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May 14, 2024

The City of Calgary
P.O. Box 2100, Station "M"
Calgary, Alberta T2P 2M5

Attention: Chair Infrastructure & Planning Committee, Sonya Sharp

Dear Members of the Infrastructure & Planning Committee:

RE: Item 7.1 - 7.7 Growth Applications

On behalf of BILD Calgary Region, we write to express our support for recent changes adopted by Administration to the Growth Application process for new communities, to provide recommendations to "firm up" those recent changes, and to provide additional recommendations for improvement.

We acknowledge the contributions and collaborative achievements of Administration, Council and BILD's industry members toward lowering barriers and enabling housing supply in the midst of Calgary's current housing supply crisis. The CMHC Housing Portal reports this collaboration resulted in record housing starts in 2022 and 2023 as well as a positive start to 2024 with the Q1 housing starts in 2024 exceeding the same quarter in 2023 by over 50%. Those results were achieved because of the strong working relationship between Administration and BILD's industry members. We congratulate both Administration and Council for their persistent efforts and forward-looking approach.

Notwithstanding those achievements, record immigration to Canada and particularly Calgary, has housing demand continuing to outpace additions to supply. Calgary's once enviable position as one of the most affordable major metropolitan areas in Canada is at risk. Calgary's housing affordability has eroded sharply over the last three years. The RBC's aggregate home ownership affordability measure has deteriorated materially over the past three years, reaching its worst level (48.3%) since 2007 at the end of 2023. In 2023, overall year-over-year rent increases, as reported by the CMHC, eclipsed the previous record set in 2006.

This underscores the need to continue our collaborative journey on continuous improvement, reasonably and cost-effectively lowering barriers to enable all forms of housing supply across the full housing continuum in a clearly understood, expeditious way. Formally adopting the recent changes implemented by Administration, noted below, as well as our additional recommendations, will assist all parties, growth applicants, Administration, Council and the public in their understanding of the process as well as making clear the pathway, key milestones and timelines toward needed Growth Application approvals. Such clarity will enable a common understanding and afford the most time-efficient and effective use of finite resources, providing confidence to those investing significant financial resources to prepare Growth Applications for Council's consideration.

We welcomed the direction of Council and Administration toward a flexible intake model for Growth Applications. However, the transition has presented unexpected and unintended challenges, particularly regarding the predictability and clarity of the process. Unforeseen changes to the handling of Growth Applications introduced uncertainty into investment and planning processes.

The implications of these unforeseen changes are significant. Industry invests significant time, and funds in preparing detailed Growth Applications, many of which include a detailed Outline Plan. The prospect of these efforts having no clear path forward risks undermining confidence and discouraging investment when accelerating the housing supply is imperative.

To address these concerns collaboratively and continue to cultivate a constructive and predictable environment, Administration worked closely with applicants and industry members. BILD recommends these changes be formalized through the following adjustments to the Growth Application process:

1.   Affirm the continuous, year-round intake and evaluation of Growth Applications.

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2. Implement a clear timetable for Applications needing additional recommendations from Administration and corresponding Council funding approvals as part of the City's annual budget cycle, ensuring prospective applicants are aware of critical deadlines.

3. Establish and maintain a continuous, transparent list of all active and pending Growth Applications, providing clarity and ongoing visibility of the status for all Growth Applications.

4. Continue collaboration by regularly reviewing and refining the criteria and processes and appropriately incorporating ongoing feedback from industry stakeholders to ensure alignment with market needs and the City's growth objectives.

5. Ensure that Growth Applications not yet recommended for approval are accompanied by clear guidance on what steps need to be taken to achieve Administration's support and Council's approval. Such guidance should include specifying timeframes, supply thresholds, increased capital allocations, or other relevant factors. Applicants should be left with a clear understanding of how to achieve and when they can expect approval. This will foster a common understanding of criteria needing to be met and timelines for a positive outcome.

6. Growth Applications not requiring additional Council approval of funding for capital infrastructure should receive approval and move forward immediately. We believe and strongly advocate for Administration and Council to adopt a process where growth driven operating costs are budgeted for as a routine part of the City of Calgary's annual budget cycle. As there is no similarly structured, formalized Growth Application process for established area redevelopment, adopting such an approach aligns consideration of necessary operating cost funding to accommodate growth for both established areas and new communities.

7. Proactively approving funds for planning and design expenses related to capital infrastructure needed to facilitate housing supply in areas experiencing growth. A forward looking, proactive perspective is essential for addressing the demand for housing.

Along with the appropriate approval of Growth Applications currently before you, formally adopting the foregoing is supported by a development fee structure where developers install and pay for all onsite infrastructure and are assessed 100% of their share of offsite growth infrastructure costs in new communities. The City receives that enabling infrastructure at no cost. Further, enabling infrastructure is installed according to the City of Calgary's defined specifications, and cutting-edge technology is integrated to bolster operational efficiency and reduce maintenance issues such as water leaks and pipe breaks. The enabling infrastructure is also rigorously tested and inspected by the City of Calgary prior to City of Calgary acceptance. We are confident that this approach, alongside the increased taxes and utility fees generated by new residents in these communities, will provide crucial support for Administration's ongoing efforts and prioritization of New Community Growth Applications. This strategy is essential for bolstering housing supply and addressing housing affordability.

Our recommendations are in support of our common goal to continuously improve and strengthen the City's growth strategy collaboratively and support the necessary pace of housing development to meet demand. The City's commitment to improving these processes is crucial to restoring affordability consistent with the City of Calgary's "Home is here" strategy, consistent with Council's proactive directions from the Saturday, September 16, 2023, Council meeting.

Should you have any further questions please contact Deborah Cooper at deborah.cooper@bildcr.com or the undersigned.

Sincerely,

Brian R. Hahn
CEO, BILD Calgary Region

Cc: Stuart Dalgleish, Chief Operating Officer
        Tim Keane, General Manager, Planning & Development Services
        Matthew Sheldrake, A/Director, City & Regional Planning
        BILD Calgary Region Board of Directors
        BILD Calgary Region New Community Working Group

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