

First Place Pilot Program Evaluation

Recommendation:

That the June 29, 2011, Sustainable Development report 2011SCO918 be received for information.

Report Summary

This report provides results of the First Place Program pilot site evaluation and outlines program enhancements to be implemented as remaining approved sites are developed.

Previous Council/Committee Action

At the June 29, 2011, Executive Committee meeting, the June 29, 2011, Sustainable Development report 2011SCO918 was postponed to the July 13, 2011, Executive Committee meeting.

Report

The First Place program pilot site developments in the Greenview and Canon Ridge Neighbourhoods are complete. These developments have been well received by all stakeholders and have demonstrated positive results consistent with program objectives identified by Council. Implementation of the program on the remaining 18 sites is ready to proceed.

First Place Program Evaluation Process

A private consultant has completed an evaluation of the implementation of the First Place Program on the

two pilot sites (Attachment 1). Evaluation of the pilot site outcomes has determined the success and challenge of the program and provides specific recommendations for the implementation and development of the remaining 18 approved sites.

The scope of the evaluation included:

- Surveying pilot site new home owners.
- Consulting the Executive of the pilot site Community Leagues.
- Interviewing external stakeholders involved in Program development and implementation including: The Homebuilders Association, Canadian Mortgage and Housing Corporation, Edmonton Federation of Community Leagues, School Boards, Realtors Association of Edmonton, pilot site builders and financial institutions.
- Review of the unit draw process.
- Completion of market research into the demand for entry level market housing across Edmonton (Attachment 2).

First Place Program Evaluation Summary

First Place home owner's survey results show:

- Approximately 2/3 of buyers were couples and 1/3 were single.
- 60% of buyers were 30 years old or younger, 75% were 35 years old or younger.
- 63% of buyers lived in apartments prior to purchasing the home.
- Almost half of the buyers report the program enabled them to buy

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their homes when they did (48.5%). The remainder would have purchased without the program (27%) or were not sure (24.3%).

- The majority (78.4%) of buyers reported that the program continues to have value for new homeowners today.
- 77% of buyers would recommend the program to friends or family seeking to purchase their first home.

Community Consultation Results indicated that:

- The consultation process developed for the Program was a success and should be used to guide consultation activities for future First Place projects. Community expectations were met and value was reported with involving residents in building design decisions.

External Stakeholders feedback:

- Builders and Financial Institutions noted the continuous demand for entry level housing to meet needs of young families and the opportunity these sites present to accommodate new growth in established areas.
- Stakeholders feel that the builder selection process should be available to other builders for the remaining development sites, on a competitive basis.

Unit Draw Review

- As the housing market changed during the pilot project implementation, the unit draw was under subscribed. A unit draw is not needed in current

market conditions and builders should market future new homes directly to eligible families.

Market Research

- The anticipated demand for new town home units in the City of Edmonton is 540 – 633 units per year until 2012. From 2013 – 2015 this demand is forecast to increase by 5% annually.
- The current inventory of town home units within Edmonton is 1,670.

First Place Program Enhancements:

- Based on evaluation results and stakeholder feedback the following program enhancements are noted below:
 - Adopt a two-staged approach for builder selection and site allocation by first initiating a Request for Qualification process for selection of 3-4 qualified and reputable builders. Then use a Request for Proposal process to allocate the remaining 18 sites among selected builders.
 - Allow builders to assume responsibility for new home marketing on specific sites, while acknowledging the overreaching City program and referencing the link to the City's website on all building marketing materials.
 - Engage selected home builders about playing a greater role in the community design consultation meetings.
 - Allocate remaining sites in phases, making three to four sites available concurrently across the city in each phase

- of development. If site development occurs over two – three years, this phasing will constitute approximately 10% - 14% of forecast market demand for this housing product (town homes).
- Evaluate each phase of development upon its completion and use results to inform subsequent phases of development.
 - Remain open and responsive to new product, innovation and changes in the market as program implementation occurs.
 - Provide Administration discretion to allow limited exception to the “first time” home buyer criteria to include individuals who may have owned a first home prior to an unplanned life event (divorce, job loss, etc.).

Next Steps

- Inform communities with First Place Program sites of the program enhancements, public consultation approach and phased implementation of remaining sites.
- Consult with the Canadian Home Builders Association, Edmonton Region before finalizing the builder Request for Qualification and Request for Proposal process.
- Initiate the Request for Qualification and Request for Proposal processes.
- Prepare a communication plan to support implementation of the next phase of new home

development on sites identified in the program evaluation.

Policy

The First Place program supports Edmonton’s plan to “increase the supply and range of housing to meet citizens’ needs” and to achieve” up to 25% of growth in developed areas.”

Corporate Outcomes

1. Transform Edmonton’s Urban Form
2. Improve Edmonton’s Livability

Public Consultation

- The pilot site evaluation process included consultation with and input from key stakeholders, as well as review of initial evaluation results by stakeholders to ensure accuracy and reasonableness of findings.
- The consultation process developed for the pilot sites will be used to guide consultation activities for remaining First Place program sites.

Budget/Financial Implications

Expenses incurred to develop sites will be recovered from sale proceeds prior to sharing 50% of net proceeds with School Boards.

Attachments

1. Consultant program evaluation
2. Market analysis evaluation

(Please bring your copies of Attachments 1 and 2 which were previously distributed with the June 29, 2011, Executive Committee agenda as item 6.6)

Others Reviewing this Report

- L. Cochrane, General Manager,
Community Services