



Calgary



Downtown Calgary Development Incentive Program Updates (EC2024-0800)

Executive Committee
2024 July 23
ISC: UNRESTRICTED

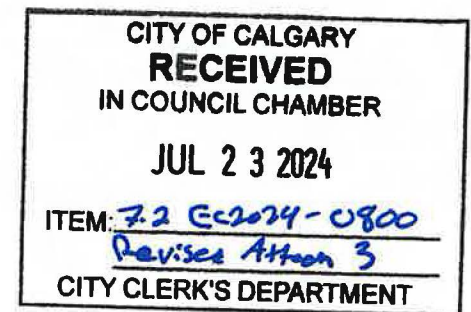


Recommendations

That with respect to Report EC2024-0800, Administration recommends:

That the Executive Committee recommend that Council:

1. Approve the revised Downtown Calgary Development Incentive Program Terms of Reference contained in Attachment 2.
2. Direct that Attachment 4 and related discussions be held confidential pursuant to Sections 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 27 (Privileged information) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2031 December 31.





Report Highlights

- The revised Terms of Reference will result in a more efficient, transparent, and well-managed program
- The revised Terms of Reference align with the recommendations of the Downtown Calgary Development Incentive Program Audit Report, AC2024-0238
- The revised Terms of Reference align with *Home is Here - The City of Calgary's Housing Strategy* and requirements of the Housing Accelerator Fund
- If approved, any new program applications will be reviewed under these revised Terms of Reference
- If approved, the revised Terms of Reference will apply to HAF funds as well as remaining municipal funds



Proposed Changes to Downtown Calgary Development Incentive Program Terms of Reference

- Updated governance structure and creation of appeal process
- Updated eligible uses to allow for co-living and student housing focused proposals
- Updated review and evaluation process, and improved clarity on quality expectations to provide guidance to applicants
- Increased requirements for project readiness and flexibility for incentive payment timing in alignment with HAF funding



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Supplementary Slide Recap: The Downtown Incentive Programs

City Council has committed **\$165 million** towards downtown incentive programs

City Council has approved **four (4)** incentive programs for downtown

- ★ 1. Downtown Calgary Development Incentive Program
2. Downtown Post-Secondary Institution Program
3. Downtown Office Demolition Incentive Program
4. Plus 15 Fund Offset Program



Supplementary Slide – Terms of Reference Summary of Changes

Category	New Terms of Reference	Existing Terms of Reference	Purpose
Applicability	Introduces ineligibility for applicants who have been issued a notice of event of default on existing project(s) of the program.	N/A	Allows prioritization of applicants in good standing.
Eligible Conversion Uses	Additional eligible use of co-living / assisted living	Uses included multi-residential development/dwelling units; hotel; school; performing arts centre	Enables a broader range of housing types, including student-focused housing.
Governance	Revised Incentives Approval Committee (IAC) membership: <ol style="list-style-type: none"> 1. GM Planning & Development Services 2. Director of Finance 3. Director of Real Estate and Development Services 	Incentives Approval Committee comprised of: <ol style="list-style-type: none"> 1. GM Planning and Development Services 2. Chief Financial Officer 	Broadens committee membership and delegates authority to streamline process.
	Addition of Administrative Review Panel to allow applicants reconsideration of IAC decision.	No avenue for reconsideration.	Good practice to include ability for reconsiderations.



Supplementary Slide – Terms of Reference Summary of Changes

Category	New Terms of Reference	Existing Terms of Reference	Purpose
Evaluation	Newly defined 2-stage review process: 1. Preliminary Eligibility evaluation (introduces pass/fail criteria) 2. Comprehensive Application Review (introduces evaluation rubric)	Description of approval process more general in nature with less clarity on various decision points.	<ul style="list-style-type: none"> Provides more clarity to applicants of process. Streamlines review and prioritization of applications. Improves communication points back to applicant.
	Removal of criteria related to below market housing or sustainable building design and improvements.	Consideration for below market housing and sustainable building design and improvements without any definitions or scoring details.	<ul style="list-style-type: none"> Keeps program focused on removal of office and accelerated delivery of housing and other uses. Simplifies application requirements. Streamlines application review.
	Clear articulation of the requirement of a Pre-Application Assessment as a component of the Comprehensive Application Review process.	Pre-Application Assessment part of business practices but not clearly identified in TOR.	Improved clarity and transparency of business practices and role of Pre-Application Assessment in overall review and evaluation process.
	Inclusion of Project Design Elements as part of overall Comprehensive Application Review	Captured as 'key considerations' without clarity on how items will be evaluated	<ul style="list-style-type: none"> Improved clarity and transparency of current business practices Clarity on minimum quality expectations.
Payment of Funds	Flexibility of timing for payment of funds.	Payment at full project completion, final inspection and occupancy permit.	Alignment to requirements of HAF, as required.