

## Exploring Climate Considerations in the New Community Growth Strategy Business Case Evaluation Process

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### Background

The purpose of this attachment is to provide early ideas on how Administration can integrate climate considerations into the 2022 New Community Growth Strategy business case evaluation process.

The New Community Growth Strategy is one of three components of the comprehensive Citywide Growth Strategy, along with established and industrial areas. All three components of the Citywide Growth Strategy are part of Next Generation Planning, which provides the foundation for city-building in Calgary.

In keeping with the direction provided by Council that initiated this report, climate considerations will be incorporated to a greater extent within the Citywide Growth Strategy, with the first step being to focus on the New Community Growth Strategy business case evaluation process. It is through the New Community Growth Strategy process that applications for new community growth are considered by Administration and decided upon by Council. The first iteration in 2018 resulted in the approval of 14 new communities, while the second round in 2020 resulted in no additional business cases being approved. The next round of business case decisions is anticipated to occur in 2022.

Currently, New Community Growth Strategy business cases are evaluated based on criteria responding to three growth factors:

1. **Municipal Development Plan/Calgary Transportation Plan (MDP/CTP) Alignment**, where business cases are evaluated for their alignment to the goals of the long-term policies.
2. **Market Demand**, which is the consideration of the current supply and accommodation of market demand of the development types being proposed.
3. **Financial Impact**, which is the consideration of the financial implications to The City from both from an operating and capital expenditure perspective, and the economic opportunities of building new communities.

### Integration of Climate Considerations into the New Community Growth Strategy Business Case Evaluation Process

In recognition of the growing importance of climate action, the business case evaluation framework was amended for the 2020 review process to include climate considerations. Ahead of the 2022 review, Administration will continue to revise the New Community Growth Strategy business case evaluation framework to increase the climate considerations, in consultation with stakeholders.

In response to this direction on climate inclusion, and within the review of the New Community Growth Strategy business case evaluation template, consideration should be given to updating the “Greening the City” section. Currently, this section of the evaluation template includes one

criterion, however, additional decision-making criteria could be added to include climate related considerations as the examples in Table 1 below illustrate. Refer to Table 2 for the complete New Community Growth Strategy business evaluation template as it was used in 2020.

**Table 1: Greening the City section of the New Community Growth Strategy Business Cases Evaluation Template with example climate considerations**

<b>Greening the City</b>	
Definition	Criteria
Protecting environmentally sensitive areas and promoting renewable energy sources, energy efficiency, low-impact development for stormwater management, construction of green buildings, and encouraging cycling and walking all work together to make Calgary more environmentally friendly	<b>Current:</b> How does the business case help deliver quality public spaces or open spaces for residents/employees?
	<b>Example addition 1:</b> How does the business case provide opportunities to withstand climate change impacts?
	<b>Example addition 2:</b> What greenhouse gas reducing innovations (e.g. during construction or in the permanent built form) are proposed for the development in this business case area?

It is anticipated that this work will be informed by the MDP 2020 update to the Greening the City policy and the Climate Resilience Strategy, in addition to consultation with the New Community Working Group, the Climate Panel, and other stakeholders as identified through the process.

Future work on the New Community Growth Strategy business case evaluation framework may include applying the Community Climate Assessment tool and the Integrated City Energy Map (Energy Map) that are currently under development. Adaptation and application of these specific tools to the New Community Growth Strategy evaluation process is likely to take place following the 2022 New Community Growth Strategy business case evaluation process, in consultation with internal and external stakeholders. A high-level work plan for completion of this work is provided below:


<b>Work Plan</b> <b>New Community Growth Strategy</b> <b>Business Case Evaluations + Climate Considerations</b>	
Time Frame	Task
Q2 2021	Explore climate tools and other considerations to be included in the New Community Growth Strategy business case evaluation process.
Q2-Q3 2021	Engage with stakeholders, including the New Community Working Group and the Climate Panel.
Q4 2021	Update and communicate 2022 New Community Growth Strategy business case evaluation criteria and submission requirements.

Q1-Q3 2022	Implement revised evaluation requirements in the 2022 New Community Growth Strategy business case evaluation process.
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## Feedback from New Community Stakeholders

Two initial discussions with the New Communities Working Group were held on this topic. While stakeholders were open to the discussion, they identified concerns related to (a) development costs and housing affordability; (b) the need for a comprehensive multi-departmental approach that integrates ongoing related initiatives; (c) implementation and approval challenges related to innovative solutions; and (d) equity in development requirements throughout the city, including in established and industrial areas. There is a desire for Administration and stakeholders to work together to address the complexities of this across several ongoing initiatives and to arrive at amendments to the business case evaluation template that are balanced, outcome-based, and implementable. In particular, alignment with the Balancing Policy work (where Administration and Industry representatives are examining the cumulative impact of City policy and expectations on the design and affordability of new communities) was highlighted.

**Table 2: 2020 New Community Growth Strategy Business Cases Evaluation Template**

 Section for possible amendment to include greater climate consideration

Factor	MDP Goal	Definition	Current New Community Considerations
Strategic Alignment: Municipal Development Plan/Calgary Transportation Plan	Prosperous Economy	Planning for our economy's long-term sustainability ensures that current and future generations are resilient and adaptable to economic cycles and unanticipated changes.	1. How many temporary construction jobs are expected from development in the business case area?
			2. How many future jobs/permanent jobs are expected within the business case area?
			3. How does the business case area support economic diversification for Calgary?
	Compact City	A dispersed and spread out population creates some social, economic and environmental challenges. In a compact city, balancing growth between new and developed areas builds vibrant, thriving communities. A compact city is made up of complete communities that provide a broad range of housing choices and services, as well as high quality transit and transportation options.	4. Is the business case area contiguous?
			5. How does the business case area meet the intensity target of 60 people and jobs per gross developable hectare?
	Great Communities	Great communities are flexible. They adapt to the	6. How does the business case fit into the greater community?

		needs of current and future residents by providing a variety of housing options and services so that people can meet their day-to-day needs within their own neighbourhood. Essentially, it is about creating communities where residents can live, work and play.	7. How does the business case area immediately support existing non-residential development?
			8. How the business case area integrate Neighbourhood Activity Centres (NAC), a Community Activity Centre (CAC), and/or leverage a Major Activity Centre (MAC)?
			9. How does the business case area support City facilities, such as libraries and recreation centres?
	Good Urban Design	Good urban design is the result of collaboration and coordination between various disciplines, creating public places that people enjoy.	10. How does the business case area demonstrate innovation or a new approach for development in Calgary (e.g. Leadership in Energy and Environmental Design or LEED, Building Research Establishment Environmental Assessment Method or BREEAM)?
	Connecting the City	The design of the transportation system has a significant impact on how a city grows and how people get around. The Municipal Development Plan encourages more sustainable transportation options such as walking, cycling and transit to create a system that provides more choice. This means prioritizing investment to improve transit networks, designing streets to accommodate cycling and walking, plus improved connectivity.	11. How does the business case area integrate with the Primary Transit Network in the MDP/CTP?
	Greening the City	Protecting environmentally sensitive areas and promoting renewable energy sources, energy efficiency, low-impact development for stormwater management, construction of green buildings, and encouraging cycling and walking all work together to make Calgary more environmentally friendly.	12. How does the business case help deliver quality public spaces or open spaces for residents/employees?
	Managing Growth and Change	Founded on the principles of sustainable development and guided by fiscal responsibility and managed growth, these	13. How does the business case area use existing utilities, fire/emergency service, and transportation infrastructure?

		goals will stimulate growth and change across the city for the next 60 years.	
Factor	MDP Goal	Definition	Criteria
Market Demand	Managing Growth and Change	Founded on the principles of sustainable development and guided by fiscal responsibility and managed growth, these goals will stimulate growth and change across the city for the next 60 years.	14. What is the business plan for development approval starting from Land Use and Outline Plan to Subdivision Phasing?
			15. Are there any considerations involving third parties? (e.g., public land claims, rights of way acquisitions, Provincial funding or approvals, other land owners/developers)
			16. What factors (other than City timelines) may cause a delay in private investment from the timelines provided? How would you mitigate against these factors?
			17. How does the business case area benefit the city-wide serviced residential or non-residential growth capacity? How does it improve near term market competition?
			18. How does the business case area benefit the sector/local serviced residential or non-residential growth capacity? How does it improve near term market competition?
Factor	MDP Goal	Definition	Criteria
Financial Impacts	Managing Growth and Change	Founded on the principles of sustainable development and guided by fiscal responsibility and managed growth, these goals will stimulate growth and change across the city for the next 60 years.	19. What is the City of Calgary annual operating costs for the business case area over the lifetime of the development?
			20. What is the anticipated total amount of levies to be contributed by the business case area?
			21. What is the average annual City portion of the property tax revenue for the business case area over the lifetime of the development?
			22. What is the financial value of the business case at the completion of development?
Other	Other	Are there any other key attributes that should be highlighted about the business case area? Examples could include improvements to city resiliency and sustainability, service efficiency, alignment to other City initiatives, and innovative approaches.	