

# Branch — Housing and Economic Sustainability

## Introduction

**Mandate:** The Housing and Economic Sustainability Branch delivers on the Council mandate of safe and affordable living that builds diverse and complete communities for Edmontonians both today and tomorrow. The Branch also advances economic development strategies and urban renewal initiatives to support Council's vision for a vibrant and inclusive city that attracts investment, ensuring ongoing sustainability and success.

The Branch addresses the need for affordable housing through advocacy, housing policy and planning and implementing the City's Cornerstones program. The Branch advances the City's economic sustainability through developing The Way We Prosper, facilitating industrial land development and entrepreneurship, and supporting Business Revitalization Zones and local businesses. The Branch advances urban renewal initiatives through implementation of Council approved revitalization plans for the Capital City Downtown and The Quarters Downtown. The 2013 Budget introduces financial presentation of the Quarter CRL, with the approval of reserves the presentation for the CRL will continue to evolve in future years to provide with a clear understanding of the financial positions.

The Branch promotes a safe, thriving, late-night environment in the city by planning, managing and policing the many aspects of hospitality destinations throughout the city. Branch staff also facilitate the rehabilitation of existing housing stock and ensure Edmonton's secondary suites, derelict buildings and rooming houses meet minimum health and safety standards. Lastly, the Branch operates the Landlord and Tenant Advisory Board to provide public education, information and advice about landlord and tenant rights.

The Branch works to realize significant return on investment in most program areas. For example, the Branch's Cornerstones Program has leveraged \$37 million in City funding and \$110 million of Provincial funding to develop over 3,000 affordable housing units with a total capital value of over \$366 million. While the work of this branch addresses all six City goals, it is integral to Improve Edmonton's Livability (The Way We Live), Transform Edmonton's Urban Form (The Way We Grow), and is the Department lead on Diversify the Economy (The Way We Prosper).



# Branch — Housing and Economic Sustainability

## Approved 2013 Budget – Branch Summary (\$000)

	2011 Actual	2012 Budget	2013 Budget	\$ Change '12-'13	% Change '12-'13
<b>Revenue &amp; Transfers</b>					
User Fees	\$ 500	\$ 912	\$ 1,276	\$ 364	39.9
Grants	17,199	25,419	16,334	(9,085)	(35.7)
Transfer from Reserves	6,210	8,938	5,988	(2,950)	(33.0)
<b>Total Revenue &amp; Transfers</b>	<b>23,909</b>	<b>35,269</b>	<b>23,598</b>	<b>(11,671)</b>	<b>(33.1)</b>
<b>Expenditure &amp; Transfers</b>					
Personnel	4,416	5,120	5,551	431	8.4
Materials, Goods & Supplies	83	163	163	-	-
External Services	1,477	481	643	162	33.7
Intra-municipal Services	1,633	442	238	(204)	(46.2)
Grants	22,913	35,214	25,794	(9,420)	(26.8)
Utilities, Debt & Other Charges	1,443	1,436	2,541	1,105	76.9
Transfer to Reserves	3,939	2,536	2,536	-	-
Subtotal	35,904	45,392	37,466	(7,926)	(17.5)
Intra-municipal Recoveries	(1,401)	(1,400)	(1,495)	(95)	
<b>Total Expenditure &amp; Transfers</b>	<b>34,503</b>	<b>43,992</b>	<b>35,971</b>	<b>(8,021)</b>	<b>(18.2)</b>
<b>Net Operating Requirement</b>	<b>\$ 10,594</b>	<b>\$ 8,723</b>	<b>\$ 12,373</b>	<b>\$ 3,650</b>	<b>41.8</b>
<b>Full-time Equivalents</b>	<b>48.0</b>	<b>54.0</b>	<b>55.0</b>	<b>1.0</b>	

## Budget Changes for 2013 (\$000)

### Revenue & Transfers - Changes

#### User Fees \$364

Increase in Community Revitalization Levy revenue in The Quarters CRL of \$440. Residential Rehabilitation Assistance Program ending in 2012 resulting in decreased revenue of (\$82). Revenue from Landlord & Tenant Office, Crime Free Multi-Housing training program increase of \$6.

#### Grants (\$9,085)

Reduction of (\$8,850) in provincial grant revenues as Cornerstones Phase I grant program is nearing completion (offset in grant payments). Historical adjustment to provincial grant revenue of (\$235) for Social Housing program.

#### Transfer from Reserves (\$2,950)

Every year, any unspent municipal funding for the Cornerstone program is moved to the Affordable Housing Reserve. The municipal portion of current year grant payments is drawn from the reserve. As Phase 1 of the Cornerstone program is nearing completion, the municipal contribution is reduced (offset in grant payments).

# Branch — Housing and Economic Sustainability

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## Budget Changes for 2013 (\$000)

### Expenditures & Transfers - Changes

#### Personnel \$431

Movement within the salary ranges, changes in benefits and the settlement of union contracts for \$292. Increase of \$139 to reflect organizational review in the branch.

#### External Services \$162

Increase in costs for Board and Secure program of \$180 to reflect historic trends. Increase of \$6 for new Crime Free Multi-Housing Training program offered by Landlord & Tenant Office. Decrease in external general consulting costs for duties covered by internal staffing (\$24).

#### Intra-municipal Services (\$204)

Decrease in intra-municipal charges from building trades for Board & Secure program, Quarters space rental, Edmonton Police Services and parking.

#### Grants (\$9,420)

Reduction in Cornerstones Phase I current grant payments of (\$11,800) as program is nearing completion (offset by reduced grant revenue and transfers from reserves). Increase in grant payments for 10% share of Capital Region Housing operating deficit of \$80 and direct air service payment of \$300. Quarters CRL municipal incentives of \$1,000. Addition of one-time funding for Development Incentive Program \$750 and Startup Edmonton \$250.

#### Utilities, Debt & Other Charges \$1,105

Addition of \$1,109 in debt servicing costs for The Quarters CRL. Decrease in principle and interest payments on Social Housing debt (\$4).

#### Intra-municipal Recoveries (\$95)

Recoveries from Current Planning for the Housing Inspection group are increasing by (\$95) to reflect actual costs of the inspection group.

### Full-time Equivalents - Changes

Increase of 1.0 position to reflect organizational review of the branch.

# Branch — Housing and Economic Sustainability

## Approved 2013 Budget – Program Summary

### Program Name - Housing

#### Results to be Achieved

The branch addresses the need for affordable housing through advocacy, housing policy, and planning and implementing the City's Cornerstones, First Place programs and supporting HomeEd. Housing rehabilitation, safe housing and derelict housing programs are managed, and the Landlord and Tenant Advisory Board is operated.

Service Standards	Resources (\$000)	2011 Actual	2011 Budget	2012 Budget	2013 Budget
Effective planning and implementation of City housing programs, transparent review of funding applications, inspection operations, ongoing public engagement and accurate information for inquiries. - 27,000 inquiries; - 5,700 inspections; - 450 application reviews; - 3,000 additional affordable units; and - Over \$360 million in investment.	<b>Revenue &amp; Transfers</b>	\$ 23,885	\$ 34,719	\$ 34,791	\$ 22,680
	<b>Expenditure &amp; Transfers</b>	31,127	41,661	41,941	31,135
	<b>Net Operating Requirement</b>	\$ 7,242	\$ 6,942	\$ 7,150	\$ 8,455
	<b>Management</b>		2.0	2.0	2.0
	<b>Exempt</b>		8.0	9.0	9.0
	<b>Union</b>		31.0	31.0	32.0
	<b>Temporary</b>		-	-	-
	<b>Full - Time Equivalents</b>		41.0	42.0	43.0

#### 2012 Services

- Advocating for housing and related services for people in need and supplying capital funds for affordable housing.
- Ensuring maintenance of older multi-suite residential buildings, and responding to concerns with vacant and derelict buildings.
- Landlord and tenant advisory services.
- Support businesses through Business Revitalization Zones, Façade Improvement Program, Development Incentive Program.

#### Changes in Services for 2013

- Launch of Cornerstones II programs: HOPE (replaces RRAP) and New Secondary Suites Program.
- Additional Derelict, Safe Housing and Secondary Suites program inspections (new coordinated Residential Compliance Team).
- Increased delivery of the LTAB educational programs in partnership with other agencies.
- Initiation of the neighbourhood based Housing Assessment Program in key neighbourhoods.

### Program Name - Economic Sustainability

#### Results to be Achieved

This program will establish the mandate and implementation plan for The Way We Prosper.

Service Standards	Resources (\$000)	2011 Actual	2011 Budget	2012 Budget	2013 Budget
Establish an industrial development program, engage northern business, enhance business retention and expansion efforts and improve internal development approval processes. Create collaborative network of institutions and organizations.	<b>Revenue &amp; Transfers</b>	\$ -	\$ -	\$ -	\$ -
	<b>Expenditure &amp; Transfers</b>	413	648	374	926
	<b>Net Operating Requirement</b>	\$ 413	\$ 648	\$ 374	\$ 926
	<b>Management</b>		1.0	1.0	1.0
	<b>Exempt</b>		1.0	1.0	1.0
	<b>Union</b>		-	-	-
	<b>Temporary</b>		-	-	-
	<b>Full - Time Equivalents</b>		2.0	2.0	2.0

#### 2012 Services

- Completion of The Way We Prosper.
- Industrial land services, business development support and marketing program.
- Establishment of Economic Sustainability program partnerships, resources and expectations.

#### Changes in Services for 2013

- Complete and execute the Action Framework for The Way We Prosper.

(\$000)

# Branch — Housing and Economic Sustainability

## Approved 2013 Budget – Program Summary

### Program Name - Urban Renewal

#### Results to be Achieved

The Urban Renewal program undertakes initiatives to support Council's Vision for a vibrant and inclusive city that attracts investment and provides a high quality of life, thus ensuring ongoing sustainability and success.

Service Standards	Resources (\$000)	2011	2011	2012	2013
		Actual	Budget	Budget	Budget
Sound management and strategic implementation of Council-mandated programs and projects including: - Responsible Hospitality Edmonton; Creating safe and vibrant spaces for socializing; - Capital City Downtown Plan (CCDP); and Preparing the CRL Plan projects for implementation, advancing CCDP policy objectives, and implementing Downtown Wayfinding System.	<b>Revenue &amp; Transfers</b>	\$ 3	\$ -	\$ -	\$ -
	<b>Expenditure &amp; Transfers</b>	2,942	4,679	1,057	1,180
	<b>Net Operating Requirement</b>	\$ 2,939	\$ 4,679	\$ 1,057	\$ 1,180
	<b>Management</b>		1.0	1.0	1.0
	<b>Exempt</b>		2.0	2.0	2.0
	<b>Union</b>		2.0	2.0	2.0
	<b>Temporary</b>		-	-	-
	<b>Full - Time Equivalents</b>		5.0	5.0	5.0

#### 2012 Services

- Responsible Hospitality Edmonton, including the Public Safety Compliance Team.
- Boyle Renaissance.
- Real estate development.
- Implement the Capital City Downtown Plan.

#### Changes in Services for 2013

- Implement the Capital City Downtown CRL Plan.

### Program Name - Quarters CRL

#### Results to be Achieved

The Quarters CRL will provide investment funding for the public infrastructure needed to attract private investment, redevelopment and revitalization of the area.

Service Standards	Resources (\$000)	2011	2011	2012	2013
		Actual	Budget	Budget	Budget
Strategic implementation of the Quarters CRL plan: - Advancing detailed design of Phase I, which includes the Armature; - Facilitating orderly acquisition, remediation, and redevelopment of lands within The Quarters Downtown; - Coordinating orderly implementation of infrastructure projects/private developments; and - Providing timely responses to Council inquiries and directives.	<b>Revenue &amp; Transfers</b>	\$ -	\$ -	\$ 478	\$ 918
	<b>Expenditure &amp; Transfers</b>	-	-	620	2,730
	<b>Net Operating Requirement</b>	\$ -	\$ -	\$ 142	\$ 1,812
	<b>Management</b>		-	1.0	1.0
	<b>Exempt</b>		-	1.0	1.0
	<b>Union</b>		-	3.0	3.0
	<b>Temporary</b>		-	-	-
	<b>Full - Time Equivalents</b>		-	5.0	5.0

#### 2012 Services

- Manage The Quarters CRL.
- Liaise with private developers, development partners, community agencies, members and City departments to achieve revitalization objectives.

#### Changes in Services for 2013

- Oversee construction of Phase I of the Quarters Community Revitalization Plan.



# Branch — Housing and Economic Sustainability

## Program - Housing Development Incentive Program

FUNDED

### Description

The Development Incentive Program was first established by Council as a three-year pilot project in 2009. The program was developed at the direction of Council to address the need for additional support for redevelopment in several special needs areas.

The Development Incentive Program is based on a proven model deployed across North America. It is a first within Alberta and over the past three years, the pilot program has been extremely successful at spurring high-quality redevelopment in areas that otherwise would not have attracted investment.

Grant funds are provided to eligible property owners, in targeted special needs areas within established Business Revitalization Zones, for new development, redevelopment or to fill vacant pedestrian oriented retail space. Successful projects promote economic development and a high-quality urban environment in the area. This program works closely with the City's successful Façade Improvement Program and is in alignment with other efforts to revitalize neighborhoods identified by Council as priority renewal areas.

### Justification

Continuation of the Development Incentive Program is vital for achieving the following goals within priority neighborhoods: a) Triggering private sector investment critically required in these special-needs areas; b) Increasing property value and tax revenue from Business Revitalization Zones as well as adjacent neighborhoods; c) Increasing opportunities for market housing supporting the City's revitalization efforts; and d) Incentivizing specific types of commercial activities to locate in these areas, addressing major land use conflicts, vacant space, density targets and other aspects required for ensuring complete communities in these areas.

The Development Incentive Program requires private landowners to share the cost of the development, thereby leveraging the City's initial development to attract additional private dollars to the area. In addition, evaluation of the pilot program has found these projects return the initial grant investment to the City in terms of higher property taxes paid within 2 to 16 years.

### Service Level Impact

The Development Incentive Program supports revitalization in special needs areas located within Business Revitalization Zones, which ultimately contributes to increased tax revenues from these zones and adjacent residential areas.

### Impact on Other Departments

There are no impacts to other departments; however, this program compliments the Great Neighbourhoods revitalization plan.

incremental (\$000)	2013				2014				2015			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget	\$ 750	-	750	-	\$ (750)	-	(750)	-	\$ -	-	-	-
Annualization	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 750</b>	<b>-</b>	<b>750</b>	<b>-</b>	<b>\$ (750)</b>	<b>-</b>	<b>(750)</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Branch — Housing and Economic Sustainability

## Program - Economic Sustainability Startup Edmonton

FUNDED

### Description

Startup Edmonton is an entrepreneur led not-for-profit that creates interactions between developers, creatives and entrepreneurs to activate startups in the Edmonton community. Its role in the local startup ecosystem lies at the earliest stages, as ideas evolve into action, where startups form and gain initial traction. Their vision is to make Edmonton a hotbed for creativity and entrepreneurship. The mission is to amplify creative innovation and activate startups. The goal is to help launch 500 creative entrepreneurs over the next 5 years. In 2011, one-time funding was provided to develop the Flightpath Accelerator program. This service package will fund the first year of Startup Edmonton's 5-year initiative/project which requires \$250 annually. The events and programs are designed to bring a mix of people together. This cultivates a community built around new ideas, shared knowledge, entrepreneurship, mentorship, and outputting innovations to the world. The programs, courses and events align to seven strategic initiatives: technology, creativity, training, co-workspace, early stage capital, recognition/outreach and TEDxEdmonton.

### Justification

Funding for this initiative tightly aligns with Council's Vision for a diversified economy. Specifically, it supports the three year priority goal to work with both public and private sector partners, to improve the favourable business and investment climate for entrepreneurs. In addition, the initiative aligns with - Council Outcome #6.3: The City of Edmonton supports the development and growth of business opportunities in high potential sectors and The Way We Prosper Goal #4: Edmonton: Environment for Innovation.

The objective of this initiative is to have a stronger and diversified local and regional economy and to improve the overall financial, cultural, social and environmental sustainability of the City.

### Service Level Impact

Support for this project will not impact City service levels; however, it will provide an improved level of service for Edmonton's creative entrepreneurial community by allowing Startup Edmonton to increase the services it provides to this community. If this package remains unfunded, Startup Edmonton will not be able to sustain its present growth potential.

### Impact on Other Departments

This service package will have a positive impact on the Community Economic Sustainability program in the Sustainable Development Department and move forward one of the goals of The Way We Prosper. This will also have a positive impact on the programs supported by the Edmonton Economic Development Corporation.

Incremental (\$000)	2013				2014				2015			
	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs	Exp	Rev	Net	FTEs
New Budget	\$ 250	-	250	-	\$ (250)	-	(250)	-	\$ -	-	-	-
Annualization	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 250</b>	<b>-</b>	<b>250</b>	<b>-</b>	<b>\$ (250)</b>	<b>-</b>	<b>(250)</b>	<b>-</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Branch — Housing and Economic Sustainability

## Financial Information - The Quarters CRL (\$000)

### Program Overview

City Council approved Bylaw 15800, Schedule "A" - The Quarters Downtown Community Revitalization Levy (CRL) Plan on June 20, 2011. The Quarters CRL will provide funding for public infrastructure needed to attract private investment, redevelopment and revitalization of the defined area. Council approved \$56 million in funding for The Quarters on capital project 11-17-0407. Capital costs for The Quarters will be financed through Borrowing Bylaw 15977 which was approved by Council in January 2012. The CRL enables the City to apply both the municipal and education tax levy increases related to the incremental increase in the assessed value over the baseline to pay for the debt servicing and other related infrastructure improvements. The assessment baseline for the CRL was set on December 31, 2011. Funds generated from both the Municipal and Provincial Tax Levy within the CRL boundary will be used to cover all costs of the CRL. The Quarters CRL will remain in place for up to a maximum of 20 years from 2012 to 2031.

	Projected Total	Actual 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	2018 to 2031
<b>Revenues</b>								
Community Revitalization Levy	\$ 163,527	\$ 487	\$ 908	\$ 2,307	\$ 3,366	\$ 3,850	\$ 4,215	\$ 148,394
1 Base Tax Levy	710	142	142	142	142	142	-	-
<b>Total Revenues</b>	<b>163,527</b>	<b>629</b>	<b>1,050</b>	<b>2,449</b>	<b>3,508</b>	<b>3,992</b>	<b>4,215</b>	<b>148,394</b>
<b>Expenditures</b>								
Debt Servicing	\$ 67,543	59	1,110	1,967	3,210	3,825	3,825	53,548
1 Administrative Costs	2,987	478	593	629	637	646	-	-
2 Non-Capital Items	5,027	2,044	2,983	-	-	-	-	-
<b>Total Operating Expenditures</b>	<b>75,557</b>	<b>2,581</b>	<b>4,686</b>	<b>2,595</b>	<b>3,847</b>	<b>4,471</b>	<b>3,825</b>	<b>53,548</b>
<b>3 Net Income (Deficit)</b>	<b>\$ 84,759</b>	<b>\$ (1,952)</b>	<b>\$ (3,637)</b>	<b>\$ (146)</b>	<b>\$ (340)</b>	<b>\$ (479)</b>	<b>\$ 391</b>	<b>\$ 94,846</b>

	Project Total	Actual 2012	Yr 2 2013	Yr 3 2014	Yr 4 '2015
<b>Project Costs - Capital Profile 11-17-0407</b>					
Infrastructure Improvements	\$ 50,973	\$ 12,821	\$ 11,979	\$ 16,712	\$ 9,462
2 Non-Capital Items	5,027	2,044	2,983	-	-
	<b>56,000</b>	<b>14,865</b>	<b>14,962</b>	<b>16,712</b>	<b>9,462</b>
<b>Funding</b>					
Debt	50,973	12,821	11,979	16,712	9,462
3 Financial Stabilization Reserve	5,027	2,044	2,983	-	-
	<b>56,000</b>	<b>14,865</b>	<b>14,962</b>	<b>16,712</b>	<b>9,462</b>

### Explanatory Notes

- In the 2012 Operating budget, Council approved an operating expenditure budget of \$620 for The Quarters project office offset by \$478 in CRL revenue with net tax levy of \$142. 2012 expenditures will be lower than expected due to delays in hiring personnel dedicated to this project. Project office costs are expected to end after 2016.
- Non-capital items include costs for utility relocations, development incentives and remediation. During the next Supplementary Budget Adjustment process, the capital budget will be decreased for non-capital expenditures which were originally included in the capital project.
- The total deficit balance will be funded by the Financial Stabilization Reserve as bridge financing. Any deficit balances plus total Base Tax Levy (\$710) are projected to be repaid by future CRL revenues. In 2021, The Quarters CRL will be in a positive cash position.