of a non-conforming use. The project team made recommendations pertaining to all but the first type, which was thought to require no changes.

A variance to provide cash in lieu of parking spaces made little sense to the project team, given that the by-law already gave applicants the option of providing cash in lieu. It was recommended that this variance provision be deleted. (Further recommendations concerning parking and cash in lieu are presented in section 2.4.)

Variances allowed a degree of interpretation or discretion. They were not meant to be used to overrule some aspect of the by-law, but this appeared to have become the practice in Charlottetown. The by-law stipulated that extension of non-conforming use was typically denied. If a building burnt or was otherwise destroyed, or if the use was

abandoned for a specified period of time, the property had to be converted to a permitted use according to the by-law. However, 16 variances for non-conforming use were issued from 1989 to 1993. The project team felt that Council's willingness to support extensions, in contradiction of the by-law, suggested that the uses should in fact become conditional, contingent on certain standards being met. Alternatively, the municipality might consider re-zoning.

The use of variances as temporary permits was also considered inappropriate. It was recommended that temporary permits be granted by the Development Officer instead, pursuant to a clear policy, or by Council directly.

The last type of variance also pertained to non-conforming use. It allowed for re-establishment of a non-conforming use after it had been abandoned, which contradicted other provisions of the by-law. Once a non-conforming use had expired, it could not be re-established without re-zoning. It was recommended that this provision be deleted.

### **2.3 Regulatory Fine-tuning**

The project team concluded that the City could meet its objectives and achieve flexibility with relatively minor adjustments to existing regulations, and recommended against radical changes. In place of heavy reliance on variances, the project team noted that flexibility and discretion could be added to key sections of the by-law. This would need to be done in concert with establishing performance criteria and a statement of community

objectives for intensification and infill development. The project team recommended that specific development policies be based on community input to determine the degree of flexibility that was both desirable and acceptable. It was also suggested that the municipality make more aggressive use of conditional uses.

**Performance Standards: Purpose and Intent**

*The purpose and intent of a performance standards option is to allow for more flexible design than is permissible under conventional zoning codes. The design should stress energy efficiency, architectural creativity and innovation, should use the natural features of the landscape to their greatest advantage, should provide a quality of life equal to or greater than that provided in developments built under standard zoning codes, should be aesthetically pleasing, should provide for more efficient land use, and should minimize the impact of development on the natural environment and neighbourhood.*

*—P. Wood & Associates, Appendix 2*

While it was premature to recommend specific performance standards, the project team identified sections of the by-law to be considered for amendment:

- Existing undersized lots
- Frontage/Yard requirements
- Lot coverage
- Permitted uses
- Conditions on building permits
- Development agreements

*Existing Undersized Lots*

The by-law had no provision specific to the development of existing undersized lots. A recommendation was made that a section be added to allow development of such lots, providing all other relevant requirements are met.

*Frontage/Yard Requirements*

Rigid standards in the existing by-law regarding frontage and yard requirements hindered innovative design. While flexibility had been allowed on an ad hoc basis through variances, it was preferable for the municipality to officially recognize the need for flexibility in its regulations.

The project team noted that some communities permitted infill lot frontages as low as 7.6 m (25 ft.). The team considered this figure possibly too low for Charlottetown, but thought that existing requirements could be relaxed considerably, with proper building design and site development. For example, an over-and-under duplex could be designed for a deep lot with less than 21.3 m (70 ft.) of frontage and still provide sufficient access, amenity space, parking and privacy. It was also estimated that lot frontage could be dropped to 15.2 m (50 ft.) or less where a shared driveway, garage or parking area was on one side of the building.

The existing by-law provided an allowance for a driveway where a garage or carport was not part of the main building. In R1 and R2 zones, the minimum side yard requirement was 1.8 m (6 ft.); and for R3 and R4 zones, the minimum was 1.2 m (4 ft.).

An aggregate requirement assumed a 3 m (10 ft.) driveway on one side of the property. It was recommended that if shared access, rear access or off-site parking was provided, the aggregate side yard requirements should be reduced to two times the minimum side yard requirement. The same degree of privacy between buildings would be maintained.

This option would be exercised as a conditional or special permit use, dependent on provision of acceptable parking space, acceptable amenity space and access to sunlight and privacy. Likewise, lot frontage and possibly lot size could be reduced, conditional on provision of acceptable parking, access, privacy, amenity spaces and harmony with the existing streetscape.

With respect to building setbacks, the project team considered it advisable to establish a maximum setback. The by-law had minimum front yard requirements, but nothing addressing a maximum building line. Some communities limit setback to the average setback of buildings on either side. This contributed to preserving the harmony of the streetscape and avoided infill housing being set back significantly behind the established building line on a block.

Considerable opportunity existed in Charlottetown for “pan-handle” or “bottleneck” development, provided the right controls and site-specific standards were in place. The project team recommended that this type of

development should be approved with special conditions related to frontage, rear and side yards, privacy and shared access.

#### *Lot Coverage*

Although the current maximum lot coverage of 35% was considered reasonably high, the project team recommended City Council allow 40% (or greater) coverage as a conditional or special permit use. Approval would be conditional on the provision of acceptable parking space, amenity spaces, privacy and access.

#### *Permitted Uses*

Permitted uses for each residential zone should be examined for adjustment, particularly to add conditional uses as may be appropriate.

#### *Conditions on Building Permits*

The by-law should have provisions enabling City Council to attach conditions to building permits.

#### *Development Agreements*

Provisions should also be made for City Council to require developers to enter into development agreements with the municipality. This was thought to be particularly important when complex conditions were attached to a development, or if a developer had been granted some form of bonus or incentive in return for provision of specific amenities beyond the requirements of the by-law.

## 2.4 Parking

A number of the communities surveyed by the project team offered concessions in the form of reduced or eliminated parking requirements to encourage infill housing. Such concessions, however, were not considered appropriate for Charlottetown. The project team thought that cash in lieu provisions should be more strict, given downtown parking spill-over problems onto residential streets. It was recommended that, at the very least, cash in lieu should more closely approximate the actual cost of providing parking spaces (estimated at \$10,000 to \$15,000 minimum). The project team estimated that existing arrangements resulted in a net benefit to developers of approximately \$10,000 per parking space.

As it was difficult to provide rear access in the downtown neighbourhoods, it was recommended that shared access, shared parking areas or off-site parking be encouraged, possibly through density or coverage bonuses.

A garage on the ground floor had been a design feature used in many infill housing developments. While this did not conform to most urban core residential streetscapes in Charlottetown, the project team felt it should be considered to reduce on-street parking.

Off-street parking in winter had proven to be a real dilemma for Charlottetown. Rear access parking was one solution, although it compromised adequate provision of amenity spaces. Neighbourhood parking lots had been tried in some communities, but results had been less than satisfactory.

They tended to be difficult to assemble, expensive to develop and faced neighbourhood opposition. Still, it was thought that this option had potential for Charlottetown and should not be ignored.

Finally, the project team identified three actions for the City to take to help alleviate the problem of daytime parking on residential streets:

- *Apply pressure on provincial and federal governments*—at least one federal department had been very responsive to the municipality's concerns about employee parking in downtown neighbourhoods. It helped reduce the problem by reserving a block of spaces for its employees. Pressure should continue on the two governments, which could encourage carpooling, use of commuter parking lots in outlying areas and possibly other options to a much greater extent than have been done to date.
- *Pursue corporate lobbying*—a number of downtown businesses had refused to provide parking for their employees or to encourage them to use parking garages. The municipality could publicly acknowledge positive actions, which would provide a positive corporate image incentive. Another suggestion was letter-writing campaigns by resident groups.
- *Encourage downtown homeowners to lease spaces*—many homeowners in the downtown area did not have cars, but had on-site parking space. Downtown neighbourhood groups should encourage and assist residents to lease their parking spaces.

## 2.5 Design Guidelines for Infill Housing

The project team examined design references for site development and design solutions and details. In reviewing the literature and specific case studies, the team covered the following aspects:

- Site development
  - parking
  - vehicle access
  - pedestrian access
  - building separation
  - setbacks
  - amenity areas
- Building design criteria
  - architectural character
  - scale, mass and rhythm
  - roof lines
  - materials and detailing (facades, chimneys, windows, skylights, entrances, architectural detailing, exterior finishes and materials, and colour)

Recommendations were made with respect to general design, development criteria and submission requirements.

### *General Design Considerations*

Designs for infill housing should reflect the following aspects as they already exist in the neighbourhood:

- a) Pattern of existing development
- b) Density
- c) Scale and mass of adjoining properties
- d) Character of the streetscape, including windows, roof shapes, materials and exterior details

Designs should be compatible with the character of adjacent uses with respect to noise, privacy, neighbours' windows and sunlight penetration.

### *Development Criteria*

Infill housing should meet site development and building design criteria as presented in figure 1 on page 10.

### *Submission Requirements*

In addition to site and building plans for proposed infill projects, development applications should include:

- a) A site plan showing buildings on adjoining properties and their windows, doors, outdoor amenity spaces and parking
- b) A drawing showing the view of the proposed development and the adjoining properties as seen from the street

## Figure 1. Design Guidelines for Infill Housing

### *Site Development Criteria*

In order to ensure compatible development in existing neighbourhoods, and to protect the privacy and the right to light of adjoining properties, new developments should meet the following site criteria:

1. The front yard setbacks should be the average setback of the main structures of adjoining properties.
2. The rear yard setbacks should be the average setback of the main structures of adjoining properties. Any portion of the building that encroaches on that setback should not be more than one storey in height, and should not significantly reduce the amenity space or directly overlook adjoining properties.
3. The side yard setbacks should be similar to adjoining properties, provided fire safety requirements are met.
4. Area for parking and amenity space should be approximately equal in area.
5. Parking areas should be screened from adjoining properties and the development's amenity space by landscaping and/or fencing.
6. Windows and/or balconies should be carefully located to prevent direct overlook into adjoining yards, and should not be located directly opposite windows in adjacent buildings.

### *Building Design Criteria*

In order to ensure compatible development in existing neighbourhoods, new developments should meet the following building design criteria:

1. The height of a new development's fascia line should not exceed the average height of the fascia line of adjoining properties.
2. The overall height of the new development should not exceed the average overall height of adjoining properties.
3. The roof slopes should be comparable to the roof slopes of adjoining properties.
4. Main entries should address the street.
5. Materials, windows, doors and architectural details, such as porches, dormers, trims, etc., should reflect the scale, character and proportions of the neighbourhood.

Source: P. Wood & Associates, pp. 86-87.

**Figure 2. Infill Housing: Single-Family**



Source: P. Wood & Associates, p. 96.

**Figure 3. Infill Housing: Four-Unit (Rear Parking)**



Source: P. Wood & Associates, p. 99.

**Figure 4. Infill Housing: Two-Unit**  
**Two-Unit, One and a Half Storeys (Rear Parking or Off-Site)**



**Two-Unit, Two Storeys**



Source: P. Wood & Associates, pp. 97-98.

## 3.0 PROJECT BACKGROUND

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### 3.1 Charlottetown's Development History

#### *Initial Development and Growth*

The layout of the City of Charlottetown follows an orderly grid pattern, laid down in the Wright-Patterson Plan of 1771. For about the next 200 years, development was very much on a pedestrian scale, giving rise to a relatively dense form of settlement clustered around the harbour. Even as recent as the late 1940s, development still concentrated primarily around the original town core.

This was partly due to Charlottetown's relatively slow population growth. Fewer than 7,000 people lived in Charlottetown 100 years after its initial settlement. By 1921 the population had reached 10,814. Thirty years later it was at 15,887. It peaked at 19,133 in 1971, followed by a decline to 15,396 as of 1991.

#### *Recent Development Patterns: Three Distinct Neighbourhoods*

The rate and form of development changed significantly as the population grew more rapidly. Most of what is generally considered the suburban area was developed after the mid-1960s. Development in the expanding areas was typically sprawling, low-density suburbia, well suited to extensive use of cars, as opposed to pedestrian traffic. Former rural residents, who favoured large lots even in the face of increasing servicing costs, moved into these suburban areas.

Charlottetown's development patterns resulted in at least three distinct types of neighbourhoods. Its older, historic section noticeably retains its pedestrian scale. In fact, it is quite apparent that cars are a foreign element imposed on the area. Front yard setbacks are minimal or even non-existent. Many driveways are former carriageways and not suitable for parking. Rear yards are often quite limited. Between this section and more recently developed areas lie the transitional neighbourhoods.

The transitional neighbourhoods were developed during the years following the introduction of the automobile to pre-World War II. These neighbourhoods have been under redevelopment pressure since the early 1970s. The lots are generally larger than those in the urban core and can readily accommodate cars. Homes are either quite large or quite small with significant potential for expansion. These neighbourhoods have the greatest diversity in terms of housing form and style and socioeconomic characteristics. Many of these neighbourhoods appeared to be in a state of rapid transition at the time of the A•C•T project. A few, in contrast, were quite stable.

In the outermost area, which has been developed the most recently, some neighbourhoods are similar in form and style to suburban subdivisions. Large lots are a standard feature, and the area is strongly homogeneous. The last few large holdings on the city's outermost fringe were almost fully developed by the mid-1990s. This effectively limits further growth-to-intensification strategies.

### *Charlottetown's Inner Core*

While there has been some out-of-character infill development in the inner city area, Charlottetown's historic neighbourhoods have remained vibrant, socially diverse and appealing. Large-scale residential redevelopment and gentrification have been avoided. The commercial core retains a strong focal point in the city's life, playing a very active role in terms of commerce and employment. To a considerable extent, this has been a direct result of provincial government restrictions on peripheral mall development. These restrictions arose from a 1980 inquiry which put forth several reasons for retaining a viable downtown core. It was noted that when a healthy core was not present, the situation could contribute to the types of problems identified in the sidebar opposite.

The health of the downtown commercial core is responsible in large part for a sustained demand for housing in the surrounding vicinity. As a result, and given the already dense development of inner city residential areas, notable pressure exists for infill housing options.

#### ***When a Healthy Downtown Core is Missing***

*If market forces, reinforced by consumer tastes, take trade and interest away from the downtown to the point where confidence wanes, it suffers in several important respects:*

- *Fall-off in investment, with resulting decay*
- *Lack of identity and civic pride*
- *Inability to support diversity of services*
- *Reduced accessibility for the poor, seniors and people with disabilities*
- *Reduced communication, both in business and social interaction*

*—P. Wood & Associates, pp. 14-15*

## 4.0 REGULATORY REFORM INITIATIVES AND IMPACT ON HOUSING COST, CHOICE AND QUALITY

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The City of Charlottetown's A•C•T project was successful in identifying ways to reduce the need for variances and re-zoning, specifically by fine-tuning the zoning by-law and introducing performance standards. A clear case was made for using performance criteria as the primary means for encouraging innovation and allowing flexibility, while ensuring infill development is in keeping with existing housing.

The project team's report presented several suggestions regarding construction and design details, based on an extensive literature review and the examination of several case studies. This input contributed to developing general design guidelines and conceptual drawings illustrating four types of infill housing appropriate to Charlottetown. Close attention was given to parking issues, a particularly troublesome factor for downtown neighbourhoods. In addition, several opportunities for infill and redevelopment were reviewed and confirmed to have potential.

Before the City could proceed with public consultation and implementation of the recommendations made in the project team's report, the provincial government passed legislation to amalgamate the seven area municipalities into a new City of Charlottetown. Amalgamation came into effect April 1, 1995.

As this meant consolidating all municipal plans and zoning by-laws into one, it was proposed that the findings of the A•C•T project be incorporated into that process. Copies of the project report were provided to the councillors and planning body of the newly created municipality.

Although the change in circumstances prevented the former municipality from proceeding immediately with regulatory revisions, the project demonstrated the steps which can be taken to streamline the approval process, encourage innovative housing options and constructively facilitate urban intensification.

At the time of publication, the amalgamated City was in the process of revising its official plan and zoning by-laws. The project team was confident that smaller lot sizes would be adopted, and was encouraging the introduction of architectural and site development guidelines for infill housing.

The implementation of these changes will help to improve housing affordability and choice in Charlottetown by limiting suburban sprawl; revitalizing older, downtown residential areas; and minimizing infrastructure development and maintenance costs.



## **APPENDICES**

## APPENDIX A: TOOLS AND TECHNIQUES FOR ENCOURAGING INFILL DEVELOPMENT

The table below is excerpted from Appendix 3 in the project team's report and was originally presented by D. L. Brett in an article entitled "Assessing the Feasibility of Infill Development," *Urban Land*, April 1982.

Needed Actions	Possible Incentives	Target Opportunities	Cautions
Stimulate developer interest in infilling	Training programs/seminars/ publicity campaign	Outreach to builders, developers and realtors through professional associations	May have to go outside the region for speakers who have had success with infilling
	Parcel files; information on prototype projects	Comprehensive; or only for special uses (multifamily, industrial)	Needs careful staff supervision
	Design competitions	For scattered small lots; for large areas offering unique opportunities	Needs volunteers to serve on review committees and needs funds for prizes
Remove government obstacles:			
Reduce delays in project review	Staff review procedures reformed	Small-scale projects	Must ensure adequate citizen participation
	Unnecessary hearings eliminated	Projects requiring variances or special use permits	Requires cooperation of many city departments and staff members
	Ombudsman or expediter created	All projects; or just those involving assisted housing or employment generation	Obstacles in state enabling legislation
Correct excessively high or inappropriate standards	Code provisions reexamined; performance-based requirements encouraged	All infill projects; could also be important in redevelopment and rehabilitation	Many encounter resistance from municipal staff, building trades or neighbourhood groups; results will not be immediately visible
Improve zoning balance (not enough multifamily land; over-zoning for industrial use)	Comprehensive review of zoning map and/or regulations	City-wide, or in designated neighbourhoods as part of the neighbourhood planning process	May encounter resistance from neighbourhood residents and property owners, depending on the types of changes proposed. Must be based on sound market analysis.
Create neighbourhood support for infilling	Include strategies for dealing with vacant lots in neighbourhood plans	All neighbourhoods (especially those with high potential)	Neighbours must see advantages for existing housing and businesses as well as the developer, if they are to be convinced; developers must be flexible and willing to listen
	Project review meetings with developer in advance of official hearings	All projects likely to generate controversy	May also need to meet neighbourhood groups in advance

Needed Actions	Possible Incentives	Target Opportunities	Cautions
Address market weakness or uncertainty/poor area image	<p>Demonstration projects involving local development corporations and neighbourhood interests</p> <p>Loan guarantees</p> <p>Below-market financing through mortgage revenue bonds or industrial bond programs</p> <p>Greater attention to maintenance and rehabilitation</p> <p>Visible public commitment to upgrading public works</p> <p>Interim uses (parking, gardens, play areas)</p>	<p>Low- and moderate-income neighbourhoods, especially for projects providing jobs and/or increased shopping or services</p> <p>Projects in areas with poor image but location advantages (e.g. near jobs, transit, major institutions)</p> <p>Target neighbourhoods and projects where special financing terms can act as a "magnet" for households or businesses that would otherwise locate at the urban fringe</p> <p>Low- and moderate-income neighbourhoods</p> <p>Target neighbourhoods</p> <p>Areas with established neighbourhood organizations that will assume maintenance responsibility; areas with open space or parking needs</p>	<p>Builds confidence if successful; high risk; limited expertise in dealing with risky situations</p> <p>Risk of unsuccessful projects requires expertise of experienced builders and banks</p> <p>Recent federal [USA] legislative limitations ; need for careful market studies</p> <p>Concern over long-term displacement of low-income people</p> <p>Resistance to targeting on a neighbourhood basis</p> <p>High maintenance burdens; resistance to future change</p>
Address site-specific problems: Reduce the high cost of infill land	<p>Land price write-down</p> <p>Tax abatement</p> <p>Leasing of publicly owned land</p> <p>Density bonuses; permit side yard or setback variances to allow greater coverage</p> <p>Forgive delinquent back taxes</p>	<p>Unique opportunity to achieve public purpose</p> <p>Definite project with committed developer</p> <p>Varies; generally used for housing developments priced for low- to moderate-income occupancy</p> <p>Mixed-use projects; projects incorporating assisted housing</p> <p>Definite projects with committed developers</p>	<p>High costs if used extensively; adverse political impacts from using public funds to subsidize strictly private projects</p> <p>Careful lease structuring needed to protect public interest</p> <p>Need to assure design compatibility with surrounding areas; possible opposition of neighbours</p> <p>Legal obstacles in some states</p>

Needed Actions	Possible Incentives	Target Opportunities	Cautions
Address site-specific problems ( <i>continued</i> ):			
Reduce the high cost of infill land ( <i>continued</i> )	Downsizing	Areas where permitted densities do not match local housing market preferences	Objections of landowners
	Fee waivers	All infill projects	Fees are not a high proportion of project costs; effects are more psychological than financial
Increase land availability	Property tax disincentives — site value taxation — higher taxes on vacant land	Vacant land in marketable locations (targeting will be difficult if not impossible)	Adverse effects on vacant property owners in deteriorated areas; adverse effects on existing buildings in “hot” neighbourhoods
	Land assembly (vacant land only or vacant and under-utilized sites)	Definite projects with committed developers	Expensive; legal limitations on use of eminent domain powers
	Land banking	Areas with extensive scattered parcels; high incidence of tax delinquency	Expensive; may require enabling legislation; land may not be marketable in the short run, especially in weak markets
Correct infrastructure problems	Public funding of off-site capital improvements (minor street and utility extensions or upgrading)	Small-scale infilling, especially for industrial use	Reluctance of elected officials to target limited CIP dollars to new developments; need for flexibility in CIP administration
	Tax increment financing	Larger projects, especially mixed use	Legal limitations in most states
	Special improvement districts	Commercial and industrial areas covering both infill and rehabilitation	Taxpayers must be willing to participate
	Greater flexibility and creativity in plan review	All infill projects	Resistance from city public works/engineering staff to deviate from “standards”

Source: P. Woods & Associates, Appendix 3.

## **APPENDIX B: GENERAL INFILL DEVELOPMENT GUIDELINES**

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The guidelines following are excerpted from Appendix 5 in the project team's report.

- The developer should look into a broad range of possible uses for a particular site. Connecting non-traditional markets with innovative development options is often the key to infill development.
- Location is especially crucial to the marketability of infill. A convenient and viable neighbourhood, or lack of it, can make—or break—a project. Particularly where more risky settings are concerned, only the best sites should be considered first. In every situation, the developer should clearly understand from the start the site's development costs and limitations.
- Market evaluation should be based on the site's specific needs. A broad regional market analysis may relate minimally to the advantages and drawbacks of special infill situations.
- Infill sites in desirable and strong neighbourhood markets are more expensive but easier to develop. Substantial reinvestment in a given area is a positive cue for infill development.
- Convenient area amenities will improve the infill market. By supplementing local attractions with a mix of project uses, the developer may help create or strengthen the infill location's appeal.
- Design of an infill project should be sensitive to the scale and texture of its surroundings and should anticipate the legitimate concerns of local residents and businesses.
- Infill development design that contrast with the neighbourhood context may be justified if it enhances, rather than conflicts with, the existing environment. Or in the case of a nondescript neighbourhood, a new project may need to stand out or isolate itself from its environment in order to survive.
- A higher density is often acceptable when the product creating it is superior, especially when the increased density is not obtrusively visible in the neighbourhood.
- The economies of infill development present more problems than those of new suburban projects. Higher land costs must be offset by lower project costs or by higher revenues. Often a well-conceived and imaginative design and marketing concept will help in securing financing for an otherwise difficult or innovative project.

- **Containing costs at every step of development is essential to competitiveness. developers should check thoroughly for development hazards that might effect cost estimates. For sites with development limitations such as ravines or flood plains, costs may be reduced by clustering units or by implementing flexible zoning ordinances.**
- **An infill project cannot usually depend on scale economies to achieve a market advantage. The uniqueness of the site and product often entails custom-designed construction, but developers can capture some efficiencies by distributing overhead costs across a series of smaller projects.**
- **Developers of project types new to areas may need to contribute more equity than normal toward obtaining financing. They must be prepared to convince financiers of the value of their projects without the help of comparable projects (which are often difficult to identify) and surrounding property values (which are usually lower than those of the proposed infill projects). Developers may need to work closely with appraisers, pointing them toward the most representative and comparable projects.**
- **The developer may need to make financing available to buyers of residential units to avoid or minimize difficulties they might encounter with institutions unfamiliar with the infill product.**
- **Pricing can be difficult to determine because of imprecise comparables, different strategies for phasing projects and complications caused by the market's perceptions of infill locations. Based on these problems, one can understand that marketing practices for conventional, non-infill development may not be appropriate.**

*Source: P. Woods & Associates, Appendix 5.*