

The background features a series of diagonal stripes in shades of blue, teal, green, and yellow, creating a sense of upward movement. Overlaid on these stripes are numerous white, upward-pointing arrows of varying sizes, some appearing as faint outlines and others as solid shapes. The overall composition is dynamic and optimistic, symbolizing growth and progress.

**Five Steps
to
the City-Wide Growth Strategy**

Calgarians for Sensible Growth
November 2023

Summary

The City of Calgary has almost exclusively managed growth by building new subdivisions on the fringes of the city. This has been expensive and unsustainable. The capital cost of new subdivisions from 2009 to 2018 required an estimated \$2.1 billion extra compared to more compact development. \$16 billion extra in capital cost is projected over the next sixty years.

Because of the strategy of expanding outward, the needs of both the Established Area and new subdivisions already in place have been neglected. In the Established Area, neighbourhood schools close, local businesses struggle, and The City finds itself short \$7.7 billion to fix or add infrastructure. In new subdivisions, the suburban growth strategy has continued to add population without promised infrastructure and services.

City Council has recognized that a city-wide growth strategy is needed. It is the missing link, the prerequisite needed to be able to implement and update the [City Building Plans](#).

Based on our *Community Needs Survey* and comments received from Calgarians on drafts of this report, the five steps outlined here are designed to create that city-wide strategy and re-balance investment and growth to support the communities we already have.

The five steps are:

1. Design and implement improved methods of managing redevelopment.
2. Accelerate redevelopment of Activity Centres and Main Streets.
3. Develop and adopt a unified process for approving development/redevelopment.
4. Ensure commitments are met to unlock the full potential of our communities.
5. Re-orient the City budget to increase affordability, reduce the burden on taxpayers, and generate a greater return on City investment.

Taking those five steps will produce significant benefits. Foremost among them are:

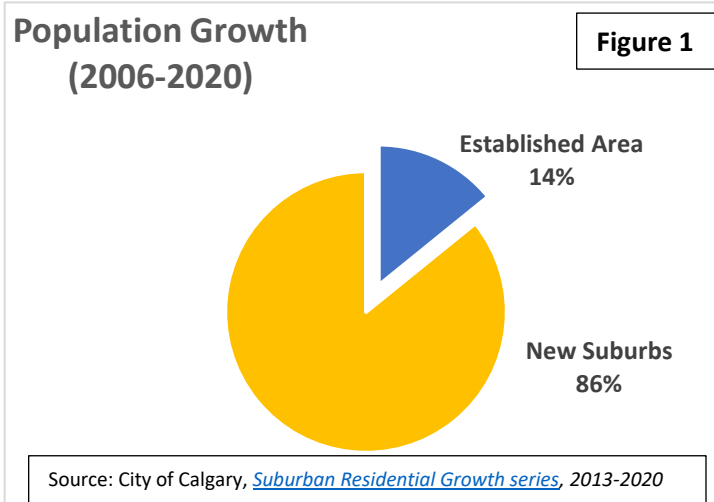
- Optimizing the use of existing infrastructure
- Completing communities
- Increasing housing affordability
- Strengthening human and natural infrastructure for planning, climate, and water management
- Building stronger communities

What we propose, in most cases, is simply asking The City to do what it has already promised to do, only do it faster, more effectively, and in a fair and equitable manner.

Using what we propose as a starting point, we ask that City Council direct Administration, by 2024 Q3, to create the city-wide growth strategy. We estimate this would require a total effort equivalent to one to two persons years.

Investing in the Communities We Already Have

The Issue



The City of Calgary has almost exclusively managed growth by building new subdivisions on the fringes of the city. Almost 90% of population growth has occurred in new subdivisions (Figure 1).

This has been expensive and unsustainable. The capital cost of new subdivisions from 2009 to 2018 required an estimated \$2.1 billion extra compared to more compact development (Appendix A). \$16 billion extra in capital cost is projected over the next sixty years.¹

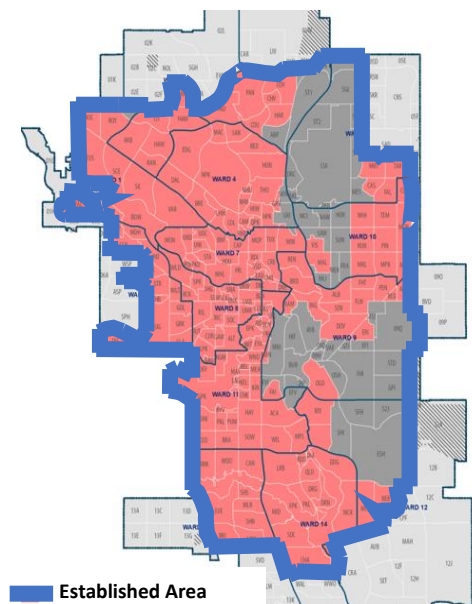
Because of the strategy of expanding outward, the needs of both the Established Area and new subdivisions already in place have been neglected. In the Established Area, neighbourhood schools close, local businesses struggle, and The City finds itself short \$7.7 billion² to fix or add infrastructure. Established Area communities are being “hollowed out” primarily because the desirability and therefore the housing cost of living in the Established Area has kept many in younger generations from “re-populating” neighbourhoods.

In new subdivisions, the suburban growth strategy has continued to add population without promised infrastructure and services. People wait years for basic services such as schools, primary transit, recreation facilities, and medical and social services that complete a community.

City Council has recognized that a city-wide growth strategy is needed, a strategy that will

- create a sustainable, community-positive, self-generating cycle of growth and change
- re-balance investment and growth to support the communities we already have.

That city-wide strategy is the missing link, the prerequisite needed to be able to implement and update the [City Building Plans](#).



A city-wide growth strategy may seem a daunting challenge. It is not, though, as difficult as some think. What we propose, in most cases, is simply asking The City to do what it has already promised to do, only do it faster, more effectively, and in a fair and equitable manner.

A city-wide growth strategy will take time to produce results. However, the transition away from reliance on suburban growth can and should be smooth. Calgary currently has nine to twelve years of serviced land in new subdivisions with another thirteen to nineteen years of suburban growth capacity approved.³ City Council need not fear that neighbouring municipalities will “steal” suburban development from Calgary. As well, by creating a city-wide growth strategy, The City will demonstrate the leadership and value-added community design that can raise inter-municipal and regional cooperation to a level of mutually advantageous sustainability.

What we are asking City Council

Our proposal is based on our *Community Needs Survey* and comments received from Calgarians on drafts of this report.⁴ From the advice we received, we developed the five steps beginning with improved methods of managing redevelopment and ending with a method of fairly and efficiently reallocating and enhancing funding. Over the next decade, taking those steps will re-balance growth in Calgary, making it both more efficient and effective. It will also provide a more sustainable and affordable housing market within Calgary and the region.

Using what we propose as a starting point, we ask that City Council direct Administration, by 2024 Q3, to create the city-wide growth strategy. We estimate this would require a total effort equivalent to one to two persons years.

The Five Steps

Better redevelopment models

“Provide a clear, predictable, user-friendly planning system.”

(City of Calgary, [major planning topics](#))

Communities in the Established Area are ready for redevelopment that makes them complete,⁵ more resilient, and even better places to live. Of equal importance, we must ensure that, when redevelopment comes to new subdivisions, those communities will benefit from a planning system that both efficiently manages growth and respectfully meets their needs.

As we found from the *Community Needs Survey* and comments received on drafts of this report, the current system of managing development is working against the communities we already have. Too often it does not value what is important at the neighbourhood and community level and delivers solutions out-of-touch with that reality. Change is desperately needed.⁶

Step 1: *By 2025, City Administration design and implement improved methods of managing redevelopment*

- *A more effective, less divisive process for development approval that includes*
 - Planners, developers, and the community as equal partners in developing recommendations.
 - All engagement managed by The City either by City staff or through independent contractors with engagement personnel as neutral compilers of information and mediators with authority to require negotiation among parties.
 - The full range of issues evaluated, including more public input at the development permit stage that will increase the effectiveness of both land use and permit deliberations, while reducing red tape and increasing community acceptance.
 - Adherence to bylaws, legislation, other legal arrangements, policies, and programs with exceptions clearly justified and agreed upon, especially ensuring that all plans including Local Area Plans are linked to and adhere to the *Municipal Development Plan*.

- *A fully funded program for implementing net-zero⁷ construction and quality control during and after building construction including*
 - More inspectors, more timely inspections
 - Strict approval conditions and enforcement
 - Zero tolerance of non-compliance with bylaws
 - No net loss of trees and natural GHG absorption
 - A City ombudsman for resolving deficiencies

- *A state-of-the-art system for heritage preservation that includes*
 - More clarity, less discretion
 - Meaningful consequences for non-compliance
 - Improved promotion and funding

Accelerated redevelopment of Activity Centres and Main Streets

The *Municipal Development Plan* requires The City to “direct land use change within a framework of Activity Centres and Main Streets.”⁸ This has happened to some extent.

“Address concerns that redevelopment is changing the character of communities.”
(City of Calgary, [major planning topics](#))

However, in addition to approving and subsidizing⁹ new subdivisions on the fringes, The City has been encouraging increased density outside Activity Centres and Main Streets. Some communities have welcomed greater density in those primarily single-family areas. In other communities, development outside Activity Centres and Main Streets has diverted investment and density from where they need it most, unnecessarily altered the character, stability, and affordability of neighbourhoods, and eroded the financial security and trust in government for those residents that Activity Centres and Main Streets are meant to serve.

There is also the affordability advantage that Activity Centres and Main Streets offer. Although government incentives and other interventions may be needed to re-balance the housing market in existing communities, Activity Centre/Main Street housing is generally less expensive on a per unit basis. As well, the closer proximity to shopping and other services and amenities offers homeowners and renters the opportunity to reduce the cost of transportation, especially car ownership.

Step 2: By 2025, City Administration, in consultation and cooperation with communities, accelerate redevelopment of Activity Centres and Main Streets

- *Clearly define the Activity Centres and Main Streets identified in Map 1 of the Municipal Development Plan and additional activity centres and main streets requested by surrounding communities.¹⁰*
- *Implement a program to direct land use change to Activity Centres and Main Streets.*
- *Following the decision next year on base residential zoning, develop – in collaboration with communities – community-specific guidance for how growth should be distributed among Activity Centres, Main Streets, and residential areas, including the use of population targets, redevelopment cooling-off periods, socio-environmental performance measures, community integrity agreements, and City investment and developer guarantees.*

Harmonize Growth

The *Municipal Development Plan* requires that population growth to 2069/2079 be divided equally (50/50) between new “Greenfield” communities and the Established Area communities that were built-out prior to 2006.¹¹

“Invest in and fund growth in a fiscally sustainable manner.”
(City of Calgary, [major planning topics](#))

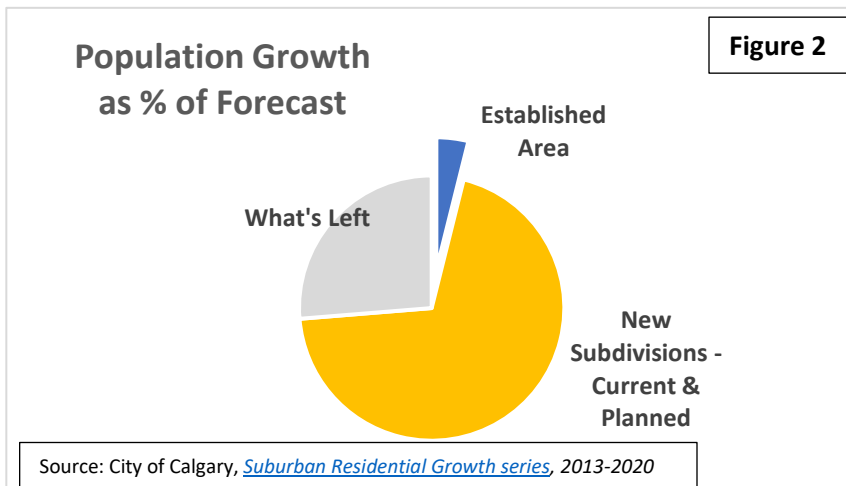


Figure 2

However, The City has approved new subdivisions outside the Established Area that would absorb 70% of population growth (Figure 2). If current growth trends continue, 50% of Calgary’s **population**, not just growth, will by 2079 be in subdivisions outside the Established Area.

This is a problem for the vitality, affordability, and sustainability of both Established Area communities and new subdivisions already in place. Building new infrastructure is expensive. It is essential to maximize the use of existing infrastructure, minimize the taxes and fees needed to maintain that infrastructure, and provide the high quality, conveniently located, and affordable housing that will attract people to a community. Guardrails¹² on suburban expansion and an off-ramp from the suburban growth strategy need to be put in place to provide certainty to Established Area communities, investors, and residents of new subdivisions already in place. Continuing to evaluate and approve new subdivisions in isolation is an inefficient use of resources and ineffective in getting the best outcome from City investments.

In the mid-2010s, City Administration designed a harmonized system for optimizing growth.¹³ The results would have, if applied in decision-making, significantly reduced the imbalance in population growth and increased productivity, use of existing infrastructure, and convenient access to services. A similar system of guiding growth is needed now.

The City can do even better than that. In particular, more effort is needed to systematically measure the impact of options for growth on affordability and the property tax and identify and incorporate the limits imposed by climate change, water supply, and the carrying capacity of land.

Step 3: *By 2026, develop and adopt a unified process for approving development and redevelopment to achieve balanced growth*

Priorities and Promises

It is not enough to be clear about where development should happen. The City needs to know what kinds of development meets its needs and the needs of the communities we already have.

The needs of The City are clearly defined in its policies. It is a matter of following through by putting money where policies are and ensuring those policies are accomplished in a timely and comprehensive manner.

The success of the city-wide growth strategy depends on a system of the inter-connected, mutually supportive policies The City has created. Within that system are the economic, social, and environmental components that are essential to success. Those are identified in Step 4.

Development of Step 4 was guided by four key considerations:

- **Affordability and Choice:** It is not sufficient to consider the affordability of housing in isolation. Individuals and families rely on “full cost accounting” to manage their finances. Affordability is a combination of many factors and decisions, with transportation and food being, along with housing, the top concerns.

“Provide affordable housing choices.”

(City of Calgary, major planning topics)

Although, in some cases, The City's suburban growth strategy has resulted in less expensive housing, it has, almost exclusively, been the only viable locational choice for most people. Consumer choice has been significantly constrained, leaving people without affordable alternatives that would improve decision-making on finances, housing choice, work-life balance, transportation, and access to services and amenities.

- **Re-Balancing Development Economics:** The City's approach to infrastructure funding needs to broaden to include more proactive financing to fill the gaps in housing, transportation, food, and other services. This means eliminating the \$7.7 billion infrastructure deficit and fulfilling, now not later, infrastructure commitments made to communities both in the Established Area and the "Greenfield" subdivisions already in place.

The suburban growth strategy has altered the economics of development. A re-balancing is needed. The *Housing Strategy* has made a start by recommending increased City funding for housing infrastructure. That funding will need to be increased, targeted, and expanded to meet the needs of current and future Calgarians, especially for non-market, cooperative, and co-housing options. Knowledge and expertise will also need to be improved in areas such as less conventional housing forms, land value capture, and community land trusts.

- **Human and Natural Infrastructure:** As The City has already done to some extent, the concept of infrastructure needs to broaden to include economic, social, and environmental infrastructure. Growth based on public works alone will not succeed unless the human and natural foundations of life in the city are secured. This includes those services and amenities that make communities worth living in, such as access to locally available healthy food, vibrant street life, open spaces, and social and medical support including for mental health and addiction.

Two natural, but also very much human infrastructure issues had a significant influence in developing Step 4:

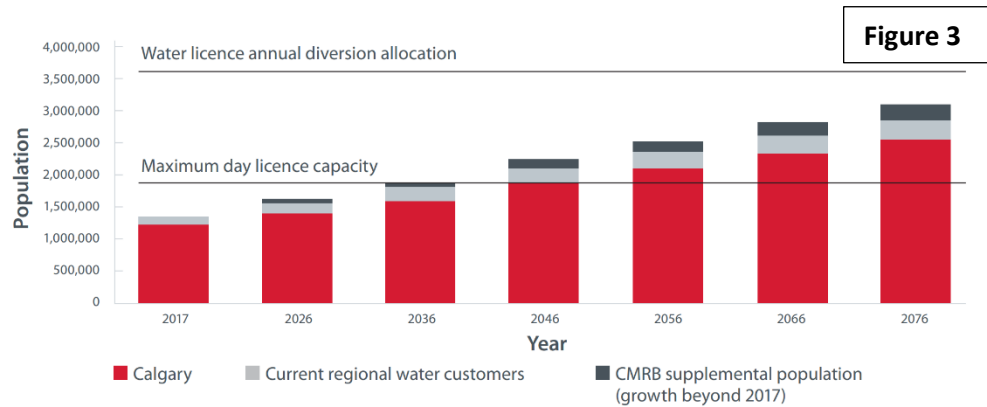
- **Climate change:** A world-wide problem, but one in which our city and our residents must do much more to protect ourselves, save money, take advantage of the opportunities climate action provides, and make our contribution to bringing global warming under control.

"Address climate change."

(City of Calgary, [major planning topics](#))

As Concerned Calgarians about Climate Change informed Council last November,¹⁴ meeting the *Climate Strategy's* 2030 emissions target will not be possible without substantial strengthening of the *Strategy* and its implementation.

- **Water:** As the water restrictions this year demonstrated, our city's productivity and quality of life are at risk because of the demands placed on our limited water supply. The City estimates that it will be unable to meet peak water demand by 2036 and demand will exceed licensed supply by 2046 (Figure 3).¹⁵



Neighbouring municipalities are in a similar position. Okotoks has, over several years, purchased other water licences to maintain its capacity for growth. Cochrane has recently expressed concerns about running short of water, while Airdrie, supplied by Calgary, is in the same situation as The City.

- **Community Building:** Communities need to be supported and empowered to represent the needs of their residents. Since communities are diverse and represented by different groups, they require communication, technical, and financial assistance to facilitate and coordinate their cooperative efforts to ensure that people with a stake in a community have the opportunity to learn about and participate in The City’s decision-making.

Step 4: By 2025, City Council ensure commitments are met to unlock the full potential of our communities

- *Full compliance with the Municipal Development Plan, Climate Strategy, Food Action Plan, Mental Health and Addiction Strategy, and Parks Plan*
- *Financial incentives and other support to improve and sustain the affordability and quality of housing for:*
 - Low-income individuals and households
 - Renters
 - Families
 - Seniors

“Address diversity, equity, inclusion, and belonging.”
“Facilitate the journey toward Indigenous reconciliation.”
(City of Calgary, [major planning topics](#))
- *Sufficient funding to*
 - Develop and implement a life-cycle budget for the communities we already have that will

By 2025, reinstate the civic census and complete a city-wide land and housing supply-demand analysis

By 2030

- Complete the Primary Transit and 5A Networks
- Achieve 20% tree coverage
- Reduce Scope 1 and Scope 2 greenhouse gas emissions by 60% below 2005 levels for Calgary as a whole
- Negotiate growth-sharing and regional water management arrangements with neighbouring municipalities

By 2035

- Eliminate “food deserts” in Calgary¹⁶
- Achieve snow and ice removal within 48 hours from all pathways, vehicle travel lanes, crosswalks, and those sidewalks along City property
- Elevate “street life” (places for social interaction, sidewalks, pathways, parks) in all communities to be equivalent

By 2040

- End poverty in Calgary
- Equalize access to social and medical services, mental health and addiction support, and deviance management (traffic safety, vandalism, crime) for all communities at the highest standard
- Eliminate The City’s infrastructure funding deficit
- Ensure that 15% of housing stock will meet affordable housing criteria¹⁷ and be within walking distance of public and active transportation routes

Ensure that fulfillment of those objectives will be maintained to 2080.

- Ensure effective engagement in planning and community building from Calgary’s “little democracies,”¹⁸ e.g., community associations, homeowner/resident associations, business improvement areas, condo associations, housing co-operatives, and non-profit organizations.

The City is already working on most of the objectives in this list, although not with the same timeliness or level of service we are recommending.

Paying for it all

Right now, the City budget is not aligned to accomplish the previous four steps. In particular, approval of new subdivisions without adequate and timely funding and re-investment has created a huge financial “bow wave”¹⁹ for the City.

“Invest in and fund growth in a fiscally sustainable manner.”

(City of Calgary, [major planning topics](#))

The base capital cost of infrastructure for managing growth over the next sixty years is \$48 billion. Continuing dispersed growth using the suburban growth strategy will require an additional \$16 billion in capital cost and, by 2076, an extra \$390 million in annual operating cost.²⁰ Investing in the communities we already have is clearly more prudent and sustainable.

As well, off-site levies paid by developers currently do not cover the full cost of infrastructure to service new subdivisions, most notably in the area of transportation, where less than 60% of the cost of new suburban roads and none of the cost of LRT service are covered by levies. This is a government subsidy to a market that, undeniably, exists for suburban living. That subsidy has made it unfeasible from a land economics and physical logistics point-of-view to support investment and development – including more affordable housing – in the communities we already have.

The sustainability of the levy system is itself questionable. Off-site levies are over-subscribed and the City Auditor was unable to audit the levy program because of, among other things, inadequate financial reconciliations and a lack of defined governance structure.²¹ Those concerns remain unresolved.

In our view, re-orienting The City budget away from the suburban growth strategy will significantly relieve the financial constraints City Council faces. As well, The City's balance sheet needs more equitable funding from the federal and provincial governments, along with measures to alleviate the equity-related concerns about the ways The City raises and spends its money. Those equity-related concerns include:²²

- fairness of parking fees
- impact of user fees on low-income households
- lack of fees for road usage
- a property tax system based on
 - property value without, for example, considering the higher cost of servicing different parts of the city
 - a single rate rather than a tiered rate using, for example, a sliding scale of property value

Step 5: *By 2026, re-orient the City budget to increase affordability, reduce the burden on taxpayers, and generate a greater return on City investment.*

- *In November 2024,*
 - Remove City subsidies for the capital cost of infrastructure to service additional subdivisions, including where off-site levy agreements have not yet been signed.
 - Reallocate to the Established Area Investment Fund all current and future cost-savings from removing City subsidies of the capital cost of infrastructure for additional subdivisions.
 - Include services for subdivisions already in place among what can be funded through the Established Area Investment Fund
- *By 2030*
 - Ensure that provincial and federal funding is equitable compared to what other jurisdictions receive
 - Right-size the fairness of revenue collection for roads vs. transit and walking and wheeling
 - Within The City's ability to act, remove or advocate for removal of inequities in the property tax system with a clear understanding of outcomes, including marginal tax impact

- Conduct a full-cost accounting of the off-site levies program to resolve the issues with the historical and current collection, use, and management of levies.

The key benefits to The City and residents will be:

- Improved methods of managing redevelopment and following through on commitments will diminish conflict and increase trust, thus reducing the administrative burden on Council and Administration.
- The unified process for approving development/redevelopment will allow a more efficient deployment of resources and generate a greater return on City investment.
- Removal of City subsidies for additional subdivisions will create substantial cost savings, reduce the burden on taxpayers, and dramatically decrease the \$7.7 billion infrastructure deficit.

Moving forward

Taking the five steps would be a daunting challenge if funding is not there. Because of the large amounts of money involved, reallocating City subsidies for additional suburban subdivisions to the communities we already would remove the fear factor involved in changing the way The City does business. If the provincial and federal governments are incapable of filling any funding gaps, right-sized transportation funding and an equitable property tax system can be molded to supply supplementary funding.

The rest is details. Significant details, but given the right direction, something City Administration is quite capable of handling. Some pre-conceived notions about problem-solving will need to be abandoned. New or currently undervalued techniques will take their place. A broader perspective, freed from path dependence, will emerge that can cope with the diversity of community needs and deliver solutions that serve all Calgarians.

Appendix A: Extra Capital Cost of New Subdivisions

Estimated Minimum Extra Capital Cost of New Subdivisions Outside the Established Area Compared to More Compact Growth (2009-2018)

Year	City of Calgary Municipal Price Index	Annual Cost (\$)	Occupied Households
2009	1.6%	190,000,000	291,608
2010	3.7%	193,040,000	292,627
2011	3.2%	200,182,480	296,020
2012	3.6%	206,588,319	301,005
2013	3.5%	214,025,499	303,166
2014	3.5%	221,516,391	311,782
2015	2.6%	229,269,465	319,793
2016	1.8%	235,230,471	323,536
2017	2.0%	239,464,620	324,231
2018	1.0%	244,253,912	329,317
Total		2,173,571,157	
Cost data from IBI, The Implications of Alternatives Growth Patterns on Infrastructure Costs , 2009, p. ii			

¹ City of Calgary, [Next 20: State of the City – Supplemental Report: Cost Savings of a Balanced Growth Pattern](#), 2020, p. 4.

² City of Calgary, [Infrastructure Status Report](#)

³ City of Calgary, [Suburban Residential Growth Report 2022-2026](#)

⁴ Calgarians for Sensible Growth, [Development, Growth, and Community Needs: What We Heard](#), Appendices B through G

⁵ Creating complete communities is a cornerstone of the [Municipal Development Plan](#). See Chapter 2. 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” (p. 143).

⁶ [Development, Growth, and Community Needs: What We Heard](#), Appendices B through F

⁷ Net-zero means that we do not allow greenhouse gas emissions to exceed a certain level in our use and consumption of resources. Currently for the Earth’s atmosphere, this means reducing GHGs so that the increase in global temperature above pre-industrial levels remains below 2°C and preferably 1.5°C. For a business, homeowner, government, or other organization this means that the goal should be taking action to reduce net carbon emissions to zero. Conventionally, as in The City’s *Climate Strategy*, only Scope 1 and Scope 2 emissions are considered – those emissions associated with the operation of homes, buildings, vehicles, and other infrastructure. Other emissions (Scope 3) from producing physical goods – for example, construction, manufacturing, resource extraction, and food production – are generally not considered at an individual or organizational level. In our view, estimated Scope 3 emissions should be part of achieving net-zero construction.

⁸ City of Calgary, [Municipal Development Plan](#). See Key Direction 3 (p. 6)

⁹ Subsidization occurs because existing taxpayers fund a significant portion of infrastructure and operating costs to service new subdivisions.

¹⁰ In Map 1 of the *Municipal Development Plan*, The City has identified areas that it considers to be Activity Centres and Main Streets. For some communities, The City has defined where Activity Centres and Main Streets begin and end. Beyond that, the *MDP* provides the characteristics of Activity Centres and Main Streets (p. 29):

- higher intensity, mixed-use areas
- well connected to the Primary Transit Network
- diversity of commercial, residential, and service uses
- capacity to support future residential and employment intensification
- areas that provide
 - more certainty to the development and building industries
 - more predictable redevelopment
 - lessened impact on stable, low-density areas
- priority locations for

-
- accessible, safe, and convenient public transit hubs
 - greater variety of housing choices within or near existing residential communities
 - higher density residential and employment concentrations
 - local opportunities for employment and daily retail and service needs
 - walkable destinations and local gathering places for adjacent communities

¹¹ [Municipal Development Plan](#), p. 131. In the *Municipal Development Plan*, “Greenfield” refers to the “Developing Area” of Calgary where new communities outside the Established Area may be built. The terms “Balanced Growth Boundary Residential Areas” and “Developed Area” are other terms for the Established Area.

¹² A guardrail, in this context, is a constraint placed on a choice to avoid undesirable consequences.

¹³ [Sequenced Lists of Prioritized Growth Areas](#) (PUD2013-0770, ATTACHMENT 1 – search required)

¹⁴ 2022 Budget Hearing, [November 22, 2022](#) @5:20:02

¹⁵ City of Calgary, [A framework for Calgary’s water secure future](#), 2020, p. 9

¹⁶ Food deserts are “neighbourhoods where residents have little or no access to stores and restaurants that provide healthy and affordable foods.” ([Canadian Environmental Health Atlas](#))

¹⁷ “The City of Calgary considers households in need of affordable housing options if they earn less than 65 per cent of the Calgary median income and spend 30 per cent or more of before-tax income on shelter costs.” ([Synopsis of Technical Data](#), Housing Needs Assessment 2023) A definition we accept.

¹⁸ “Little democracies” are organizations or groups outside of the systems of decision-making used by governments. They operate based on the informed consent of their members. In some cases, they have formal rules and procedures. In other cases, they rely on informal arrangements compatible with their needs.

¹⁹ A bow wave, in this context, is the consequences caused by an action as they spread out, impacting current and future functioning of a system.

²⁰ City of Calgary, [Next 20: State of the City – Supplemental Report: Cost Savings of a Balanced Growth Pattern](#), 2020, p. 4.

²¹ City of Calgary Auditor, [Off-site Levy Annual Reporting Audit](#), AC2019-1241

²² [Development, Growth, and Community Needs: What We Heard](#), Appendix G