



## AGENDA

### INTERGOVERNMENTAL AFFAIRS COMMITTEE

May 13, 2021, 9:30 AM  
IN THE COUNCIL CHAMBER

Members

Mayor N. Nenshi, Chair  
Councillor G-C. Carra, Vice-Chair  
Councillor G. Chahal  
Councillor P. Demong  
Councillor J. Farkas  
Councillor J. Gondek  
Councillor E. Woolley

#### ***SPECIAL NOTES:***

*Public are encouraged to follow Council and Committee meetings using the live stream [Calgary.ca/WatchLive](https://calgary.ca/WatchLive)*

*Members may be participating remotely.*

1. CALL TO ORDER
2. OPENING REMARKS
3. CONFIRMATION OF AGENDA
4. CONFIRMATION OF MINUTES
  - 4.1. Minutes of the Regular Meeting of the Intergovernmental Affairs Committee, 2021 April 15
5. CONSENT AGENDA
  - 5.1. DEFERRALS AND PROCEDURAL REQUESTS  
None
  - 5.2. BRIEFINGS
    - 5.2.1. Federation of Canadian Municipalities Update – May 2021, IGA2021-0710
    - 5.2.2. Alberta Urban Municipalities Association (AUMA) Update – May 2021, IGA2021-0692

5.2.3. Calgary Metropolitan Region Board – April and May 2021 Board Meeting Updates, IGA2021-0653

5.2.4. Calgary Metropolitan Region Board - April 2021 Land Use and Servicing Committee Update No. 2, IGA2021-0601

6. POSTPONED REPORTS  
(including related/supplemental reports)

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1. Affordable Housing Intergovernmental Affairs Update, IGA2021-0294

7.2. Financial Task Force Recommendations - Provincial Engagement Plan, IGA2021-0615

7.3. Fiscal Framework Vote on a Question - Update, IGA2021-0616  
Attachment 2 held confidential pursuant to Section 21 (Disclosure harmful to intergovernmental affairs) of the *Freedom of Information and Protection of Privacy Act*.

**Review By: 2021 December 31**

8. ITEMS DIRECTLY TO COMMITTEE

8.1. REFERRED REPORTS  
None

8.2. NOTICE(S) OF MOTION  
None

9. URGENT BUSINESS

10. CONFIDENTIAL ITEMS

10.1. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1. Update on the Final Drafts of the Calgary Metropolitan Region Growth and Servicing Plans (Verbal), IGA2021-0675  
Held confidential pursuant to Sections 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act*.

10.2. URGENT BUSINESS

11. ADJOURNMENT



## MINUTES

### INTERGOVERNMENTAL AFFAIRS COMMITTEE

**April 15, 2021, 1:00 PM  
IN THE COUNCIL CHAMBER**

**PRESENT:** Mayor N. Nenshi, Chair  
Councillor G. Chahal (Remote Participation)  
Councillor P. Demong (Remote Participation)  
Councillor J. Farkas (Remote Participation)  
Councillor J. Gondek (Remote Participation)  
Councillor E. Woolley (Remote Participation)

**ABSENT:** Councillor G-C. Carra, Vice-Chair (Council Business)

**ALSO PRESENT:** A/General Manager C. Arthurs (Remote Participation)  
Legislative Advisor G. Chaudhary  
Legislative Advisor J. Palaschuk

1. **CALL TO ORDER**

Acting City Clerk Chaudhary called the Meeting to order at 1:06 p.m.

**ROLL CALL**

Councillor Chahal, Councillor Gondek, Councillor Demong, and Councillor Woolley

Absent for Roll Call

Mayor Nenshi, Councillor Carra and Councillor Farkas

Following nomination procedures, Councillor Demong was elected Chair of the Intergovernmental Affairs Committee, by acclamation.

2. **OPENING REMARKS**

No opening remarks were provided at today's meeting.

3. **CONFIRMATION OF AGENDA**

Councillor Farkas joined the Remote Meeting at 1:08 p.m.

**Moved by** Councillor Gondek

That the Agenda for the 2021 April 15 regular meeting of the Intergovernmental Affairs Committee be confirmed.

**MOTION CARRIED**

4. CONFIRMATION OF MINUTES

- 4.1 Minutes of the Regular Meeting of the Intergovernmental Affairs Committee, 2021 March 25

**Moved by** Councillor Chahal

That the Minutes of the 2021 March 25 Regular Meeting of the Intergovernmental Affairs Committee be confirmed.

**MOTION CARRIED**

5. CONSENT AGENDA

**Moved by** Councillor Gondek

That the Consent Agenda be approved as follows:

5.1 DEFERRALS AND PROCEDURAL REQUESTS

- 5.1.1 Deferral Request on Bearspaw Tri-Lateral Task Force in response to IGA2019-0809 deferred to no later than 2021 July 29, IGA2021-0564

5.2 BRIEFINGS

- 5.2.1 Federation of Canadian Municipalities Update – April 2021, IGA2021-0543
- 5.2.2 Alberta Urban Municipalities Association (AUMA) Update – April 2021, IGA2021-0558
- 5.2.3 Calgary Metropolitan Region Board – April 2021 Governance Committee Meeting Update, IGA2021-0565
- 5.2.4 Calgary Metropolitan Region Board - April 2021 Land Use and Servicing Committee Update, IGA2021-0523

**MOTION CARRIED**

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 7.1 City of Calgary - Rocky View County Intermunicipal Committee Update April 2021 (Verbal) - IGA2021-0567

Mayor Nenshi joined the meeting and assumed the Chair at 1:09 p.m. and Councillor Demong returned to his regular seat in Chamber.

Councillor Chahal provided a verbal update and was thanked by Committee.

**Moved by** Councillor Demong

That Committee add Item 10.2.1 Intergovernmental Affairs Update (Verbal), IGA2021-0605 as an Item of Confidential Urgent Business.

**MOTION CARRIED**

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

None

10.2 URGENT BUSINESS

**Moved by** Councillor Demong

That pursuant to Section 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting at 1:17 p.m., in the Council Boardroom, to discuss confidential matters with respect to the following Item:

- 10.2.1 Intergovernmental Affairs Update (Verbal), IGA2021-0605

ROLL CALL

Councillor Chahal, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Woolley, and Mayor Nenshi.

**MOTION CARRIED**

Committee reconvened in public meeting at 2:15 p.m. with Mayor Nenshi in the Chair.

ROLL CALL

Councillor Chahal, Councillor Demong, Councillor Farkas, Councillor Gondek, Councillor Woolley, and Mayor Nenshi.

**Moved by** Councillor Demong

That Committee rise and report.

**MOTION CARRIED**

10.2.1 Intergovernmental Affairs Update (Verbal), IGA2021-0605

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report IGA2021-0605:

Clerks: G. Chaudhary and J. Palaschuk. Advice: C. Arthurs, K. Cote, J. Clarke, N. Younger, A. McIntyre, D. Corbin, S. Deederly, and F. Snyders.

**Moved by** Councillor Demong

That with respect to Confidential Verbal Report IGA2021-0605, the following be approved:

That the Intergovernmental Affairs Committee keep the Closed Meeting discussions confidential pursuant to Section 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act*.

**MOTION CARRIED**

11. ADJOURNMENT

**Moved by** Councillor Farkas

That this meeting adjourn at 2:16 p.m.

**MOTION CARRIED**

The next Regular Meeting of the Intergovernmental Affairs Committee is scheduled to be held on 2021 May 13 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

---

CHAIR

---

ACTING CITY CLERK

# BRIEFING

Page 1 of 1

Item # 5.2.1

Deputy City Manager's Office Briefing to  
Intergovernmental Affairs Committee  
2021 May 13

ISC: UNRESTRICTED  
IGA2021-0710

## Federation of Canadian Municipalities Update – May 2021

---

### PURPOSE OF BRIEFING

To provide the Intergovernmental Affairs Committee (IGA) with information on recent and upcoming Federation of Canadian Municipalities (FCM) activities and events.

### SUPPORTING INFORMATION

#### FCM Annual Conference and Trade Show

[Registration](#) continues for FCM's Annual Conference and Trade Show, to take place virtually from 2021 May 31 to June 4. Early-bird rates are available through 2021 May 14.

As this year's event will not be in-person, attendees may wish to consider the [Conference Program](#) and add sessions of interest to their calendars in advance.

#### Response to Budget 2021

FCM responded favourably to the Government of Canada's Budget released April 19, citing alignment with key FCM priorities, including:

- Responding directly to the recommendations from FCM's Western Economic Solutions Taskforce, moving forward with major new investments in trade infrastructure and regional economic growth;
- Additional funding for climate adaptation and disaster mitigation projects
- Expansion of the federal-municipal Rapid Housing Initiative that will help to deliver affordable and supportive housing to more Canadians, though failing to meet the ambition of ending chronic homelessness.

#### Policy updates

The Canadian Radio-television and Telecommunications Commission (CRTC) affirmed FCM's arguments about the municipal role in 5G deployment and managing municipal rights of way. The decision includes some of the most significant policy pronouncements by the CRTC on the role of municipalities in ensuring that rights of way are managed in the public interest including cost allocation, coordination and documentation. More information can be found on the [FCM website](#).





# BRIEFING

Page 1 of 4

Item # 5.2.2

Deputy City Manager's Office Briefing to  
Intergovernmental Affairs Committee  
2021 May 13

ISC: UNRESTRICTED  
IGA2021-0692

## **Alberta Urban Municipalities Association (AUMA) Update – May 2021**

---

### **PURPOSE OF BRIEFING**

The City of Calgary (The City) is an active member within the Alberta Urban Municipalities Association (AUMA) and this briefing memo is a monthly update to the Intergovernmental Affairs Committee (IGA) on their activities and The City's work within the AUMA on provincial issues

### **SUPPORTING INFORMATION**

#### **Report on the AUMA's Spring 2021 Municipal Leaders' Caucus**

The AUMA hosted their annual Spring Municipal Leaders' Caucus (SMLC), which was held virtually via Zoom from 2021 April 14 to 16. Attendees comprised of 419 Albertan municipal elected officials and members of municipal administrations.

#### **Day 1: 2021 April 14**

The agenda had sessions regarding cutting municipal red tape in cooperation with local business, the final report from the AUMA's economic resiliency and recovery task force and on municipal finances and reserves.

#### **Day 2: 2021 April 15**

Attendees listened to remarks from the Leader of the Official Opposition in the Alberta Legislature and sessions regarding the recent changes to municipal election legislation, the upcoming province-wide vote of the electors for this fall and on the AUMA's Principles of Local Democracy and their proposed initiative to promote those principals in the coming fall municipal election. AUMA President Barry Morishita gave a report on the activities of the AUMA, including recent work on Coal Policy, addictions and mental health, health care, provincial policing, rural broadband, Extended Producer Responsibility (EPR), the Future of Municipal Government research project and climate change. President Morishita also announced publicly that the AUMA is undertaking a branding review, with results being announced at the fall AUMA convention. There was also votes on submitted request for decisions (RFDs) by the attending elected officials.

#### **Requests for Decisions (RFDs)**

There were three submitted RFDs that were all approved by the majority of attendees. AUMA is now following up on these items. The RFDs were:

- 1. Member RFD from the Town of Slave Lake - All Albertans Deserve Access to Justice** - That the AUMA advocate for the Minister of Justice and Solicitor General to ensure the justice system is properly resourced so that all Albertans have timely and equitable access.

AUMA's Safe and Healthy Communities Committee will discuss the RFD at their April meeting and will provide an advocacy recommendation for consideration at the

May AUMA Board meeting. The RFD compliments and expands AUMA's existing advocacy on policing and justice issues.

2. **Member RFD from the Village of Forestburg - Local Government Funding Framework (LGFF) Implementation** - That the AUMA advocate for the provincial government to implement the proposed Local Government Fiscal Framework (LGFF) at the beginning of the province's 2023-24 fiscal year with the following amendment: Removal of the 50 per cent limitation in the revenue index factor calculation so that annual changes in LGFF funding is equivalent to annual changes in the Government of Alberta's revenue.

This RFD has already influenced AUMA's advocacy on the LGFF. It provided the opportunity for AUMA to pose a question to the Ministers of Municipal Affairs and Finance during the Ministerial Dialogue Session at MLC regarding removal of the 50 per cent growth limit. In addition, on April 23, AUMA's Board approved sending a letter to the Minister of Municipal Affairs requesting a meeting to explore improvements to the LGFF as outlined in the RFD.

3. **Member RFD from the Village of Forestburg – Proposed Amendment to the Municipal Government Act – Division 5 Special Tax** - That the AUMA advocate for the provincial government to amend Section 382(1) of the Municipal Government Act to allow municipalities to pass a special tax bylaw to raise revenue to pay for policing services.

The RFD will inform AUMA's ongoing engagement with Municipal Affairs to advocate for enhancements to Alberta's property assessment and taxation regime. The Ministry indicates that it will conduct a red tape reduction review of MGA provisions related to assessment early next year. This provides the best chance to advocate for the legislation necessary to capture policing costs as a separate levy on municipal property tax notices. AUMA's Municipal Governance Committee is leading our advocacy on this file.

## Principals of Local Democracy

In early 2020, the Government of Alberta launched a review of the Local Authorities Election Act (LAEA). To guide AUMA's input, the organization developed principles regarding local elections which were overwhelmingly endorsed by AUMA members during a webinar last June. These were:

- Prevent big money from manipulating local elections by setting contribution limits that are achievable and realistic for grassroots supporters
- Allow municipalities to continue setting bylaws for candidates to disclose their full donor list and the amounts contributed before the municipal election date in 2021
- Make third-party advertising accountable by outlining clear declarations of contributors and by limiting the contribution amounts

AUMA forwarded these principals as recommendations to the Government of Alberta and was disappointed when the Government of Alberta ignored them in the legislation that were brought forward in the fall to amend the LAEA.

AUMA remains committed to these democratic principles and the AUMA Board proposed opportunities to the membership at the SMLC on how they could collectively promote and advocate for them over the coming summer and fall of 2021.

First, the AUMA Board proposed expanding the original principles of Local Democracy to highlight the importance of respect in democratic discourse. Given the significant anecdotal evidence that the toxicity of political discourse both online and in person is a deterrent to seeking office for new and returning candidates. This was endorsed by the majority of attendees.

Second, the AUMA Board proposed that the AUMA and its members encourage municipal candidates and councils in the coming fall election to make commitments to live out some of these principles in their campaigns. Adding this additional principle would complement the campaign being run by Quebec's municipal association. Their campaign is called "Respect in Democracy is Respecting Democracy" and it encourages Quebec municipalities to adopt a declaration of commitment to respectful, democratic debate.

AUMA believes that local elections should provide an opportunity for candidates and voters to demonstrate their continuing commitment to sharing their perspectives and seeking to understand differences without resorting to malicious attacks. The AUMA proposes this Pledge for Council and candidates to adopt the fall 2021 Election:

- Keep local elections local
- Maintain independence and non-partisanship
- Demonstrate transparency
- Engage in respectful dialogue

This proposal was also endorsed by the majority of attendees at the online SMLC meeting. The AUMA will provide further details and materials to the membership later in the spring on this matter.

Third, the AUMA sees opportunity to use the principles as a benchmark against which to assess the outcomes of the 2021 municipal elections and determine if further changes are needed to the LAEA.

## **Municipal Vote of Electors**

In the past, AUMA has not been engaged in advocacy related to plebiscites, nor have they encouraged municipalities to pose questions directly to voters. However, with the Government of Alberta indicating they will be placing province-wide questions on the ballot, there is a new opportunity for municipalities to collaborate and ask questions of their own. The AUMA Board did a straw poll of the attendees if they would be interested in the AUMA coordinating a municipal focused question in the fall. The majority of attendees voted they were not in favour of the AUMA taking on that role.

## **Day 3: 2021 April 16**

Participants heard remarks from the Alberta Premier Jason Kenney and from several Ministers who participated in a two-hour long question and answer ministerial dialogue session. Ministers attending included: Minister of Finance and President of Treasury Board Travis Toews; Minister of Municipal Affairs (acting) and Minister of Transportation Ric McIver; Minister of Environment

# BRIEFING

Page 4 of 4

Item # 5.2.2

and Parks Jason Nixon; Minister of Community and Social Services Rajan Sawhney; Minister of Infrastructure Prasad Panda; Minister of Seniors and Housing Josephine Pon; and Associate Minister of Mental Health & Addictions Jason Luan.

## **SMLC Resources**

At the start of each day's agenda there was a short presentation on mental health. The slide decks and presentations from all session the SMLC are available on [the AUMA's website](#).

## **Reminder – Deadline for Resolutions for the fall AUMA Convention**

If a municipality has identified any issue that may be a priority for municipalities throughout Alberta, AUMA reminds municipal councils to consider submitting a resolution for discussion at AUMA's Fall Convention: 2021 November 17 to 19. The deadline for submission of resolutions is 2021 June 30.

# BRIEFING

Page 1 of 2

Item # 5.2.3

**Deputy City Manager's Office Briefing to  
Intergovernmental Affairs Committee  
2021 May 13**

**ISC: UNRESTRICTED  
IGA2021-0653**

## **Calgary Metropolitan Region Board – April and May 2021 Board Meeting Updates**

### **PURPOSE OF BRIEFING**

The purpose of the briefing is to update the Intergovernmental Affairs Committee on the work of the Calgary Metropolitan Region Board (CMRB) from their meeting on 2021 April 23 and May 6. The Mayor represented The City at both meetings.

### **SUPPORTING INFORMATION**

#### *Summary of April 23 Meeting*

The Board discussed human resources and intergovernmental relationships in closed session.

The Board approved the audited financial statements.

CMRB Administration guided the Board through a series of outstanding matters related to the Growth Plan. The Board was asked to vote on each matter. The Board completed discussions on three matters and deferred one item to the Technical Advisory Group (i.e., regional administration). Discussion on two outstanding matters of concern was not completed and deferred to the next Board meeting on May 6.

As there was not sufficient time to complete the meeting agenda, a number of additional agenda items were also deferred to the next Board meeting on May 6. Agenda items include a discussion on the Servicing Plan, an update on the Phase 3 Public Engagement process and a COVID update from the Deputy Minister of Municipal Affairs.

#### *Summary of May 6 Meeting*

The Assistant Deputy Minister of Municipal Affairs, Dale Beesley, indicated to the Board that with regard to the Growth and Servicing Plans, key priorities for the Minister are efficient servicing and coordinated land use planning. A comprehensive cross-ministry review process will be undertaken to aid in the Minister's decision on the Growth and Servicing Plans. A decision from the Minister is expected in fall 2021 after the municipal elections.

The Board discussed the approach to manage the review of statutory plans between the time when the Board and the Minister of Municipal Affairs approves the Growth Plan. Though all relevant plans must be reviewed against the Interim Growth Plan, the Municipal Government Act gives the Board the authority to establish a date by which all member municipalities must ensure their statutory plans and bylaws conform with the Growth Plan. After debating a number of options, the Board voted to support Option B:

“Statutory Plans and Statutory Plan amendments adopted between June 1, 2021 and when the Minister of Municipal Affairs approves the Growth Plan through a Ministerial Order must align to the Growth Plan by June 1, 2022 (or date established by the Board). This would include ASPs and ARPs approved after June 1, 2021.”

The Board discussed the newly created Board vision. Foothills County raised concerns regarding some of the wording in the vision. Instead of voting to approve the vision, the Board moved to accept the vision for information and bring the vision to the Board at a subsequent meeting to make a decision.

# BRIEFING

Page 2 of 2

Item # 5.2.3

The Board approved the Phase 3 Engagement Summary.

CMRB Administration guided the Board through a series of Growth Plan policy matters. The Board was asked to vote on each matter. The Board completed discussions on some matters and deferred others to the Technical Advisory Group (i.e., regional administration). Much discussion centred on the creation and supporting policy for local employment in rural municipalities and the addition of an Employment Area to the Harmony Hamlet Growth Area.

# BRIEFING

Page 1 of 1

Item # 5.2.4

**Deputy City Manager's Office Briefing to  
Intergovernmental Affairs Committee  
2021 May 13**

**ISC: UNRESTRICTED  
IGA2021-0601**

## **Calgary Metropolitan Region Board - April 2021 Land Use and Servicing Committee Update No. 2**

---

### **PURPOSE OF BRIEFING**

The purpose of the briefing is to update the Intergovernmental Affairs Committee on the work of the Calgary Metropolitan Region Board (CMRB) Land Use and Servicing Committee from their second April meeting on 2021 April 15. Councillor Carra represented The City.

### **SUPPORTING INFORMATION**

The Committee received an update on the Phase 3 Public Engagement process. The consultant expressed disappointment that there was a media campaign about the public engagement and indicated that the results may be skewed. The update was accepted for information.

The Committee was guided through a discussion on the Servicing Plan through a series of questions. The discussion will inform future iterations of the Servicing Plan.

The Committee was guided through a discussion on the draft Growth Plan. There was substantial debate on matters related to the density of development in rural areas, expansion of Hamlet Growth Areas and the location of Employment Areas outside of Preferred Growth Areas.

The update on the Phase 3 Public Engagement process, Servicing Plan and draft Growth Plan were forwarded to the April 23 CMRB Board meeting.





## Affordable Housing Intergovernmental Affairs Update

### RECOMMENDATION:

That the Intergovernmental Affairs Committee affirm the Affordable Housing Advocacy Goals and endorse the related 2021-2022 Priorities set out in Attachment 1.

### HIGHLIGHTS

- Federal capital funding opportunities and pending priority shifts provincially related to the delivery of affordable housing are each expected to emerge in summer 2021 and we must be ready to respond. Aligned to *Foundations for Home: Calgary's Corporate Affordable Housing Strategy (2016-2025)* (CAHS), notable progress has been made towards the Affordable Housing Advocacy Goals since they were established in 2018. Continued intergovernmental affairs efforts aligned with these goals and related priorities serve to improve Calgary's affordable housing system for low and moderate-income Calgarians.
- **What does this mean to Calgarians:** Affordable housing matters to Calgarians: 64% of Calgarians say they want to see more investment in affordable housing for low-income families. Success in advocacy efforts will enable the non-market housing sector to create new homes to benefit Calgarians in housing need.
- **Why does it matter?** Calgary urgently needs more affordable housing. Calgary's affordable housing strategy and related Advocacy Goals are aimed at both maintaining and increasing the affordable housing supply and have helped create an average of 300 new affordable homes annually since 2016. Calgary lags behind other major cities in terms of share of non-market housing and needs to add 15,000 such homes just to "get to average."
- Co-operation among all orders of government and community partners is crucial to achieving investments in affordable housing and improving lives of Calgarians in housing need. The Affordable Housing Advocacy Goals have proven adaptable to the shifts in the social, political and economic environments impacting affordable housing development and operations. The Advocacy Goals and 2021-2022 Priorities are strategic and broad enough to be proactive and responsive to evolving scenarios and opportunities.
- Calgary's *COVID-19 Community Affordable Housing Advocacy Plan* – approved by IGA in July 2020 – called for combined federal and provincial capital funding of \$583.3M to deliver housing for 12,000 Calgarians. This community plan, endorsed by more than 40 non-market and private sector stakeholders, is an example of how existing Advocacy Goals have enabled community leadership.
- Council received for information, on 2018 January 24, the *Affordable Housing Federal and Provincial Update*, and *2018 Affordable Housing Advocacy Goals*. Attachment 1 outlines the approved Advocacy Goals and updated 2021-2022 Priorities.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city

### DISCUSSION

#### Changing Landscape:

Calgary's Affordable Housing Advocacy Goals were established in 2018 in recognition of the city's notable shortfall in non-market housing (3.6% of total housing stock compared to 6% in most major cities, representing a deficiency of 15,000 units comparatively). Since Council's approval of *Calgary's Corporate Affordable Housing Strategy (CAHS)*, there have been two provincial government changes as well as a transition in the federal government, the latter of

## **Affordable Housing Intergovernmental Affairs Update**

which prompted the creation of the National Housing Strategy (NHS). These changes to the political, funding and operating landscape signal the need to update the CAHS and associated actions and implementation plan, including an update to the Affordable Housing Advocacy Goals. Flowing from the strategy update, work to adjust our Advocacy Goals to better address opportunities and challenges brought on by changing positions of other governments. This work will be undertaken within the next 18 months. While we continue to deliver on the objectives and priorities of the CAHS, the previously approved Advocacy Goals provide a suitable framework for responding to emerging intergovernmental opportunities and community expectations (see Attachment 1).

Housing for all is possible. Calgary's non-market housing sector has started to move the needle on improving the affordable housing supply, delivering 1,892 new homes between 2016 and 2020 (see Attachment 2). While acknowledging the sector's collective gains, Calgary's need for affordable homes is increasing more quickly than we are building. More than 100,000 households are forecast to be in housing need by 2025 as a result of population growth. The impacts of COVID-19 and the economic downturn may bring further pressure as Calgarians experience income and housing disruptions. The need is particularly acute for people experiencing homelessness, as the hardships of the pandemic continue to threaten health and safety.

Calgary requires sustained funding and policy tools from other orders of government to flow through to our affordable housing sector. Our Advocacy Goals set a framework for continued work to enable non-market providers and secure the investments necessary to address affordable housing needs. Now is the time for Calgary's bold collective plan for reaching targets outlined in the community endorsed COVID-19 Community Affordable Housing Advocacy Plan (Attachment 3 Cover Sheet\_COVID-19 Community Affordable Housing Advocacy Plan and Attachment 4 COVID-19 Community Affordable Housing Advocacy Plan and Ask).

### **Federal Outlook:**

The most significant dollars into Calgary's housing supply in recent years have come via programs under the federal government's National Housing Strategy (NHS). Over the past three years, Administration has worked with non-market housing providers, private sector partners and Canada Mortgage and Housing Corporation (CMHC) to secure grants and lending. This includes the launch of CMHC's Rapid Housing Initiative (RHI), through which Calgary secured and flowed \$24.6M in capital funding for three non-profit projects (176 units) in December 2020. That said, 2020 RHI results for Calgary left 11 ready-projects unfunded (Attachment 5: IGA2020-0807 What We Heard\_Community Feedback on Affordable Housing Advocacy). An additional \$1.5B commitment to RHI was announced in Federal Budget 2021 and continued advocacy to ensure Calgary receives an equitable share is a key priority. Given that Calgary received 2.4% of the available first-round RHI but represents 4% of the population and more than 8% of Canada's homeless population, advocacy to maximize investment from RHI is ongoing. There is risk that, if CMHC criteria and provincial and municipal approaches related to RHI do not shift, Calgary may miss out on this opportunity.

### **Provincial Outlook:**

Continuing shifts in provincial priorities related to affordable housing require us to be nimble, reacting to opportunities and responding to challenges. Last year, our Advocacy Goals supported the successful negotiation of a new operating agreement between the Government of Alberta and the City in the *2021-2024 City-Owned Social Housing Operating Agreement* signed in 2020 July.

## **Affordable Housing Intergovernmental Affairs Update**

Through this new agreement, with financial commitments and the transition to a social housing mixed-rent model, Calgary Housing Company will be able to make long-needed investments in repairs and maintenance to City-owned properties.

In 2020 July, the province announced an Affordable Housing Review Panel (Attachment 6 Alberta Budget and Affordable Housing Review Panel) to “identify ways to make affordable housing more efficient and effective, including examining legislation and how housing assets are funded and operated.” Provincial work is now underway to enact the 19 recommendations of the Panel, accepted in 2020 December. A new provincial strategic plan for housing is expected in summer 2021. Focus will be required on expected actions related to establishing a coordinated tenant portal and movement related to the valuation and transfer of provincially owned land and building assets (expected in fall 2021) to ensure homes for Albertans in greatest need are retained.

Consistent with the Panel recommendations, Alberta Budget 2021 included the reinstatement of \$16M to the rental assistance (rent supplement) program budget, restoring the program to Budget 2019 levels. Province-wide, the capital maintenance and renewal budget decreased by 6%, representing a continued disinvestment in the upkeep of affordable housing. Budget 2021 contained no new capital funding for affordable housing development beyond that already committed. There was also no change in funding targeted to the operation of supportive housing which enables Albertans with high needs to remain housed.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☒ Public/Stakeholders were informed
- ☒ Stakeholder or customer dialogue/relations were undertaken

Public communication and engagement was not required as part of this update report, however, Administration is closely connected with non-market housing providers and other stakeholders in our collective response to addressing the affordable housing need. Cross-corporate efforts ensure programs enable non-market housing providers in delivering new homes (see Attachment 5: What We Heard – Community Feedback on Affordable Housing Advocacy).

Council’s affirmation of the Advocacy Goals will enable Administration’s onward participation on federal and provincial advocacy issues in partnership with community and other housing influencers including: Federation of Canadian Municipalities, Canadian Housing & Renewal Association, the Alberta Big City Table, and Alberta Seniors and Community Housing Association (ASCHA). Of note, Calgary’s Community Housing Affordability Collective (CHAC) steering committee and membership is exploring alignment with ASCHA.

### **IMPLICATIONS**

#### **Social**

Affordable housing is foundational to individual and community well-being. Income disruptions resulting from COVID-19 and Calgary’s economic downturn may exacerbate the demand for affordable housing, which pre-pandemic, was pegged at 100,000 new units by 2025.

**Community Services Report to  
Intergovernmental Affairs Committee**

**ISC: UNRESTRICTED  
IGA2021-0294  
Page 4 of 4**

## **Affordable Housing Intergovernmental Affairs Update**

### **Environmental**

New non-market affordable housing projects follow local, provincial and national environmental standards and requirements for environmental efficiency. Projects that re-use existing assets reduce impact on traffic, transportation of goods and site preparation.

### **Economic**

Affordable housing supports economic resilience by providing homes in close proximity to employment areas and transportation networks. Affordable housing availability is an important consideration for businesses looking to locate in Calgary, and considering local workforce needs. Building affordable housing will stimulate Calgary's economy through construction job creation. Affordable housing is Calgary's top infrastructure priority investment area.

### **Service and Financial Implications**

*Existing operating funding – Base (\$0)*

Ongoing advocacy related to affordable housing is resourced within the existing operating budget. If additional investment in affordable housing from other orders of government is secured, additional positions may need to be funded. If this were to be the case, Administration would bring forward a budget request at the relevant time.

### **RISK**

Successful implementation of Calgary's affordable housing advocacy goals depends in part on factors outside the control of Council and Administration.

<b>Risk</b>	<b>Likelihood/ Impact</b>	<b>Description/ Mitigation</b>
Misalignment of provincial and federal priorities may hamper Calgary's ability to access capital funds for affordable housing.	High	Calgary's collective ability to access investment from other orders of government will be a key determinant in how affordable housing needs in our community are addressed. The "stacking" of intergovernmental investments is key. Lack of capital, programmatic or operational funding limits the ability to provide new affordable homes at the pace necessary to address demand. For example, CMHC criteria for RHI require investment from provincial and municipal partners. Mitigation: Continued advancement on Advocacy Goals, and identification of resources to lever investment.

### **ATTACHMENTS**

1. Affordable Housing Advocacy Goals Priorities 2021-22
2. Affordable Housing Development Monitor 202104 Public Infographic
3. Cover Sheet COVID-19 Community Affordable Housing Advocacy Plan
4. COVID-19 Community Advocacy Plan Overview and Ask
5. What We Heard Community Feedback on Affordable Housing Advocacy
6. Alberta Budget and Affordable Housing Review Panel

Department Circulation

General Manager	Department	Approve/Consult/Inform
Chris Arthurs	Deputy City Manager	Inform

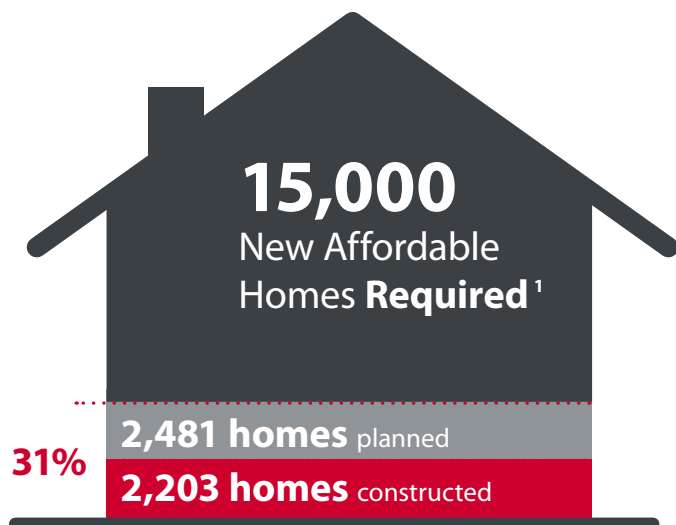
**Affordable Housing Advocacy Goals:**  
Priorities for 2021/2022

2018 Approved Advocacy Goals	Refreshed Advocacy Priorities for 2021-2022
1. Create a citizen-centric housing system that focuses on people's needs and supports progress through the housing spectrum.	<ul style="list-style-type: none"> <li>• Monitor and respond to implementation of the Government of Alberta's Affordable Housing Review Panel recommendations including establishment of a provincial strategic plan for affordable housing, a tenant access portal for affordable housing and considerations related to asset transfer.</li> <li>• Identify the role of The City in better supporting the delivery of affordable housing for urban Indigenous Calgarians.</li> </ul>
2. All orders of government need to work together to create a strong network of non-profit housing providers.	<ul style="list-style-type: none"> <li>• Continue to champion federal and provincial investment in the <i>COVID-19 Community Affordable Housing Advocacy Plan</i> which seeks to create 5,400 homes across the continuum including 600 homes for people exiting homelessness, within three years.</li> </ul>
3. Sustained, expanded and consistent capital funding is required to address deferred maintenance and increase the supply of non-market housing in Calgary from 3% to 6%.	<ul style="list-style-type: none"> <li>• Continue to work with Canada Mortgage and Housing Corporation (CMHC) to ensure all funding streams of the National Housing Strategy (i.e. Co-Investment, Rental Construction Financing, Rapid Housing Initiative) effectively address key housing needs. Seek to prioritize grant-based funding over equity investments and loans.</li> <li>• Work with the federal government and CMHC on the 2021 round of the Rapid Housing Initiative: <ul style="list-style-type: none"> <li>○ Advocate with CMHC for adjustments to RHI criteria related to typology, operational funding and project risk.</li> <li>○ Advocate with the Government of Alberta to engage in RHI and consider operational and program funding for supportive housing in units created with RHI capital funds.</li> <li>○ Support Calgary's non-market housing sector through RHI by reviewing and enabling City supports.</li> </ul> </li> <li>• Advocate for provincial capital funding to enable delivery of The City's 10 Year Affordable Housing Capital Development Plan.</li> </ul>
4. Support housing providers to transition to sustainable operating models with no net loss of high need households served.	<ul style="list-style-type: none"> <li>• Partner with Calgary Housing Company on the negotiation of operating agreements for provincially owned housing, and the transition to a predictable and sustainable financial model.</li> </ul>



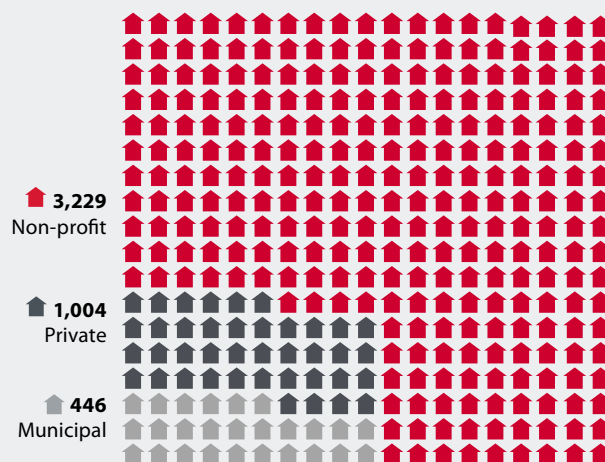


# New Affordable Housing Development in Calgary since 2016

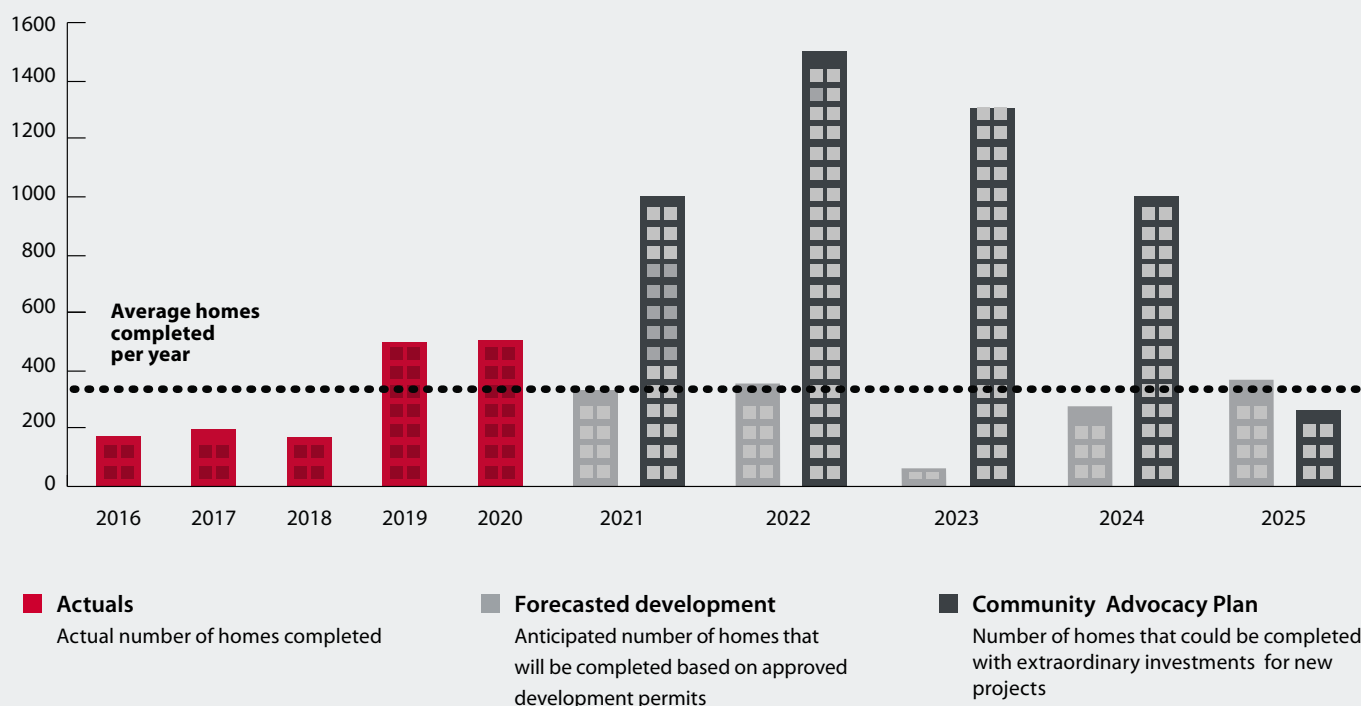


## Affordable Homes by Sector

The non-profit sector accounts for the large majority of the affordable housing units that have been built or that are currently planned.



## Forecasted Affordable Homes Completed by Year



<sup>1</sup> As of 2016, 15,000 new affordable housing units were required in order for Calgary to have the same proportion of affordable housing as other major Canadian cities.





## COVID-19 Community Affordable Housing Advocacy Plan

### About the Plan:

In 2020, the need for affordable housing was highlighted as Canadians were told “home is the safest place” to retreat to as the COVID-19 pandemic took hold. In this context, The City formed a committee of more than 40 organizations from across the affordable housing sector with a goal to seek combined federal and provincial capital support of \$583.3M called for in the *COVID-19 Community Affordable Housing Advocacy Plan* (the Plan). The Plan addresses key gaps in Calgary’s housing system, including capital and operational investments for the provision of supportive housing for those exiting homelessness, and is an example of how our advocacy positions have been a platform for community leadership.

- The Plan is a blueprint for delivering housing for 12,000 vulnerable Calgarians through building or securing more than 5,400 new non-profit housing units – creating a more self-sustaining asset base and effectively ending functional homelessness in our city.
- The Plan seeks to leverage already-committed dollars, available surplus product, and the readiness of the non-profit sector to deliver 22-shovel ready affordable housing construction projects upon confirmation of funding.
- The Plan does not request additional funds from The City. Instead, investment from other orders of government was requested to close the gap and deliver at a community scale. Specifically, the Plan calls for a federal investment of just less than 60% with the remaining balance sought from Government of Alberta.
- The Plan was presented and approved by IGA Committee in July 2020. Thus far, \$24.6M in federal funding (via RHI) has been committed to create 176 units and a further \$15M in provincial investment (via the Municipal Stimulus Program) of which \$9.3M will go to the repair and renovation of City-owned and Calgary Housing Company units with the remaining \$5.7M for the redevelopment of Rundle Manor (135 units).
- Work on the Advocacy Plan will continue via shared leadership by The City and community.



## COVID-19 Community Affordable Housing Advocacy Plan

### Why Here, Why Now

#### ECONOMIC CASE

Calgary is experiencing severe economic challenges due to COVID-19, on top of an energy sector recession.

- 15.5% unemployment – higher than the national average of 12.3%
- Market rental vacancy at 3 to 4% with expected increase in evictions
- CMHC forecast declines of 43 to 64% in housing starts, and a decline of up to 12% in Calgary home prices

#### AFFORDABLE HOUSING DEFICIT

The strain of these economic crises has amplified already existing non-market housing challenges.

- 3.6% of households are supported by non-market housing, vs. 6% nationwide
- Calgary needs to add approximately 15,000 new affordable housing units to be average

- Affordable housing need has remained constant at 18%
- More than 100,000 households are forecast to be in housing need by 2025
- Calgary has more than 50% of Alberta's homeless population, with almost 3,000 people experiencing homelessness on any given night

#### THE CALGARY OPPORTUNITY

- Housing for all is possible with existing units
- Surplus hotel & multifamily units are available – purchases at favourable pricing could stave off private sector defaults
- Keep Calgary building – 22-shovel ready affordable housing construction projects will create 2,800 temporary jobs
- Boosting the non-profit provider asset base makes affordable housing more sustainable, reducing dependence on government investment

### Stakeholder Engagement

#### COVID-19 HOUSING PROVIDERS' COMMITTEE

The COVID-19 Housing Provider's Committee is comprised of 65 individuals 40+ organizations from private, non-profit, and government housing sectors, representing more than 45,000 homes in Calgary.

Representatives are from organizations that serve the following sub-populations: Calgarians experiencing homelessness; senior Calgarians; Indigenous people; families.

The committee also includes organizations and associations representing: non-market rental housing and homeownership; market rental landlords; private sector builders and developers; provincial and federal government.

#### COVID-19 COMMUNITY AFFORDABLE HOUSING ADVOCACY PLAN

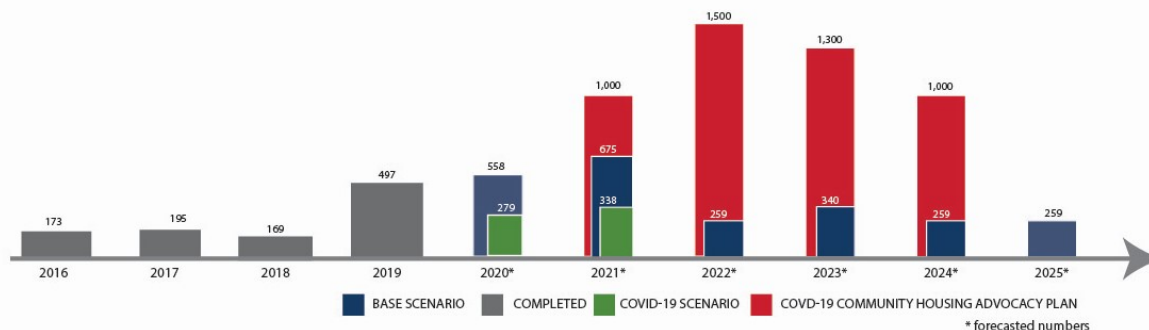
The COVID-19 Community Affordable Housing Advocacy Plan has been developed with the perspective that housing underpins health and safety and is an essential component of a strong economy.

The Plan was led by community through the COVID-19 Housing Providers' Committee. With research and project management support provided by City Administration, the Plan was developed by a working group of the committee, with validation and input from the broader committee.

The Plan will continue to evolve as further input and alignment with community and government stakeholders is sought.

## Non-Profit Housing Development Scenarios

- **Base scenario:** Reflects estimate completion date of current projects under development or average number of yearly completions (259), whichever is greater.
- **COVID-19 scenario:** Reflects a 50% decrease to the base forecast for 2020 and 2021.
- **Advocacy scenario:** Reflects increase based on extraordinary investments made through the COVID-19 Community Affordable Housing Advocacy Plan.



## 22 Shovel-Ready Projects

Agency	# of Projects	Total Budget	Approved	Request	Units
HomeSpace	4	\$55.0	\$25.6	\$16.0	227
Potential Place	1	\$25.0	\$22.0	\$3.0	80
Horizon Housing	4	\$122.5	\$61.3	\$61.3	517
Silvera for Seniors	4	\$79.9	\$12.6	\$67.3	368
Attainable Homes Calgary	3	\$45.0	land	\$45.0	196
Jack Long Foundation	1	\$4.2	\$2.1	\$2.1	17
The Mustard Seed	1	\$4.8	\$1.2	\$3.7	24
The City of Calgary	4	\$115.3	\$61.2	\$39.1	378
<b>TOTAL</b>	<b>22</b>	<b>\$451.7</b>	<b>\$185.9</b>	<b>\$237.4</b>	<b>1,807</b>

22 shovel-ready projects

+

3,300 units delivered through partnership over 3 years

=

5,100 NEW NON-PROFIT UNITS BUILT & ACQUIRED

## Two Streams

Streams are interdependent & concurrent:

### STREAM 1:

Rapidly secure SUPPORTIVE HOUSING for up to 600 Calgarians exiting homelessness, helping people remain safely housed before additional COVID-19 waves.

### STREAM 2:

BUILD, ACQUIRE & PARTNER to stimulate the economy & strengthen affordable housing sector.

**Nearly  
12,000\*  
Calgarians  
are home.**

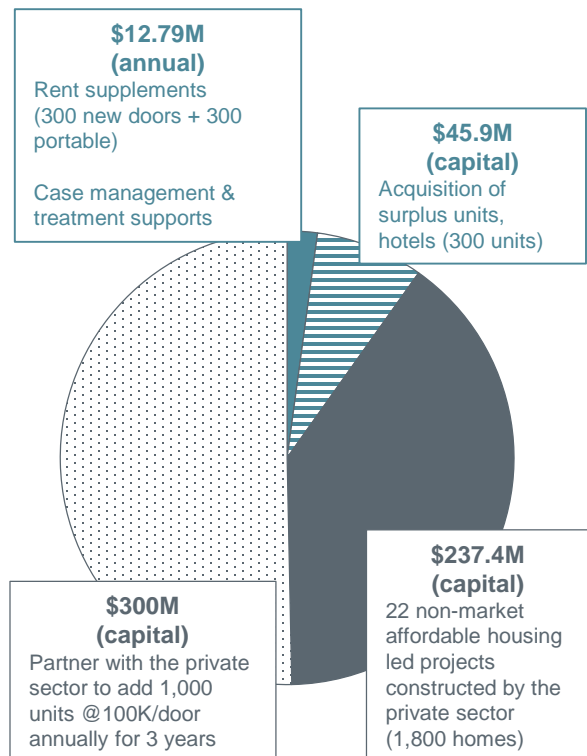
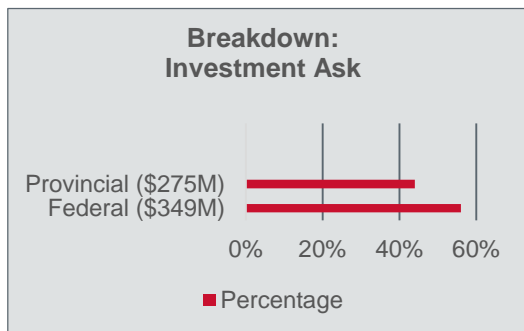
\*Includes new units, rent supplements. 2.2 people per household.

## The Ask: Provincial & Federal Investment

### LEGEND:

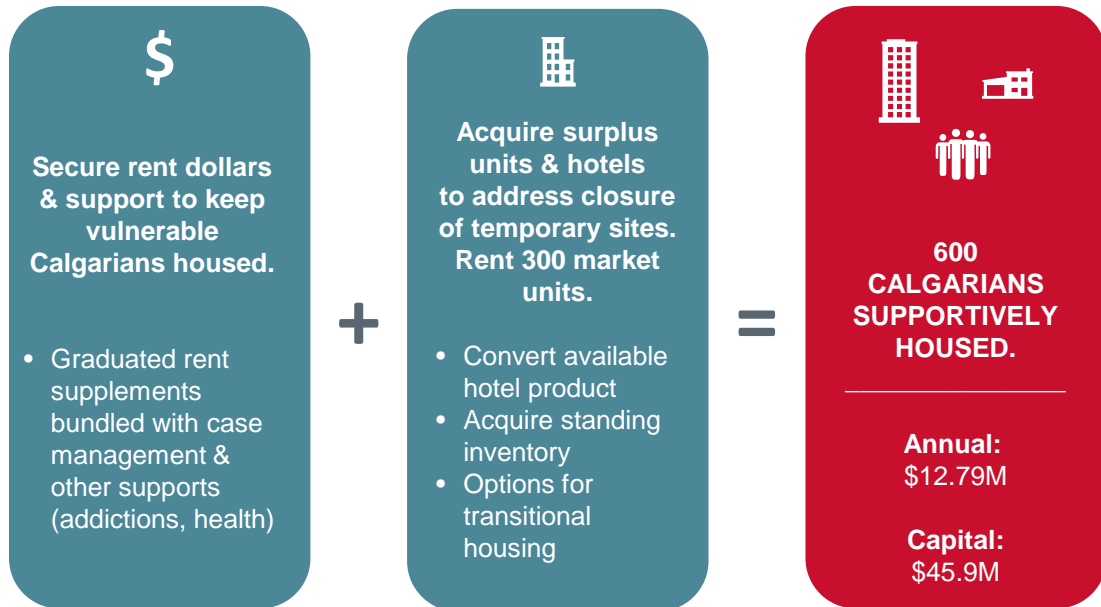
**STREAM 1:**  
Secure supportive housing for  
600+ Calgarians

**STREAM 2:**  
Build, acquire & partner



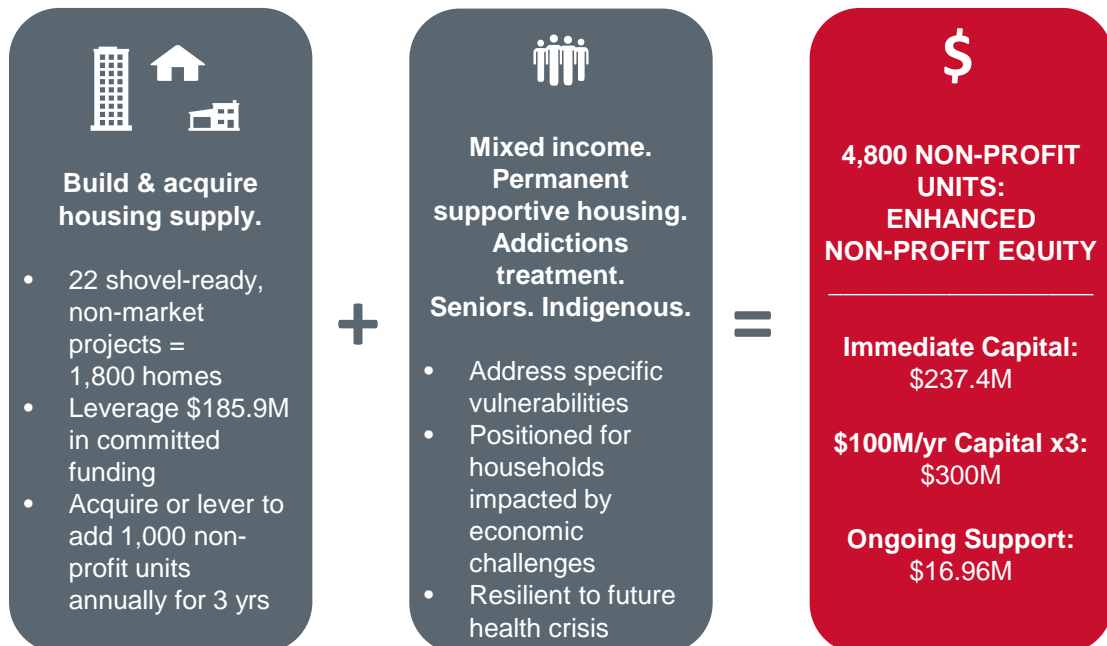
## Stream 1

Rapidly secure SUPPORTIVE HOUSING for up to 600 Calgarians exiting homelessness, helping people remain safely housed before additional COVID-19 waves.



## Stream 2

BUILD, ACQUIRE & PARTNER to stimulate the economy & strengthen affordable housing sector.



## What We Heard:

### Community Feedback on Affordable Housing Advocacy

In response to advocacy from The City and the Federation of Canadian Municipalities, Canada Mortgage and Housing Corporation (CMHC) launched the Rapid Housing Initiative (RHI) in 2020 October to create new homes for those in severe housing need and stimulate the economy. With Council approval in December 2020, the City confirmed capital funding for three non-market projects delivering 176 units to be funded under the RHI Major Cities stream for a total of \$24.6M.

The City submitted two additional projects and community housing providers also directly submitted nine projects to CMHC through the Projects Stream, for a total of 11 Calgary Project Stream applications, none of which were supported by the RHI program. The points below are a summary of what we have heard from community interactions with housing providers, including an 18 March 2021 meeting of approximately 40 Calgary housing providers organized by Administration to debrief and discuss onward collective action.

### Community Feedback on Affordable Housing Advocacy in Relation to RHI

- **Continued joint advocacy and shared voice** will be important to bring transformational investment to Calgary. Continued advocacy efforts (province, federal) is necessary, as is determining how the community of providers and The City could adjust to the same criteria for RHI Round 2.
  - Key insights:
    - Financial participation from municipalities and/or provinces was a precondition of RHI investment success across the country, highlighting the negative impact that limited bi-lateral participation in Alberta had on Calgary's RHI results.
    - As a community of providers, community collaboration is essential. Providers need to avoid competing against each other and thereby driving up costs and undermining the residents that we all want to serve.
- **Praise for City Support:** Housing providers expressed strong praise for City programs and support from City departments in considering or pursuing an RHI opportunity. This included gratitude for:
  - City programs such as the Housing Incentive Program pre-development grants and fee rebates;
  - Expedited pre-application, land use and planning reviews;
  - City departments supporting RHI applications included Law, Planning and Development, Real Estate and Development Services, Finance and Risk, Calgary Neighbourhoods and Calgary Housing
  - Providers had mixed responses to feeling supported by CMHC and the province in their RHI applications.
- **Advocacy to CMHC concerning criteria in future rounds of RHI is needed** due to the gaps in the program identified in Round 1. These gaps include:
  - *Burden of risk is on non-profits* - RHI applications required a considerable amount of investment from non-profits.
  - *Many parts of the housing continuum were shut out* of the RHI opportunity due to the program criteria related to building form (modular, non-residential conversions and reclamation of closed units).
  - *Exclusion of mixed-market housing* is short sighted and prevents growth in the non-market housing sector, as well as perpetuating a system that requires reliance on government funding.
  - *Program requirement for operating and support funding commitments* should only be necessary for serving people with high levels of acuity.
  - *Criteria encourages poor value per unit* by requiring very specific construction models that are not necessarily what is needed or best in the Calgary context (i.e. vacant market housing units were ineligible).
  - *The economic conditions in each city* were not taken into consideration.

- **RHI passed the risk to Cities:** A significant driver the design of the RHI program was CMHC's "need for speed" and need to mitigate the underwriting risks inherent in its other funding programs. Within the Major Cities Stream, municipalities agreed to annual attestation for the success of the projects. The expectation for operating costs was another strategy to mitigate risk.
- **Beyond RHI, other forms of housing investment from CMHC and the province remains essential.** The volume of applications to RHI was indicative of providers' nimbleness and readiness to respond quickly to opportunities. CMHC and the province must focus on enhancing funding opportunities to ensure speed of delivery, value for taxpayers and investment in affordable housing across the continuum.



## Alberta Budget 2021 and Affordable Housing Review Panel

### Alberta Budget 2021: Affordable Housing Implications

On 25 February 2021, the Honourable Travis Toews, President of the Treasury Board and Minister of Finance, tabled the Government of Alberta's 2021-22 budget. Since the February 2020 budget, Alberta has faced a triple black swan event – historically low oil prices, the COVID-19 pandemic, and the global economic recession. Provincial budget 2021 budget reflects this unprecedented situation by focusing on three key themes:

- 1) Protecting Lives - through with investments in healthcare
- 2) Protecting Livelihoods – by preparing for economic recovery and
- 3) Fiscal Accountability - by “maintaining responsible spending”.

#### **Seniors and Housing:**

*Capital Maintenance and Renewal Program* – The 2021-22 budget reduces capital maintenance and renewal funding for affordable housing by 6 per cent, representing a continued trend of disinvestment in Affordable Housing. Provincial affordable housing operated by Calgary Housing Company (CHC) is seeing a disproportionate 60 per cent decrease in capital maintenance renewal funding. This funding is insufficient to support lifecycle projects and suite renovations to ensure that homes meet the Alberta Minimum Housing and Health Standards and homes remain open and available for Albertans. After decades of underfunding for social housing in Alberta, this is a crucial time. Social housing is aging and is at a point where investment can double the lifecycle of the homes for a fractional repair cost compared to building new.

*Operating Funding* - We are cautiously optimistic with the moderate 5 per cent increase in Alberta Social Housing Corporation operating funding. Over 6,000 Calgary households depend on deeply subsidized housing from provincial and federal governments, of which nearly 4,000 units are operated by CHC. This funding is vital for CHC to continue to maintain and operate social housing units that support low income Calgarians. Bold investments are needed to implement the recommendations of the Affordable Housing Review Panel to meet the growing need for affordable housing, forecast to exceed 100,000 Calgary households by 2025.

The \$16M reinstatement to the *Rental Assistance Program* is welcomed and we look forward to better understanding the program design, including depth of subsidy and target populations to ensure the housing needs of vulnerable Calgarians are met.

*Capital Funding for New Affordable Units* - The 2021-22 Budget contains no new funding for affordable housing development beyond what has already been committed, while the need for more affordable housing remains great. Reductions in the capital plan for affordable and specialized housing and reduced targets for creating new units in subsequent years are concerning. The City recently submitted a funding request to The Province for \$35.8M for our 10 Year Affordable Housing Capital Development Plan. This funding will support the creation of 330 new homes across 6 projects, constructed by the private sector over the next ten years. Without provincial investment in affordable housing, there will be limited opportunity to leverage federal investment in Alberta.

## Government of Alberta's Affordable Housing Review Panel

In July 2020, the Government of Alberta launched the Affordable Housing Review Panel. The Panel was tasked to "identify ways to make affordable housing more efficient and effective, including examining legislation and how housing assets are funded and operated."

In August 2020, The City of Calgary, Calgary Housing Company and the Community Housing Affordability Collective each made written submissions to the Panel. The City's submission, framed by the approved advocacy goals, outlined the following the priorities for the Panel's consideration:

- Investing in the non-profit housing sector through supporting strategic growth.
- Creating a citizen-centric housing system through collaborating and aligning investment in supports for vulnerable Albertans across Provincial ministries.
- Help facilitate appropriate private sector involvement by allowing for longer term housing agreements and increasing the rent supplement program.
- Investing in maintaining existing affordable housing, supporting mixed-rent housing models and providing predictable capital for the development of new affordable housing.

### **Panel Recommendations:**

The recommendations of the Panel were [released](#) on 11 December 2020 and all 19 recommendations outlined in the final report were accepted by the Government of Alberta. The recommendations are framed on the principles of: bold action, fairness, equity and inclusiveness, one size does not fit all, and efficiency, sustainability and financial responsibility.

A summary of the Panel's recommendations is below:

- Develop a provincial strategic plan for housing (expected summer 2021).
- Create a plan to manage and transfer provincially owned-land and buildings (plan expected fall 2021).
- Build the capacity of housing providers.
- Provide a rent subsidy for Albertans who need temporary support but are not eligible for existing programs (launched April 2021).
- Support innovative approaches to housing, such as mixed-income, mixed-use.
- Simplify processes for applicants, tenants and housing operators. (access portal phase 1 expected June 2021)

Three of the recommendations were specific to the role of municipalities. Council direction through the *Foundations for Home: Calgary's Corporate Affordable Housing Strategy* means Calgary has addressed some of the following:

- Encourage municipalities to develop local affordable housing and homelessness plans.
- Update regulations and streamline planning and approval processes for capital projects.
- More local control over prioritization to promote local solutions.

Deputy City Manager's Office Report to  
Intergovernmental Affairs Committee  
2021 May 13

ISC: UNRESTRICTED  
IGA2021-0615  
Page 1 of 4

## **Financial Task Force Recommendations - Provincial Engagement Plan**

### **RECOMMENDATION(S):**

That the Intergovernmental Affairs Committee:

1. Endorse the engagement plan laid out in this report and attachments to support the 2021 Q2 Semi-Annual Financial Task Force Implementation Update report to the Priorities and Finance Committee; and
2. Direct Administration to report back to the Intergovernmental Affairs Committee with a progress update by Q1 2022.

### **HIGHLIGHTS**

Several of the recommendations from the Financial Task Force (FTF) cannot be achieved by The City alone but require cooperation and / or legislative change from other orders of government. The engagement plan detailed below represents Administration's best advice on how to secure that cooperation.

For Calgarians, approving this plan represents an opportunity to support Calgary's economic recovery and financial resiliency with innovative solutions recommended by an expert panel.

The engagement plan itself differentiates between FTF recommendations that are "advocacy ready" and those that require further research or development. In both cases, the plan proposes to enlist a combination of four different tools. Advocacy ready items will be dealt with on an accelerated timeline.

The selection of each of the different tools is based on past advocacy experience with the same or similar issues, the current intergovernmental context, and anticipated risks and opportunities.

The tools proposed are as follows: 1) aligning FTF recommendations with the Government of Alberta's existing legislative priorities and engagement opportunities, including the ongoing Red Tape Review process; 2) enlisting FTF and other partner voices in a campaign for change, including public messaging; 3) engaging the Government of Canada in a tri-lateral conversation about municipal finance reform; 4) where opportunities exist for the Mayor and other Members of Council, sharing the aim of fiscal reform with local Members of the Legislative Assembly (MLAs) and Members of Parliament (MPs).

The plan contained here delivers on existing Council direction to "bring a comprehensive provincial engagement plan to the Intergovernmental Affairs Committee no later than 2021 Q2" (PFC2020-1351 and supports Council direction to deliver "a modern and efficient municipal government that makes citizens' lives better every day" (a well-run city))

### **DISCUSSION**

#### Overview

The FTF's final report includes 12 recommendations whose successful implementation will depend on support from other orders of government, primarily the province, ranging from legislative or regulatory change to improved coordination and communication. Of these:

## **Financial Task Force Recommendations - Provincial Engagement Plan**

- Eight are “advocacy ready.” There is either enough precision in the FTF’s recommendation or sufficient City of Calgary policy direction to proceed with engagement as is (though this doesn’t preclude further development).
- Four, either explicitly or on examination, call for additional analysis and direction prior to engaging other orders of government.
- An overview of these recommendations and distinctions can be found at Attachment 1.

There are four additional recommendations in Attachment 1 initially identified as requiring advocacy to other orders of government. These are, in fact, better addressed (and indeed are already being addressed), as part of The City’s regional strategy and membership in the Calgary Metropolitan Regional Board. As Attachment 1 identifies, Administration will continue to identify how best to advance these recommendations in this context.

### **Advocacy context**

The proposed advocacy is shaped by several important contextual factors.

- Intergovernmental experience: Most of the FTF’s advocacy-based recommendations have been the subject of recent engagement through the City Charter and more recent Council direction for assessment and taxation reform. Despite these calls, successive provincial governments have been resistant to comprehensive change. The province has favoured the approach of smaller amendments or tweaks to existing legislation that applies to all municipalities, is supported by key stakeholders and aligns to their own agenda.
- Current intergovernmental landscape: The current provincial government has suggested that governments are challenged by “a spending problem, not a revenue problem.” It may be less receptive to the FTF recommendations, many of which focus on the challenges of current municipal revenues. Federally, the current government has recognized the revenue challenges facing municipalities and pursued a more direct relationship with big cities.
- The intergovernmental horizon: There are several opportunities for direct engagement on the immediate horizon, including participation in the province’s ongoing red-tape review of the Municipal Government Act. There are also risks that recommend immediate action, including the possibility of a federal election and the potential for a less-supportive partner federally.

### **Proposed Engagement**

This engagement plan for the “advocacy ready” items includes capitalizing on four opportunities. As additional information and direction for the remaining FTF recommendations is developed, they may also utilize similar tactics.

1. As the provincial government seems less likely to respond to unsolicited proposals for change, where possible, framing these issues for submission to the anticipated red-tape review of the assessment and taxation provisions of the MGA.
2. Given the inaction of the province in response to similar advocacy by The City on its own, we are looking to “rally the troops” to pen an open letter on the need for provincial reform co-signed by the Mayor, members of FTF, the Economic Resilience Task Force (ERTF) and other partners as appropriate. We are also proposing to bring a related resolution forward to the Alberta Urban Municipalities Association convention this fall.

## **Financial Task Force Recommendations - Provincial Engagement Plan**

---

3. Administratively, invite the province and federal government to participate in a tripartite conversation to leverage the Government of Canada's current interest in the challenges of municipal finance generally.
4. Politically (with supportive materials from Administration), engage local MLAs and MPs, seeking their support in amplifying The City's messaging and their commitment to broad reform going forward.

### Engagement Plan Timeline

The timeline in Attachment 2 outlines the steps required to take advantage of the proposed opportunities in the current intergovernmental context.

Briefly, it foresees engagement on "advocacy ready" items beginning immediately, proceeding through the fall, returning to IGA Committee with an update in Q1 2022. At that time, we will also bring forward any recommendations for adjustment or next steps, based on the response from other orders of government.

At that same time, we will be positioned to report on the status of the necessary work and need for further direction on the remaining FTF advocacy-related recommendations.

## **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder dialogue/relations were undertaken

While the recommendations of the FTF are themselves the subject of a robust process of expert and stakeholder consultation, no additional engagement was required to develop the advocacy plan contained herein. The strategy does, however, contemplate additional engagement with the FTF, ERTF and other partners as appropriate.

## **IMPLICATIONS**

### **Social, Environmental and Economic Implications**

By design, the FTF recommendations (both addressed here and otherwise) are meant to support Calgary's economic recovery and financial resiliency. The scope of the economic implications will depend on the responsiveness of other orders of government to the engagement plan contained here.

Advocacy in support of the FTF's recommendations has no direct social or environmental impacts. Successful reform of the fiscal framework through advocacy is, however, likely to have positive long-term implications for The City to finance its social and environmental obligations and priorities.

### **Service and Financial Implications**

There are no immediate implications for existing service plans or budgets. FTF recommendations align closely with existing advocacy priorities and can be largely assumed within existing budgets. If, however, there is a high degree of interest or uptake from other

**Deputy City Manager's Office Report to  
Intergovernmental Affairs Committee  
2021 May 13**

**ISC: UNRESTRICTED  
IGA2021-0615  
Page 4 of 4**

**Financial Task Force Recommendations - Provincial Engagement Plan**

orders of government for fiscal framework reform, there could be a need for additional resources.

**RISK**

Administration does not perceive of any material risks associated with the advocacy plan which seeks primarily to repeat or amplify existing and, in some cases, long-standing City of Calgary policy. The real risk to The City lies in inaction, which would all but guarantee the fiscal framework status quo, but also cause reputational harm with the members of the FTF and members of other current and future taskforces. If The City is seen not to act on the contributions made by these citizen and stakeholder volunteers, it will be less likely to attract participation of a similar caliber going forward.

**ATTACHMENTS**

1. Overview of Advocacy-Related FTF Recommendations
2. Engagement Plan Timeline: Financial Task Force Recommendations

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	DCMO	Approve
Carla Male	CFOD	Consult

# Overview of Advocacy-Related Financial Task Force Recommendations

FTF Recommendation	City action required	Advocacy-ready?	Advocacy-ready: Why / Why not?
4. Improve reliance on non-property tax revenue	Continued advocacy to the provincial (and federal) government for municipal finance reform, including for expansion of revenue tools	Yes	City, FTF and other partners have well-developed arguments about shortcomings of over-reliance on property tax. City Charter and other discussions identified additional revenue tools as starting point for discussions. Federal government has also begun to display greater openness to new funding opportunities.
6. Consider differentiated taxation for businesses and organizations that make significant contributions to the fabric of the city	Continued advocacy to the provincial (and federal) government for municipal finance reform, including the expansion of property tax flexibility.	Yes	City has developed (and shared) proposed amendments to relevant legislation (e.g. tax incentives, small-business sub-class) that would permit capacity to offer differential taxation in pursuit of local objectives.
7. Identify future opportunities to adjust to growth of e-commerce	Continued advocacy to the provincial (and federal) government for municipal finance reform, including the expansion of property tax flexibility.	No	While there is general acknowledgement that the property tax (as currently structured) cannot capture growth of e-commerce, we do not at this point have any solutions identified. More work in consultation with sector partners (e.g. other cities, ERTF, FCM) required.
9: Document the extent of the decline in bricks and mortar and the transition to new models of delivering goods and services. Use the findings to advocate for the reform of municipal finances.	Use any results as they become available in the continued advocacy to the provincial (and federal) government.	No	While there is available data on the growth of e-commerce, we do not have the precise extent of the impact on bricks and mortar operations and contribution to property tax base. More work in consultation with partners (e.g. other cities, ERTF, FCM) required.
12: Work with province to allow legislator's intent on the definitions for non-residential subclasses.	Continued advocacy to the province for municipal assessment and finance reform	Yes	City has developed (and shared) proposed amendments to relevant legislation (e.g. tax incentives, small-business sub-class) that would permit capacity to offer differential taxation in pursuit of local objectives.
13: Collaborate with province to authorize tools that address services that arise from provincial government direction or changes	Advocacy to the provincial (and federal) government for assurances for specific funding agreements going forward.	Yes	The City of Calgary has information on the cost burden that has been incurred as the result of past initiatives from other orders of government (e.g. legalization of cannabis). This information can be used to demonstrate need to address these issues in future.

FTF Recommendation	City action required	Advocacy-ready?	Advocacy-ready: Why / Why not?
14: Establish long-lasting revenue and cost-sharing arrangements with other orders of government whenever new municipal services are directed by other orders of government	Advocacy to the provincial (and federal) government for assurances for specific revenue/funding agreements going forward.	Yes	The City of Calgary has information on the cost burden that has been incurred as the result of past initiatives from other orders of government (e.g. legalization of cannabis). This information can be used to demonstrate need to address these issues in future.
21: Work with The City of Calgary's Economic Resilience Task Force to assess the extent to which The City of Calgary has fully explored revenue from existing authorities.	Include the results of ongoing ERTF work in continued advocacy to the provincial (and federal) government for municipal finance reform.	Yes	The ERTF has identified several projects that are currently being explored. As the need for support / cooperation from other orders of government arises from that work, it can be included in advocacy to the province.
22: Work with ERTF to assess the extent to which Calgary can generate revenue from new sources as we transition to the new economy, including a consideration of legislative changes required.	Include the results of ongoing ERTF work in continued advocacy to the provincial (and federal) government for municipal finance reform.	No	ERTF has not yet considered new revenue opportunities generated by the shift to the new economy. As that analysis becomes available, it can be included in future advocacy.
23: Make changes to the content and form of communication with members of the public and other orders of government so that there is a better understanding of efforts	Include property tax volatility as a subject for discussion with the provincial (and federal) government.	Yes	The FTF report, other communications efforts, and ongoing advocacy (both by The City and its advocacy partners) have generated new communication materials that more clearly articulate the challenges of municipal finance that can be utilized.
24: Anticipate and monitor changes in the evolving residential and non-residential real estate markets; support The City's approval process and track the level of reliance on different sub-groups in the tax base	Include the results of the review in the continued advocacy to the province for municipal finance reform.	No	The City has access to some information on the evolving real estate markets which can be used to support ongoing advocacy, but additional work is required prior to advocacy.



FTF Recommendation	City action required	Advocacy-ready?	Advocacy-ready: Why / Why not?
32: Advocate for the scope for countercyclical fiscal policy when local economy is in recession.	Continued advocacy to the provincial (and federal) government for finance reform, including the expansion of property tax flexibility.	Yes	Although more work could be done to define this ask, The City does have defined positions on changes to relevant legislation (e.g. tax incentives, small business sub-classes) that could permit some counter-cyclical policy.

### **Financial Task Force Recommendations Related to Regional Strategies**

FTF Recommendation	City action required	Advocacy-ready?	Advocacy-ready: Why / Why not?
15: Work with intermunicipal neighbours on coordinated actions to support regional economic development, seeking synergies in service provision and prioritizing economic development at the CMRB. Investigate governance structures that promote the cost-effective delivery of services for regional economic benefit.	Continue to advance the idea of prioritizing regional economic development	N/A	This item does not require advocacy to the federal or provincial government, but is better managed within existing regional strategy and at the Calgary Metropolitan Region Board
16: Investigate cross-subsidization for non-Calgary residents and businesses in the Calgary region that benefit from City services for potential cost-sharing. Investigate new revenue opportunities that address cross-subsidization.	Continue to investigate and work collaboratively with intermunicipal neighbours to raise awareness, investigate growth impacts, and identify opportunities.	N/A	This item does not require advocacy to the federal or provincial government, but is better managed within existing regional strategy and at the Calgary Metropolitan Region Board.
17: Ensure that investments made by The City that support regional growth do not decrease Calgary's competitiveness. Investigate measures to reduce costs borne by The City from regional growth	Investigate corporate protocol to evaluate and mitigate the range of impacts and issues that can result when services are extended beyond Calgary's jurisdictional boundary	N/A	This item does not require advocacy to the federal or provincial government, but is better managed within existing regional/growth strategy
29: Better understand the level of support The City affords visitors and residents in the region. Incorporate the findings into the decision-making process for cost-sharing arrangements with regional partners	Use results of studies in regional discussions and negotiations as well as recommendations for user fee pricing.	No	At present, this doesn't require advocacy. However, there may be a need for advocacy in the future if the results point to a solution that requires legislative change.



### **Engagement Plan Timeline: Financial Task Force Recommendations**

<b>Timeline</b>	<b>Action</b>	<b>Opportunity*</b>	<b>Lead**</b>
May	Engagement Plan to IGA Committee	1, 2, 3, 4	ICS
May	Commence / Continue work on FTF recommendations that require additional info / direction prior to advocacy	N/A	ICS / CFOD
May	Invite members of FTF, ERTF and other potential partners to June meeting to discuss shared advocacy	2	CFOD / ICS
May / June	Draft open letter for Council, FTF, ERTF and other partners to discuss at June meeting	2	ICS / CFOD
June	Administratively, formally request that FTF recommendations be “in-scope” for the upcoming MGA Red-Tape Review	1	ICS
June	Prepare materials for Mayor and Members of Council to share with MLAs and MPs	4	ICS / CFOD
June	Hold meeting with FTF, ERTF and other partners to discuss draft open letter and other advocacy opportunities	2	ICS / CFOD
June 24	Bring proposal for AUMA resolution to IGA for approval	2	ICS
June 30	Deadline for submission of AUMA resolution	2	ICS
July	Mayor and other members of Council engage with local MLAs and MPs as opportunities over summer recess present themselves	4	ICS
July	Extend formal invitation to Government of Alberta, Government of Canada and others as appropriate (e.g. City of Edmonton) for tripartite discussion of big city fiscal framework	3	ICS
July	Finalize open letter to Government of Alberta and related communication, and issue as appropriate	2	ICS / CFOD
July / Aug	Develop agenda/materials for tripartite meeting	3	ICS / CFOD
Sept	AUMA Convention and discussion of related resolution	2	ICS
Fall	Plan to hold tripartite meeting on fiscal framework	3	ICS
Fall	Consider framing for submission to the MGA Red-Tape Review, expected in early 2022	1	ICS / CFOD
Oct	Include this engagement plan as part of intergovernmental briefing for incoming Council (background, timing, roles)	1,2,3,4	ICS
Nov	Include FTF on agenda of potential meet & greet for incoming Council with local MLAs and MPs	4	ICS/ CFOD
Q1 2022	Report on progress to IGA Committee		ICS

\* “Opportunities” correspond to the four advocacy opportunities identified in the cover report: 1) Red Tape MGA Review; 2) “rallying the troops”; 3) tripartite engagement; 4) engaging MLAs

\*\* ICS: Intergovernmental & Corporate Strategy; CFOD: Chief Financial Officers’ Department  
ISC: Unrestricted



## Fiscal Framework Vote on a Question - Update

### RECOMMENDATION(S):

That the Intergovernmental Affairs Committee recommends that Council:

1. Receive this report for the Corporate Record.
2. Direct Attachment 2 remain confidential pursuant to Section 21 (Disclosure harmful to intergovernmental relations) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2021 December 31.

### HIGHLIGHTS

At the February 1 Strategic Meeting of Council, Council provided direction to determine the language for a “vote on a question” (i.e. a plebiscite) on the fiscal framework in consultation with other Alberta municipalities. There does not appear to be interest in other municipalities to pursue such a question.

### DISCUSSION

The Municipal Government Act provides Council the authority to put a nonbinding question to the electors alongside a local election. In response to inquiries from Members of Council about posing a question on The City’s fiscal relationship with the province, Administration brought the report attached (Attachment 1) to the 2021 February 1 Strategic Meeting of Council. Council subsequently directed that the wording for such a question be determined in consultation with other municipalities.

Subsequent discussions with other municipalities have not exposed broader interest in placing such a question on the municipal ballot. Information about these discussions are included in Attachment 2 (confidential).

If Council wishes to proceed, four possible questions and associated risks were included in the February 1 report (Attachment 1).

Alternatively, Council could wait to see if the Government of Alberta will deliver on its commitment to use the municipal elections to hold a referendum on the province’s own fiscal relationship with the Government of Canada. Once that question is made public, Council could direct a question to parallel the provincial wording.

- For Elections Calgary to meet its statutory notice requirements in section 35(3) of the Local Authorities Election Act, a Council-directed question for a vote of the electors should be received by no later than 2021 Q2. This allows time to prepare statutory notices, including a complete summary of the question (i.e., effect of vote, cost, implementation information, etc.) and prepare tactics to inform voters and candidates. While the province may make its intentions and wording known prior to that date, it may not do so until the early fall [Elections Calgary is not similarly legislatively responsible for issuing a complete summary of the *provincial* question(s) or engage voters and candidates]. More information can be found in the report on General Considerations re Vote on a Question originally shared with the Strategic Meeting on February 1 (Attachment 3)

Deputy City Manager's Office Report to  
Intergovernmental Affairs Committee  
2021 May 13

ISC: UNRESTRICTED  
IGA2021-0616  
Page 2 of 2

## **Fiscal Framework Vote on a Question - Update**

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☐ Public Engagement was undertaken
- ☐ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☒ Stakeholder dialogue/relations were undertaken

As per Council direction, other Alberta municipalities were consulted (see Attachment 2)

### **IMPLICATIONS**

Social, environmental and economic implications of a vote on a question on the fiscal framework are addressed in the February 1 report in Attachment 1.

#### **Service and Financial Implications**

Service and Financial implications of a vote on a question on the fiscal framework are addressed in the February 1 report in Attachment 1.

### **RISK**

Associated risks are addressed in the February 1 report in Attachment 1.

If Council wishes to proceed with a question to the electors, an additional risk flagged in this report is associated with waiting for the wording of a provincial question before drafting The City's own question. If the province does not deliver that wording before the end of 2021 Q2, Elections Calgary may not be able to deliver on its legislative obligations to properly inform the public about the vote on a question.

### **ATTACHMENTS**

1. Report to Strategic Meeting of Council: Fiscal Framework – Vote on a Question
2. Consultations with other municipalities (Confidential)
3. Report to Strategic Meeting of Council: General Considerations re Vote on a Question

#### **Department Circulation**

General Manager/Director	Department	Approve/Consult/Inform
Chris Arthurs	DCMO	Approve
Carla Male	CFOD	Inform
Kate Martin	City Clerks / Elections Calgary	Consult

Deputy City Manager's Office Report  
Strategic Meeting of Council  
2021 February 1

ISC: UNRESTRICTED  
C2021-0175  
Page 1 of 5

## **Fiscal Framework – Vote on a Question**

---

### **RECOMMENDATION(S):**

That Council consider the information contained in this report when determining whether or not to pursue a Vote of the Electors on a question regarding The City's fiscal relationship with the province.

### **HIGHLIGHTS**

- Members of Council have expressed an interest in posing a "Vote on a Question" regarding The City's fiscal relationship with the province alongside this fall's municipal election.
- Changes to the fiscal framework have been a long-standing advocacy priority for The City of Calgary.
- It is expected that the Government of Alberta may use the municipal ballot to ask its own question of electors on the fairness of the province's relationship with the federal government.
- This report provides comment and advice on the strategic, financial, reputation and legal risks that a fiscal question of the electorate may pose to the corporation.

### **DISCUSSION**

#### *Provincial Political Background:*

Last September, Premier Kenney reiterated his Government's 2019 platform commitment that in conjunction with the upcoming municipal ballot, "Alberta will be holding a referendum to scrap equalization from the Constitution in October 2021." A reference to the Government of Canada program to "equalize" fiscal disparities among the provinces, the Premier has commented that Alberta is treated unfairly in Canada, making a historically net positive financial contribution to Confederation while being simultaneously blocked in efforts to develop the resources that have driven that contribution. The complex operation of the federal equalization program (which draws from general federal revenues and not provincial coffers) and the lack of clarity on the elements to change would suggest that the proposed referendum is a political exercise. As the Government's platform itself states, the ultimately non-binding referendum is meant "as leverage for federal action to complete a coastal pipeline and to demand reforms to the current unfair formula."

#### *Legal Background:*

Under s. 236 of the Municipal Government Act (MGA), Council has the power to put a non-binding question to the electors, but only on a matter over which the municipality has jurisdiction. Although this would prevent a direct question on how the province allocates its financial resources, the courts have taken a somewhat broader view of "municipal jurisdiction" that might allow for such a question to be tackled indirectly. Rejecting the notion that jurisdiction should be construed only as those areas where there is bylaw making power, courts have accepted questions regarding advocacy by a municipality to other orders of government concerning matters that affect the municipality. Though it should be noted that in the leading case on the matter, the province had asked municipalities explicitly to pose such a question. This is not true of the issue at hand.

Deputy City Manager's Office Report to  
Strategic Meeting of Council  
2021 February 1

ISC: UNRESTRICTED  
C2021-0175  
Page 2 of 5

## **Fiscal Framework - Vote on a Question**

---

In addition to this jurisdictional clarity, the legal commentary also suggests that the question itself be clear, simple and direct, answerable with a simple “yes / no” or “for / against.” It should not refer to considerations which might influence voters, nor should it contain uncertainties, probabilities and possibilities which might be confusing – voters must be able to easily understand the question. Finally, the question should be as neutral and impartial as possible, and not suggest a “correct” or desired outcome. To this end, The City would be expected to provide neutral information to support voters’ decision-making.

Ultimately, if either the jurisdiction or question itself was unclear it could potentially be legally challenged, with the most likely outcome of a successful legal challenge being a court injunction restraining The City from proceeding with the question.

### *Strategic Background:*

The City has a long track-record of advocacy for changes to the fiscal framework, most actively at the provincial level, but also federally. This advocacy is rooted in well-established arguments that the fiscal tools and resources available to municipalities, and big cities in particular, are not commensurate with their level of contemporary responsibility. This fact of municipal life has guided City of Calgary engagement bilaterally and in partnership spanning the City Charter discussions, different iterations of the YYC Matters education campaigns, and most recently our COVID-19 Advocacy Strategy, which calls for “a new deal for cities” (see Attachment 2). Over time, this has been comprised of calls for specific changes (e.g. funding formulas, new fiscal tools) as well as attempts at more wholesale reform (e.g. assessment and tax reform). The City’s advocacy is also informed by the extensive work conducted by the members of the Financial Task Force, whose recommendations include several changes requiring provincial agreement. It is also worth noting that while our advocacy frequently calls for differential treatment for big cities, it does not propose that it come at the financial expense of our smaller neighbours. Alone and in concert with groups like the Big City Mayors’ Caucus, The City has consistently taken the view that it can use its weight to advance the interests of the municipal sector as a whole.

While the success of this advocacy has ebbed and flowed, there are recent signs of a potential for meaningful change. The COVID-19 pandemic has laid bare the fundamental inequities, and for the first time both the federal and provincial governments have acknowledged the nature of the challenge with a considerable contribution of operating support, which has flowed relatively seamlessly to Alberta municipalities. And while the province’s fiscal position is widely seen as having recently deteriorated, there is a unique opportunity to call on the Government of Canada to demonstrate national leadership in forging a new deal for cities.

### Analysis and Risk

It is not the role of City Administration to comment on the political wisdom, risks or benefits of posing a question to the voters on the fiscal framework. We offer the political context above only to demonstrate that to do so would be a highly political exercise, a decision that ultimately rests with Council. It is the role of Administration to comment and provide advice on the strategic, financial, reputational and legal risks that such an exercise question would pose to the Corporation.

It is difficult to conceive of an approach to this question that would not expose The City to an unreasonable level of strategic risk, alongside legal, financial and reputational risks.

- Those risks are summarized in the section on “Risk” below.



Deputy City Manager's Office Report to  
Strategic Meeting of Council  
2021 February 1

ISC: UNRESTRICTED  
C2021-0175  
Page 3 of 5

## **Fiscal Framework - Vote on a Question**

---

- Attachment 1 identifies the specific risks associated with several possible questions, overall that risk can be summarized as follows:

The proposed provincial referendum on equalization (that has precipitated Council's interest in a parallel process) suffers from many of the same challenges, including a lack of clarity of purpose and outcome. Adding a question on The City's fiscal framework may or may not have some political value, but is likely only to compound the lack of clarity on the ballot, while simultaneously posing longer-term strategic and legal risks for The City.

### **STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

### **IMPLICATIONS**

#### **Social**

Holding a Vote on a Question on the fiscal framework in alignment with a municipal election has no direct social impacts, though for the risks outlined below, could compromise The City's longer-term ability to finance its social priorities.

#### **Environmental**

Holding a Vote on a Question on the fiscal framework in alignment with a municipal election has no direct environmental impacts, though for the risks outlined below, could compromise The City's longer-term ability to finance its environmental priorities.

#### **Economic**

For the reasons outlined in the section on Risk below, holding a Vote on a Question on the fiscal framework could compromise The City's ability to advocate and/or capitalize on opportunities for change.

#### **Service and Financial Implications**

Existing operating funding - One-time

>/\$50,000

Additional communications will be required to support voter information about the questions (including voter information guides, paid social media, signage/displays and advertisements). The cost of these communications is incidental and can be accommodated within the current draft communications budget for the election. Additional staff time will be required to engage with "yes/no" scrutineers, which can be accommodated within existing resources, provided Council makes a decision on the question(s) by the end of the second quarter.

Should Council wish to include question(s) for a vote of the electors, the Returning Officer recommends \$50,000 as contingency within the election program budget to accommodate

Deputy City Manager's Office Report to  
Strategic Meeting of Council  
2021 February 1

ISC: UNRESTRICTED  
C2021-0175  
Page 4 of 5

## Fiscal Framework - Vote on a Question

---

design and printing of a larger ballot and associated vote tabulator programming and testing support (currently unfunded).

### RISK

Holding a Vote on a Question on the fiscal relationship with the province poses a number of strategic risks, as well as legal and reputational risks for The City.

- **Financial and Legal Risk:** A broadly worded question seeking a “fair deal” for cities, or even to “adopt the recommendations of the Financial Task Force” (something Council has already directed), would be open to legal challenge as being too broad or unclear. A “fair” or “new” deal, or adoption of existing recommendations also suggests a preferred outcome, contrary to the legal direction. In either case, an injunction preventing the question could expose The City to legal costs as well as costs associated with reprinting ballots.
- **Strategic Risk and Financial Risk:** A more narrowly worded question may avoid these same legal concerns, but could effectively, though not legally, tie the hands of The City in future discussions even in the case of a “positive” outcome. A yes vote on a narrow question might provide a mandate for The City to pursue that particular path with the province but could effectively minimize the importance or relevance of opportunities for broader change, including the different recommendations of the Financial Task Force. Furthermore, a mandate to engage the province on a given outcome would require a dedication of limited resources to provincial engagement at a time when the federal government may be the more appropriate partner.
- **Strategic and Financial Risk:** Whether narrow or broad, a “no” vote would effectively preclude further advocacy on the matter of fiscal fairness. Although there is some evidence to suggest that Calgarians’ are open to changes in the fiscal framework (e.g. Chamber of Commerce Citizens’ Assembly, City Charter engagement), the province’s own fiscal situation is understood to be precarious, a context that might not lend itself to openness for change. Although not legally binding, a no vote could validate the current fiscal framework including recent decreases in transfers to The City of Calgary.
- **Reputational Risk:** The question itself and / or the subsequent debate could compromise The City’s reputation as a good neighbour and partner, particularly if the question was framed to mirror the provincial question on equalization. While The City has consistently pursued a fair deal, it has not sought to achieve this at the expense of other municipalities, which is what the provincial question is doing at the national level. A question on “intra-provincial” equalization among Alberta’s municipalities, as well as the subsequent debate and vote could risk The City’s ability to claim the need for enhanced regional cooperation over competition.
- **Reputational and Strategic Risk:** In all cases, posing a question on the fiscal framework alongside the municipal ballot would place Administration in a difficult position. The requirements of such a question carry an expectation that Administration provide a neutral assessment of the issue, but The City has not been neutral on this matter. Even in a presentation of the facts, may be perceived as biased, leading to both legal and reputational risk.

More detail on the risks associated with different questions can be found in Attachment 1

**Deputy City Manager's Office Report to  
Strategic Meeting of Council  
2021 February 1**

**ISC: UNRESTRICTED  
C2021-0175  
Page 5 of 5**

**Fiscal Framework - Vote on a Question**

---

**ATTACHMENTS**

1. List of Potential Questions on the Fiscal Framework and Associated Risks
2. City of Calgary COVID-19 Advocacy Priorities

Department Circulation

General Manager	Department	Approve/Consult/Inform
Chris Arthurs	Deputy City Manager's Office	Approve
Carla Male	Chief Financial Office	Approve

**List of Potential Questions on the Fiscal Framework and Associated Risks**

The following offers a range of possible questions on The City's fiscal relationship with the province, arranged from the most narrow or specific to the most general or broad. They are meant only as examples, and there are of course other possible questions that could be considered. As a supplement to the more generalized risks identified in Council Report C2021-0175, this assessment also identifies the specific risks associated with each possible approach.

Given the nature of any question on The City's fiscal framework and relationship with the province, should Council wish to proceed with one of the approaches to a question on the fiscal framework despite these risks, more detailed would need to be done in conjunction with experts in question-design, particularly to:

- **Ensure clarity** – It is critical to ensure the meaning of the question is well-understood and does not rely on vague terms or undefined descriptions. These issues do not necessarily lend themselves to plain-language, concise wording.
- **Provide adequate context** – These are complex matters, and while there is a need to be as succinct as possible, electors will need information to be able to answer it to the best of their ability. Without any context The City may be leaving itself open to criticism and confusing constituents.
- **Avoid predisposition** – The City of Calgary has a long-standing position that reform of the fiscal framework is required (see "Strategic Context" in the attached Report). The way The City is given to thinking about these issues may generate questions that suggest a correct or preferred answer.

As noted in the cover report it is difficult to design a question on tax policies issues that is free from legal risk, let alone strategic, financial and reputational risks. All the questions below attempt to mitigate risk however none of them completely eliminate the risk of a successful legal challenge

**Approach 1: Yes / No question on a specific change to the fiscal framework**

Example:

- **"Should Council advocate for the provincial government to eliminate its property tax requisition, leaving all property tax dollars with The City of Calgary? Yes or No?"**

Risks:

- A yes vote on such a question could effectively limit the advocacy options available to The City. Although not legally binding, such a vote could generate an expectation that limited resources be focused on the one position, marginalizing the importance of proposals for reform, including the range of options put forward by the Financial Task Force.
- The legitimacy granted by a yes vote on the pursuit of change at the provincial level (on a narrow or broad question) could limit the ability to engage the Government of Canada, where advocacy resources may be better spent in the current context.
- A specific question like the one above is likely to engage other interests that might be affected by a change that is perceived to benefit The City at their expense. In the above example, local

school boards, who are the current beneficiaries of the provincial property tax requisition would likely be opposed, generating reputational damage with key local stakeholders.

- Although arguably clearer than a broadly worded question on “fiscal fairness,” even this question introduces complex issues that are unlikely to boil-down to a “yes/no” decision for electors.

Approach 2: Yes / No question mirroring the provincial referendum on equalization

Example:

- **“Should the City advocate to the province to stop collecting provincial property tax dollars from Calgarians in a way that moves that money outside of Calgary? Yes or No?”**

Risks:

- While this has the benefit of a clear link to the expected provincial question, there is in fact no local analogy to the federal equalization program. Any redistribution that does take place between Alberta municipalities does so through a multitude of different programs and spending. It would therefore be unclear what Calgarians were being asked to vote on and could be open to legal challenge.
- Although over time, Calgarians have provided more into provincial revenues than they have received, because of the complexity of any provincial redistribution, it is difficult to paint a precise picture of that amount and therefore what exactly Calgarians would be asked to vote on.
- Relatedly, The City has tended toward a position of intermunicipal cooperation rather than competition. And while The City has advocated for improved financial support, it has not suggested that this come at the expense of other municipalities. A question asking Council to advocate to keep tax dollars in Calgary at the expense of regional and provincial partners could cause reputational damage for The City.

Approach 3: Yes / No question on the recommendations of the Financial Task Force

Example:

- **“Should The City advocate to the province to implement the recommendations of the Financial Task Force that require provincial cooperation? Yes or No?”**

Risks:

- While this would have the advantage of encompassing several advocacy items, thus not tying The City’s hands as in Approach 1, the Financial Task Force’s recommendations do not cover the full range of City interests in fiscal reform. In addition to this potential limitation on provincial engagement, a yes vote would also put pressure on The City to divert resources from other engagement with the Government of Canada. A no vote, by contrast, could effectively undo the months’ worth of work that the external expert participants on the Financial Task Force put into developing recommendations for change.

- Relatedly, while the question refers to a specific set of proposals, it would be difficult to consider those proposals outside of the context of the full report and associated materials. It is not clear that sufficient information could be provided concisely to voters, opening the question to challenges.
- As the recommendations of the Task Force have already been endorsed by Council, it would be difficult for this question to be perceived as neutral, but rather suggesting a preferable outcome.

Approach 4: Yes / No question on the “fairness” of the fiscal framework






Example:

- **“Should The City advocate for a fair deal for cities?”**

Risks:

- A “yes” vote on such a broad question would preserve The City’s ability to continue long-standing advocacy in pursuit of a “fair” or “new” deal, both independently and in partnership with other cities and organizations. Yet because of this breadth, a “no” vote could have the effect of foreclosing on any such advocacy going forward.
- The use of terms like “fair” or “new” deal also suggests that the current system is “unfair” or “outdated.” A question that suggests a correct or preferred answer would be open to legal challenge and associated costs.
- Furthermore, it might be a lot to ask voters to reach a simple yes or no response to such a broadly stated question. What is meant by a “fair” deal? What are the trade-offs? There are simply too many other considerations.

## City of Calgary COVID-19 Priorities for the Government of Canada and the Government of Alberta

- **1**  
**Aid to vulnerable citizens and non-profits that support them**  
Immediate priority for the most vulnerable
- **2**  
**Aid to business**  
Direct support to business
- **3**  
**Aid to municipalities**  
A backstop for municipalities incurring unrecoverable operating losses
- **4**  
**Stimulative infrastructure**  
A major new infrastructure plan to get people working and the economy humming
- **5**  
**Long term economic resilience and a new deal for cities**  
A vision to recover and rebuild







**Returning Officer Report to  
Strategic Meeting of Council  
2021 February 1**

**ISC: UNRESTRICTED  
C2021-0173  
Page 1 of 3**

**General Considerations - Vote on a Question**

---

**RECOMMENDATION(S):**

That Council receive this report for the Corporate Record.

**HIGHLIGHTS**

- This Report outlines general information and considerations related to a vote on a question the electors held in conjunction with the 2021 October 18 General Election. Reports related to each question(s) submitted by Council are included under separate cover.
- What does this mean to Calgarians? Should Council direct question(s) for a vote of the electors, eligible electors will have a direct choice on the matter(s) asked. This means that electors and candidates will need to become informed about the matter(s) asked.
- Why does this matter? The outcome of the vote is not binding and can be considered by the elected Council.
- The parameters and context of the question(s) should be considered by Council.
- Question(s) for a vote of the electors must be clear, direct and neutral. As well, they must be answered with a “yes” or “no” or “for” or “against”. Electors may choose not to respond to the question(s).
- A vote on a question may be conducted conjunction with the 2021 October 18 General Election. To accommodate sufficient time for planning and logistics, Council’s approved question(s) must be submitted to the Returning Officer by the end of Q2, 2021.
- Should Council direct a vote on a question, the Returning Officer recommends \$50,000 as contingency within the election program budget to accommodate design and printing of a larger ballot and associated vote tabulator programming and testing support (currently unfunded).
- On 2020 November 02, Council directed that potential questions for a vote of the electors in the 2021 General Election related to Report TT2020-1036 (Neighbourhood Speed Limit) and other potential questions be considered at the 2021 February 01 Strategic Meeting of Council.
- Strategic Alignment to Council’s Citizen Priorities: A well-run city

**DISCUSSION**

Background

Sec. 236 of the *Municipal Government Act* provides that “a council may provide for the submission of a question to be voted on by the electors on any matter over which the municipality has jurisdiction”. The outcome of the vote is not binding on Council. Where a vote on a question is directed by Council, it is conducted in keeping with the *Local Authorities Elections Act* (LAEA). A vote on a question may be held on its own (e.g., 2018 Olympic vote of the electors) or in concert with a General Election or by-election.

**Returning Officer Report to  
Strategic Meeting of Council**

**ISC: UNRESTRICTED  
C2021-0173  
Page 2 of 3**

**General Considerations - Vote on a Question**

To vote on a question, a person must be an elector in the city of Calgary. An elector is, as of Election Day (2021 October 18) a person who is:

- At least 18 years old;
- A Canadian Citizen; and
- A resident of the city of Calgary.

The City has had a long tradition of submitting questions for a vote of the electors (recent examples include the 2018 Olympic, 1998 flouridation and video lottery terminals).

In addition to the election of mayoral, councillor and school board candidates, the 2021 October 18 General Election will likely include a Senate election administered under the *Alberta Senate Election Act* and potentially a number of non-constitutional provincial referendum questions administered under the *Referendum Act* (e.g., federal equalization payments, creation of a provincial police force, removal of Alberta's participation in the Canada Pension Plan and from observing daylight savings time).

Given the range and complexity of matters likely to be voted on, including any questions determined by Council, candidates will likely prepare positions on these matters in their campaigns, and electors will need additional time and information to consider their choices and vote on their choices.

Proposed Council Member question(s)

In support of Council's 2020 November 02 direction for potential questions be considered at the 2021 February 01 Strategic Meeting of Council, the Returning Officer requested Council Members to identify potential questions or issues which could be submitted as a question for a vote of the electors by 2021 January 08. Based on Council Members' submissions, the Returning Officer worked with lead business units with support from Law and Customer Service and Communications to provide guidance. Reports related to each question are included in this 2021 February 01 Strategic Council Meeting agenda for Council's consideration.

General considerations

- The subject of a question must relate to a matter over which The City has jurisdiction.
- A question must be simple, clear, direct and concise.
- Electors should be able to understand the context of a question (e.g., timing, scope and application). This is supported by the requirement for the Returning Officer to publish a notice setting out the text or a reasonably complete summary of the question.
- A question must be capable of being answered with a "yes" or "no" or "for" or "against". Electors may choose not to respond to a question.
- A question should be as neutral and impartial as possible, and not suggest a 'correct' or desired outcome.
- Electors should be informed about what the vote outcome will mean.

Implementation

To accommodate sufficient time for planning and logistics, Council's approved question(s) must be submitted to the Returning Officer by the end of Q2, 2021. Upon receipt of approved question(s), impartial communications will be prepared to inform electors and candidates about the question(s) and the effect of voting "yes" or "no," or "for" or "against".

**Returning Officer Report to  
Strategic Meeting of Council**

**ISC: UNRESTRICTED  
C2021-0173  
Page 3 of 3**

**General Considerations - Vote on a Question**

**STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)**

- ☐ Public Engagement was undertaken
- ☒ Public Communication or Engagement was not required
- ☐ Public/Stakeholders were informed
- ☐ Stakeholder or customer dialogue/relations were undertaken

**IMPLICATIONS**

**Social**

Not applicable.

**Environmental**

Not applicable.

**Economic**

Not applicable.

**Service and Financial Implications**

Existing operating funding - Base

\$50,000

Additional communications will be required to support voter information about the questions (including voter information guides, paid social media, signage/displays and advertisements). The cost of these communications are incidental and can be accommodated within the current draft communications budget for the election. Additional staff time will be required to engage with “yes/no” scrutineers, which can be accommodated within existing resources, provided Council makes a decision on the question(s) by the end of the second quarter. Should Council wish to include question(s) for a vote of the electors, the Returning Officer recommends \$50,000 as contingency within the election program budget to accommodate design and printing of a larger ballot and associated vote tabulator programming and testing support (currently unfunded).

**RISKS**

An improperly worded question, or a question on a matter that is outside The City’s jurisdiction could be legally challenged.

Given the known complexities associated with the 2021 General Election (e.g., COVID safety measures, provincial matters to be voted on), the addition of Council-directed questions will impact the efficiency of voting stations and length of time required to vote. Elections Calgary continues to evolve its mitigation plans to address such complexities, supporting a safe and efficient election.

**ATTACHMENTS**

Not applicable.