



## BILD Calgary Region Bulletin 2018 - 07

<b>From:</b>	<b>Guy Huntingford, Chief Executive Officer</b>
<b>Date:</b>	<b>February 26, 2018</b>
<b>Subject:</b>	<b>Priorities &amp; Finance Committee (PFC) Meeting</b>

In order to provide some certainty to developers PFC (PFC2018-0200) convened to address the issue of New Community Growth and an associated strategy and framework on February 22, 2018. The framework is intended to determine:

- 1) The process to determine what areas could be recommended for support through City budgets and have some portion, or all, of the associated Growth Management Overlay (GMO) removed.
- 2) What mechanisms, if any, would be available for the areas not chosen to advance in regards to advancement and GMO removal outside of City budgets?

The PFC meeting was the second meeting of three that the City has initiated to look at this subject.

**First** – January 29, strategic session of Council. At this meeting, which BILD CR was declined a speaking opportunity, looked at the question that has been top of mind for our industry and one we needed Council to answer: that being, how many new communities need approval, and when, to satisfy the demand for new suburban housing stock. Council decided that new community growth was needed - in fact a larger number of communities than has traditionally been advanced in City budgets - to provide for demand and much needed economic benefits to The City. Note: Calgary Economic Development (CED) supported this position.

**Second** - February 22, PFC meeting. PFC is not a standing committee, the public is not permitted to speak (without specific invitation approved by the Committee) and the agenda is controlled by the Mayor. BILD CR asked the Mayor for five minutes for each of the five BILD CR members to address the committee. He agreed to the request. More on the outcomes of this meeting are below.

**Third** – March 5, Planning and Urban Development Committee (PUD), when the issue of Fire response times in new communities (Fire service being a frequent and costly GMO barrier) and the associated recommendations from administration to solve the issue of the current

intractable seven minute response time and its negative effect on getting new communities started, will be addressed.

**Highlights from the February 22 PFC meeting** are as follows:

- 1) BILD CR captured both video and audio of the meeting. [Click here](#) to view BILD CR's presentation to Council. If you would like to view the full Q&A session with Industry, Administration and Council, please email [sophie.gowsell@bildcr.com](mailto:sophie.gowsell@bildcr.com).
- 2) As any member of Council can attend PFC if they declare an interest, it was encouraging to see **all council members** present except Councillor Jones.
- 3) Administration (Kathy Davies-Murphy) addressed PFC with a 20 min presentation that spoke to primarily two issues. The first was that administration heard council's position at the strategic session on January 29 and was recommending advancing 6-12 new communities. The recommendations of which communities will be selected to move forward will occur in June and then subsequently have their GMO's removed. The second was the additional cost that this will create for the City, would be paid for with a property tax increase designated specifically to new community growth.
- 4) BILD CR spoke in five segments: Guy Huntingford (BILD) on industry's position, Josh White and Ian Meredith (Dream) on supply and demand in new communities, Marcello Chiacchia (Genstar) on economic benefits of new communities, Grace Lui (BILD) on the Operating Cost dilemma (BILD CR disagrees with administration's proposed operating cost models), and, again, Guy Huntingford with the Summary and 'ask' for Industry.
- 5) A very lengthy Q&A occurred after the presentations. The most important part of the discussion revolved around whether The City should entertain different levels of service based on geography and capacity to finance the services. Most of Council agreed that this was 'key' to the financial challenges facing The City. They directed administration to look at innovative solutions for new communities even if it meant ignoring current policy. The implication is that proposed solutions may/would require changes to policy.
- 6) BILD CR's 'ask' was a two part request. We asked that PFC support administration's recommendations of bringing on 6-12 new communities through the 2019-22 budget for both capital and operating and creating a growth strategy for redeveloping (established) areas. We also requested that PFC direct administration to continue to work with BILD to find a solution for developers that were not 'chosen' but wished to present a funding solution (business case) to the City to advance their lands outside of City budgets.

The motion brought forward by administration was amended by Mayor Nenshi (see #2 below), and a further amendment crafted by Councillor Gondek (item #3). The complete motion passed.

BILD CR is pleased with the outcome but is concerned that administration will be hard-pressed to meet the timelines in the motion. BILD CR is meeting this week with Growth Strategies to address our concerns.

### **PC2018-0200**

1. Direct Administration to report back to Council, through the Priorities and Finance Committee, in Q2 2018 with strategic growth recommendations that increase the level of City commitment and investment in new communities, beginning with the 2019 – 2022 budget cycle, as identified in option 1(b) in this Report, and prioritize future growth areas outlined in Attachment 1, including financial implications for the 2019-2022 budget cycle, future budget cycles, and how any funding gaps for operating and capital would be funded using the property tax;
2. **Direct Administration to work collaboratively with industry on potential new capital and operating options including those outside current policy constraints to:**
  - **Help share risk;**
  - **Leverage private investment;**
  - **Reduce City costs; and**
  - **Other mutually beneficial outcomes.****And report back to Council through the Priorities and Finance Committee, as part of Recommendation 1 above;**
3. **Direct Administration to develop and share criteria by which business cases will be evaluated to be shared with Council at Administration’s discretion no later than April 2018 ;**
4. Direct Administration to bring a monitoring report on the implementation of the New Community Growth Strategy to the Priorities and Finance Committee no later than Q4 2019; and
5. Direct Administration to bring a report to Council, through the Priorities and Finance Committee, no later than Q3 2018, with findings and recommendations toward the development of an Established Areas Growth Strategy, including funding and timing considerations, that complements the New Community Growth Strategy.