

ADMINISTRATIVE RESPONSE TO THE OFFICE OF THE CITY AUDITOR

Historic Resource Management Program

RECOMMENDATION

That the December 3, 2021, Urban Planning and Economy report UPE00851, be received for information.

Report Purpose

Information only

A summary of the findings from a recent audit of the Historic Resource Management program is intended to help Council manage the Corporation by ensuring that the City's heritage program is being run effectively.

Executive Summary

- The Office of the City Auditor conducted an audit of the City's Historic Resource Management Program.
- Administration has accepted the three recommendations made by the Office of the City Auditor.

REPORT

Edmonton's Heritage Planning Program

Heritage planning is an essential function for a city dedicated to enhancing its identity and attractiveness. The City Plan states that the city will "Promote Edmonton's history and encourage a sense of local identity by preserving and enhancing heritage."

Edmonton's Historic Resource Management Program began in 1980 amidst the debate about demolition of the Tegler Building. In 1984, the program's Inventory and Register of Historic Resources in Edmonton was established. The Inventory is a list of historic resources that merit conservation but are not legally protected from inappropriate alteration or demolition. The

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Register is a list of heritage properties that have been protected through designation as Municipal Historic Resources. There are now over 900 properties on the Inventory and 168 on the Register.

The Historic Resource Management Program is housed within the Planning and Environment Services Branch of the Urban Planning and Economy Department. The program is funded by the Heritage Reserve. The Reserve receives \$2.35 million annually through the capital/operating budget for rehabilitation and maintenance grants, and has disbursed over \$18 million over the life of the program. The Hotel Macdonald, McLeod Building, Garneau Theatre, Queen Elizabeth II Planetarium and Oliver Exchange are examples of the buildings preserved through the program.

The documents guiding the City's approach to heritage planning are:

- City Policy C450B - Policy to Encourage the Designation and Rehabilitation of Municipal Historic Resources in Edmonton (2008)
- Historic Resource Management Plan (2009)

Audit

The Office of the City Auditor conducts periodic audits of City program areas to ensure operational effectiveness, efficiency and proper financial controls. It conducted an audit of the Historic Resource Management Program between January and November 2021. During this time, Planning and Environment Services Branch staff met regularly with auditors to provide information and answer questions.

Response to Audit Recommendations

Administration is addressing each audit recommendation as outlined below.

Recommendation 1: Regularly update historical resources guiding documents.

Administration accepts this recommendation.

Movements for social change, Truth and Reconciliation and response to climate change have transformed heritage practice. Stakeholders in Edmonton's heritage ecosystem such as the Edmonton Historical Board (a City Council advisory board) and the Edmonton Heritage Council have advocated for new heritage approaches and initiatives.

Resource limitations, staff changes and the COVID-19 pandemic delayed this work from taking place. Now, as a result of the adoption of The City Plan, this audit, and a June 2021 inquiry from Urban Planning Committee, Administration is scoping a new Historic Resource Management Plan and the update to Policy C450B that would flow from it.

In Urban Planning Committee report UPE00724, expected to be presented to Urban Planning Committee in Q1 2022, Administration will:

- Identify the resources necessary to prepare a new Historic Resource Management Plan.

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- Advise that Administration will prepare an unfunded service package as part of the 2023-2026 budget submission to prepare this management plan, and an additional full time employee (FTE) to support the program's ongoing work.

If resources for the management plan are approved as part of the 2023-2026 budget, the new management plan and updated Policy C450B will target completion by the end of 2024. The completion date for Recommendation 1 has accordingly been set as December 31, 2024. If resources are not assigned to this work, Administration will continue the current practice of incremental minor revisions to processes and procedures based on risk assessments.

Recommendation 2: Review and update the City's Register and Inventory listing periodically for accuracy and completeness

Administration accepts this recommendation.

Administration completed a full review and update of the Register and Inventory earlier in 2021 to address issues with accuracy and completeness. An annual review and update will be conducted.

The completion date for Recommendation 2 has been set as December 31, 2021, because the review and update for 2021 has been completed. Future annual reviews will be incorporated into the program's annual work plan.

Recommendation 3: Formalize the approach to assess the ongoing condition of historic resources after the completion of grant-related rehabilitation work and identify potential remediation actions.

Administration accepts this recommendation.

'Upkeep' inspections of heritage buildings in the years after completion of rehabilitation work are not legally required under the *Historical Resources Act*. As a result of the agreements entered into with property owners at the time their property is designated a Municipal Historic Resource, property owners have a contractual obligation to the City to maintain the designated property in good repair. Under these agreements, the City is not required to do periodic inspections of the historic resources. Such inspections, however, are good practice in light of the public investment provided to help fund the rehabilitation of these properties. Some of the risks associated with future maintenance is mitigated by designating properties with the cooperation and approval of the landowner. Currently, Administration only has resources to conduct post-rehabilitation inspections on an opportunity basis. As the result of Recommendation 3, Administration will:

- Formalize a risk-based approach to assessing the post-rehabilitation condition of Municipal Historic Resources based on available resources, heritage importance and the scale of public investment.

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Legal Implications

The Historic Resource Management Program complies with all requirements of the *Historical Resources Act*. Implementation of the three recommendations will be done to ensure the program continues to comply with the legislation.

COMMUNITY INSIGHT

Administration's response to the audit of the Historic Resource Management Program was informed by Edmonton-area dialogue about how history is commemorated and conversations with stakeholders in Edmonton's heritage ecosystem.

GBA+

Historical resources have the potential to help communicate the story of Edmonton's diverse history, and thus add to the meaning of our urban places and quality of life of Edmontonians now and in the future. Currently, however, the City's Inventory and Register of Historic Resources does not reflect a broad spectrum of human diversity. Women and other groups, including marginalized groups whose heritage is more intangible, are underrepresented in the Inventory and Register and current activities to commemorate history through heritage preservation. A GBA+ process applied to the creation of a new Historic Resource Management Plan will help us understand the inequalities and create opportunities for equity-deserving or marginalized groups.

Administration will:

- Include specific resourcing requirements in the forthcoming report to Urban Planning Committee, UPE00724, for a robust GBA+ process into the planning, engagement, creation and delivery of a new Historic Resource Management plan in UPE00724.