Incentive Program Descriptions and Stakeholder Feedback

Program Type	Description	Stakeholder Feedback and Administration Considerations
Per-Door Incentive	A fixed dollar value paid per net new residential unit provided by a development. Example: Edmonton's Downtown Housing Reinvestment Program (2000)	● Potentially distortionary - might incentivize developers to maximize unit count by minimizing unit size. ● Runs counter to efforts to provide a more diverse range of unit sizes, including units suitable for families.
Per-Square Foot Incentive	Calculated by multiplying the square footage provided by a new development by a predetermined "per-square-foot" amount. Different 'per-square-foot' rates could be applied to different uses, etc. Example: Downtown Calgary Development Incentive Program (for office conversions)	● Easy to understand and calculate impact on a development. ● Effectiveness depends on the dollar value available. ● If available early in the development process, reduces upfront capital requirements.
Tax Freeze Incentive	An annual grant payment is made for a set number of years that is equivalent to the uplift in municipal property tax generated by the new development. Example: 2001 Edmonton Economic Recovery Construction Grant	● Effectiveness depends on the present value of the incentive amount. ● Not an effective incentive for office-to-residential conversions, as the change in tax class means there is less tax uplift. ● Lenders do not recognize "tax freeze" programs in their calculations in the same way as direct grants. ● Doesn't reduce upfront capital requirements. ● Ongoing administrative requirements to monitor and process annual payments.