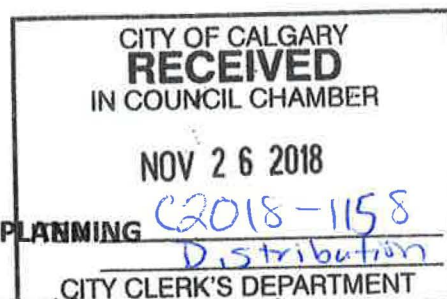




## COMMUNITY DEVELOPMENT\* AND PLANNING

In September, Calgary Climate Hub posed four questions that it wanted to answer before commenting on the land use, planning, and community development aspects of the City of Calgary's budget. Part A contains our views on those questions. Part B provides our analysis.



### A. Our Views

#### 1. Does the City need an *Established Area Growth and Change Strategy*?

##### Current Situation

The City of Calgary has a wide variety of sophisticated, climate-positive policies and programs that guide growth and change in existing communities. The primary initiative influencing growth and change is the *Municipal Development Plan (MDP)*.

Along with market conditions, the *MDP* has been successful in fostering more compact, efficient use of land, generating a better mix of commercial and residential development, and improving the variety of housing choices. However, those gains have primarily been in new subdivisions outside existing communities.

The *MDP* and market conditions have also been successful in shifting a higher percentage of new housing to existing communities. Until the downturn, a similar pattern was occurring with population growth. The downward trend of population growth in new subdivisions experienced prior to 2017 can be expected to continue as the economy recovers.

##### Our Recommendations

**Yes, the City needs an *Established Area Growth and Change Strategy*.**

Implementing an *Established Area Strategy* would greatly assist in achieving the *MDP*'s objectives. **To be successful, the *Strategy* will need to generate more public investment in existing communities.** The City has identified several ways that this could be done, ranging from bonus density programs to direct capital investment. **Climate-positive incentives and levies that are financially neutral or positive will need to be added to the mix of investment options.**

In addition to the other issues that the *Strategy* would address (i.e., strategic policy alignment, market demand, financial capacity), City Administration has identified

“redevelopment readiness” as a significant concern in existing communities. This means “community readiness for change.”

Community readiness is not, in our view, a significant concern. Instead, as discussed in Section 4, experience has shown that community readiness is ordinarily not an obstacle if meaningful, mutually beneficial engagement between the City and a community is used.

**To make engagement between the City and communities successful – and determine community readiness, it is essential that the City engage in meaningful consultation and, most important, follow through.**

This was made clear to City Council in September. Many of our existing communities are incomplete, lacking the amenities (including infrastructure) to make them vibrant and sustainable. The City has been good at plans and promoting greater land use intensification, but too often not good at putting in place the amenities that allow plans and intensification to secure tangible and long-lasting benefits for communities. **In our view, amenities come first. Investment, intensification, and growth will follow and make our communities stronger, more liveable, and more climate-positive if the City ensures that the right funding, infrastructure, programs, and community uplift are in place.**

## **2. What are the opportunities for and constraints on community development?**

### **Current Situation**

The primary opportunities for community development are:

- The strength and resilience of existing communities to fully develop their prospects and capacities.
- Cooperative, community-based engagement that sees growth and change evolve from the grassroots.

The primary constraints on enhancing existing communities are:

- The separate decision-making on growth and development in existing communities vs. new subdivisions.

Beneficial and financially desirable growth and change in Calgary has been hindered by this separate decision-making.

- Incomplete application of development levies for new subdivisions.

Contrary to BILD CALGARY’s views, the City has taken substantial risks by not expanding development levies for new subdivisions. Primary among these risks is

the risk that the residents of existing communities will continue to subsidize the operating and construction costs for new subdivisions.

It should also be noted that BILD CALGARY's argument that cost-recovery for new subdivisions is unfair only applies if a new subdivision is itself not financially viable.

### **Our Recommendations**

**Make the *Established Area Growth and Change Strategy* a climate-positive, community-positive enterprise that is the foundation of the budget.**

**Analyze and evaluate funding for communities – existing and proposed – collectively and simultaneously based on the full range of needs, including economic, social, health, environmental, and hard and “soft” infrastructure.**

**Through City policy and/or in cooperation with other levels of government, improve development levies and other sources of revenue for new subdivisions so that the full, life-cycle cost of those subdivisions are recovered from those who develop, build, and benefit from those subdivisions.**

3. **Should the City limit its involvement in the housing market to housing for low-income households?**

### **Our Recommendation**

**Yes, the City should limit its involvement in the housing market to assisting low-income households.** Low-income housing is the appropriate role for government – the area where the market has not been successful in meeting the need for safe, secure accommodation. Other initiatives (Attainable Homes, lifestyle subsidies) should be left to the private sector.

4. **Are the City's engagement and analytical techniques adequate for balanced community development?**

### **Current Situation - Engagement**

The City's engagement on growth and change is heavily weighted towards consultation with selected representatives of the development and building industry.

### **Our Recommendation**

**On the four factors that will drive the *Established Area Growth and Change Strategy*, the City's engagement needs to be modified and strengthened from its previous approach. Specifically:**



- **Strategic alignment:** Seek advice from independent experts and consult the general public.
- **Market demand:** Consult with independent experts and a full complement of real estate interests.
- **The City's financial capacity:** Seek advice from independent experts and consult the general public.
- **Community readiness:** Engage communities as equal partners in protecting the positives and eliminating the negatives within their communities.

### **Current Situation - Analysis**

The City's assessment of new subdivisions has worked against existing communities. Compared to trends, the City's five-year forecasts of land requirements for new subdivisions have been too high by, on average, 400 hectares from 2013 to this year. This has resulted in City funding being allocated to new subdivisions rather than existing communities. An excess of land servicing for new subdivisions has been approved for, at a minimum, 1,805 hectares. If the fourteen new subdivisions are funded in the budget, there will be an oversupply of serviced suburban land, a decade or more delay in completing subdivisions, premature infrastructure investment by the City, under-utilization of that infrastructure, and greater operating costs to be borne by residents of existing communities.

Contrary to what BILD CALGARY has argued, City Administration has not been conservative in its approach to new subdivisions. Instead, the chronic over-estimation of demand for new subdivisions – based on BILD CALGARY's advice - has been extremely risky.

### **Our Recommendation**

**City Council should delay funding for the fourteen new subdivisions and instead re-allocate the money to the *Established Area Strategy*, public transit, active transportation, Main Streets, and climate resilience so that funding is provided to complete the infrastructure, servicing, and growth needs of all communities that are currently in place.**



## B. Our Analysis

### ***Established Area Strategy***

An *Established Area*<sup>1</sup> *Growth and Change Strategy* does not exist. Instead, the City of Calgary has a wide variety of sophisticated, climate-positive policies and programs that guide growth and change in existing communities. These include:

- *Municipal Development Plan*
- *Calgary Transportation Plan*
- *Route Ahead*
- *Complete Streets*
- *Main Streets*
- *Pedestrian Strategy*
- *Cycling Strategy*
- *Centre City Mobility*

Taken together, these initiatives cover the significant aspects of the development of physical infrastructure in communities.

Among those initiatives, the primary initiative influencing growth and change in existing communities is the *Municipal Development Plan* which was approved in 2009 and amended several times since. The *MDP* sets a “60-year strategy of a more sustainable city form for Calgary and the transportation network needed to serve it” with a 30-year plan for “managing growth and change, public investment and land use approval decisions.”<sup>1</sup>

The economy, City finances, and local communities are specifically targeted for sustainability in the *MDP*. Other aspects of Calgary’s future such as urban form, environmental integrity (including climate), inter-governmental cooperation, and the prospects for future generations receive commitments such as support, encouragement, enhancement, promotion, and service “within the constraints of limited resources.”<sup>2</sup>

The key directions for the *MDP* are:<sup>3</sup>

---

<sup>1</sup> According to the City, “The Established Area boundary ... is meant to be a starting point for the discussion regarding the appropriate area to be considered; it is not a finalized boundary at this time. It is recognized that the amount of growth and change in these communities varies widely, and there are communities around this boundary that have existed for some time, and are starting to experience a level of growth and change. The City will use this boundary in the interim to indicate the areas included in the scope of this work until a more in-depth analysis of growth data can be completed, and discussion can occur with stakeholders on the appropriate areas to include.” (“Climate Hub Questions to Planning and Development,” p. 2)

1. Achieve a balance of growth between established (“Developed Area<sup>2</sup>”) and Greenfield (“Developing Area”) communities.
2. Provide more choice within complete communities.<sup>3</sup>
3. Direct land use change within a framework of nodes and corridors.
4. Link land use decisions to transit.
5. Increase mobility choices.
6. Develop a Primary Transit Network.
7. Create complete streets.
8. Optimize infrastructure.

To accomplish those things, implementation will happen through:<sup>4</sup>

- Support to corporate decisions
- Direction for co-ordination between City departments and business units
- Buy-in and investment by the private sector market
- Help and guidance for community-based initiatives
- Statutory and non-statutory plans, planning and design of communities, and development permits

Private sector buy-in and investment are considered critical.

In terms of City finances, the key policies are:<sup>5</sup>

- “Optimize the use of existing infrastructure and services”
- “Provide infrastructure that is affordable and cost-effective over the long-term life cycle of the asset”
- “Accommodate growth while avoiding premature investment in municipal infrastructure”

In terms of land use, the key policies are:<sup>6</sup>

- Greater variety of housing choices, employment opportunities, local retail and services and mobility options
- Consideration of “overall housing affordability” in planning decisions
- Greater housing choices in locations close to job markets and in areas well served by the Primary Transit Network

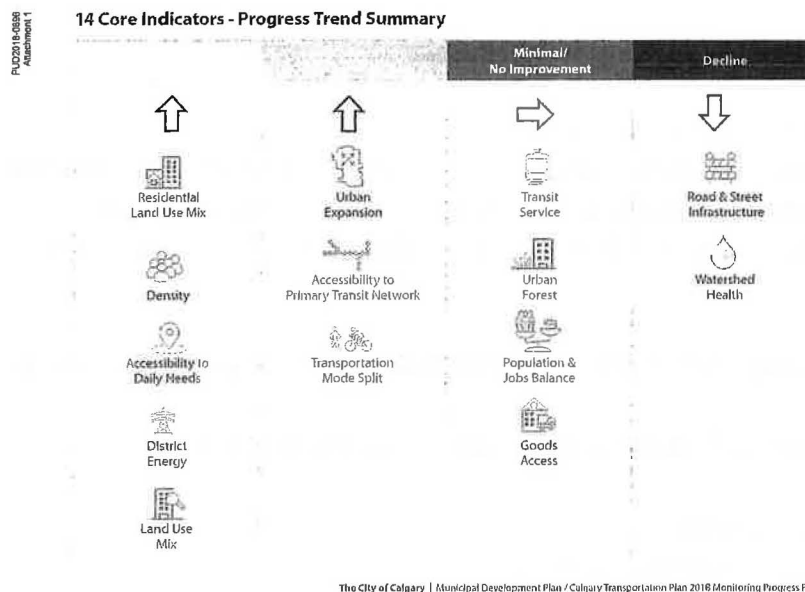
---

<sup>2</sup> The Developed Area covers those areas (residential, commercial, industrial) that had already been built out as of 2005.

<sup>3</sup> A complete community is “A community that is fully developed and meets the needs of local residents through an entire lifetime. Complete communities include a full range of housing, commerce, recreational, institutional and public spaces. A complete community provides a physical and social environment where residents and visitors can live, learn, work and play.” (MDP, p. 6-3)

- Mobility networks to connect citizens with major employment areas, places of learning and cultural and recreational destinations
- Facilitate “competitively priced, easily serviceable and developable land for residential purposes”
- Foster a more compact, efficient use of land, create complete communities, allow for greater mobility choices and enhance vitality in local neighbourhoods
- Balanced growth between Developed (established) and Developing (Greenfield) Areas
- Build and diversify urban activities in Activity Centres and *Main Streets*

The indicators of success for the *MDP* are almost exclusively related to land use and transportation. The land use indicators include one related to climate change: a target for densities supportive of district energy. There are two remaining indicators, one on reducing impervious land cover and one on tree canopy cover. There are no other environmental indicators and no indicators for economic, social, and municipal financial concerns.<sup>7</sup> Additional tracking measures have been added for monitoring and include greenhouse gas emissions – with emissions identified as “a significant challenge and opportunity.”<sup>8</sup>



The City's *Monitoring Progress Report* for the *MDP* has assessed the City's performance in meeting its goals. Key findings were:<sup>9</sup>

- Not enough growth is occurring in the Developed Area, specifically in Activity Centres and Main Streets.
- Growth in Activity Centres and Main Streets is on track to meet population density targets, but has fallen behind in meeting job targets. Accessibility to daily needs has improved.
- The development requirements in the *MDP* have resulted in greater mixed uses, including a greater range of residential choices in new subdivisions. Improvement within the Developed Area is slower and more incremental.
- After some improvement, the balance between “skeletal” roadways (high speed roads) vs. arterial roads serving local communities declined because of Ring Road construction.



- Access to the Primary Transit Network has improved slightly in terms of where people live, but not in terms of where the jobs are. That target is not on track for success.
- Transit service has declined since 2017, approaching the level in 2005. The percentage of people walking or cycling has increased, while the percentage using cars has declined. The split between these modes of travel remains heavily skewed to car travel and not on target to meet the *MDP's* target.

The *MDP*, along with the changing market, has changed the trends in housing. The percentage of new housing – single-family, semi-detached, and multi-family – being built in new subdivisions has been trending lower. Until the downturn, a similar pattern was occurring with population growth in new subdivisions. (Figures 1 – 3)

As recommended in the *MDP*, a major review has been proposed to begin in 2019.

Three “fundamental” factors will form the basis of the proposed *Established Area Growth and Change Strategy*:<sup>10</sup>

- “strategic” alignment with the *MDP* and the *Calgary Transportation Plan*
- market demand
- the City of Calgary’s financial capacity, that is,
  - Enabling a growth pattern that is financially sustainable and minimizes identified financial impacts, including but not limited to capital costs, operating costs, funding sources, debt management, and additional revenue through property tax uplift.

The issue of “redevelopment readiness” will also be considered based on the following factors:<sup>11</sup>

- market attractiveness, i.e., overall market place desire for construction of significant redevelopment,
- retail strength of existing commercial
- a high occurrence of under-density developments
- land use capacity of existing land use districts
- local infrastructure conditions
- existing Council approved policy
- community readiness for change – based on the City’s evaluation of feedback from communities

Evaluating these factors in comparison to the three “fundamental” factors, the first three readiness factors are measures of market demand, while local infrastructure conditions would be a matter of the City’s financial capacity. Land use capacity and approved policy would be covered by the strategic alignment factor. This leaves community readiness as simply a matter

Figure 1: Population Growth in New Suburbs  
Trend

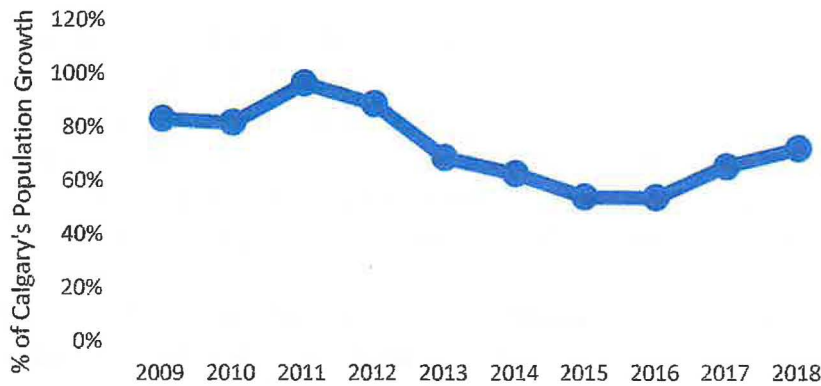


Figure 2: Housing in New Suburbs  
Trend

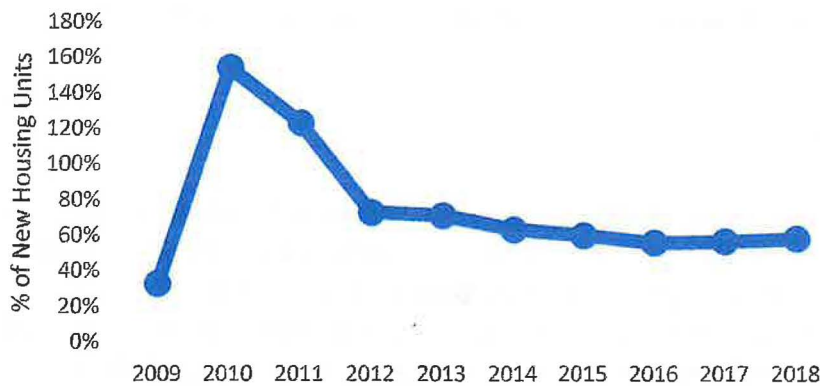
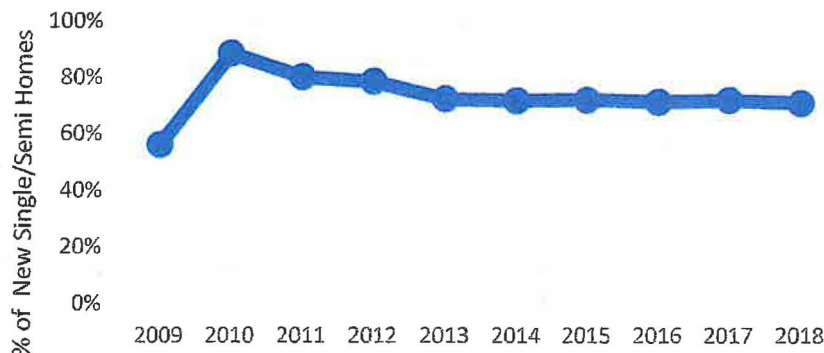


Figure 3: Single-Family/Semi-Detached Homes in  
New Suburbs  
Trend



reducing “financial barriers for developers”

- support housing supply, choice, and affordability

of change – excluding preservation as a factor – with the City, rather than the City and a community together, being the evaluator of readiness.

The “fundamental” question for the Strategy to answer is: “to enable community growth and change in the Established Area, what level and location of investment is required, and how and when should it be funded?”

To answer that question, the City will develop a comprehensive investment strategy for growth and change for the Established Area to:<sup>12</sup>

- better coordinate corporate investment priorities balanced with financial capacity
- support existing communities through their lifecycle growth and change
- link existing policy and current policy efforts
- support developers in helping build the city that is envisioned in the MDP/CTP, including recognizing the value of

It has not been determined what investment tools will be used to answer the question. At this time.<sup>13</sup>

“The City is in the early stages of the work to identify a set of financial tools that can enable redevelopment. The City has used some tools to date, including bonus density programs, community revitalization levies, special taxes, off-site levies, the centre city levy program, direct capital investment, grant funding, partnering with communities and land developers, etc. The City will consider how updated legislation may provide opportunities to use other tools, or to use these existing tools in a strategic way.”

Given City Council’s direction to minimize tax increases, the option of additional direct capital investment would require realignment of the City’s spending priorities to allocate more tax dollars to existing communities.

As well, climate-positive incentives and levies that are financially neutral or positive will need to be added to the mix of investment options. As demonstrated,<sup>14</sup> climate-positive financing pays for itself, particularly in the areas of sustainable and fiscally-responsible growth and development.

### **Opportunities and Constraints**

The greatest opportunity for community development is the communities themselves. There are challenges in completing communities, that is, ensuring that they are fully developed and meets the needs of local residents through an entire lifetime with a full range of housing, commerce, recreational, institutional and public spaces.<sup>15</sup> However, with the full support of the City, existing communities – old and new – can use the strength and resilience of their residents, community associations, local businesses, and other organizations to fully develop their prospects and capacities.

To make that happen, the City has the opportunity to implement the *Established Area Strategy* as a cooperative, community-based enterprise that will see growth and change evolve from the grassroots of community needs, rather than as a top-down project. It will take funding and other resources, negotiation, and a harmonized balance of competing visions.

There are two primary constraints on community development:

- The separate decision-making on growth and development in existing communities vs. new subdivisions. This separation, advocated by some in the development and building industry, was approved by City Council in 2013.
- Incomplete application of development levies for new subdivisions. The current City Council eliminated the water and wastewater subsidy that had been eroding Calgary’s “water advantage.” Several development costs are still not covered by levies, including:



- LRT
- Ring Road
- Schools
- Justice system (beyond policing)
- Social services
- Climate impacts
- Impacts on natural capital

LRT costs are directly within the City's control. Putting in place levies for other costs will require cooperation with the provincial and federal governments as well as, in some cases, with other regional governments.

In terms of Calgary's Ring Road, Stoney Trail has so far – at a minimum – cost \$6.8 billion (2018\$).<sup>16</sup> This includes \$3.0 billion for construction, \$1.7 billion for maintenance contracts for three of the five legs (66%) of the road, and \$2.0 billion for land acquisition for the Southwest leg alone.<sup>17</sup> The land acquisition cost does not include the loss to the economy since the 1970s of no longer having land reserved for Stoney Trail available for other uses. Stoney Trail is a major growth driver for new subdivisions. No methods are in place to equitably recover the costs from those who benefit from the road.

The City has not calculated the amount of money invested in the Developed Area vs. the Developing Area. It has also not calculated how much money from levies has been invested in the Developed Area, how much levy money remains to be invested, and whether any levy payments have been deferred.<sup>18</sup>

## **Housing market**

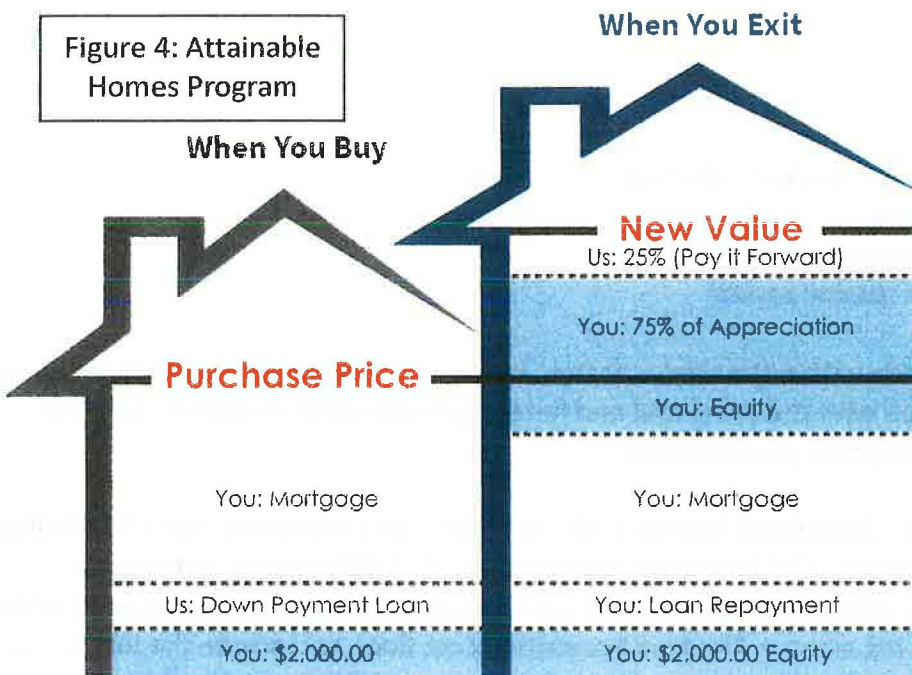
Low-income housing is the appropriate role for government – the area where the market has not been successful in meeting the need for safe, secure accommodation.

The Attainable Homes approach (Figure 4) is an interesting model of a profit-sharing approach to home ownership. The City should divest itself of the program, though, turning it over to the private sector with effective regulatory oversight to prevent abuses.

Other municipal ventures or policies on housing are not appropriate since they promote "lifestyle affordability," something best left to the private sector.

## **Engagement and Analytical Techniques**

The City's engagement on growth and development is heavily weighted towards and, in some cases, exclusive consultation with selected representatives of the development and building industry.



Two organizations, BILD CALGARY<sup>4</sup> and NAIOP, are ordinarily used by the City to connect with land developers and builders. Since many participants in the land development industry – especially redevelopment and smaller development companies – are not members of BILD CALGARY or NAIOP, this limits and slants the viewpoints the

City hears. As well, the City's Planning and Development Department and Calgary Economic Development are members of BILD CALGARY which creates a conflict of interest for the City.<sup>19</sup>

Although the City has utilized independent expert advisers for some issues, it does not have a panel of impartial individuals to advise it on community development.

On the four factors that will drive the *Established Area Growth and Change Strategy*, the City's engagement needs to be modified from its previous approach. Specifically, the City needs to consult the right people on the right issues:

- **Strategic alignment:** Seek advice from independent experts and consult the general public.
- **Market demand:** Consult with independent experts and a full complement of real estate interests.
- **The City's financial capacity:** Seek advice from independent experts and consult the general public.
- **Community readiness:** Engage communities as equal partners in protecting the positives and eliminating the negatives within their communities.

<sup>4</sup> BILD is an "amalgamation" of the Urban Development Institute and the Canadian Home Builders Association – Calgary Region.

To make engagement between the City and communities successful – and determine community readiness, it is essential that the City engage in meaningful consultation and, most important, follow through.

This was made clear to City Council in September. Many of our existing communities are incomplete, lacking the infrastructure and amenities to make them vibrant and sustainable. The needs range from crumbling sidewalks to unsafe streets to outdated utilities to lack of community-based social services. The City has not met its commitments to existing communities promised in the *MDP*. When action has been taken, such as with the Main Streets and Complete Streets programs or creating or updating *Area Redevelopment Plans*, the City has too often either not followed through or not followed through on a timely basis – usually because of a lack of funding. Communities are expected to accept greater density without improvement in the infrastructure and amenities that greater density is supposed to provide.<sup>20</sup>

If the City engages meaningfully with communities – on their own terms and about their issues, then past experience has shown that growth and change can happen in a way that is positive and productive manner. While not getting everything they wanted, communities like Hillhurst-Sunnyside and Marda Loop have benefited from greater densification – when the City keeps to the policy, program, and funding promises it has made.

### **Analytical Techniques**

Beneficial and financially desirable growth and change in Calgary has been hindered by the separate decision-making on growth and development in existing communities vs. new subdivisions.

The split between existing communities and new subdivisions was approved as part of the City's *Framework for Growth and Change*. Even with a scoring and weighting system that gave preference to development of new subdivisions rather than development in existing communities,<sup>21</sup> proposed subdivisions were uncompetitive with existing communities in accomplishing the objectives of the *MDP* (Figures 5 – 6). Proposed subdivisions were, instead, ranked highly on readiness to proceed and plans in place.

The City's assessment of new subdivisions has also worked against existing communities. The City's forecasts of the amount of land needed to maintain a Council-mandated supply of serviced land for new subdivisions<sup>22</sup> have consistently been outside population and housing trends (Figures 7-11).

Compared to trends, the City's five-year forecasts of land requirements for new subdivisions have been too high by, on average, 400 hectares from 2013 to this year (Figure 12). This has resulted in City funding being allocated to new subdivisions rather than existing communities. An excess of land servicing for new subdivisions has been approved for, at a minimum, 1,805 hectares (Table 1 and Figure 13).



**Framework for Growth and Change: Scoring  
Results for MDP objectives**

Table 5 Developing Areas	Total Score - All Objectives	15%	15%	15%	10%	10%	5%	5%	Total Score City Criteria
		Access to Transit	Capacity of Existing Infrastructure	City-Funded Costs	Employment Opportunities	Community Services in Place	Innovation	Contiguous Growth	
		Score	Score	Score	Score	Score	Score	Score	
Skyview Ranch - Remaining Development	3.32	3.31	3.90	2.95	2.96	2.03	0.00	2.50	
Redstone - Remaining Development	2.93	2.52	3.30	2.69	2.33	1.18	0.00	2.50	
Northeast Regional Policy Plan ASP: A	2.77	3.07	2.10	2.92	2.72	1.76	1.00	3.00	
Saddleridge Savannah	3.19	2.31	3.80	2.54	2.71	2.00	2.00	3.00	
Sage Hill - Remaining Development	3.18	3.09	3.25	3.41	2.47	1.73	0.00	2.50	
Mahogany - Remaining Development	3.03	1.84	2.95	3.16	2.14	1.48	2.00	2.50	
Walden - Remaining Development	3.00	1.00	4.40	3.06	1.82	2.03	1.00	2.50	
Legacy	2.80	1.00	4.15	3.28	1.24	1.16	0.00	2.50	
East Silverado	2.90	2.36	2.20	3.71	2.67	2.87	3.00	2.50	
Silverado - Remaining Development	2.59	1.50	1.70	1.53	2.67	2.42	0.00	2.50	
West Macleod Area Structure Plan	2.45	1.59	0.75	2.90	2.19	1.72	2.00	2.50	
Southeast Planning Area Regional Policy Plan Cells	2.62	2.47	2.95	2.93	2.50	1.82	1.00	2.50	
Keystone Hills Area Structure Plan	2.99	2.80	0.75	3.20	2.99	2.08	5.00	3.50	
Evanston - Remaining Development	3.07	1.55	4.00	3.04	2.30	1.78	0.00	2.50	
Springbank Hill - Remaining Development	2.80	1.92	3.60	4.16	1.85	2.41	0.00	2.50	
Belvedere Area Structure Plan	2.65	2.19	1.20	3.09	2.00	1.76	5.00	3.00	
West Regional Context Study Cell B	2.50	1.00	3.20	3.13	1.20	1.55	3.00	4.00	
West View Area Structure Plan	2.49	1.00	2.10	3.27	1.58	1.38	3.00	3.50	
Canada Olympic Park and Adjacent Lands Area	2.41	1.35	2.50	3.98	2.25	2.37	0.00	2.50	
Calgary West Area Structure Plan	2.39	1.00	2.00	3.71	2.04	1.59	0.00	2.50	
South Shepard Area Structure Plan	2.38	1.00	1.90	2.85	1.73	1.46	2.00	4.00	
West Springs - Remaining Development	2.33	1.00	3.55	2.31	2.68	2.31	0.00	2.50	
North Regional Context Study Cells C and D	2.29	2.50	0.60	2.94	2.60	1.20	2.00	2.50	
Providence Area Structure Plan	1.98	2.11	0.50	2.87	1.71	1.37	2.00	2.50	
<b>KEY</b>		Score 4-5			Score 3				

**Framework for Growth and Change: Scoring  
Results for MDP objectives**

Table 6 Developed Areas	Total Score – All Objectives	15%	15%	15%	10%	10%	5%	5%
		Access to Transit	Capacity of Existing Infrastructure	City-Funded Costs	Employment Opportunities	Community Services in Place	Innovation	Contiguous Growth
		Score	Score	Score	Score	Score	Score	Score
Centre City Plan (including Beltline)	4.28	5.00	4.80	5.00	5.00	3.59	3.00	3.50
Chinook Station Area Plan	3.82	4.10	4.75	4.13	2.82	2.95	3.00	3.00
Hillhurst/Sunnyside Area Redevelopment Plan	3.60	3.70	4.30	3.29	4.79	3.79	4.00	3.50
Brentwood Station Area Redevelopment Plan	3.40	4.24	4.10	3.25	2.27	3.62	0.00	3.00
16 Avenue North Urban Corridor Area	3.23	4.50	4.50	3.59	3.48	3.44	0.00	3.00
Westbrook Village Area Redevelopment Plan	3.14	3.74	3.00	3.15	2.10	3.69	0.00	3.00
West Village Area Redevelopment Plan	3.04	3.89	2.50	2.42	5.00	2.91	0.00	4.00
Anderson Station Area	2.98	4.19	5.00	3.55	2.45	3.47	1.00	3.00
Banff Trail Area Redevelopment Plan	2.96	3.82	3.60	3.76	2.77	3.55	0.00	3.00
Southeast 17 Corridor Land Use and Urban Design Concept	2.94	3.97	4.30	3.52	2.08	3.08	0.00	3.00
Marda Loop Area Redevelopment Plan	2.92	2.55	4.75	3.18	2.47	3.12	0.00	3.00
SSCAP - Stadium Shopping Centre	2.84	2.99	4.00	2.95	2.37	3.44	0.00	3.00
Fish Creek/Lacombe Station Area	2.76	3.27	4.35	3.59	1.64	3.52	0.00	3.50
Midnapore 2 Area Structure Plan Amendment (Shawnee Slopes)	2.51	2.25	4.75	2.39	1.64	3.33	0.00	3.50
50 Avenue Area Redevelopment Plan	2.47	1.69	4.25	2.17	3.03	3.42	0.00	3.00
<b>KEY</b>		Score 4-5			Score 3			

Figure 7: Population Growth in New Suburbs

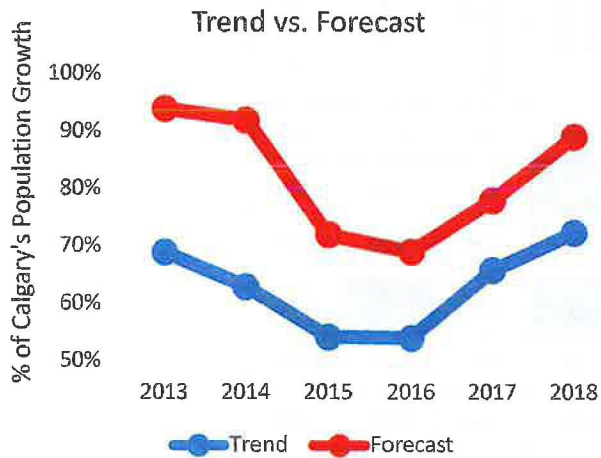


Figure 8: Housing in New Suburbs

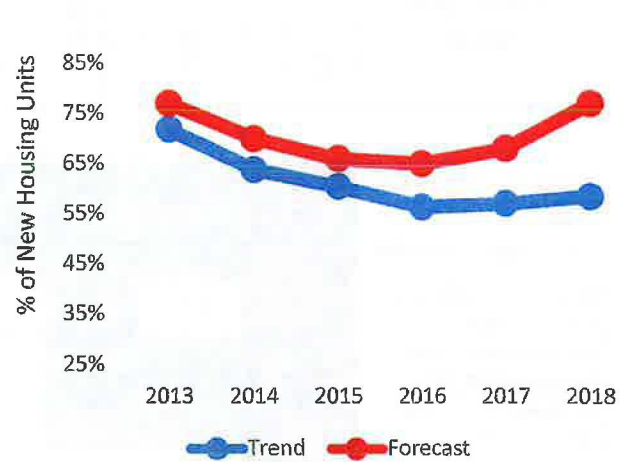


Figure 9: Single-Family/Semi-Detached Homes in New Suburbs

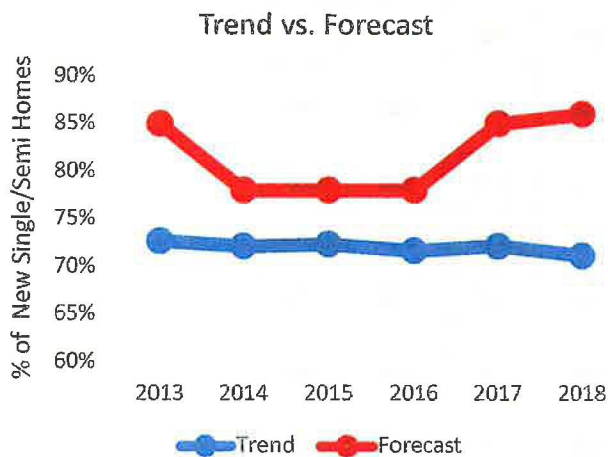


Figure 10: Multi-Family Homes in New Suburbs

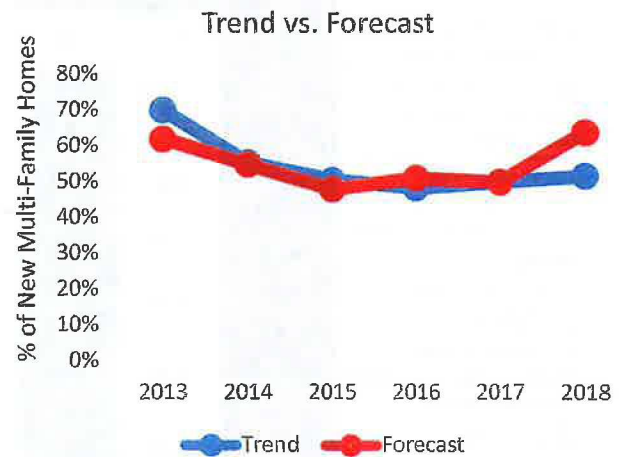


Figure 11: New Suburbs: % Multi-Family Homes

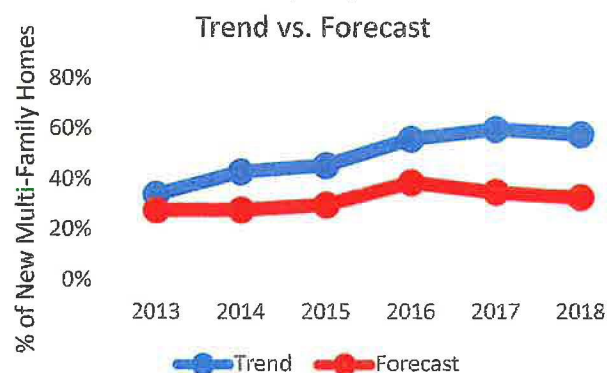




Figure 12: Over-Forecast of Suburban Land Supply

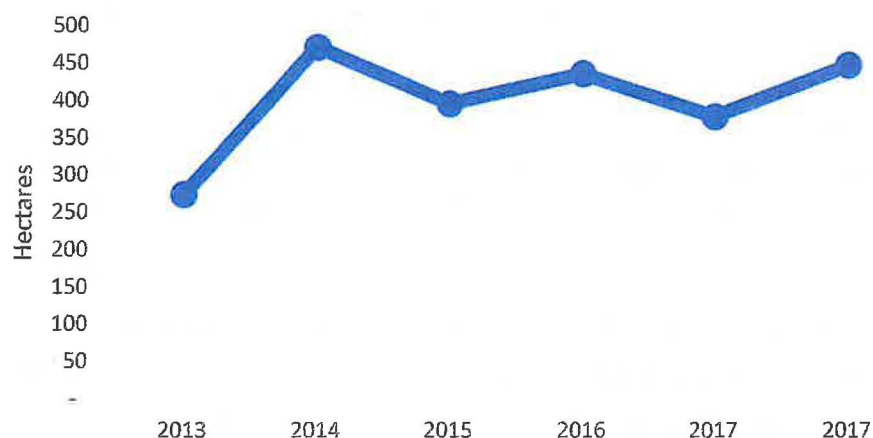


Table 1: Serviced Land Supply For New Subdivisions <sup>23</sup> (2013-2022)	
	Hectares
Trend-Based Land Supply	1,983
Forecasted Land Supply	2,819
Council Approved Land Supply	
2013-2017	2,307
2018	2,317
Council Approved Total	4,624

Figure 13: Land Supply for New Subdivisions

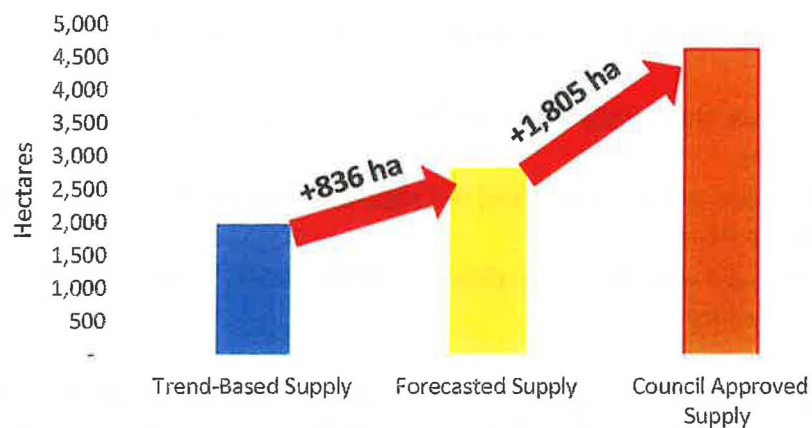


Table 2 shows the estimated supply of serviced suburban land including the fourteen new subdivisions approved this year for servicing. Over the next budget cycle, there would be a reasonable supply of serviced suburban land for detached/semi-detached homes – at the upper limit of the *MDP*'s guideline of 3 – 5 years.<sup>24</sup> However, the land supply for multi-family homes will be at least triple what it should be. If funding is provided to service the fourteen new subdivisions, the build out and completion of those areas and subdivisions currently under development, will be delayed by a decade or more. The services provided by the City will be under-utilized and taxes and user fees contributed from those subdivisions will be significantly reduced.

<b>Table 2: Years of Supply: Serviced Land for New Subdivisions<sup>25</sup></b>			
<b>Detached/Semi-Detached Residential</b>	<b>2018</b>	<b>2019-2022</b>	<b>2023-2026</b>
Estimated Years of Supply Balance	4.2	4.4	5.1
<b>Multi-Family Residential</b>	<b>2018</b>	<b>2019-2022</b>	<b>2023-2026</b>
Estimated Years of Supply Balance	20.9	15.9	17.2

The reason for the divergence of forecasts from trends is that BILD CALGARY and its predecessor organizations advised the City that they were having difficulty selling multi-family units and, therefore, were unable to complete those communities in a timely fashion. They were, however, able to sell single-family/semi-detached units and asked that more land be serviced so they could continue to provide those type of units.

This has resulted in an oversupply of land, for new subdivisions, more incomplete subdivisions, premature infrastructure investment by the City, under-utilization of that infrastructure, and greater operating and construction costs to be borne by residents of existing communities.

BILD CALGARY has argued that:<sup>26</sup>

- City Administration has underestimated demand for new subdivisions.
- There is a deficit in new single detached/semi-detached homes.
- City Administration has been extremely conservative and wants to mitigate its risk 100%.
- It is unfair and not financially viable for the City to try to recover all costs of servicing new subdivisions.
- If new subdivisions are not approved in Calgary, there will be leakage of growth to other municipalities in the region.
- There should be private financing allowed for proposed subdivisions that are not approved by the City

BILD CALGARY appears to have misunderstood the housing market in Calgary. As shown in Figure 7 - 9, based on BILD CALGARY's advice, City Administration has overestimated, not

underestimated, demand for both new subdivisions and single detached/semi-detached homes within those subdivisions. As demand returns to normal, it can be expected to again continue the downward trend of population growth in new subdivisions seen from 2013 to 2016 (Figure 7).

BILD CALGARY has not produced evidence that City Administration has been extremely conservative, wants to mitigate risk 100%, and that cost-recovery is unfair and not financially viable. Instead:

- The chronic over-estimation of demand for new subdivisions has not been conservative but extremely risky.
- The incomplete application of development levies for new subdivisions shows that the City is willing to shoulder substantial risks, especially the risk that new subdivisions will not be completed for many years, if not forever.
- Cost-recovery is only unfair if a new subdivision is itself not financially viable.

Leakage of growth to other municipalities may occur. However, if new subdivisions can not pay their way, this is not a disadvantage.

The impact of lost tax dollars from more non-residents using our services is a concern. The solution lies in inter-governmental cost-sharing, not in approving new subdivisions that can not be supported by either the market or the City budget.

It should be noted that excessive emphasis on servicing new subdivisions may have contributed to the high commercial vacancy rates that have hollowed out the downtown's tax contribution. Prior to the recession, the combination of rising rental rates, multiple work locations, and increased suburban commercial space prompted companies like Imperial Oil to close their downtown offices in favour of outlying locations in developing subdivisions.

On another matter, we asked the City:

- We are aware of anecdotal information about residential development and construction businesses that do not provide good workmanship and customer service. Based on the experience of City inspectors, consumer complaints, and other sources, does the City collect and assess information on the performance of residential development and construction businesses?
- If so, does this information guide the City when establishing conditions and approving development and building permits?

The answer was that the City does not collect and assess the performance of residential development and construction businesses nor does it use that type of information in guiding approval of development and building permits.<sup>27</sup>

## NOTES

- 1 City of Calgary, [Municipal Development Plan](#), p. 1-2
  - 2 MDP, Section 2
  - 3 MDP, p. 1-6
  - 4 MDP, pp. 1-7 – 1-8
  - 5 MDP, pp. 2-6 – 2.7
  - 6 MDP, p. 2-5
  - 7 MDP, p. 5-10
  - 8 City of Calgary, [Municipal Development Plan/Calgary Transportation Plan: 2018 Monitoring Progress Report](#), p. 49
  - 9 2018 Monitoring Progress Report, pp. 5 & 11-30
  - 10 City of Calgary, ["Established Area Growth and Change Strategy – Scoping Report"](#), PFC2018-0891, pp. 1 & 5-6
  - 11 "Established Area Growth and Change Strategy – Scoping Report," p. 5 and City of Calgary, "Climate Hub Questions to Planning and Development," p. 1
  - 12 "Established Area Growth and Change Strategy – Scoping Report," p. 4
  - 13 City of Calgary, "Climate Hub Questions to Planning and Development," October 31, 2018, p. 5
  - 14 Andrew Sudmant, Matt Tierney, Eduard Cubi, Effie Papargyropoulou, Andy Gouldson, and Joule Bergerson, [The Economics of Low Carbon Development: Calgary](#), City of Calgary, 2018
  - 15 MDP, p. 6-3
  - 16 Cost estimates derived from:
    - Government of Canada and Province of Alberta, ["Calgary ring road's northern sections open to traffic"](#), November 2, 2009
    - ["Agreement to Design, Build, Finance and Operate Northeast Stoney Trail, Calgary," Schedule 9](#)
    - Government of Canada and Government of Alberta, ["Stoney Trail in Calgary drives forward"](#) April 9, 2010
    - Government of Alberta, ["Calgary ring road now offers 70 km of free-flow traffic"](#)
    - Government of Alberta, ["Southwest Calgary Ring Road"](#)
    - Government of Alberta, ["Calgary Ring Road update - frequently asked questions"](#)
    - Government of Alberta, ["2013 Agreement Tsuut'ina Nation - Alberta"](#)
    - John Gibson, ["Work on Calgary ring road's \\$1B final leg to start in 2019,"](#) CBC, July 5, 2018
    - Bill Kaufmann, ["Mason blames PCs for 'overbuilt' S.W. ring road, says it's too late to change,"](#) *Calgary Herald*, January 31, 2018
    - James Wood, ["Southwest ring road approved: project cost under budget due to downturn,"](#) *Calgary Herald*, September 16, 2016
    - Government of Alberta, [Consumer Price Index Change](#)
  - 17 Sustainable Calgary, *State of Our City* update (in progress)
  - 18 "Climate Hub Questions to Planning and Development," pp. 3-4
  - 19 BILD Calgary Region, [Member Directory](#)
  - 20 Standing Policy Committee on Planning and Urban Development, ["A City of Safe and Inspiring Neighbourhoods,"](#) PUD2018-1021, September 13, 2018. See presentations:
    - Dr. Moraig McCabe, LRT on the GREEN Foundation (@ 0:11:50)
    - Kevin Jesuino. Crescent Heights Community Association (@ 0:14:55)
    - Bob Hawkesworth, Calgary Climate Hub (@ 0:47:55)
    - Paul Battistella, Battistella Developments (@0:58:11)
    - Ali McMillan, Bridgeland Riverside Community Association (@1:29:21)
    - Mark Quashnick, Thorndcliffe Greenview Community Association (@1:47:04)
    - Marilyn Wannamaker, Montgomery Community Association (@4:05:05)
- The City has said that it expects "to leverage previous discussions with communities about desired amenities, such as the This is My Neighbourhood program, and Main Streets." ("Climate Hub Questions to Planning and Development," p. 1)
- 21 Governance, Finance, and Infrastructure Group, "Response to *Growth Framework*," April 11, 2012, Governance, Finance, and Infrastructure Group, "Submission on PUD2012-0422 – *Framework for Growth and*



---

*Change: Prioritization*, July 11, 2012, Governance, Finance and Infrastructure Group, "Submission on PUD2012-0690 – *Framework for Growth and Change: Phase 4*," October 2, 2012, Governance, Finance, and Infrastructure Group, "Submission on *Land Supply Strategy Principles*," December 5, 2012

<sup>22</sup> City of Calgary, "[Growth and Change](#)," Suburban Residential Growth Reports, 2013-2018

<sup>23</sup> City of Calgary, "[Growth and Change](#)," Suburban Residential Growth Reports, 2013-2018, "Climate Hub Questions to Planning and Development," City of Calgary, "Calgary Climate Hub Questions to Planning and Development – Follow-up," November 13, 2018, City of Calgary, "Sequenced Lists of Prioritized Growth Areas," PUD2013-0770, Attachment 1, and City of Calgary, "[Recommended Areas of Investment to Meet Land Supply Strategy \(2015-2024 Capital Plans\)](#)," PFC2014-0175, Attachment 1

It might have been the situation that there was a deficit in serviced land for new subdivisions prior to 2013. A service deficit did not occur. During the 2013-2018 period, the forecasts themselves showed no deficit in serviced land and 1,534 hectares from 1996-2012 Council approvals received subdivision approval, in line with both trends and forecasts.

It might be argued that the forecasts of land supply were actually matching trends. Because of time delays in building infrastructure and developing and, that analysis can not be done until the 2013-2017 approved lands have been sufficiently built out. Otherwise, the analysis would be comparing recent forecasts to land being developed under old approvals.

<sup>24</sup> MDP, p. 5-6

<sup>25</sup> City of Calgary, "Calgary Climate Hub Questions to Planning and Development – Follow-up"

<sup>26</sup> BILD Calgary Region, "[Presentation to Priorities and Finance Committee](#)" on "New Communities Growth Strategy," PFC2018-0200, February 22, 2018

<sup>27</sup> "Climate Hub Questions to Planning and Development," p. 9