

Establishment of the Sunalta Community Investment Fund

EXECUTIVE SUMMARY

On 2009 July 13, Council approved a major policy amendment to the Sunalta Area Redevelopment Plan (ARP) that, among other amendments, introduced provisions for density bonusing within certain areas of the community (Bylaw 15P2009). One of the items included in the density bonusing provision allowed for contributions to a community investment fund, hereon referred to as the Sunalta Community Investment Fund. The purpose of the fund was to reinvest monies into public realm improvements to offset the increased intensity in the community from high-density development projects.

While the policy direction for the density bonusing option of monetary contributions to a Sunalta Community Investment Fund exists through the ARP, the actual fund itself and governance structure have yet to be established. The purpose of this report is to formally establish: (i) the Sunalta Community Investment Fund (SCIF); (ii) an Administrative Committee as the governance structure; and (iii) the fund Terms of Reference (Attachment 1), which will guide the receipt, administration and expenditure of density bonus contributions.

ADMINISTRATION RECOMMENDATION:

That the Standing Policy Committee on Planning and Urban Development recommend that Council approve the Sunalta Community Investment Fund Terms of Reference in Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2019 May 27, Council adopted the Calgary Planning Commission recommendations contained in Report CPC2019-0398, LOC2018-0087, Bylaw 119D2019, for a Direct Control District and an amendment to the Sunalta Area Redevelopment Plan to allow density bonusing on a large site at the northeast corner of 14 Street SW and 17 Avenue SW.

On 2018 October 19, Council directed through a Motion Arising associated with CPC2018-0990 that Administration:

Establish a Sunalta community investment fund and governance structure, direct any density bonus contributions to this fund, and identify the Sunalta Community Hub Project as a top priority for this fund.

On 2009 July 13, Council approved an amendment to the Sunalta Area Redevelopment Plan (CPC2009-0094, Bylaw 15P2009) to allow for the earning of bonus density through cash contributions to a community investment fund, the Sunalta Community Investment Fund.

BACKGROUND

On 2009 July 13, Council approved a major policy amendment to the Sunalta ARP that, among other amendments, introduced the provisions for a density bonus system along the north side of the 10 Avenue SW corridor, near the Sunalta LRT station site (Bylaw 15P2009). Two items were included in the density bonusing system at that time: (i) provision of indoor community amenity space within the development, and (ii) contribution to a community investment fund established by Council.

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Further amendments to the Sunalta ARP were made in 2018 and 2019 to, respectively, amend the density bonusing system to include additional bonus option items, and to extend the density bonusing provision to include the 14 Street SW and 17 Avenue SW Gateway Areas.

While the policy for the Sunalta Community Investment Fund (SCIF) has been in place since 2009, the actual fund itself has not yet been established. Until recently, development in the community has been relatively small-scale and there has not been an interest for accessing density bonusing options. However, recent development proposals, specifically Housing One and the Sentinel, contemplate much higher densities than previously seen in Sunalta. In response to these large-scale development proposals, Administration sees the need to formalize the density bonusing option to contribute to a community investment fund through the formal establishment of the SCIF and Terms of Reference.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The SCIF Terms of Reference (Attachment 1) are modelled after the Council-approved community investment funds in the communities of Beltline and Brentwood.

The SCIF Terms of Reference establish the governance structure for the fund, including the approval and authorization process for selecting public projects and any conditions and restrictions on the use of funds. To ensure the SCIF becomes a sustainable interest-bearing capital fund, the Terms of Reference define the roles and responsibilities of the Administrative Committee. It contains clear and specific information on how the Administrative Committee is organized, the purpose of the fund, the members of the Administrative Committee, and logistics around meetings.

The Administrative Committee is composed of eight members, including:

1. two from Community Planning, including the Manager of Centre-West, and one from City Wide Urban Design;
2. one from Urban Initiatives, Calgary Growth Strategies;
3. one from Transportation;
4. one from Parks;
5. the Ward 8 Councillor;
6. one representative from the Sunalta Community Association; and
7. one representative from local contributing developers.

Representatives from the Finance and the Growth Funding and Investment Business Units will be available to the Committee for consultative purposes when required. The composition of the Administrative Committee was chosen to ensure a cross-section of City, community and industry knowledge of proposed projects and activities that may have a bearing on the public realm.

The Administrative Committee is responsible for recommending which projects should receive funding from the SCIF and will report to Council on the allocation of funds and the status of the SCIF.

The funding objective is to allocate funds to projects within the area related to public realm improvements, in a timely manner, keeping pace with redevelopment activity. Projects may include both long-term, multi-phase projects (such as improvements to a community association

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building or public open space), and short-term, small-scale projects (such as planning studies to support public realm improvement projects).

Stakeholder Engagement, Research and Communication

In addition to input from relevant City business units, the SCIF Terms of Reference were prepared in consultation with various community stakeholders including the Sunalta Community Association and representatives of local contributing developers. The draft Terms of Reference was circulated among these stakeholders for their comments, and where possible their proposals were incorporated into the proposed Terms of Reference.

Strategic Alignment

The formal establishment of the SCIF and the Terms of Reference aligns with the existing policy of the Sunalta ARP, *Density Bonusing Section 3.4.4.2(c)(iii), (d) and (e)*, which details the purpose and use of the SCIF.

Social, Environmental, Economic (External)

Social

Establishment of the SCIF will allow public realm improvements to be provided in the community creating attractive and safe public realm environments that offer residents, visitors and employees places to gather and interact, and supports a vibrant urban community.

Environmental

Public projects that receive funds from the SCIF will support the potential development and enhancement of pedestrianized landscapes and improved environments for active modes, as well as providing for improved public gathering spaces.

Economic

Enhanced public realms will be based on more sustainable and cost-effective modes of transportation. They will also contribute to the economic vitality of the City by making the community more attractive to businesses.

Financial Capacity

Current and Future Operating Budget:

The SCIF will have no impact on the operating budget.

Current and Future Capital Budget:

Fund contributions received as a bonusing incentive as outlined in the Sunalta ARP ensure that funds are in place for improvements to public infrastructure within the entire community of Sunalta. To facilitate operation of the SCIF, the Administrative Committee shall have the authority to decide upon projects and allocate funds to a total amount of \$200,000.00 per individual expenditure without approval by Council. This supports the timely allocation of funds and the implementation of the allocation principles. All projects and allocations to receiving projects that exceed \$200,000.00 must be approved by Council and must be identified in the relevant City Business Unit's Capital Budget, if Capital Funds are to be allocated to a project. It

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is only in this instance that there are any implications to the City's Capital Budget. Further, any improvement funding that exceeds the SCIF funds collected could be supplemented by other revenue sources.

Risk Assessment

If the SCIF and associated Terms of Reference are not approved, there would not be a mechanism to collect contributions under approved statutory bonusing policy. Further, with increased possibility of more intense development occurring in the community, not having this bonusing option available presents a risk for not obtaining appropriate improvements to public amenity as a counter to the increased density.

REASON(S) FOR RECOMMENDATION(S):

In line with Council direction, and in order to allow density bonusing contributions to be made in the Mixed Land Use area and 17 Avenue SW and 14 Street SW Gateway Areas, a Terms of Reference for the Sunalta Community Investment Fund needs to be established to provide guidance for these and future funds to be used for local public infrastructure improvement purposes.

ATTACHMENT(S)

1. Sunalta Community Investment Fund Terms of Reference