

Terms of Reference & Applicant Guide: Non-Market Housing Office-to-Residential Conversions in the Greater Downtown Plan Area

1. Purpose

- The City of Calgary invites Non-Profit Housing providers who are interested in supporting *Calgary's Greater Downtown Plan* and the delivery of non-market housing to apply for funding support of their conversion projects.

2. Eligibility

The Program applies to office-to-residential conversion projects in the Greater Downtown Plan Area. Priority will be given to applications within the “Priority Area” as highlighted on the map in Appendix A.

The following applications will be considered out of scope and therefore will not be considered for the Program:

- Projects located outside of the Greater Downtown Plan Area.
- Conversions of buildings that are not currently classified by The City of Calgary (“The City”) as commercial office use and a “non-residential” property for assessment and tax purposes (which will be confirmed by the evaluation panel and Assessment & Tax at the time of application).
- Projects whereby the applicant(s) and/or owner(s) (or ownership/management group or member thereof, or company affiliated with the applicant and/or ownership/management group) have a current funding agreement or any other legal agreement with The City and have been issued a notice of event of default (notwithstanding that the default may be remedied or in the process of being remedied). If such default is in respect of a conversion project within the Greater Downtown Plan Area, further application(s) to the Program will be deemed ineligible until the project associated with the event of default and applicant owner or ownership/management group is fully complete and a notice of occupancy for the project has been issued by The City. Further, no applicant will be eligible that is in continuing breach of any housing or funding agreement entered into with The City.
- Construction of new buildings, and additions to existing buildings.
- Property owned by any municipal, provincial or federal government, or any subsidiary or affiliate thereof.

2.1 Organization/Incorporation Status

Applicants to this program must be:

- an Alberta or extra-provincial registered charity, society, other not-for-profit entity, or an Indigenous urban social or housing organization with a registered office based in Calgary,
- a City of Calgary wholly-owned subsidiary, whose mandate includes, but is not necessarily limited to, the supply and operational management of non-market housing,
- First Nation Band Councils or Tribal Councils or its delegated authorities in Treaty 7, and the Otipemisiwak Métis Government (Métis Nation of Alberta) Districts 5 & 6 or its delegated authorities (hereinafter referred to as “Indigenous Nations”), or
- Registered Indigenous non-profit organizations operating in Calgary with a mandate to serve First Nations, Métis and/or Inuit people.

2.2 Capacity

Eligible applicants that do not alone satisfy the criteria set out in this section may partner with other organizations (each, a “Project Partner”) that have the relevant experience in developing, delivering, and operating housing projects, provided that the legal ownership of the project to which the Program applies must in all cases remain with the eligible applicant and its approved Project Partner(s) during and following development, subject to the housing and funding agreements to be entered into with successful applicants, and, if relevant due to the beneficial ownership structure, the approved Project Partner(s).

An eligible applicant must demonstrate to the satisfaction of The City, in its sole discretion, that:

- any proposed partnership or joint venture structure with a Project Partner(s) is duly authorized by the legal owner of the project lands and will not violate the requirement that ultimate legal and beneficial ownership of any project remain at all times entirely with the eligible applicant and its approved Project Partner(s), and nor will such structure hinder or jeopardize the applicant’s ability to deliver the project in accordance with all relevant agreements. Support documentation to be provided to The City must include a description of ownership/title, and clearly identify the division of equity in the proposed project as well as the respective responsibilities of each partner in the design and delivery of the housing, as well as any further documentation that The City may reasonably request;
 - the applicant or its relevant Project Partners have a minimum of three (3) years’ experience in developing, delivering, and operating similar housing projects (conversions). Support documentation may include client testimonials, annual reports or evaluations, or examples of existing housing projects completed by the applicant, in addition to any further documentation that The City may reasonably request;
- or**
- the applicant or its relevant Project Partners are approved within the existing Downtown Calgary Development Incentive Program and are seeking to incorporate non-market housing into the existing proposal.

The City reserves the right to conduct both legal and financial due diligence on all parties involved in the application (including, for certainty, Project Partners). Applicants will be required to deliver consent forms in respect of customary legal and financial diligence inquiries.

2.3 Financial Details

To aid The City in making the determinations set out above, each applicant must provide, in respect of itself and each Project Partner, as applicable:

- audited financial statements prepared in accordance with generally accepted accounting principles for the past three (3) years, demonstrating good and prudent financial management with balanced budgets, prudent reserves, a strong balance sheet position and reasonable borrowing capacity in place.
- disclosure of any additional financial or in-kind grants received by the applicant in respect of the Project.
- disclosure of any agreements entered into with or other involvement of CMHC in respect of the Project.
- applicant’s bank or other financial institution(s) letters of reference and credit check (as applicable).
- a signed letter from the Chief Financial Officer (or equivalent financial authority) of the applicant or relevant Project Partner to demonstrate to The City that each party has sufficient financial standing and capacity to carry out its respective role(s) on the project.
- Disclosure of the legal and beneficial ownership of the proposed project site, including, if relevant, a signed letter from the site owner authorizing the applicant to convert the site to non-market housing.

Financial Details: Financing plan and related timelines for fulfilment of the financing plan. Demonstration of the financial capacity of the applicant owner or ownership/management group to undertake the proposed project, including:

- If externally funded, provision of a financing commitment letter if available at this stage. If a financing commitment letter is not available at this stage, provision of a comfort letter from the applicant's financing institution providing support for the applicant's application to the Program for the proposed project.
- If internally funded, provision of the most recent audited financial statements of the applicant (and of its affiliates if the applicant is an ownership/management group) if audited financial statements are available at this stage. If audited financial statements are not available for the applicant at this stage, provide the most recent unaudited financial statements of the applicant (and its affiliates if the applicant is an ownership/management group).

2.4 Term

All new units must be offered as affordable housing (see Section 2.5 "Affordability" below) and remain so for the shorter of: (i) 40 years from occupancy of the project by the applicant; and (ii) the remaining lifespan of the building.

2.5 Affordability

Housing affordability is when there is a balanced housing market, where the demand from buyers is equal to the available homes from sellers, and people or households have access to a variety of housing options where they do not have to spend more than 30 percent of their gross income on shelter. To exclude discretionary overspending, The City targets affordable housing to households earning 65 percent or less of the Calgary area Median Income.

Projects shall prioritize renter households in need of affordable housing. Households that earn less than 65 percent of the Calgary Area Median Income and spend more than 30 percent of their gross income (before taxes) on shelter costs are considered in need of affordable housing. The most recent published Median Income before taxes in Calgary is \$98,000 (2020), with 65 percent of this Median Income before taxes being \$63,700. Based on this housing need definition, rent that is considered affordable at this income would be \$1,592.50 per month. As additional census data is released, this number is subject to change in accordance.

For greater clarity, funding from the Program will only support units with rents of \$1,592.50 and below, and approved support spaces. Market units are not eligible for funding from this program.

Note: Projects that provide deeper levels of affordability, rent below minimum criteria, will be prioritized.

3. Submission Requirements

3.1 Completed Application Form & Preliminary Plans

Applicants must complete the application form.

Applicants must also provide copies of preliminary architectural drawings, schematic plans and renderings, including standard floorplan layouts, where available.

3.2 Project Readiness and Timeline

Applicants must provide a proposed project management schedule that reasonably demonstrates the project's delivery timeline, including reasonable estimates of key milestones such as site acquisition, permit approvals, construction commencement, substantial performance, and occupancy. Building permits must be issued within 12 months of funding agreement execution. Projects that can demonstrate an ability to achieve occupancy faster will be prioritized.

3.3 Eligible Costs

Eligible costs include all project costs incurred after a letter of intent has been provided to the successful applicant by The City. Expenses that are eligible for funding under the Housing Incentive Program (including any successor program to the Housing Incentive Program) will not be considered eligible under this program, however, applicants may apply for additional City funding programs, including the Housing Incentive Program, and to stack funding wherever possible.

While The City recognizes the value of multi-use design (e.g., retail units, commercial spaces), funding from the program will only support non-market residential rental units and approved support spaces for the exclusive use of tenants within the project. Where projects have commercial or other non-residential space, funding will be pro-rated based on space allocation in the building.

3.4 Additional Funding Contributions

Total funding towards eligible project costs is capped at a maximum 30 percent from City of Calgary non-market housing funding programs. This does not include the cost for the land/building, or any funding received through other City funding programs (at the City of Calgary's discretion).

The outline of disbursement of funding is outlined in Section 5.4.

4. Governance and Timelines

4.1 Application Window

Applications will be opened 28 July 2025, which will remain open until 12 September 2025. Future windows may open if funding allows.

4.2 Process

Evaluation of applications will be completed by a City of Calgary convened panel. All information provided by applicants may be shared with representatives from the Government of Alberta and the Government of Canada. Partnership with all three orders of government is a critical step to ensure coordination and alignment between funding programs.

The personal information collected through this funding application is collected under the authority of The City of Calgary and the *Protection of Privacy Act* (Alberta) and will be used for the purpose of determining eligibility for funding.

4.3 Evaluation Guide

The evaluation guide can be found in Appendix B.

5. Requirements of Successful Applicants

5.1 Funding Agreement

All successful applicants will be required to enter into a conditional funding agreement with The City. Compliance with the requirements under the funding agreement will be monitored. Non-compliance to the agreed upon requirements may result in penalties and/or the withdrawal or repayment of the funds, including interest.

5.2 Housing Agreement

All successful applicants will also be required to enter into a Housing Agreement with The City in a form to be provided by The City. The Housing Agreements are noted on title of the project lands and set out the requirements for the average rents across all units within the project to remain affordable for the applicable term, upon occupancy of the project by the applicant.

5.3 Reporting and Compliance Requirements for Successful Applicants

Successful applicants will be required to report on the matters listed below, and in any case as required by the applicable housing and/or funding agreements. Failure to continue regular reporting in accordance with the applicable agreement(s) could result in an event of default and potential termination of the agreement(s), including repayment of all or a portion of the funds.

Operating/financial plan: <ul style="list-style-type: none">• Municipal and legal address of project• Estimated number of units per project, including bedroom count• Rent roll for property, including adherence to maximum rent requirement• Positive Net Operating Income• Conflict of interest statement	Financial status: <ul style="list-style-type: none">• Estimated total cost of project• Estimated cost per door• Estimated annual operating budget• Estimated income from rent by:<ul style="list-style-type: none">○ Households in need○ Households at or below maximum rent requirement• Estimated funding revenue
Development progress: <ul style="list-style-type: none">• Actual municipal address of property• Actual number of units per project• Actual number of units allocated for those households in need of affordable housing• Actual number of units below maximum rent requirement and rents being charged	Ongoing tenant / waitlist profile: <ul style="list-style-type: none">• Annual household income• Units occupied/unoccupied• Household composition
Exit surveys for tenants: <ul style="list-style-type: none">• Why people are moving out of the building	Annual attestation confirming: <ul style="list-style-type: none">• Adherence to Minimum Housing and Health Standards• Confirmation no outstanding life safety violations present at property• Confirmation no outstanding building code violations at property

5.4 Disbursement of Funding

Funding will be disbursed as a reimbursement of accrued costs by the Successful Applicant. Requests, with the appropriate submission requirements for eligible costs, can be evaluated on a quarterly basis (unless otherwise agreed upon). Requests will be paid out at 100% of cost (excluding taxes) until the determined maximum amount is reached.

Appendix A.

Greater Downtown Plan Area & Program Priority Area



Legend

Downtown Office to Residential/
 -- Adaptive Use Program Area
 (Greater Downtown Plan Area)

**Program Priority Area,
 bounded by:**
 2 Avenue SW (north)
 3 Street SE (east)
 CPR Main Line (south)
 9 Street SW (west)

Appendix B. Evaluation Guide & Criteria

Stage One: Basic Eligibility

Applicants must achieve a passing score on all basic eligibility criteria to progress to the next stage.

BASIC ELIGIBILITY CRITERIA	PASS/FAIL
<p>ORGANIZATION / INCORPORATION STATUS</p> <p>Be an Alberta or extra-provincial registered charity, society, other not-for-profit entity, or an Indigenous urban social or housing organization with a registered office based in Calgary; City of Calgary subsidiary; First Nation Band Councils or Tribal Councils or its delegated authorities in Treaty 7, and the Otipemisiwak Métis Government (Métis Nation of Alberta) Districts 5 & 6 or its delegated authorities (referred to as “Indigenous Nations” throughout); or Registered Indigenous non-profit organizations operating in Calgary with a mandate to serve First Nations, Métis and/or Inuit people</p>	Pass/Fail
<p>CAPACITY</p> <p>Applicants demonstrate at least three (3) years’ experience in developing, delivering, and operating housing projects OR applicants are partnering with an organization that can demonstrate experience developing, delivering, and operating housing projects.</p> <p>If partnering with a non-eligible applicant, the proposed partnership will not hinder or jeopardize the applicant’s ability to deliver the project in accordance with all relevant agreements. Support documentation to be provided to the City must include a description of ownership/title, clearly identifying the division of equity in the proposed project, as well as the respective responsibilities of each partner in the design, delivery, and operation of the housing.</p> <p><i>NOTE: Legal and beneficial ownership of the project must remain at all times with the eligible applicant.</i></p>	Pass/Fail
<p>FINANCIAL DETAILS</p> <p>Applicants demonstrate to The City that the applicant has sufficient financial standing and capacity to carry out their respective role(s) on the project.</p>	Pass/Fail

<p>POPULATIONS SERVED</p> <p>The proposed project serves households that earn less than 65 percent of the Calgary Area Median Income and spend more than 30 percent of their gross income (before taxes) on shelter costs are considered in need of affordable housing, with the most recent published Median Income before taxes in Calgary \$98,000 (2020), and less than 65 percent of this Median Income before taxes being \$63,700.</p> <p><i>Note: Applicants are responsible for establishing tenant eligibility and selection criteria.</i></p>	<p>Pass/Fail</p>
<p>PROJECT TYPE</p> <p>The proposed project is a conversion of non-residential buildings to residential units located within the Greater Downtown Calgary Plan</p>	<p>Pass/Fail</p>
<p>PROJECT SCHEDULE</p> <p>Provide a project management schedule that demonstrates Building Permits within 12 months of the execution of the Funding Agreement.</p>	<p>Pass/Fail</p>

Stage Two: Project Prioritization

Applicants that demonstrate how their project exceeds the minimum program eligibility criteria will be awarded points during the evaluation process and these projects will be prioritized. A total of 100 points can be awarded to a project based on the Additional Prioritization Criteria in the table below.

ADDITIONAL PRIORITIZATION CRITERIA	ELIGIBLE POINTS
AFFORDABILITY Rent per unit is \$1,592.50 per month or less (minimum criteria). Projects that provide deeper levels of affordability, rent below minimum criteria, will be prioritized. Level of affordability will be calculated based on average rent of all units, with no rents more than \$1,592.50 per unit per month permitted. 45 points – rent is 40 - <50% below \$1,592.50 40 points – rent is 30 - <40 % below \$1,592.50 35 points – rent is 20 - <30 % below \$1,592.50 30 points – rent is 10 - <20% below \$1,592.50 25 points – rent is >0 - <10% below \$1,592.50 0 points – minimum criteria (\$1,592.50 per unit) <i>Note: The program is intended solely for capital project costs and will not provide any operational funding to sustain or maintain the project once complete.</i>	Maximum 45 points
PROJECT ELEMENTS Projects will be prioritized based on the extent to which they incorporate the following elements, as demonstrated through the application package and preliminary plans: <ol style="list-style-type: none">1. Inclusion of active uses at grade and at the Plus 15 level2. Demonstration of appropriate access to natural light3. Inclusion of residential amenity areas4. Inclusion of secured bike parking stalls5. Facade and public realm improvements6. Preservation of historical elements, where applicable	Maximum 20 points (minimum of 10 required)

INDIGENOUS HOUSING	Maximum 35 points
<p>Projects submitted by Indigenous Nations and Indigenous non-profits (up to 20 points)</p> <p>Projects submitted by Indigenous Nations (as defined in the Terms of Reference) and Indigenous non-profits (a non-profit operating in Calgary with a mandate to serve First Nation, Métis or Inuit people, where at least 51% of the Board of Directors is First Nation, Métis or Inuit) will be prioritized. Applications submitted by Indigenous Nations and Indigenous non-profits will receive an additional 20 points in the evaluation process. To be eligible for this prioritization, Indigenous non-profits will be asked to provide a signed declaration confirming that at least 51% of Board members are First Nation, Métis or Inuit.</p> <p>Projects that provide affordable housing to Indigenous people (up to 15 points)</p> <p>Projects that provide affordable housing to First Nation, Métis or Inuit people in Calgary may be eligible to receive up to 15 additional points.</p> <p>The extent of prioritization will be based on the following inclusions to the application:</p> <ol style="list-style-type: none"> 1. % of units that will be rented to First Nation, Métis or Inuit tenants in housing need 2. Prioritization of Indigenous applicants for units 3. Delivery of programming for Indigenous residents 4. Inclusion of dedicated programming space and cultural and/or ceremonial spaces for Indigenous residents <p>If the applicant is not an Indigenous Nation as defined in the Terms of Reference or Indigenous non-profit as defined above, and the applicant intends to provide housing to First Nation, Métis or Inuit people in Calgary, the applicant will be required to demonstrate a partnership with an Indigenous Nation or Indigenous non-profit (as defined above) for the development of the project, operations of the project, and delivery of programming. This partnership must be demonstrated via a signed letter of support from an Indigenous Nation or Indigenous non-profit, or a memorandum of understanding or legal agreement with an Indigenous Nation or an Indigenous non-profit.</p>	