

EDMONTON COMMUNITY DEVELOPMENT CORPORATION

MAKING THE CASE

April 2016

Prepared by **Another Way**

EXECUTIVE SUMMARY

What is a Community Development Corporation?

A Community Development Corporation (CDC) is a non-profit company that creates and expands economic opportunity for low to moderate income people. CDCs target high-needs communities that experience significant social and economic challenges such as high rates of poverty, unemployment and crime, as well as a lack of social support, affordable housing and economic opportunity. CDCs help families increase financial security, enable inclusive economic development, and foster thriving communities.

What does a CDC do to Address Poverty?

Edmonton's CDC will renew distressed neighbourhoods and develop pathways out of poverty, by offering the following services:

- A range of affordable housing development (including affordable homeownership);
- Commercial real estate revitalization (including mixed-use development);
- Business development (retention and attraction, support to existing businesses and creation of new businesses and social enterprises);
- Workforce training and development; and
- Community engagement and community-based market research.

The CDC will focus its work on these core products and services, finding other partners to help address pressing issues such as crime, homelessness, addictions and ill health.

Why is it Needed?

In Edmonton, the CDC represents a missing piece of the development puzzle. While there are a number of agencies working to reduce poverty, no organization possesses the full suite of tools available to a CDC or defines its mission as the physical and social transformation of a specific area. Similarly, disenfranchised communities are not the target markets of public or private developers. Due to their mandate and structure, CDCs are uniquely positioned to respond to the complex economic and social challenges facing distressed communities.

EXECUTIVE SUMMARY

Who Will Contribute to its Founding?

It is proposed that the CDC be founded through the contributions of the following organizations: the City of Edmonton, the Edmonton Community Foundation, Homeward Trust and United Way – Alberta Capital Region. Over the first five years of operation (starting in 2017), the CDC will require \$2.275M in cash, \$10.2M in in-kind donations (\$10M in land from the City of Edmonton), \$500 000 to cover pre-development expenses and \$10M in financing. In addition, the CDC will require \$100 000 in one-time funding to cover initial start-up costs incurred in 2016.

Founding organizations will be given the opportunity to become owners of the Corporation, exercising the right to appoint members to the Board of Directors. At this time, it is anticipated the City of Edmonton will participate in the CDC as a funder only (not an owner) and any City representatives appointed to the CDC's Board of Directors will have ex-officio status.

Additional community partners, including community based organizations and industry associations, have also indicated their interest in supporting the creation and development of the CDC.

What does the First Year Look Like?

With Council's approval, the CDC will be incorporated in the fall of 2016. Once financial commitments are secured, an Executive Director will be hired, a Board of Directors formed, and a high-level business plan and budget developed. The CDC will work with the City of Edmonton to identify parcels of City-owned land to be held in trust and eventually transferred to the Community Development Corporation. In its first full year of operation, a community market research process will be undertaken to identify concrete project opportunities. A full concept paper on the establishment of Community Development Corporation is presented below.

THE CDC MODEL

What is a Community Development Corporation?

A Community Development Corporation (CDC) is a non-profit company that creates and expands economic opportunity for low and moderate income people. CDCs target high-needs neighbourhoods that experience significant social, economic and environmental challenges such as high rates of poverty, unemployment and crime, as well as a lack of social support, affordable housing and economic opportunity.

Community Development Corporations create “economic opportunities that improve social conditions, particularly for those who are most disadvantaged”.¹

A CDC supports neighbourhood renewal efforts by engaging in Community Economic Development (CED). “The CED approach is driven by the community, which (in the case of geographic communities) includes local residents, businesses, institutions and organizations. Through CED, local economies are strengthened by local skill, employment and (for-profit and not-for-profit) business development, all of which contribute to community well-being”.²

Due to their mandate and structure, CDCs are uniquely positioned to respond to the complex challenges facing distressed communities. CDCs can tackle poverty, at a neighbourhood level, in multiple ways:

- Completeness – filling in the gaps to implement a CED strategy, primarily through community based business and social enterprise development, residential and commercial real estate development, job creation, research and community engagement;
- Coordination – linking critical pieces of the development puzzle including developing, financing and building, as well as connecting various levels of government and non-profit strategy and policy; and
- Strategic deployment – aligning grants, loans and equity towards a neighbourhood development goal; coordinating efforts at a neighbourhood level.

How can a poor community raise the capital to buy a church slated for demolition and build an affordable housing project?

It can't.
It needs a CDC to help.

¹ Canadian Community Economic Development Network, [What is CED?](https://ccednet-rcdec.ca/en/what_is_ced) https://ccednet-rcdec.ca/en/what_is_ced

² Manitoba Neighbourhood Renewal Corporations - <http://www.qov.mb.ca/housing/neighbourhoods/progs/nrf.html>

THE EDMONTON CONCEPT

Our Context

End Poverty Edmonton Taskforce Recommendation

In 2015, the End Poverty Edmonton Taskforce recommended that the City “partner with business, industry, community organizations and other stakeholders to create a Community Development Corporation... The Community Development Corporation can provide the infrastructure and sophistication needed to engage the community to take on these challenges by:

- Supporting the creation of affordable and supportive housing;
- Offering job training/placement, investing in appropriate community based business development; and
- Creating new community-owned businesses.³

As per the End Poverty Edmonton Roadmap, the creation of a CDC will assist with the following “game changing” priorities:

- Provide liveable incomes for Edmontonians;
- Improve skills training to help people gain sustainable employment;
- Increase affordable housing;
- Grow social enterprises and locally owned businesses to build sustainable livelihoods and assets; and
- Launch a community engagement and education initiative to change people’s attitudes about poverty.

Niche Needing to be Filled

No CDC operates in Edmonton. While there are a number of organizations that have resources and mandates that touch upon the work of a CDC, there is no organization whose mission is focused on renewing impoverished communities using a Community Economic Development approach. In particular, no organization is working to combat poverty through commercial or mixed use development, community revitalization and attracting more customers, businesses and wealth to depressed areas.

A CDC is the missing implement in the local development toolbox.

A Long Gestation

The first call for a Community Development Corporation came in 1976 – a full forty years ago. The Edmonton Social Planning Council outlined how a CDC could address the challenges of the inner city by creating employment opportunities, producing needed goods and services, increasing income, facilitating skills development and fostering individual growth.

Almost 20 years later, in 1994, the Boyle St./McCauley Area Redevelopment Plan recommended the creation of a CDC. The CDC was to assist with the creation of affordable housing, encourage private sector redevelopment, organize access to non-conventional financing, and foster greater cooperation among community organizations and businesses to revitalize the area.

In 2015, the End Poverty Taskforce recognized that the creation of a CDC will provide the infrastructure and sophistication needed to create affordable housing, training, job creation, and local business development.

³ City of Edmonton, 2015, End Poverty in a Generation: A Strategy, p. 38.

THE EDMONTON CONCEPT

Local Partners Support CDC Creation

While there is a plethora of housing organizations, none of them use housing as a driver of neighbourhood economic development, seeking opportunities to provide skill development, or offer employment to local residents. Only a few have developed relatively small-scale social enterprises. Few builders offer non-traditional housing options such as cooperatives, rent-to-own units or mixed equity condominiums. This is the domain of a CDC. In contrast, non-profit housing organizations are best suited to meet the housing needs of those requiring deep subsidies and ongoing support. A CDC does not duplicate existing subsidized housing infrastructure.

See Appendix A, CDC Environmental Scan, for further detail on the perspectives of current housing providers.

A CDC is not only focused on community economic development, it is committed to the transformation of low-income neighbourhoods. These disenfranchised communities are not likely target markets of public or private developers such as members of the Urban Development Institute. For example, big developers are less interested in parcels that lend themselves to small-scale co-op housing or mixed use development. To this extent, a CDC opens up markets by increasing community wealth and opportunity.

In the context of scarce resources, a CDC will help “grow the pie” by activating new resources and better utilizing underperforming assets. The CDC will unlock vacant land and derelict property, lever existing debt financing and open doors to equity and new investment. City-owned land, Social Enterprise Fund debt financing and development expertise, combined, will bring new private sector interest and involvement to the CED table.

Finally, the CDC will maximize and coordinate the application of local knowledge and skill. For example, the CDC could partner with community organizations with expertise in the areas of workforce training (Women Building Futures), youth employment (E4C) and social enterprise development (Jasper Place Health and Wellness Centre). There will be no need to “reinvent the wheel” when such partners are willing and able to quickly replicate successful practices in CDC communities. This is also true of successful City of Edmonton initiatives such as The Corner Store Program that fosters small, strip-mall redevelopment in mature neighbourhoods. Community Revitalization Plans will also be leveraged, where possible.

See Appendix A for a fuller list of potential partners.

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CDC Vision

Distressed communities have the capacity to build stable housing, create employment, and further the economic and social development of their neighbourhoods.

CDC Mission

Most generally, the mission of a CDC is to promote the renewal of distressed neighbourhoods through a Community Economic Development approach. Edmonton's CDC will create a new approach that helps families increase financial security, enables inclusive economic development, and fosters thriving communities.

CDC Scope of Service

CDCs use community wealth-building strategies, "developing place-based assets of many kinds, working collaboratively, tapping large sources of demand, and offering economic institutions and ecosystems of support for enterprises rooted in community".⁴

Edmonton's CDC will offer the following types of services (either directly or in partnership with other local organizations):

- Affordable housing development (including affordable home ownership)
- Commercial real estate revitalization;
- Business development (retention and attraction, support to existing businesses and creation of new businesses and social enterprises);
- Workforce training and development;
- Community development financing⁵; and
- Community-based market research and engagement.

FUNCTIONS

- › Creates new affordable housing options
- › Stimulates local economic development
- › Develops human and community capacity

FEATURES

- › Rooted in low-income communities
- › Focused on delivering Community Economic Development
- › Nimble; entrepreneurial
- › Able to integrate and lever multiple poverty reduction strategies

BENEFITS

- › Helps lift individuals and communities out of poverty
- › Concentrates and levers resources in targeted communities
- › Fills a niche in residential and commercial redevelopment poverty reduction strategies

⁴Democracy Collaborative (2015), Community Wealth Building - www.democracycollaborative.org/cities

⁵A Community Development Financial Institution (CDFI) is an American financial institution that has a primary mission of community development, serves underserved markets and populations, is a financing entity, provides development services, remains accountable to its community, and is a non-governmental entity. https://en.wikipedia.org/wiki/Community_development_financial_institution

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While poverty is a complex, multi-dimensional challenge, a CDC can't be all things to all people. A CDC has to focus its work on Community Economic Development and find other partners to help address pressing issues such as crime, addictions and ill health. The diagram on the right illustrates the core businesses and likely evolution of Edmonton's CDC.

Geographic Focus

CDCs operate in communities with high concentrations of poverty. Normally these communities are aggregated into clusters based on natural or socio-economic boundaries. Clusters need to be of sufficient size to allow for development at scale, and the possibility of internal markets for new businesses. Many urban CDCs restrict their work to five neighbourhoods.

Place is a foundational driver of the work. "Community wealth building begins with a devotion to place, and a respect for all those who live in a place".⁶

Edmonton's CDC will have a city-wide mandate. However, in order to maximize the impact of its investments and development activities, the CDC will begin its work in a cluster of approximately five neighbourhoods. This will allow the CDC to test its model, pursue multiple opportunities in a concentrated area, and stack complementary activity. This integrated, focused approach will create maximum impact and help reach a tipping point for neighbourhood renewal.

The initial grouping of neighbourhoods will be identified, and selected, using the following criteria:

- High social vulnerability (index of 9 indicators);
- Mix of need and redevelopment opportunity;
- Community support for the goals of a CDC;
- Presence of a business association;
- Availability of City-owned land;
- Large amount of poor housing stock; and
- Significant amount of commercially zoned land.



The Core Business of a CDC

⁶ Community Wealth Building, pg. 13.

OUR MODEL

Identifying Parcels of City-Owned Land

The working group has conducted a preliminary review of City-owned surplus sites. This initial scan reveals a number of potential parcels suited to the scope and mandate of the CDC. While these holdings are scattered throughout the city, a considerable portion are located in the north-east quadrant. The investigation of potential community groupings will be one of the priorities of the CDC's first year of operation. Once the CDC has successfully established its value, it can expand its operation to other neighbourhoods in which the City holds surplus land.

Culture

A CDC is a nimble, entrepreneurial organization that can seize local opportunity and assemble necessary resources. At its heart, a CDC is a deal-maker – a service that links housing and business ideas with investors, lenders and mentors. This requires a corporate culture that takes listening seriously. It embraces risk, ruthlessly assesses it, and then takes on challenge. This entails a swift and thorough decision-making process and a commitment to both good process and good product. In addition, a CDC has the capacity to develop projects itself, particularly in cases where there is no other appropriate developer. Edmonton's CDC will have to adopt this entrepreneurial mindset if it is to succeed in the community and in the marketplace.

Outcomes

A CDC contributes to ending poverty by revitalizing communities into ones that are prosperous and fair; ones in which residents have access to decent, affordable housing, improved economic opportunity and genuine, neighbourly connection. The projects initiated by CDCs contribute to local communities, by increasing employment income, improving business revenue, reducing reliance on government financial assistance, decreasing property crime, and expanding personal and business tax revenues. The development of affordable housing alone helps reduce family destabilization, out-migration of workers and their dependents, homelessness, and related demands for social assistance.

The following long term outcomes will be sought by Edmonton's CDC:

1. Communities have adequate, affordable, safe, quality housing to meet their needs;
2. Communities have thriving businesses that provide vital community services and employ local residents; and
3. Communities have the leadership and capacity to sustain their neighbourhoods.

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Edmonton's CDC will measure its performance against the following key indicators:

- Number of affordable housing units built or renovated;
- Number of workers trained;
- Number of jobs created;
- Number of new businesses (including social enterprises) opened;
- Amount of money leveraged; and
- Number of community stakeholders engaged.

Ownership and Governance

The CDC will be independently incorporated, likely as a not-for-profit Part IX Company under the *Alberta Companies Act*. While the CDC must operate as a stand-alone, legal entity, it can do so “under the wing” of an existing organization. It is recommended that the Edmonton Community Foundation incubate the CDC. In this role, the Foundation will provide the CDC the organizational support it needs until it can be financially and operationally self-sufficient. This approach is consistent with the Taskforce’s recommendation that the CDC “operate at arm’s length from city government”.

The Foundation is uniquely positioned to act as the “backbone” organization as it is able to garner, lever, and concentrate significant sources of financial, human and social capital. Loans, for example, will be provided through a combination of existing and new capital providers, including the Social Enterprise Fund (SEF). Further, the Foundation, through its various entities, can bring sources of grant funds, conventional loans, long-term capital, and investments to the table.

The CDC will be owned by parties that contribute capital or operating dollars. The owners will have the right to appoint members to the Board of Directors. Potential owners include: the Edmonton Community Foundation, The United Way - Alberta Capital Region, and Homeward Trust. At this time, it is not anticipated that the City of Edmonton will participate in the CDC as an owner. This will limit its role to that of founder, with no ongoing ownership or governance responsibilities. The City may still appoint an ex-officio representative as an adviser to the CDC’s Board of Directors, should it desire to do so.

The exact composition of the Board of Directors will have to be strategically considered, balancing the need for genuine local leadership and the skill base necessary to guide the growth of a fledgling company. Ideally, the Board will include

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people with direct experience with housing and social enterprise development and the ability to lever expertise, funding and goodwill. For example, members of the private sector will be invited to participate on the Board of Directors and the project planning committee. The experience and goodwill of housing developers, builders and REALTORS™ could help get projects off the ground and support the City's social building outcomes.

The governance, as opposed to the ownership, of the Company will require careful deliberation if the organization is to be accountable to the communities in which it works.

THE FIRST YEAR WORK PLAN

As part of the implementation phase of the End Poverty Edmonton Taskforce, a CDC working group⁷ has developed this concept paper and is prepared to help launch the CDC. In the first year of operation, the CDC working group will complete the following tasks (some of which will have to occur concurrently). With prompt Council support, it will be possible to launch the Part IX Company by December 31, 2016.

June - December, 2016

FORMALIZE THE CREATION OF THE CDC

- Finalize the ownership and legal structure
- Incorporate
- Develop MOUs as required
- Secure 5 year commitments of operating funds, land and cash contributions
- Recruit Board Members with the skills to support the CDC in its initial work
- Develop a high level business case

RECRUIT HUMAN RESOURCES

- Recruit an Executive Director

IDENTIFY INITIAL CLUSTER

- Consult with prospective clusters of communities
- Select one cluster in which to start
- Select site for Project #1

January - May, 2017

- Develop a business plan to guide the first three years of CDC operation including development opportunities, budgets and strategic priorities
- Recruit a Community Animator
- Define Project #1

While Project #1 may take some time to define, it is clear that the project must respond to a compelling community need, be highly visible, and be very likely to succeed. It is probable that the CDC will follow the example of other cities where initial work focused on housing and/or mixed use development. It is also likely that the community engagement process will surface immediate opportunities which may expedite the start of Project #1.⁸

⁷ See Appendix B for members of the working group

⁸ For an example of the type of feasibility assessment and strategic planning document that could be produced, see Rochester's Market Driven Community Cooperatives Corporation: A Feasibility Analysis & Implementation Plan. The plan was developed in response to the City of Rochester's commitment to "Reducing Poverty and Building Wealth Through a Community-Owned, Cooperative Business Development Corporation". Available online: <http://democracycollaborative.org/content/rochester-s-market-driven-community-cooperativescorporation- feasibility-analysis>

BUDGET

Based on the experience of CDCs across North America, it is unrealistic to expect the CDC to achieve financial self-sufficiency through earned revenue in the near or even medium terms. Instead, the CDC will cover its operating costs through a combination of earned income, grants and fee for service contracts (with other orders of government). It might also earn consulting fees if it provides project development/management expertise to non-profit organizations pursuing residential or commercial construction projects.

Uses of Funds

The CDC will need three types of resources: cash for operations, cash to cover pre-development expenses, and in-kind resources in the form of land and other tangible contributions. All in, the CDC will need access to approximately \$23M representing a combination of land, cash and financing.

Approximately \$2.375M in cash will be required to launch and sustain the CDC's operation over five years. In 2016, \$100,000 is required for one-time start-up costs, including the incorporation of a new company, the completion of a high-level business case and review of the development potential of various parcels of City-owned land. Starting in 2017, an operating budget of approximately \$491,000 per year is projected for the first five years (\$455,000 in cash grants and \$36,000 in in-kind services). Over time, the annual budget will allow the CDC to hire an Executive Director, community animator and part-time administrative assistant. The Executive Director will have expertise in the planning, development and operation of real estate.

An additional \$500,000 will be required for pre-development expenses. While many pre-development expenses are recovered through the sale or take-out financing of a project, some expenses may not be recouped. Cash is required during the deal-making and due diligence phases. The pre-development fund will likely be depleted over time and will be topped up by re-allocating unused operating funds.

An initial capital budget of approximately \$10M in land is needed for the CDC to succeed. This amount represents the fair market value of City land donated, in-kind, to the CDC. The Edmonton Community Foundation's commitment of \$10M in financing will be used to lever conventional financing. This amount does not represent the total value of financing required by the CDC.

BUDGET

Sources of Funds

The City of Edmonton will play an important part in the start-up phase of the CDC. Without the City's catalytic role, and concrete financial support, the CDC will not be formed. For example, it is imperative that the City transfer an inventory of non-essential, City-owned land *suitable for commercial and residential development* to the CDC. The value of this land should match the Foundation's commitment of \$10M in financing.

The commitment of land, rather than the actual legal transfer of title, is the critical step. The land may be held in trust until such time as the CDC is able to commence its building plan. To expedite the start of the CDC, it would be most helpful if parcels of surplus land to be held in trust could be confirmed by the summer of 2016. This will assist with the selection of the initial community cluster. The City will have to be prepared to release its surplus holdings in the first cluster of neighbourhoods selected for development within one year of launch. The balance of the lands could be transferred over time.

The City will also have to contribute annual operating funds, starting in 2017, of approximately \$280 000 year. An additional one-time transfer of \$500 000 (spread over the first two full years of operations) is also required to cover predevelopment expenses and a one-time transfer of \$100 000 to cover start up costs in 2016. The total cash contribution from the City of Edmonton will total \$2 million over five years.

The Edmonton Community Foundation will provide oversight and strong incubation (back-end) support. In-kind and cash contributions will be provided in the following areas:

- Providing five years of street-level office space close to the downtown;
- Overseeing hiring the Executive Director;
- Acting as the fiscal agent;
- Chairing the Board of Directors; and
- Providing financing in an amount of at least \$10M (loans, not grants).

The following table illustrates the types of resources, and commitments needed by the CDC over a fiveyear period. These requirements will be refined over time as operating and development costs become more apparent. Sources of investment will be pursued from the following potential sources.

The First Five Years: Estimates of Operating and Capital Requirements

	OPERATING CASH	PRE-DEVELOPMENT EXPENSES	IN-KIND DONATIONS	FINANCING
City of Edmonton (\$280 x 5 + \$100 000)	\$1,500,000	\$500,000	\$10,000,000	\$0
Edmonton Community Foundation (\$75x5)	\$375,000	\$0	\$180,000	\$10,000,000
Homeward Trust (\$50 x 5)	\$250,000	\$0	\$0	\$0
Corporations/Private Foundations	\$250,000	\$0	\$0	\$0
Total	\$2,375,000	\$500,000	\$10,180,000	\$10,000,000

APPENDIX A CDC ENVIRONMENTAL SCAN

Prepared by Berlin Communications

Introduction

In 2015, the End Poverty Edmonton Task Force recommended the City of Edmonton create a Community Development Corporation (CDC) to further pursue the elimination of poverty by undertaking the following activities:

- Supporting the creation of affordable housing and supportive housing;
- Offering job training/placement, investing in appropriate community-based business development; and
- Creating new community-owned businesses.

The Task Force further recommended these community economic development activities be carried out in partnership with existing stakeholders in the broader Edmonton community.

In an effort to identify potential partners for a future Community Development Corporation, and to ensure its development is informed by the broader Edmonton context, an environmental scan was undertaken in February/March 2016.

A representative sample of organizations involved in poverty reduction activities were selected and interviews were conducted with leaders from each group. The list of organizations was not meant to be exhaustive, but rather capture the largest agencies possibly engaged in activities that fall under the scope of community economic development. These activities include: the development of affordable housing, commercial real estate revitalization, business development (retention, attraction, support to existing business and creation of new businesses and social enterprise), workforce training and placement, community development finance and community engagement in support of these other services.

Interview questions focused on identifying the community economic development services currently offered by Edmonton organizations and understanding potential ways current service providers could partner with a future CDC to better meet their clients' needs. The results of these interviews are summarized in the sections below.

Organizations interviewed included: Habitat for Humanity, Women Building Futures, Edmonton Community Foundation, Social Enterprise Fund, Northern Alberta YMCA, E4C, HomeEd, Arts Habitat, Capital Region Housing Corporation, La Cite Francophone, Salvation Army, Homeward Trust, Jasper Place Health and Wellness, Boyle Street Community Services, the Edmonton Inner City Housing Society, and the United Way of the Alberta Capital Region.

APPENDIX A CDC ENVIRONMENTAL SCAN

Prepared by Berlin Communications

The Edmonton Landscape

While there is no shortage of hard-working agencies making an impact in the struggle to reduce poverty in our city, very few organizations have adopted a community economic development focus as central to their approach for reducing poverty.

Specifically, with respect to the activities that have been identified as potential areas for an Edmonton CDC many organizations participate in one or two areas but no single organization in Edmonton possess the full suite of potential community economic development tools available to a Community Development Corporation. Instead, Edmonton's poverty reduction organizations generally focus either on a specific capacity or service area (like affordable housing, workforce training or community development finance), a niche within the sector (e.g. funder), or on providing a more robust set of services designed to meet the emerging needs of a specific clientele (e.g. people with mental health challenges, families and children experiencing poverty, the inner city homeless population, etc.).

There are many examples of non-profit organizations applying business-thinking and an entrepreneurial management style in meeting the contract expectations of their clients (i.e. government and funders), yet it is less common to find social enterprises that target a wide variety of customers. There are some examples of businesses or social enterprises that have been created for the explicit purpose of providing job opportunities for people experiencing poverty, however these efforts are often ancillary to core service offerings or are just beginning to ramp up.

Similarly, very few organizations in Edmonton target the physical and social transformation of a specific geographical area in the manner contemplated by a future CDC. Most organizations have operations in different parts of the City and see their impact as City-wide. There are only very limited examples of organizations involved in commercial real estate or business development for the purposes of attracting jobs and investment to economically depressed areas.

Opportunities for Partnership

While there is no single existing organization in Edmonton that embodies all (or most) of the community economic development service offerings expected of a Community Development Corporation, there is substantial opportunity for a new CDC to partner with existing agencies to either leverage sector expertise or further support existing agencies in the delivery of their mandates.

APPENDIX A CDC ENVIRONMENTAL SCAN

Prepared by Berlin Communications

In general, leaders in Edmonton's social sector organizations are innovative, resourceful, collaborative and dedicated to increasing the resources and services available to the clients they serve. Accordingly, each of the organizations surveyed expressed interest in potential opportunities for partnering with a new Community Development Corporation. It is still premature to contemplate formal partnerships opportunities with a body that does not yet exist, but some organizations have specific ideas for how a Community Development Corporation could help them in the fulfillment of their mandates.

For example, several organizations are interested in partnering with a trusted developer in the construction of new facilities required to meet the needs of their clients. Most social service agencies have only limited in-house development experience. The sometimes arduous process of assembling disparate grants and funding sources, incurring pre-development planning costs and leading neighbourhood engagement processes can place an excessive strain on already stretched internal capacity (especially for smaller agencies). As well, a number of organizations expressed that they have often only taken on a 'landlord' role out of necessity and would be interested in developing a long-term relationship with an organization with an aligned vision, such as a CDC.

Although the leaders interviewed generally apply business thinking to the management of their organizations, very few single organizations have the time to actually bring together different partners to try and solve real balance sheet issues and problems, to scrutinize existing challenges and look for ways a social enterprise could help solve them. The CDC could provide additional support and capacity to leaders in this area.

Given the wealth and breadth of specific complementary expertise and services that exist in Edmonton, a Community Development Corporation will also be best positioned if it seeks to leverage existing capacity in the fulfillment of its community economic development mandate. There is no need to re-invent the wheel. It makes sense for the CDC to partner with organizations with strengths in particular area of community economic development for the mutual benefit of both. For example, the Social Enterprise Fund already has experience in non-profit business development and its experiences will prove invaluable for the CDC moving forward. Similarly, in areas where scale is important, such as residential property management, the CDC could partner with one of the housing organizations already skilled in effectively managing affordable housing units (Homeward Trust, HomeEd or CRHC). Where social

APPENDIX A CDC ENVIRONMENTAL SCAN

Prepared by Berlin Communications

enterprises already exist to capture mainstream market revenues for social purposes (as in the case with Jasper Place Health and Wellness' suite of home services), the CDC can contribute positively to the sector by supporting the growth of these businesses instead of creating new competitors.

Limitations to Collaboration

Each of the leaders surveyed is generally supportive of the City's interest and willingness to take a more active role in the reduction of poverty through the creation of a Community Development Corporation and appreciated the opportunity to be consulted in advance of Council's consideration of its decision. Although generally encouraged, they also shared some suggestions and cautions regarding potential limitations the CDC could encounter.

First, it is important that the creation of a Community Development Corporation not be viewed or presented as a silver bullet for eliminating poverty in our city. No one organization or one approach will be sufficient for dealing with the range and complexity of poverty experienced by individuals living in our City. As the End Poverty Task Force recognized, it will take a movement to end poverty. The Community Development Corporation will achieve the biggest impact if it helps activate additional resources for the movement fighting poverty (makes the overall pie bigger) and puts a new tool in the poverty elimination and community development toolbox.

Second, while intuitive, it is important to appreciate that the deeper the level of poverty experienced by an individual, the more challenging (and expensive) it is to meet their needs. A Community Development Corporation is unlikely to be able to meet the needs of the people experiencing the deepest levels of poverty if it is expected to operate on a fully cost-recovery or revenue generating basis. As a result, a focus purely on revenue-generating opportunities can distract organizations from the fulfillment of their core mandates.

Conclusion

Edmonton is home to a large number of skilled organizations already contributing to the mandate to end poverty in our City. While these organizations cover a broad range of target audiences and service offerings, no single organization is currently fulfilling the proposed role for a Community Development Corporation. While there is no organization currently fulfilling this role, there are many organizations with expertise in related areas that the CDC can partner with as it works to build community wealth in specific neighbourhoods across the City.

APPENDIX B MEMBERS OF THE CDC WORKING GROUP

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