



Calgary



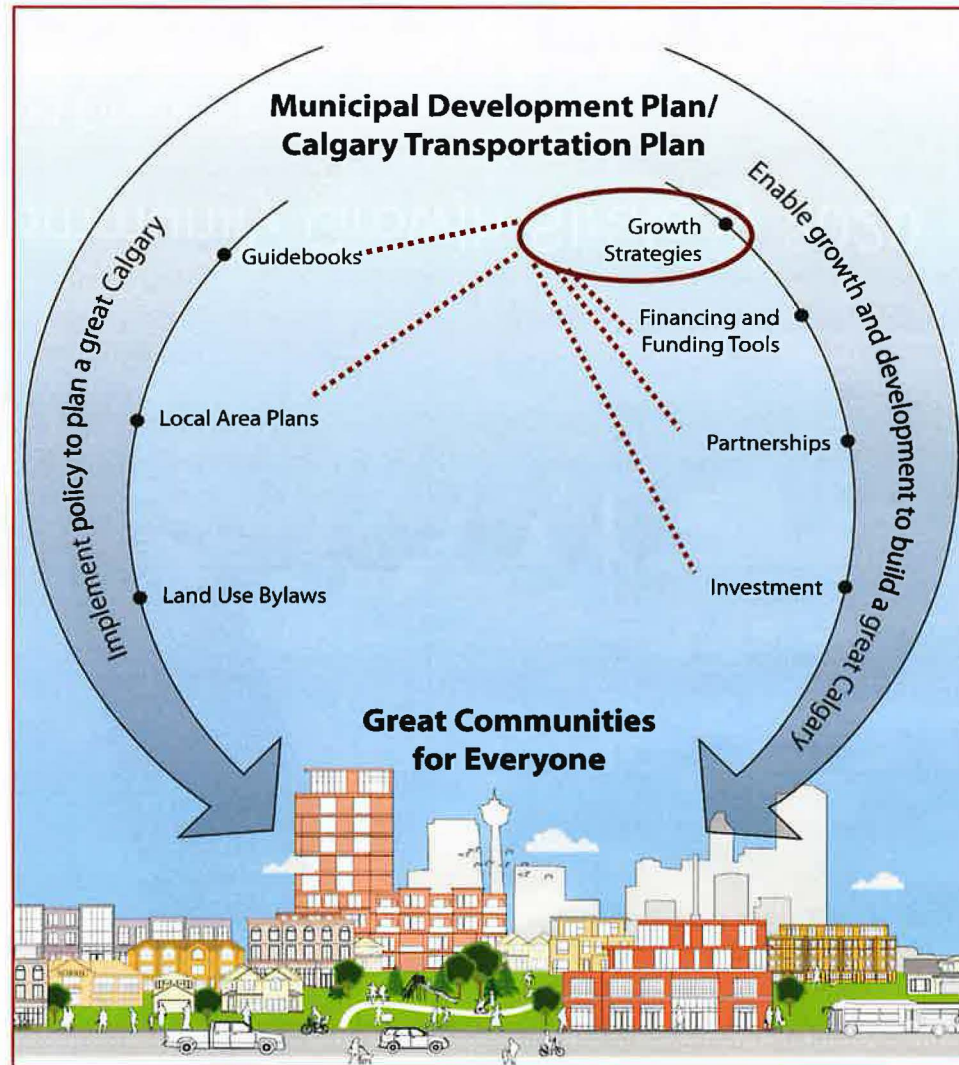
# New Community Growth Strategy 2020

Priorities and Finance Committee  
2020 October 19

PFC2020-0963  
ISC: Unrestricted



# Next Generation Planning: New Community Growth Strategy





**New for 2020, proponents first submitted proposals that demonstrated how their business case area would meet the following entrance criteria:**

- a) no required capital from the City of Calgary to initiate development;
- b) no required operating costs in the current One Calgary (2019-2022) budget or the next (2023-2026) budget cycle, without a proposed mitigating solution, that does not include tax and utility rate increases using the existing model and any improvements made by the date of review
- c) completing areas of previously approved communities and leveraging capital investments already made in 2018 and prior years;
- d) property tax generation potential; and levy generation potential that funds new and established areas.

**Administration then reviewed full business cases against criteria that captured the three growth factors – Municipal Development Plan/Calgary Transportation Plan Alignment, Market Demand, and Financial Impacts**



# Proposed Business Cases: At-a-glance

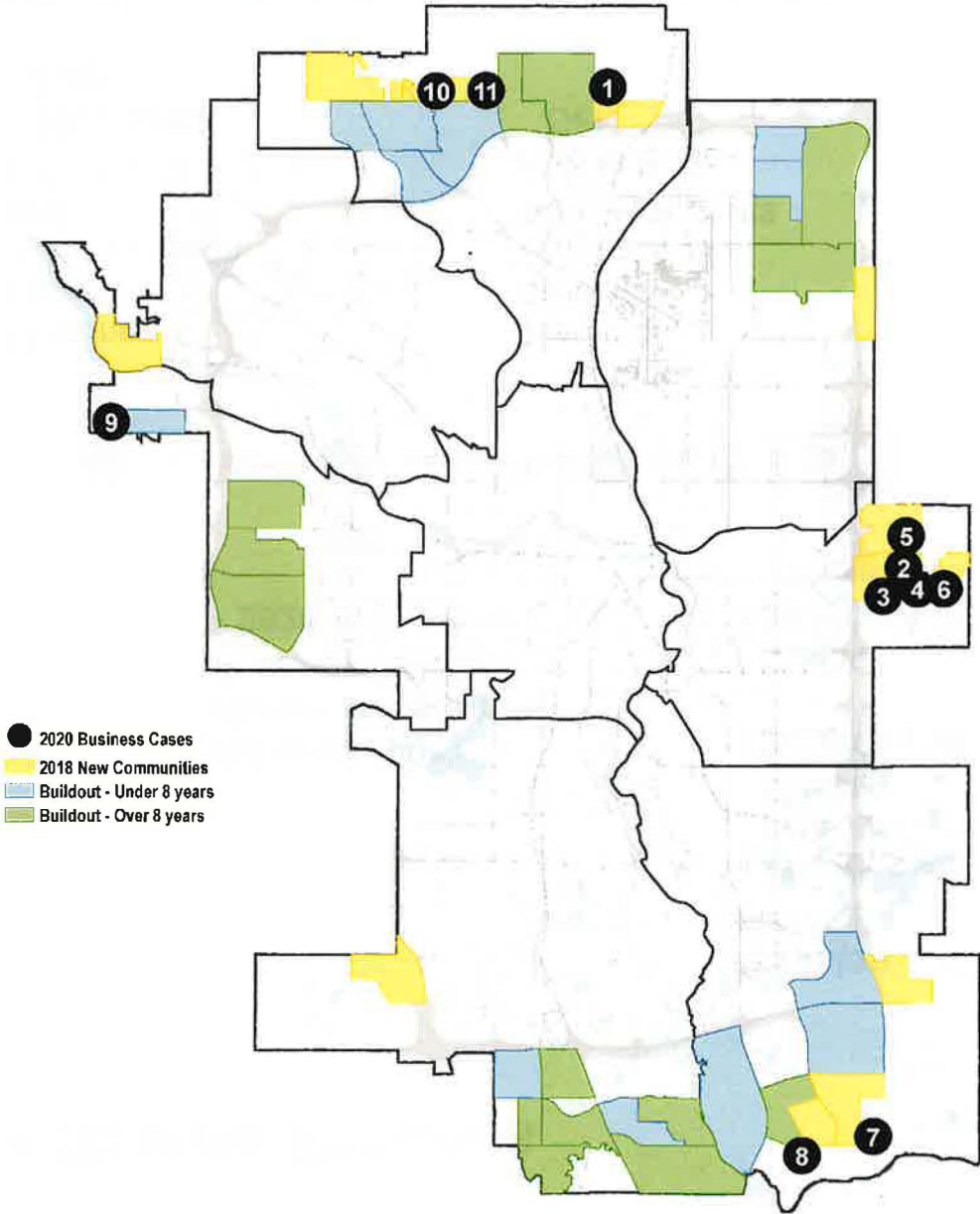


Business Cases	Gross Area (Hectares)	Units	Population	Non-residential (square feet)
11	1,080.6	19,287	56,311	1,041,950

# Proposed Business Cases: Location & Name

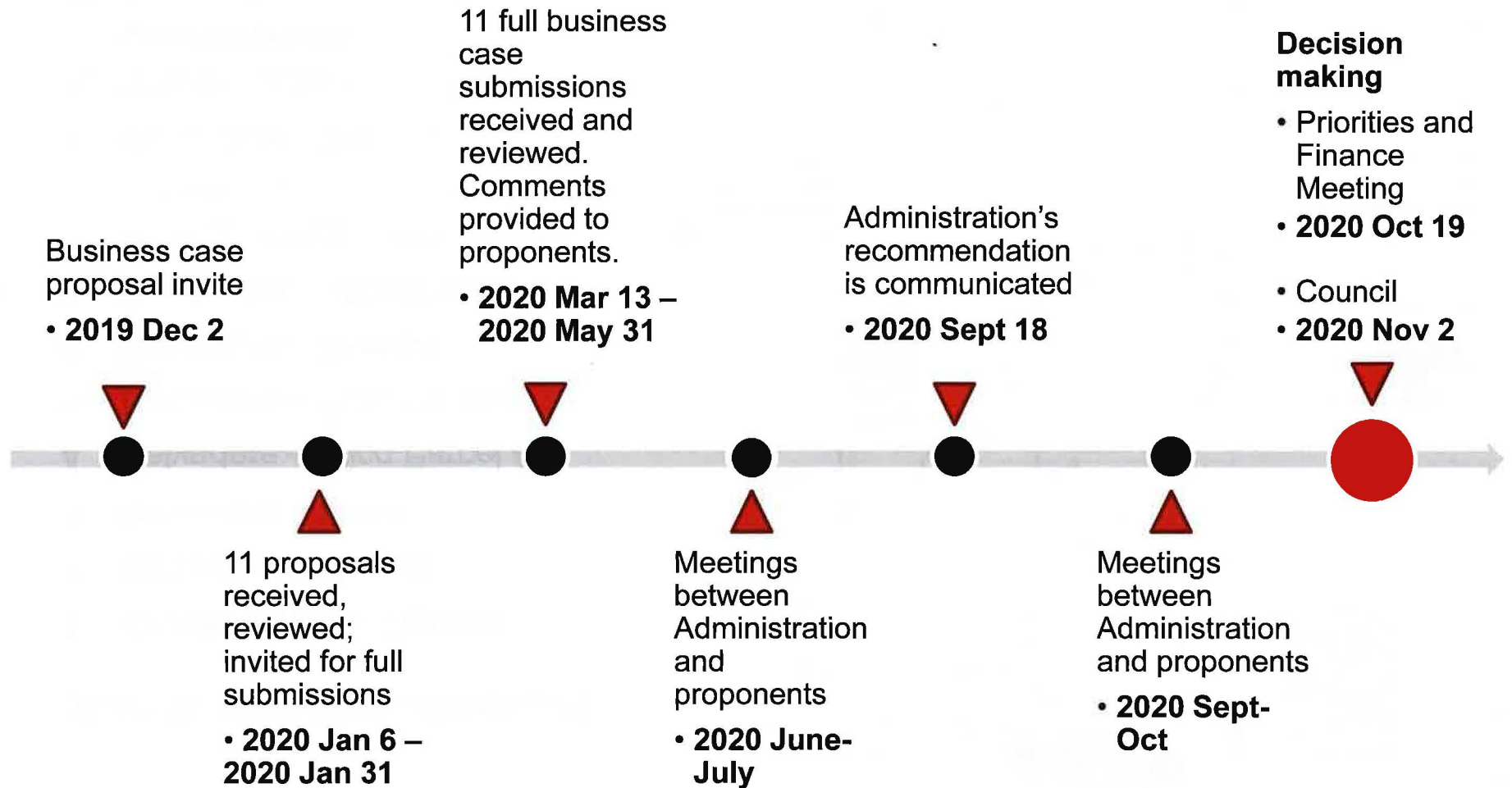
*(Area Structure Plan – Developer)*

- 1. Keystone Hills – Genesis
- 2. Belvedere – Grewal
- 3. Belvedere – Huhn
- 4. Belvedere – Trico Parcel A
- 5. Belvedere – Trico Parcel B
- 6. Belvedere – Truman
- 7. Rangeview – WestCreek
- 8. Ricardo Ranch – Brookfield, Genesis, Soutzo
- 9. West View - Qualico
- 10. Glacier Ridge – Qualico/Dream
- 11. Glacier Ridge - Brookfield

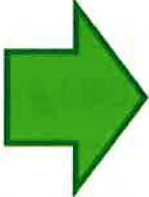




# Business Case Review Process



# Growth Evaluation Factors



**Municipal  
Development  
Plan/Calgary  
Transportation Plan  
Alignment**

**Market Demand**

**Financial Impacts**



## MDP Section 2.6 – Greening the City

- Adding capacity for new community growth challenges The City’s commitments to minimizing our footprint and reaching the goals of the Climate Resilience Strategy

## MDP Section 2.2 – Compact City

- Additional residential growth will make it harder to achieve a mix of uses, housing choice throughout the city, and the MDP growth targets

## MDP Section 5.2 – Framework for Growth and Change

- Investment supporting developed areas and the completion of communities should be prioritized first

## Conclusion

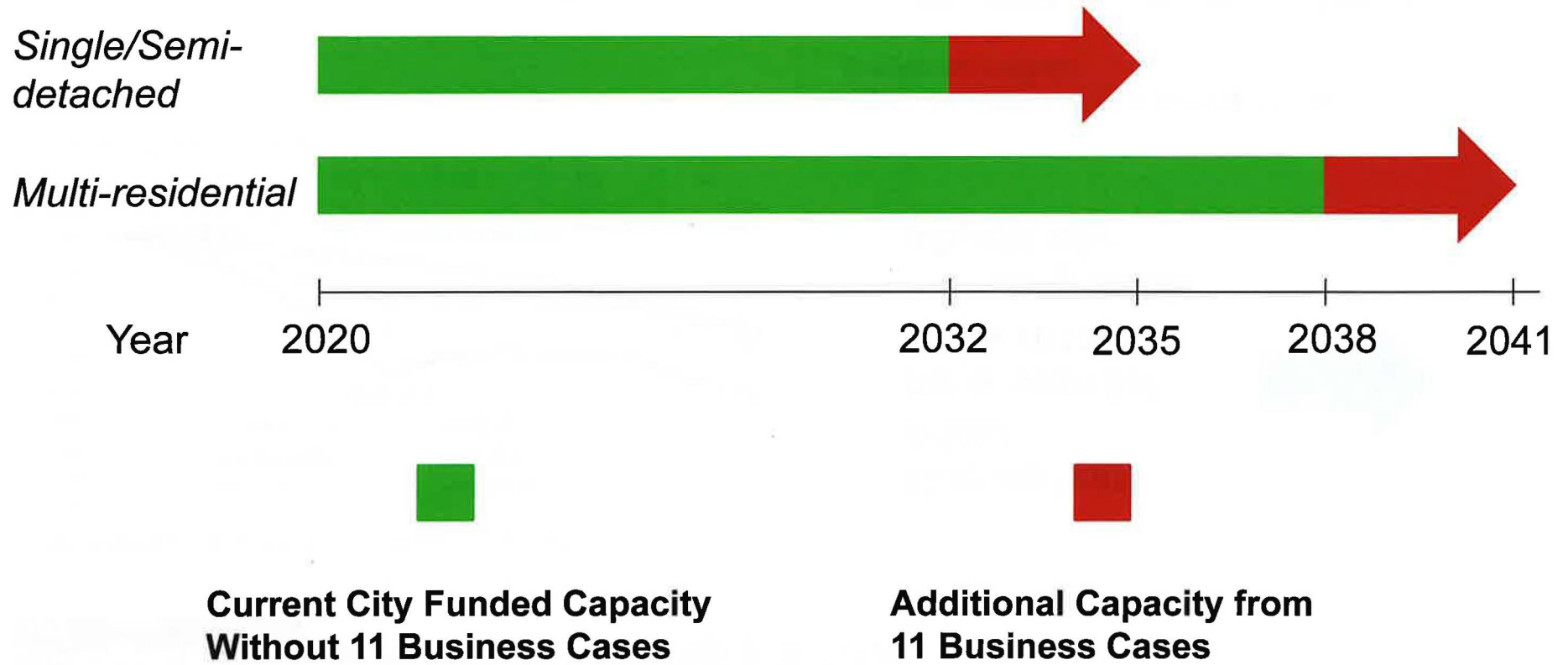
At this time, advancing these business cases for development does not align with MDP/CTP policy.





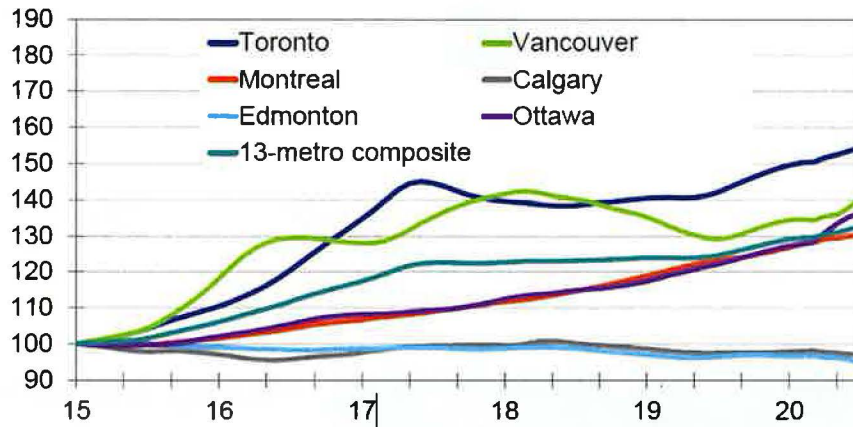
## Market Demand Factor

- To meet anticipated market demand, The City has committed funding toward 12 years of single/semi-detached supply, and 18 years of multi-residential supply.



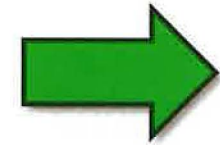


RPS composite house prices, Jan 2015=100, SA



Sources: RPS, Moody's Analytics

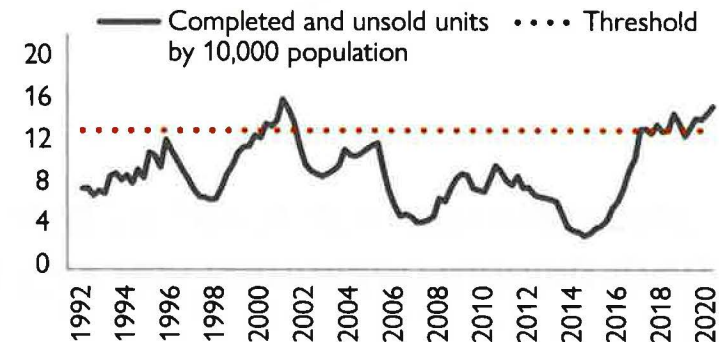
Calgary home prices have been flat since 2015, indicating stable affordability



Unsold inventory is reported to be high



Figure 3: Evidence of Overbuilding in Calgary (ownership market)



Sources: Statistics Canada and CMHC  
Last data point: 2020Q2



### **Conclusion**

- A healthy, competitive market, offering choice of housing types and locations already exists around the city in the 27 actively developing and 14 new communities
- A further three years of city funded supply capacity provided by the 11 business cases is not required at this time to maintain housing affordability



- In 2018, Council approved capital and operating investments of \$489M for 2019-2022 in new and actively developing communities and committed to further longer term capital and operating funding.
- The City has been reducing budgets, and consequentially reducing service levels for the actively developing and new communities. New business cases will add to the servicing challenge.
- The City is currently financially constrained, and spending is viewed through a lens of efficiency and generating return. Any further spending commitments must be for the highest priority needs.



### **Conclusion**

The City has made sufficient financial commitments to new and actively developing communities, and is currently resource constrained. Further financial commitments are not required at this time.





# Business Cases – Final Individual Summary

 Business case meets the criteria  Business case does not meet the criteria		Growth Criteria			
		MDP/CTP Alignment	Market Demand		Financial Impact
Business Cases	Area Structure Plan	MDP/CTP Alignment	Citywide Market Demand	Sector Market Demand	Financial Impact
1. Keystone Hills	Keystone Hills	●	◆	◆	●
2. Grewal	Belvedere	●	◆	◆	◆
3. Huhn	Belvedere	●	◆	◆	◆
4. Trico Parcel A	Belvedere	●	◆	◆	◆
5. Trico Parcel B	Belvedere	●	◆	◆	◆
6. Truman	Belvedere	●	◆	◆	◆
7. Rangeview	Rangeview	●	◆	◆	●
8. Ricardo Ranch	Ricardo Ranch	●	◆	◆	●
9. Qualico – West View	West View	●	◆	●	◆
10. Qualico/Dream	Glacier Ridge	●	◆	◆	●
11. Brookfield Cabana	Glacier Ridge	●	◆	◆	●



Risks of	Implications
Maintaining new community approvals already in place	<b>Missed individual economic opportunities</b> from developers that don't have similar development opportunities in Calgary
	Opportunity for <b>efficiency of some infrastructure</b> where The City has already invested
Approving additional new community growth	The City will be <b>challenged to meet particular MDP/CTP targets</b>
	<b>6 business cases did not meet the 'no capital cost' criteria</b> and would require additional investment
	The City <b>may not have the revenue to invest</b> in infrastructure and services <b>when needed</b>
Overall risk is <b>increased to The City and the 14 new community developers</b> during a period of economic uncertainty	

# Factor Analysis Summary



**Municipal  
Development  
Plan/Calgary  
Transportation Plan  
Alignment**

**Market Demand**

**Financial Impacts**



Administration recommends that the Priorities and Finance Committee recommend that Council:

1. Receive this report for the corporate record; and
2. Invite 2020 business case proponents to submit business cases during the next New Community Growth Strategy process, to be aligned with the start of 2023-2026 service plan and budget cycle.

