

# Downtown Density Bonusing Offset Program - Terms of Reference

## 1. Purpose

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The purpose of the Downtown Density Bonusing Offset Program (Density Bonusing Offset Program) is to provide a financial incentive to offset the cost of density bonusing, in order to encourage new residential development in the Greater Downtown Plan boundary.

The overall goals of the Density Bonusing Offset Program are to increase economic activity, vibrancy and safety in the greater downtown by:

- Accelerating the delivery of new housing and increasing the downtown population;
- Maintaining the provision of community amenities/density bonus earning items to offset increased bonus density;
- Encouraging redevelopment to increase the mix of uses in the downtown;
- Supporting property values and property tax base; and
- Improving the public realm through new active uses at ground level.

## 2. Program Eligibility

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### 2.1 Program Eligibility

The following criteria must be satisfied for a project to be considered eligible for the Density Bonusing Offset Program (the “**Eligibility Criteria**”):

- The project is located in the Greater Downtown Plan boundary, as shown in Appendix A;
- The project proposes new residential units;
- The project will provide a financial contribution to a Council-approved fund in exchange for density bonusing, as a condition of their development permit; and
- Prior to May 1, 2025, the applicant has not (a) obtained a released development permit in respect of the project, or (b) commenced construction on the project.

## 3. Incentive

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### 3.1 Density Bonusing Offset Program

The Density Bonusing Offset Program is offering a reimbursement for financial contributions made to a **Council-approved fund** in exchange for bonus density, in accordance with an approved development permit for a project containing residential units.

### 3.2 Decision Making & Approval

**Downtown Strategy Team (“DTS”):** DTS will be the main point of contact and will guide applicants and applications through the application review process. DTS will review and make recommendations to the Director for approval or denial of applications.

**Director, Downtown Strategy (the “Director”):** The Director renders decisions, through consideration of DTS’s recommendations, on whether an application is approved to proceed to negotiation of a funding agreement (“**Funding Agreement**”).

Notwithstanding applicant / project eligibility or the recommendations of DTS, all decisions made in respect of any stage of applications to the Density Bonusing Offset Program shall be subject the sole and exclusive discretion of the Director, Downtown Strategy.

### **3.3 Incentive Amount**

The reimbursement will be for the full amount of the financial contribution, subject to available funding, made to a **Council-approved fund** in exchange for bonus density. No interest will be paid on any fund contribution amounts.

For mixed-use projects with a non-residential or hotel component, the reimbursement amount will be prorated, based on the proportion of residential uses, excluding hotel, at the sole and exclusive discretion of the Director. The calculation methodology of any prorated amount will be at the sole and exclusive discretion of the Director.

If the proposed project is phased, the reimbursement will cover only the portion of the phased development encompassed in the building permit issued, and as outlined in a Funding Agreement. The reimbursement amount and calculation methodology will be at the sole and exclusive discretion of the Director.

### **3.4 Reimbursement Timing**

The reimbursement will be payable after the applicant’s construction obligations have been achieved, in accordance with the terms of the funding agreement. Construction obligations and payment of funds will align with applicable program funding source and the associated requirements.

## **4. Review Factors**

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### **4.1 Application Review Factors**

Subject to the Eligibility Criteria in Section 2.1, the factors below will be considered by DTS in evaluating applications to the Density Bonusing Offset Program and in making recommendations to the Director (the “**Evaluation Factors**”):

1. Number and type of new residential units, including any identified non-market units;
2. Legal standing of the applicant and/or property owner;
3. Financing of the project, including additional applied-for incentives;
4. Capacity of applicant to deliver project within specified timeline and funding availability;
5. The track record of the applicant, property owner, and or consultant/advisor team in successfully completing similar-scale construction projects in dense urban areas; and
6. Project viability, and the anticipated timeline for completion of the project, with preference given to projects that intend to obtain a building permit by October 26, 2026, and projects already having the appropriate land use entitlements and a submitted development permit.

## 5. Application Process, Review, and Approval

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### 5.1 Application Intake

The Density Bonusing Offset Program will operate on a continual intake process beginning June 1, 2025, subject to available funding. Applications should be submitted electronically to [downtownstrategy@calgary.ca](mailto:downtownstrategy@calgary.ca).

### 5.2 Application Submission Requirements

Applicant submissions shall provide the following (the “**Application Submission Requirements**”):

1. Applicant Information
  - a. Applicant name
  - b. Company name (if applicable)
  - c. Applicant's ownership status (property owner or representing owner)
    - If representing the owner, a [Letter of Authorization](#) from the registered owner of the land, their agent, or other persons having legal or equitable interest in the parcel.
2. Overview of the proposed development
  - a. Project address/location
  - b. Relevant application numbers (PE, LOC, DP, BP)
  - c. Project schedule/timeline:
    - Development permit submission, development permit approval, development permit release, building permit submission, building permit issuance, commencement of construction, construction completion/occupancy
  - d. Project overview:
    - Project description
    - Number and type of new residential units
    - Proposed phasing (for multi-tower developments only)
    - Proposed density bonusing structure, including base Floor Area Ratio (“**FAR**”) allowed, bonus FAR required, bonusing item(s), and cost of density bonusing
3. Project readiness, owner and financing due diligence information, including:
  - a. Applicant's project experience with projects of a similar size and scope contemplated in the application, including any consultants, advisors and/or construction manager(s) that have relevant construction experience and can demonstrate a proven track record in large scale construction projects in urban areas, and including any applicable required human resources that have a project management, supervision and execution perspective. Identify any previous agreements that you have had with The City of Calgary, if any.
  - b. Signed authorization permitting The City to carry out corporate due diligence with respect to the project and the owner (see forms below).
  - c. Description of type of applicant/owner's corporate entity (include a corporate tree or structure diagram with application showing any parent/subsidiary corporate entities if applicable)
  - d. How, and from whom, financing and/or capital is to be sourced
  - e. Status of financing/funding
    - If financing is required, provide evidence of financial support such as a comfort letter or commitment letter from the owner's financial institution demonstrating support for completion of the development project.

The **Downtown Strategy Team** may request additional information as needed to assist in the review and evaluation of an application.

## **5.3 Review Process**

All applications will be subject to the following multi-step review process.

### **5.3.1 Step 1: Application Intake & Preliminary Review**

Upon submission, the Downtown Strategy Team will review applications for completeness against the Application Submission Requirements (as detailed in Section 5.2). After intake, applications will go through a preliminary review. This step will confirm whether an application satisfies the Eligibility Criteria (as detailed in Section 2.1) that allows it to proceed to the next step.

If the application does not include all Application Submission Requirements or meet all of the Program Eligibility criteria, the application will not be accepted.

### **5.3.2 Step 2: Application Review: Legal Due Diligence & Financial Capacity Review**

The City of Calgary will perform a legal due diligence search to ensure (to the degree possible) that the owner or owner management group represents a sound investment for The City of Calgary.

The City of Calgary will also perform a financial review on the owner's or owner management group's financial capacity to determine if adequate capacity is in place to deliver the proposed project.

### **5.3.3 Step 3: Application Review: Evaluation Factors**

The application will be reviewed to determine its strength pursuant to the Evaluation Factors (as detailed in Section 4.1), which will inform recommendations made by DTS to the Director.

Applications that sufficiently satisfy Step 2 and Step 3 above will proceed to Step 4.

### **5.3.4 Step 4: Director Approval**

The Director will review all applications that have proceeded to Step 4 and will approve those applications that will proceed to Step 5 (negotiation of a Funding Agreement). All application decisions made pursuant to this Density Bonusing Offset Program shall be at the sole and exclusive discretion of the Director. If approved to proceed to Step 5, the Director may attach certain conditions to approval, including but not limited to deadlines for approval or release of a development permit, submission of a building permit, and entering into a Funding Agreement.

Application decisions, including approvals of the Director, made pursuant to the Density Bonusing Offset Program do not: (1) constitute the granting by the municipality of The City of any approval or permit as may be required pursuant to the *Municipal Government Act* (Alberta) or any other legislation in force in the Province of Alberta, including approvals of subdivision and permit applications and any land use redesignation applications, or (2) restrict the municipality of The City, its Council, officers, employees or agents in the full exercise of any and all powers and duties vested in them in their respective capacities as an approving authority over subdivision and permit applications and land use redesignations applications, or as a governmental authority.

### **5.3.5 Step 5: Funding Agreement**

The DTS will provide the applicant with the standard form of the Funding Agreement.

Engagement of the parties (DTS, applicant, applicant's legal counsel, the City's legal department) continues until either the terms of the Funding Agreement are agreed upon or they are not agreed to, and the Approval to enter into a funding agreement terminates. The terms of the Funding Agreement will finalize any additional requirements such as development permit timelines, building permit timelines, construction schedule, reporting requirements, project completion, and reimbursement. Funding agreements will be required to align with any and all requirements of applicable funding source. If the parties agree to the terms of the Funding Agreement, the parties execute the Funding Agreement.

### **5.3.6 Step 6: Contract Management**

The applicant is required to meet the terms of the Funding Agreement. Failure to meet the terms of the Funding Agreement could result in an event of default and potential termination of the agreement.

### **5.3.7 Step 7: Payment of Funds**

Reimbursement will be payable upon the fulfilment of the terms of the Funding Agreement.

## **6. Monitoring, Reporting & Program Information**

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### **6.1 Reporting**

- The success of the processes outlined in these Terms of Reference will be monitored on an ongoing basis.
- The Downtown Strategy Team will provide information and make recommendations on the Density Bonusing Offset Program, as requested by Council.

### **6.2 Effective Date**

These Terms of Reference are effective May 1, 2025.

### **6.3 Density Bonusing Offset Program Information**

The Downtown Density Bonusing Offset Program Terms of Reference, application process, and other applicable information will be available on The City of Calgary's website.

## 7. Confidentiality

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For the purposes of this section, "**Confidential Information**" means information considered proprietary to an applicant and disclosed to The City pursuant to the Density Bonusing Offset Program, and includes all material, data and information (regardless of form and whether or not the same is protected by copyright, patent, or other applicable law) which is not available to the public. "Confidential Information" does not include any information that: (i) is now in or subsequently enters the public domain through means other than by the direct or indirect disclosure by The City; (ii) is already in the possession of The City; (iii) is lawfully communicated to The City, free of any confidentiality obligation; (iv) The City has received the applicant's prior written approval to disclose; or (v) The City is required to disclose pursuant to the Municipal Government Act (Alberta), the Freedom of Information and Protection of Privacy Act ("**FOIP Act**"), or any subsequent legislation of similar effect, or The City is required to disclose pursuant to any law or order of a court having jurisdiction over the matter.

Applications may include the Confidential Information of the applicants. The City shall make all reasonable efforts to maintain in confidence the Confidential Information. Without limiting the generality of the foregoing, The City will make reasonable efforts to keep, file and store all Confidential Information, together with any notes or other material incorporating or relating to the Confidential information, in a manner consistent with the FOIP Act, as well as in a manner consistent with its confidential nature and to take all reasonable action, whether by instruction, agreement or otherwise, to ensure that its employees do not disclose or use the Confidential Information directly or indirectly, for any purpose other than the purposes for which it was provided.

Notwithstanding the foregoing, The City may be required to disclose Confidential Information pursuant to its public disclosure obligations as contained in the FOIP Act. Should such disclosure be required, The City shall use its reasonable efforts to limit that disclosure and, in any event, shall make that disclosure only to the extent so required. The City shall communicate its disclosure obligations to all applicants and advise them that any disclosure of Confidential Information pursuant to The City's obligations under the FOIP Act shall not breach any obligation of confidentiality that may exist between The City and applicant.



## Appendix A: Greater Downtown Plan boundary

