

What We Heard Report – PFC2021-0639

The Citywide Growth Strategy: New Communities (also known as the New Community Growth Strategy (NCGS)) is enabled through tools and processes that support Council decisions for funding necessary capital and operating investments to enable strategic growth in new communities. Stakeholders, members of Council, and Administration have recognized there are advantages and disadvantages with the current tools and processes. However, the identification of different tools to replace current tools that enable Council decisions within a multi-criteria framework while removing barriers identified by proponents, have proven elusive.

Through Administration's internal and external review conducted to support this work, a number of opportunities to improve the process were identified. Since 2016, Administration has continuously collaborated with development and building industry ("Industry") partners through the New Community Working Group on where improvements can be made to the decision process, most notably through the Industry/City Work Plan and implementing the findings of the "New Community Growth Strategy: Stakeholder Engagement Review and Lessons Learned" consultant report commissioned for PFC2019-1062.

Based on the Council direction provided in PFC2019-1062 to create policy that encourages a more business and investment friendly environment for development in Calgary, this work is identifying and developing business-friendly near-term Refine opportunities for exploration and implementation to improve the 2022 NCGS Business Case review process. Following the 2022 Business Case process, ongoing stakeholder dialogue regarding the subsequent Rethink considerations (involving more fundamental change to the Growth Management Overlay) will be undertaken as part of the proposed work plan (Attachment 2).

This attachment outlines five key themes heard from Industry representatives of the New Community Working Group in relation to the Growth Management Overlay mechanism and the Business Case review process, collected through a series of meetings between December 2020 and May 2021.

1. Market Factors and Supply and Demand Assessment

Industry members expressed concern about ensuring that the understanding of serviced land supply be done in a way that is as up to date as possible and that accounts for the variety of challenges to land development, which can vary significantly by geography. Industry expressed the desire to have greater third party and Industry input into the supply assessment and demand forecast elements of the Business Case review process.

Industry members expressed support for greater nuance and emphasis on sector- and housing-type-specific variations in supply and demand, as well as clear communication on the difference between serviced and budgeted-to-be-serviced land supply

2. Cumulative Impacts and Policy

Industry members would like to see greater clarity on how Administration identifies and evaluates cumulative impacts across the portfolio of submitted Business Cases and alignment

with citywide Municipal Development Plan policy, and how this informs Administration's recommendations.

Industry members expressed support for the concept of highlighting situations in which multiple Business Cases may together share the ability to realize operating cost efficiencies, such as the servicing costs of transit routes or fire services coverage.

Industry members expressed reservations and a desire for further conversation about the approach to be taken to evaluate where multiple Business Cases may not require City-funded capital investment on an individual basis, but do in the aggregate.

3. *Process Improvements*

Both Industry members and internal stakeholders expressed a desire to ensure that any previously considered Business Cases are subject to as streamlined and efficient a review process as possible in the 2022 round.

Industry members expressed a desire to ensure that the Business Case review be done with increased transparency, with a consistent technical foundation applied to all Business Cases.

Industry members noted that the current intake and template process for Business Case submission and review is satisfactory, but that the level of detail required should be the minimum necessary, noting that not all sites have the same technical information available, given their variety in progress along the planning approvals continuum.

4. *Communications*

Industry members expressed a desire for proponents to be able to have more opportunity to speak to the merits of individual Business Cases, both within Administration's evaluation process as well as directly to Committee and Council at the decision stage.

Industry members expressed a desire to ensure that broader public communications and dialogue around the Business Case review process be measured and constructive, emphasizing the technical cost benefit nature of the decisions and reducing the temperature of the conversation, in order to ensure continued investor confidence.

5. *Overall Approach*

Industry members were not supportive of continued application of the Growth Management Overlay mechanism in cases where no initial City-funded capital investment is required (typically defined as water, stormwater, sanitary, transportation, and emergency services). At the very least, Industry members would like to see Business Cases split into two categories of evaluation – those requiring and not requiring capital investment to initiate the development. In the future, Industry members would like to see no Business Case required (and no Growth Management Overlay applied) for areas that do not require initial City-funded capital. Operating costs and Municipal Development Plan alignment would be evaluated individually at the Outline Plan stage.