



## Briefing Note

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### Encumbrance Issue in Cougar Ridge

**Issue:** The balkanization of residents associations in the Cougar Ridge area.

**Background Facts:**

- The Cougar Ridge Residents Association (“CRRA”) is a community-run, non-profit organization that can privately contract with independent landscapers or with the City of Calgary (“The City”) to:
  - Better maintain areas that The City would normally take care of at a Parks base level of maintenance. In order to take on stewardship of the green spaces in Cougar Ridge from The City’s Parks department, the CRRA would have to enter into a Landscape Maintenance Agreement (LMA) with The City.
  - Care for green spaces that The City would not care for at all. The “extras” cover enhanced landscaping, such as flowerbeds at entrance signs. The CRRA can undertake this type of work without entering into an LMA with The City.
- In communities where residents associations (“RAs”) wholly take over landscaping from The City, The City transfers to the RA the portion of the budget (Parks Operating Grant) that The City would have allocated to that neighbourhood, minus an administration fee. For the CRRA, this City transfer would be approximately \$20,000 per year. The CRRA is not currently eligible for the Parks Operating Grant because we do not have an LMA.
- The CRRA charges an annual fee. This fee is a legal requirement and has been registered with Alberta Land Titles as an encumbrance on each and every residential property that was developed wholly, or in partnership with United Communities Inc. Encumbrances have been placed on all of the homes that are located in Areas C and E in the map in Figure 1. If you would like to download a clearer view of this map (without the handwritten markings), please visit our website at <http://mycougarridge.com/landscaping.htm>.
- However, The City did not require the developers of Area D to put encumbrances on homes. In other words, about one quarter of Cougar Ridge – the middle part of the neighbourhood immediately east of 85th Street – does not have to pay the encumbrance.
- Nevertheless, The City’s policy is that for a community to obtain an LMA, it must be with a “single identifiable community” and not with separate portions of a community.
- According to The City, the CRRA has two options for obtaining an LMA:
  - Option 1: This is the only option that has been presented to the CRRA prior to March 17, 2010, and it is in keeping with The City’s policy that for a community to obtain an



LMA, it must be with a “single identifiable community” and not with separate portions of a community. The CRRA could enter into an LMA with The City for Areas C, D, and E in Cougar Ridge (bounded on the south by Old Banff Coach Road, on the east by 77 Street, on the west by the future Stoney Trail ring road, and on the north by Canada Olympic Park and the future Paskapoo Slopes Park). The City would provide the CRRA with the Parks Operating Grant for Areas C, D, and E.

- Option 2: This is a new option that The City first presented to the CRRA on March 17, 2010. The CRRA could enter into an LMA with The City for Areas C and E only. If the CRRA chooses to not maintain Area D, but Areas C and E only, the CRRA could receive a Parks Operating Grant for Areas C and E only, and The City would continue to maintain Area D at base level.
- Area A in Figure 1 is also called Cougar Ridge, but the developer of that section set up a separate RA for that neighbourhood.
- Private developers are responsible for establishing the RAs for new neighbourhoods.
- The City is responsible for the determining the regulatory climate under which RAs are established.
- The CRRA fee is currently \$100 per house and \$50 per townhouse per year, so we are currently able to collect \$125,750 per year from the 1,282 homes.
- The CRRA obtained several competitive quotes from private landscaping operators in 2009, and it would cost roughly \$300,000 per year to maintain Areas C, D, and E at a standard higher than the Parks base level.
- Albert Iamartino is The City’s Parks Community Liaison (PCL) for Cougar Ridge.

**Analysis:**

- The requirement to landscape Area D (as per Option 1 above) while not receiving RA fees from home owners in Area D would have placed an undue financial burden on the CRRA and reduced the value that home owners in Areas C and E can get for their money. This would have been unfair to the homeowners in Areas C and E.
- The CRRA therefore welcomes the addition of Option 2. We acknowledge the Parks department’s flexibility in coming up with this new option. We are also grateful for Alderman Connelly’s interest in this issue, and the role that interest may have played in the development of Option 2.
- The CRRA continues to have the following objections to the overall situation:
  - The balkanization of the residents associations (e.g., separate Cougar Ridge residents associations for Area A versus Area C-D-E) increases the volunteer workload on



community residents and decreases the RAs' bargaining power when dealing with The City and independent contractors.

- While the CRRA would welcome being relieved of the requirement to landscape Area D (as per the new Option 2 outlined above), we find it unfortunate that there will be different standards of landscaping and, potentially, different landscaping operators in a single identifiable community. This detracts from community cohesion.
- We cannot retroactively amalgamate the existing RAs in the area. That would require getting every single home owner to agree to change the encumbrance on their land title, which would be an impossible task.
- The CRRA estimates that, at our current CRRA fee levels, we could collect an additional approximately \$50,000 per year if there were encumbrances on the approximately 481 houses and approximately 37 town homes in Area D.
- We cannot retroactively add encumbrances to the homes in Area D. We would have to convince the homeowners in Area D to voluntarily do so, which would be an impossible task.
- Originally the CRRA was planning to ask for Alderman Connelly's help with finding a way to resolve the "free ride" issue in Area D, either by:
  - Relieving the CRRA of the requirement to landscape Area D *OR*
  - Agreeing to annually transfer to the CRRA an equivalent amount per household of the revenues lost to the CRRA due to the fact that the CRRA is unable to collect CRRA fees from the homes in Area D (this is the approximately \$50,000 per year at current rates that would be over and above the Parks Operating Grant of approximately \$20,000 per year at current rates).

As of March 17, 2010, it appears that the Parks department is willing to relive the CRRA of the requirement to landscape Area D, so this issue now appears to be resolved.

**Requests to Alderman Connelly from the CRRA:**

1. That The City require that the developers of any proposed or future developments in Areas F and B put encumbrances on all of the homes and to make those homes part of the existing Cougar Ridge Residents Association (Corporation No. 519200232). This would include the proposed development from Winsport for Area F.
2. That The City amend its current regulatory climate so that in future all developers in a given community must put encumbrances on all homes in a given community and all homes in a given community belong to one single residents association.

**Prepared by:** Susan V., President

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Figure 1: Map of Cougar Ridge (top of map is east)

