



**Community Economic Development and The City of Calgary
Discussion Paper**

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Why this document?

This document provides an introduction to Community Economic Development (CED) for The City of Calgary and its community partners. CED is economic development with a strong commitment to social and environmental outcomes that can sustain The City’s efforts to meet its own Triple Bottom Line and imagineCalgary goals.

The City of Calgary is already engaged in Community Economic Development. For example, the City’s support of Business Revitalization Zones (BRZs) has fostered a much stronger sense of neighbourhood pride and support for local businesses. CED offers an approach to deepen and broaden this success. The following chart highlights 3 examples of existing City initiatives aligned with CED:

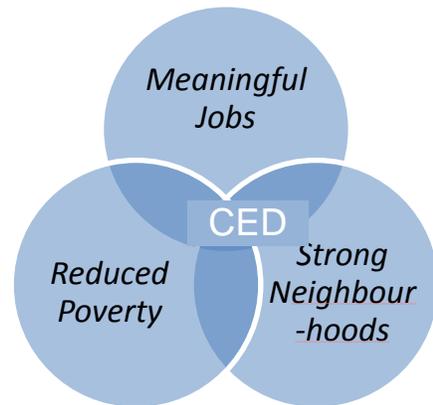
Example	Strategy	How it is aligned with CED
imagineCalgary	100 year vision for the city based on engaging 18,000 Calgarians	Targets include meaningful work, sense of community, locally produced goods and services, & a variety in housing options.
Calgary Economic Development	Calgary’s 10 year economic development strategy	Key targets refer to breaking down barriers to employment, and lending greater support to local entrepreneurs.
International Avenue BRZ	Local business focus	The International Avenue BRZ plan for the redevelopment of 17th Avenue SE was approved by Council in July 2010, which incorporates social, environmental and economic returns.

The report also highlights 4 key areas of tangible CED action the City of Calgary can support related to: neighbourhood revitalization, meaningful employment, local business development, and innovative social finance (page 7).

What is Community Economic Development?

Community Economic Development appeals to Calgary’s entrepreneurial spirit. It is a bottom-up economic development approach that has been adopted by communities and municipalities across Canada. In smaller municipalities the focus is often on local resilience if the municipality has lost the town’s main employer. In larger municipalities CED focuses on inclusion and opportunities for marginalized individuals to participate in the economy.

In other words, CED is a key driver to reduce poverty while also contributing to the establishment of vibrant, sustainable communities. The emphasis on creating both economic and social value distinguishes CED from more traditional economic development, which typically attracts non-local investment and business to stimulate economic growth. However, the jobs and other economic activity resulting from traditional economic activity are often not accessible to marginalized populations.



CED is a comprehensive approach that links different disciplines, such as urban planning, economic development and environmental sustainability, to ultimately enhance community pride and vitality. Activities are varied and include: training and employment among local residents (particularly those living on low-incomes),

community capacity building, micro-lending and enterprise development. Local CED organizations will often lead these efforts in partnership with various levels of government in order to facilitate neighbourhood revitalization. The focus on individuals and their own communities in a CED approach results in economic, social and environmental benefit.

CED plays an important role in economic inclusion. A sustained effort in poverty reduction saves the City – and ultimately taxpayers – money in decreased costs. A ten percent reduction of poverty in Calgary equals \$18 million invested back into the economy¹. The local economy also benefits through increased spending when fewer households are living on low-incomes. Research published by the Brookings Institution demonstrates that each dollar received by a household via increased incomes is estimated to generate a further \$1.58 in local economic activity².

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Moreover, CED is a lens through which public policy and municipal bylaws can be designed and implemented. While the focus is often on removing barriers to economic opportunities for those living on low-incomes, evidence (for example, from Social Return on Investment³) illustrates that CED can facilitate prosperity for all residents of a city and/or neighbourhood.

¹ The External Costs of Poverty: A Conservative Assessment, 2004, Shiell & Zhang - http://tamarackcommunity.ca/downloads/vc/cal_costsofpoverty04.pdf

² The Earned Income Tax Credit at Age 30: What We Know - http://www.brookings.edu/reports/2006/02childrenfamilies_holt.aspx

³ The SROI Network - <http://www.thesroinetwork.org/>

What is happening in Calgary?

There is an increasing amount of CED activity in Calgary. For example:

- Thrive⁴ – Calgary’s CED Network aims to catalyze CED action by convening stakeholders from the non-profit, private and public sectors. In 2010, Thrive commissioned research on strategies to develop and advance a green economy through green collar jobs. Research results demonstrate that, with a CED approach, it is possible to have a resilient economy that can support well paying jobs and environmental sustainability.⁵
- *Enterprising Non-Profits - Alberta*⁶ – Launched in early 2011 with financial support from The Trico Foundation, ENP - AB is a collaborative program that provides grants and technical assistance to non-profit organizations to support the development or growth of social enterprises. The creation of ENP – AB was informed by research on the state of social enterprise in Calgary lead by the City of Calgary – FCSS, United Way of Calgary and Area and The Calgary Foundation.⁷
- REAP and Make It Good—are two business associations committed to growing economic activities that promote a triple bottom line approach. For example, Community Natural Foods, a founding REAP member and Living Wage Leader, demonstrates that a commitment to sustainability can be good for businesses and the community.

What types of CED organizations are in Calgary?

Examples include:

Social Enterprise - Social enterprise is defined as a business operated by a non-profit organization that can (1) provide goods and/or services, (2) provide employment opportunities for marginalized people, and (3) generate funds to reinvest into their respective organization’s programs. For example:

- | | |
|--|---|
| • Centre for Newcomers (Ethnicity Catering) | • Green Calgary (EcoStore) |
| • Servants Anonymous Society (Venue 1008) | • Habitat for Humanity (Restore) |
| • The Women in Need Society (four thrift stores) | • Vecova (baggage cart retrieval at Calgary Airport and bottle depot) |

⁴ Advancing Community Economic Development for Calgary - <http://www.thrivecalgary.org>

⁵ It is estimated that in 2009 there were 1,006 green industry establishments in Calgary employing 8,200 workers. These establishments actually increased their numbers of employees by 0.6% during the 2008-2009 recessionary period while other businesses reduced employees. Green Collar Jobs: New Workforce Development Opportunities in Alberta - <http://www.thrivecalgary.org/resources/html>

⁶ The Trico Foundation - http://www.tricofoundation.ca/enp-ab_about.php

⁷ Money and Mission: Social Enterprise in Calgary - http://www.thecalgaryfoundation.org/SocialEnterpriseInCalgary1_000.pdf.pdf

Non-Profit Organizations – The following non-profit organizations employ various approaches to CED. All contribute to a stronger local economy through a commitment to social, economic and environmental outcomes. CED non-profit organizations include:

- Momentum (Micro enterprise development),
- Arusha Centre (Calgary Dollars),
- Norfolk Housing (low-income housing),
- Good Life Community Bike Shop,
- Prospect (Studio C), and
- Market Collective

Cooperatives and Credit Unions – The cooperative business ownership model and credit union approach to financial services are critical components of CED in that they are focused on enhancing the local economy. They provide shared ownership models and access to capital for those who may not otherwise have such opportunities. Examples include:

- First Calgary Financial,
- Calgary Coop grocery stores,
- Mountain Equipment Coop,
- Calgary Cooperative Memorial Society,
- Sarcee Meadows Housing Co-operative,
- Calgary Alternative Transportation Cooperative (CATCO), and
- Canadian Workers Co-operative Federation

The various players engaged in CED demonstrate how the private, public, and non-profit sectors can collaboratively work together to address social and economic conditions in the City.

What other Municipal Governments are involved in CED?

City of Edmonton, Community Services – The City of Edmonton developed an Innovative Services unit to serve as a local catalyst for CED projects, including the Social Enterprise Fund (SEF).⁸ The SEF now operates as a unique collaboration between the Edmonton Community Foundation (ECF), the City of Edmonton and other investors such as the United Way Alberta Capital Region. The SEF is a made-in-Edmonton response to meet the need in the non-profit sector for access to capital to support social housing and stimulate social enterprise. The City of Edmonton provided an initial \$3 million investment to capitalize the fund, which has issued over \$4 million of financing to date.

City of Montreal, Social Economy Bureau⁹ - Montréal has differentiated itself from other major urban centres by making social innovation a key to its development. By adopting a partnership-based approach with social economy stakeholders, the city recognizes the

⁸ Social Enterprise Fund in Edmonton - <http://socialenterprisefund.ca/>

⁹ Social Economy Bureau in Montreal http://ville.montreal.qc.ca/portal/page?_pageid=6438,53833620&_dad=portal&_schema=PORTAL

sector's complementary role in local economic, cultural and social development. The City's *Social Economy Partnership for Community-based Sustainable Development* strategy aims to enhance the role of community-based enterprises in Montreal by supporting their development and making it easier to do business with local government.

City of Ottawa, Partnership for Prosperity¹⁰ – The City of Ottawa is developing a new economic development strategy that includes Community Economic Development within its approach. Particular attention is paid to applying a CED policy lens to procurement practices and workforce development opportunities for marginalized people, including newcomers and aboriginals.

Mission Economic Development Strategy in Mission, BC¹¹ - The District of Mission integrated Community Economic Development within its Economic Development Strategy by identifying strategies to encourage more CED activity and ensure the community is actively engaged through partnerships with the municipal government.

Economic Gardening in Littleton, Colorado¹² - Economic Gardening is an entrepreneurial approach to economic development first pioneered in Littleton, Colorado in 1989. The focus is on creating a nurturing environment for growing local entrepreneurs rather than "hunting" or recruiting businesses from elsewhere. Since adopting an approach focused on growing local businesses, Littleton has doubled its job base and tripled its sales tax revenues over the last 20 years, far outpacing other municipalities in the United States.¹³

GreenCorps Chicago in Chicago, Illinois¹⁴ – As early as 1994, the city of Chicago began transitioning to a green economy, recognizing that 'green jobs' are a key component of this effort. GreenCorps, administered by the City, provides critical re-entry opportunities and skills to unemployed individuals by training them for jobs that contribute to environmental sustainability. The City's comprehensive climate action plan is expected to add 5,000 to 10,000 jobs annually.

What needs to be done in Calgary?

Thrive, Calgary's Community Economic Development Network, is actively engaged in strengthening the CED sector in Calgary. It has developed a 10 year vision for CED in Calgary that includes four key ways to stimulate economic opportunity and a sustainable local economy.

¹⁰ City of Ottawa. Partnerships for Prosperity Ottawa's Five Year Investment Strategy for Sustainable Economic Prosperity.

¹¹ Mission Economic Development Strategy - <http://www.mission.ca/wp-content/uploads/economic-development-strategy.pdf>

¹² Economic Gardening - http://growinglocaleconomies.com/economic_gardening

¹³ Stuhldreher, Anne. 'Grow Your Own: How economic gardening nurtures local businesses.' Stanford Social Innovation Review. Winter 2010.

¹⁴ The City of Chicago - http://www.cityofchicago.org/city/en/depts/doe/supp_info/green_industry_jobtraining.html

Neighbourhood Revitalization

Local economic development opportunities are created that lead to more complete and integrated communities. Specific opportunities to consider include:

- A CED resource person/group to facilitate further integration of CED practice within City planning, policy and operations, while also seeking opportunities for cross-sector partnership opportunities.
- Aligning FCSS' Strong Neighbourhoods Initiative with various CED organizations/projects in the community.

Meaningful Employment

All Calgarians have access to well-paid jobs that enable them to use their skills and develop new ones. Specific opportunities to consider include:

- Facilitating the stimulation of Calgary's green economy by engaging in private-public collaborations designed to stimulate green collar jobs. The Wisconsin Regional Training Partnership¹⁵ is a successful example of a collaborative approach.
- Supporting CED initiatives that provide meaningful work for economically marginalized populations, such as immigrants, aboriginals and people with disabilities.

Local Business Development

Calgary experiences an increase in non-profit social enterprises and locally-owned and operated businesses that incorporate CED principles into their operations. Specific opportunities to consider include:

- Targeted purchasing from social enterprises and social businesses via The City's Sustainable Environmental and Ethical Procurement Policy through a social value weighting in tendering processes to support enterprises that train and employ individuals from marginalized backgrounds.
- Enable multiple uses of community space for locally oriented economic activity, such as incubation space for social enterprises and other CED initiatives.

Innovative Social Finance

New funders and finance mechanisms are available to fund and invest in positive, local economic development. Specific opportunities to consider include:

- Developing a regional social impact investment fund to support enterprise development and working capital for Calgary charities and non-profit organizations¹⁶.
- Exploring the use of municipal bonds to provide capital for community infrastructure, such as facilities for social enterprises and non-profit organizations engaged in CED.

Ultimately, community economic development is a lens through which decisions about policy design and implementation instruments can be viewed. As The City of Calgary works to achieve its own goals set by imagineCalgary and other planning documents, CED is a promising framework in which to work.

¹⁵ Wisconsin Regional Training Partnership - <http://www.wrtp.org>

¹⁶ Mobilizing Private Capital for Public Good. Canadian Task Force on Social Finance. http://socialfinance.ca/uploads/documents/FinalReport_MobilizingPrivateCapitalforPublicGood_30Nov10.pdf