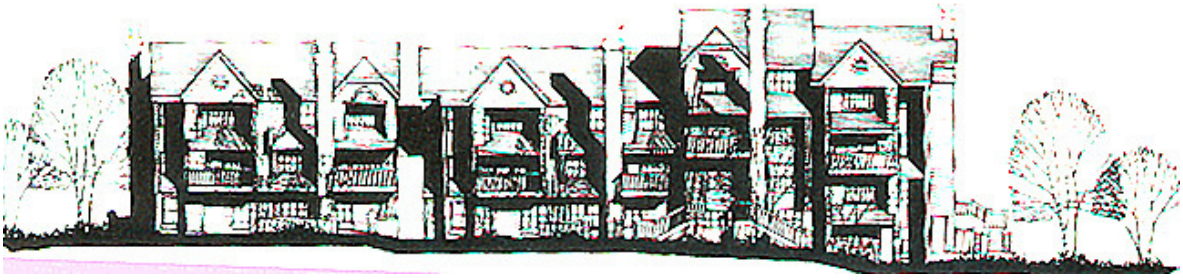
Attachment 1

THE CITY OF St. Albert

Affordable Housing Strategy



prepared by

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Applications Management Consulting Ltd.

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Executive Summary

Background

Between 1996 and 2003, St. Albert's population grew by 16.4% (7,700 residents). Rapid population growth together with changes in the demographic profile resulted in increased demand for new residential growth catering to higher income families and a limited supply of housing for lower income households.

In response to an awareness from within the community of the growing need for greater housing choice and affordability, St. Albert City Council established the St. Albert Affordable Housing Advisory Board in October 2000 to advise Council on issues relating to affordable housing. In November 2003, City Council commissioned the preparation of an Affordable Housing Strategy to better understand the need for affordable housing in the community. **The primary goal** of the Affordable Housing Strategy is to determine the level of need for affordable housing and to facilitate affordable, appropriate housing choices in working toward a more sustainable community.

Study Objectives

Study objectives are to:

- **analyze the supply and demand for affordable housing,**
- **identify gaps in the housing continuum,**
- **develop a St. Albert definition for affordable housing based on location, socio-economic characteristics and linkages within the Edmonton CMA,**
- **develop strategic initiatives to address the gaps in the housing continuum,**
- **estimate the preliminary fiscal impact of the proposed housing forms identified through the gap analysis,**
- **seek input from housing providers and other user groups through Roundtable sessions,**
- **create a policy and regulatory environment that stimulates affordable housing, and**
- **capitalize on opportunities for partnerships with other levels of government, private and non-profit sectors**.

Strategic Focus

The Affordable Housing Strategy re-affirms St. Albert's City Plan **vision and neighbourhood development goals for an inclusive, family-oriented community with a broad range of housing types, densities, sizes, tenure and prices.** It focuses on preserving and providing more affordably priced ownership and rental housing choices to meet the needs of seniors, young families and young adult singles. In so doing,

Executive Summary

the Affordable Housing Strategy acknowledges that housing affordability and choice are central to the well-being of individuals, families, and community overall. It is recognized that steps taken to encourage a healthy mix of housing types, price ranges and tenure options within a community can also help achieve important local, economic and social objectives in terms of: socio-economic diversity, a diversified economy, attraction of qualified workers, and balanced family and community life. For communities seeking diversity, a greater mix of age and income groups can be accommodated. This means that housing is available locally for employees working in lower-income jobs, for young adults getting established in a career, for couples seeking starter homes, and for aging adults wishing to stay in the community as they age and their housing requirements change. This mix can reinforce a community's sustainability by accommodating residents in all phases of the life cycle. Sustainable communities offer a range of housing choices, in both traditional and non-traditional forms. Moreover, the failure to take a strategic perspective on investment in housing affordability and choice in housing stock can have long-term consequences on the desirability of St. Albert as a place to live, work and play.

Through the recommendations contained in this document, the City recognizes that by itself it does not have the resources to meet the need for affordable housing units within the community. However, through the implementation of one or more of the strategies identified, it hopes to demonstrate local support and thereby attract and make the provision of affordable housing a reality. It is also recognized that developing a comprehensive and pro-active approach to the provision of affordable housing must be a responsibility shared by all orders of government, the private sector and the citizens of St. Albert.

Community Consultation

The Affordable Housing Strategy is the product of a planning process, which involved Administration, Council, the Affordable Housing Advisory Board and community stakeholders in a quantitative and qualitative analysis aimed at determining the need for affordable housing in St. Albert. A Workshop was held with Council and the Affordable Housing Advisory Board on May 5, 2004. Two Roundtable Sessions were held on June 2, 2004 involving individuals from a broad range of community interests including - the development and business community, financial and educational institutions, housing providers, community service groups, the faith community, government departments, seniors, local media, social service providers, and young adults. Additional information was received through consultation with Canada Mortgage and Housing Corporation, Alberta Seniors, the St. Albert Food Bank, Alberta Human Resources and Employment and the Edmonton Youth Emergency Shelter.

This consultation formed an integral and important component of the planning process and provided a deeper understanding of issues and possible strategic initiatives. A Summary of findings from the Council/ Affordable Housing Advisory Board Workshop and the Roundtable Sessions are contained in Appendix C.

Executive Summary

Estimated Core Housing Need

Canada Mortgage and Housing Corporation (CMHC) considers the adequacy, suitability[1] and affordability of housing within a community when assessing housing need. Affordability is the most significant factor as housing demand is directly tied to household income. CMHC has determined that a household is in Core Housing Need if it must pay more than 30% of its gross annual income for median market rent or more than 32% of gross annual income (including taxes and utilities) for home ownership that is adequate and suitable. For the purpose of this study, the cost of rental housing is used because of the difficulty tracking mortgage payments.

CMHC in partnership with Alberta Seniors have developed Core Need Income Thresholds to assist in estimating the number of households within a community paying more than 30% of gross annual income for median market rent. The Core Need Income Thresholds (CNITs) are based on the median market rent for one, two and three-bedroom rental units within St. Albert. Section 3.0 further discusses the income necessary to remain above the CNITs by unit and the number of households that may be paying more than 30% of gross annual income for housing.

Based on household income data for 2001 derived from Statistics Canada, Taxfiler Data and the Core Need Income Thresholds received from Alberta Seniors, it is estimated that of the total 20,820 households in St. Albert as few as 2,532 (12%) to as many as 3,282 (16%) households in St. Albert may be in core housing need[2]. Of this total, it is estimated that:

- 645 to 1,130 **couple households** may be in Core Housing Need.
- 595 to 860 **lone-parent households** may be in Core Housing Need. Of these households, persons aged (25-44) represent 67%.
- 1,292 **non-family (single) households** earn less than $21,500 and may be in Core Housing Need. Non-family (single) households represent the group with the greatest need for affordable housing both in terms of lowest income level (< $25,000) and number of households. Eighty-two percent of non-family households earn less than $20,000 annually. Seniors represent the largest proportion of this group at 34%.

[1] Adequacy and suitability of housing are discussed in Appendix B.
[2] The number of households in Core housing need have been adjusted as per the assumptions identified in Section 3.0.

Executive Summary

Gaps along the Housing Continuum

Through the housing needs assessment and input received through the community consultation process, four gaps were identified along the existing housing continuum. They are identified in Figure A and include:

Figure A: Gaps in the Housing Continuum (2001)

Entry-Level Market Ownership Housing	Market Rental Housing	Affordable - Subsidized Housing	Special Needs Housing
Entry- Level Market Ownership Housing refers to the lowest 25% of homes sold in any given year. This category includes homes * priced between $80,153 and $140,267 in 2001 - affordable to households earning between $20,000 and $35,000 annually. Within the 2001 entry-level market there were also some homes priced between $60,116 and $80,152, however these homes were very limited and are likely to be unavailable over time due to increasing house prices and continued supply and demand pressures consequently they are not included in this category. The entry-level housing category allows households to enter the housing market and allows established households to downsize, as housing needs change.	The Market Rental Housing Category provides an alternative for households of various income ranges and for those households, who are unable to afford $80,152 or more for home ownership. The Core Need Income Thresholds (CNIT) for 2001**,** indicate that median market rental in St. Albert was generally affordable to households earning between $21,500 and $39,500 annually. It is likely that some market rental accommodations are available for those households earning less than $21,500 annually as the CNIT's are based on **median** market rent.	Housing for low-income households on a rent-geared-to-income basis. Rent geared to income for households earning less than $21,500 annually. Eleven percent of all households in St. Albert earn less than $21,500 annually. For these households, neither ownership housing nor rental accommodation is available without government subsidy. Rental accommodation would not be affordable (based on 30% of income) to most single households earning minimum wage except through shared accommodation, etc. Affordable Subsidized Housing provides a safety net for those households, that because of a change in circumstances are unable to retain their position on the housing continuum.	Provides stable and supportive housing. There are no shelters or transition beds in St. Albert. Youth and women use other transitional housing available in the Edmonton Capital Region. Youth use the Edmonton Youth Emergency Shelter. Special needs housing provides a safety net for those households that are unable to retain their position on the housing continuum.

* condominiums and single detached homes

Due to the lack of available data, inherent limitations in the statistical data, and personal preference, it is difficult to determine the exact number of households needing housing within each of the above housing categories.

Executive Summary

Barriers to Affordable Housing

Participants to the Roundtable Sessions identified the following barriers and constraints to affordable housing:

- The need to reaffirm community vision and political will
- NIMBY (Not in My Back Yard) Opposition.
- A limited supply of land designated or pre-zoned for multiple housing development.
- High servicing and development standards.
- Lack of regulations that encourage infill development within existing neighbourhoods.
- Lack of zoning incentives to encourage affordable housing.
- High cost of utilities – utility costs can now be higher than mortgage payments.
- Transportation to support services for youth and seniors.

Implementation Strategies

Flowing from the needs assessment are a number of strategies which would assist in reducing barriers to affordable housing and would promote greater choice in terms of housing type, density, size, tenure and price to meet the needs of local residents. These strategies are preliminary suggestions for City consideration. The strategies were validated through the Roundtable sessions and explore such areas as: the incorporation of incentives through planning policy and regulation review, public education, partnership development to garner support, and land banking.

Further steps toward implementation of any of the strategies should be preceded by further prioritization, and a detailed feasibility assessment prior to specific recommendations being brought before Council for consideration. The strategies are identified below and are discussed in further detail in Section 4.0.

- **Re-affirm Community Vision and Political Will**
- **Create Incentives by Developing Inclusionary Housing Policies**
- **Identify and Acquire Land for Affordable Housing**
- **Improve Public Awareness of Innovative 'Prototype' Communities and Housing Forms**
- **Increase Density Through Lot Design and Building Form**
- **Allow Garden and Secondary Suites**
- **Increase Density on Underutilized Sites**
- **Implementation of the Strategies** (Section 4.0 provides a framework for future City Council action)

Executive Summary

Fiscal Impact Analysis

A fiscal impact analysis was undertaken to measure the preliminary financial implications to the City of pursuing various affordable housing forms on a demonstration site basis with build out of one net hectare. The findings of this analysis indicated that the City would financially benefit from each of the affordable housing forms. However, to attain a more complete understanding of the magnitude of the fiscal benefit to be derived by the City a comparison of the fiscal impacts associated with development of comparable conventional housing forms was undertaken. The housing development scenario assumed comparable housing forms and development parameters for both affordable and conventional housing forms, with the exception that quality of construction and finish were slightly higher with conventional housing as was the assessment generated on a per unit basis. Based on the higher assessed values, the fiscal impacts associated with conventional housing were considerably higher. The results of this analysis indicate that each of the conventional housing forms provide a net positive fiscal impact which is higher than that achieved for comparable affordable housing forms. Further details on the fiscal analysis including study limitations and assumptions are provided in Section 6.0.

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1.0 Introduction to the Project

1.1 Introduction

The City of St. Albert has experienced significant growth in the last five years. The community's 13.2% population growth between 1996 and 2001 resulted in a population of 53,081. The community's housing supply remains rather homogenous, tending to support the medium and higher-level income groups with limited affordable and entry-level housing ownership and rental accommodation. In terms of the housing continuum, St. Albert has a relatively high level of home ownership and a high proportion of single-detached, single-family houses. This is partially attributable to the communities residential policies which direct an 80/ 20 single detached/ multiple dwelling split and an overall preference by those moving to St. Albert for single detached housing. The community has long appealed to families raising children who are attracted to the community's 'small town' ambience and ample green space.

Like many communities in Alberta, housing prices in St. Albert have jumped significantly in recent years. Homes in the Alberta Capital Region, including St. Albert, experienced a 24% increase in the two years between 2001 and 2003. Rising housing prices have in large part been fuelled by the province's strong economy and high population growth. However, there are a number of socioeconomic factors behind the increased demand for affordable housing emerging in communities across Canada during the last decade - declining rental vacancy rates and rental housing construction, shifting provincial and federal government priorities and changes in the nature of jobs.

In 2001 federal, provincial and territorial governments recognized the urgent need for measures to increase the supply of affordable housing in Canada for both short term housing initiatives and longer term strategies to ensure the sustainability of affordable housing. The Government of Canada's Affordable Housing Program has resulted in signed agreements with all Provinces and Territories to help stimulate the construction of affordable housing. Urban planning literature suggests that providing up to 15% of housing in the affordable category is the right ratio for achieving a mix without diminishing property values (Perks et al, 1996, 3).

1.2 Affordable Housing Initiatives in St. Albert

Over the last ten years, the City has undertaken a number of initiatives toward encouraging housing choice and affordability. Some of these initiatives include: .1) revisions to planning policy, .2) the establishment of an Affordable Housing Advisory Board, and .3) various research into secondary suites, narrow lot development and land trust models.

1.0 Introduction to the Project

1.2.1 Support for Housing Choice through Policy and Regulation

Housing choice and affordability are supported in the City of St. Albert Municipal Development Plan policies and within the Provincial Land Use Policies.

City of St Albert Municipal Development Plan, Bylaw 4/ 2000

Prompted by a growing need for greater housing diversity and choice the City of St. Albert incorporated a number of new provisions in its *Municipal Development Plan, Bylaw 4/ 2000*. These provisions are reinforced through the vision statement, and more specifically through the goals, objectives and policies of Section 4.0 Housing and Neighbourhood Design.

Section 1.8 Vision Statement

"St. Albert is an inclusive, family-oriented community that values its natural, cultural, historical and recreational amenities. Our community secures the safety and well-being of its people through controlled growth, innovation and dynamic leadership".

Section 4.0 Housing and Neighbourhood Design

Goal
Encourage the development of well-planned and attractive neighbourhoods, which provide a broad range of housing types with varying densities, sizes, tenure, and prices.

Objectives
The housing and neighbourhood design objectives established in City Plan are to:

- *Facilitate an adequate supply of serviced residential lots;*
- *Phase development in an orderly way;*
- *Encourage choice in housing form and tenure for entry level, mature adult, and seniors markets;*
- *Require appropriate development policies and standards for residential development and redevelopment;*
- *Encourage the development of secondary suites in neighbourhoods.*
- *Facilitate the development of compatible infill housing in established neighbourhoods, subject to infrastructure evaluation and public consultation;*
- *Facilitate the development of affordable and special needs housing;*
- *Encourage innovative housing and neighbourhood design.*

1.0 Introduction to the Project

Policies

A number of housing-related policies recommend approaches the City could adopt to diversify and increase its supply of housing as follows:

4.6 Housing Partnerships	*The City of St. Albert should work with non-profit groups, developers, and other agencies and groups to increase the long-term supply of affordable housing particularly for young families, seniors, and special needs groups.*
4.7 Senior Citizens and Special Needs Housing	*The City of St. Albert should continue to facilitate the designation of sites for seniors housing and other forms of special needs housing.*
4.8 Secondary Suites	*The City of St. Albert may facilitate use of secondary suites and conversions through provisions in the Land Use Bylaw and subject to the availability of infrastructure capacity.*
4.9 Low Density Infill in Existing Neighbourhoods	*The City of St. Albert shall support infill residential development on vacant or underutilized parcels of land in established neighbourhoods as per conditions identified.*
4.11 (2) Innovative Subdivision Design	*The City of St. Albert should encourage new subdivisions that provide more housing choice with higher density multiple dwelling units.*
4.13 Location for Medium Density Residential Development	*The City of St. Albert should allow medium density development in the downtown area.*
4.15 Manufactured Home Subdivisions	*The City of St. Albert may consider a "manufactured home multi-lot subdivision if it is demonstrated that such housing is compatible.*

1.0 Introduction to the Project

Provincial Land Use Policies

The Provincial *Land Use Policies* identify residential policies to guide municipalities in their land use planning and also support housing choice and affordability. The goal of land use planning for residential development and relevant land use policies are listed below:

1. *Municipalities are encouraged to identify, in consultation with the local housing industry and local housing associations, the magnitude and scope of the housing need within their communities and to establish land use patterns in response to that need.*
2. *In establishing land use patterns, municipalities are encouraged to accommodate and facilitate a wide range of housing types.*
3. *In responding to policies #1 and #2, municipalities are encouraged to provide intensification opportunities within developed areas where existing infrastructure and facilities have adequate capacity.*
4. *In responding to policies #1 and #2, municipalities are encouraged to accommodate barrier free residences for persons with disabilities and residences in which the provision of care and support for the occupants is possible.*
5. *In responding to policies #1 and #2, municipalities are encouraged to eliminate any barriers that inhibit the use of housing constructed off-site and to accommodate manufactured and modular housing in a fashion that is in harmony with existing or proposed neighbourhood design and architectural development.*
6. *In responding to policy #1 and the other themes of this section, municipalities are encouraged to review, in cooperation with the land development industry, their current standards and practices with regard to neighbourhood design and residential servicing.*

1.1.2 Establishment of an Affordable Housing Advisory Board

In October 2000, City Council established a seven member Affordable Housing Advisory Board under Bylaw 38/ 2000. The role of the Advisory Board is to advise Council on issues relating to affordable housing and to provide recommendations respecting the need for affordable housing in St. Albert.

The seven-member Affordable Housing Advisory Board met for the first time in January 2001 and by April 2001 had developed a mission statement and strategic planning process. The strategic planning process generally laid out four work phases to be undertaken in determining the need for affordable housing in St. Albert. The work phases were as follows:

- Information gathering;
- Stakeholder and public consultation to discuss housing issues;
- Synthesis of information and validation; and
- Policy recommendation and report preparation.

1.0 Introduction to the Project

On July 9, 2003, the Affordable Housing Advisory Board presented a *Discussion Paper on Affordable Housing Issues* to Council. Through the Discussion Paper the Board advised Council, that a needs assessment was required and that resources beyond those currently available to the Advisory Board should be dedicated to determining the need for affordable housing in St. Albert.

1.2.3 Other Initiatives Toward Housing Choice

Within the last 10 years the City has explored the merits of secondary suites, land trust models, and narrow lot development.

1.3 Study Methodology

The Affordable Housing Study was structured in three phases.

As part of Phase 1.0 a housing needs assessment was undertaken to establish the demand for and supply of affordable housing in St. Albert. The needs assessment involved a quantitative analysis of statistical data from sources such as Statistics Canada, the Edmonton Real Estate Board, the City of St. Albert, Strathcona County, Canada Mortgage and Housing and Municipal Affairs, Alberta Human Resources and Employment, Albert Seniors and other agencies. In conjunction with the assessment of housing needs, gaps in the St. Albert housing continuum [3] were identified [4].

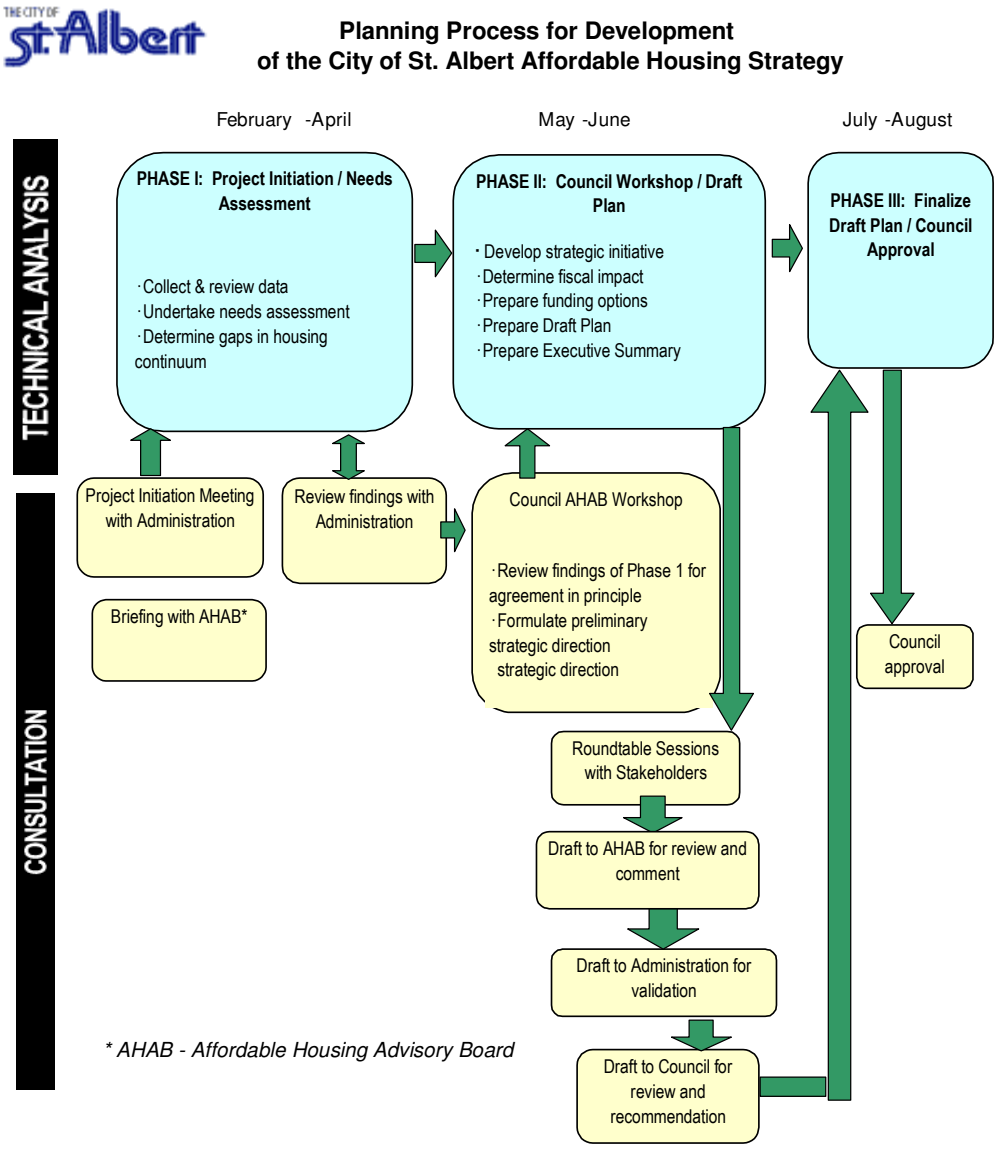
The quantitative analysis in Phase 1.0 was supplemented with qualitative information provided through the Council/ Affordable Housing Advisory Board Workshop, stakeholder interviews, and two Roundtable Sessions with the community in Phase 2.0. The purpose of the Council/ Affordable Housing Advisory Board Workshop was to review the findings of the needs assessment and to formulate preliminary strategic direction. Through subsequent Roundtable Sessions with a wide range of community stakeholders the proposed gaps along the housing continuum and proposed implementation strategies were validated. Further technical analysis was undertaken to estimate the preliminary fiscal impact of the housing forms identified through the gap analysis. The draft plan was prepared.

Phase 3.0 included the finalization of the Strategy document and Council approval. Figure 1.0: Planning Process for Development of the St. Albert Affordable Housing Strategy identifies in more detail the technical analysis and the consultation components.

[3] The 'housing continuum' refers to the mix of housing types and tenures within a community available to households at various stages during the lifecycle.
[4] Housing Continuum is described in Section 2.1.

1.0 Introduction to the Project

Figure 1.0: Planning Process for Development of the St. Albert Affordable Housing Strategy



1.0 Introduction to the Project

1.4 Document Structure

The St. Albert Affordable Housing Strategy is divided into the following sections:

Section 1.0 Introduction to the Project

Section 1.0 provides a brief introduction to the project, provides a policy context, and discusses previous affordable housing initiatives by the City. It also defines the study methodology and document structure. This framework provides the basis for following sections in the document.

Section 2.0 Housing Supply

Section 2.0 assesses the supply of housing available in St. Albert based on tenure options, housing types, age of housing, housing price, housing starts, rental housing, seniors and special needs housing and future housing supply.

Section 3.0 Core Housing Need and Gaps in the Housing Continuum

The third section assesses the affordability of rental and ownership housing for residents of St. Albert based on annual income levels. The number of households in Core Housing Need is estimated.

Section 4.0 Implementation Strategies

Section 4.0 suggests a number of strategies that could be considered in reducing barriers to affordable housing and promoting affordable, appropriate housing choices in St. Albert.

Section 5.0 Funding Options

Section five briefly identifies some of the funding options available to the City of St. Albert.

Section 6.0 Fiscal Impact Analysis

This section examines the fiscal implications of four housing forms discussed in Section 3.0.

Appendix A provides a list of definitions.

Appendix B provides a detailed analysis of the housing need and supply in St. Albert with comparisons of other municipalities and the Province

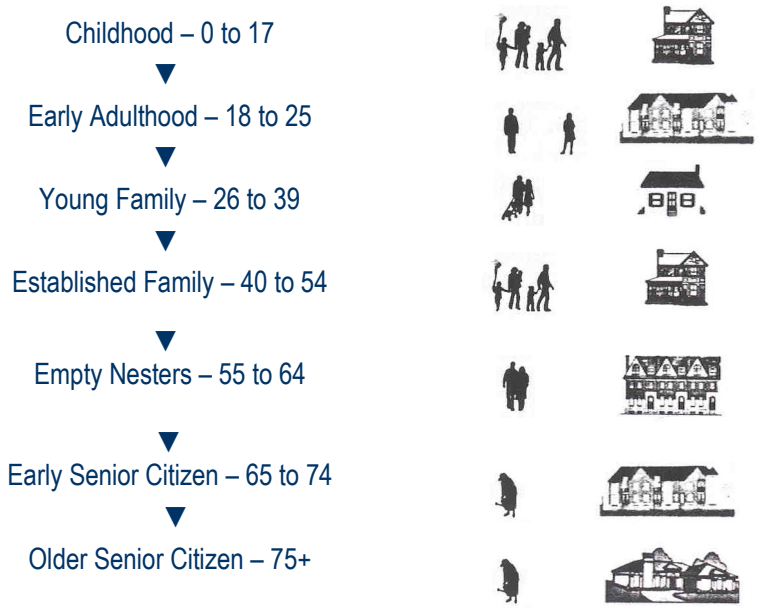
Appendix C provides a summary of findings from the workshop and roundtable sessions as well as other stakeholder consultation.

Appendix D provides a cursory review of the fiscal impacts of affordable housing forms using average cost analysis.

2.0 Housing Supply

2.1 Housing Continuum

A community requires a diverse range of housing types to accommodate the various needs of its residents. Housing within a community occurs along a continuum. The 'housing continuum' refers to the mix of housing types and tenures available within a community to households at various stages in the lifecycle. The ideal mix is one that can accommodate the housing needs of a variety of income levels, age groups and household types. Figure 2.0 shows the lifecycle stages existing in a housing continuum that is typical of a middle-income community. Because of changing consumer preferences and community profiles, the ideal mix changes over time. However, "the preferred mix of housing price ranges is more readily identified. The housing mix is directly related to the range of household income levels in the community." (MacNeil, 2002, p. 6). Gaps in St. Albert's housing continuum will be discussed in Section 3.



(Adapted from Matthew R.W. MacNeil 2002. Reprinted courtesy of Housing Strategies Inc.)

The following examines the current housing supply in St. Albert based on the following:

- Tenure options
- Housing types
- Age of housing
- Housing prices
- Housing starts
- Rental housing

2.0 Housing Supply

- Seniors and special needs housing
- Future housing supply

2.2 Tenure

St. Albert has a relatively high level of home ownership, with approximately 88% of households owning their homes in 2001. Table 1.0 shows the proportion of rental to owned accommodation for St. Albert, Edmonton, Sherwood Park and Alberta for 2001. Relative to Edmonton and Alberta as a whole, the level of ownership is high in both Sherwood Park and St. Albert. This is due to a larger proportion of single detached homes in these communities.

Table 1.0: Housing Tenure (2001)

TENURE	ST. ALBERT*	EDMONTON*	SHERWOOD PARK**	ALBERTA*
Rented	12.22%	40.57%	10.2%	28.90%
Owned	87.78%	59.43%	89.8%	70.41%

**Source: Albertafirst.com, based on Statistics Canada 2001 Census*
***Source: Strathcona County Census 2003*

A comparison of the 2000 to 2003 Civic Census for St. Albert indicates that the number of rental units in St. Albert is declining. This decline is attributable to two factors – the lack of new rental housing on the market and the conversion of existing rental housing to condominiums. Because of the conversions, vacancy rates (2% in 2003) have remained low and rental rates have remained high. Vacancy rates of less than 3%, generally represent an inadequate supply of rental units.

2.3 Housing Types

For the period from 1998 to 2003, the proportion of dwelling unit types within St. Albert has remained relatively stable.

The main housing type in St. Albert is the single detached house. As shown in Table 2.0, over 76% of St. Albert's dwelling types are single detached. This compares to 51% in Edmonton. Conversely, apartments account for nearly one-third of dwelling types in Edmonton, while in St. Albert the figure is just below 10%. Proportions of row and semi-detached houses are similar in both municipalities at approximately 13%.

2.0 Housing Supply

Table 2.0: Private Dwellings by Type (2001)

DWELLING TYPE	ST. ALBERT	EDMONTON	STRATHCONA COUNTY [5]
Apartments	1,785 (9.87%)	84,690 (31.92%)	560 (2.34%)
Detached Duplexes	85 (.47%)	5,230 (1.97%)	95 (.40%)
Movable Dwellings	5 (.03%)	2,615 (.99%)	120 (.50%)
Other Single Attached House	5 (.03%)	200 (.08%)	5 (.02%)
Row and Semi-Detached House	2,345 (12.97%)	36,500 (13.76%)	1,595 (6.68%)
Single Detached House	13,860 76.64%	136,115 (51.30%)	21,515 (90.05%)
Total	18,085	265,340	23,890

Source: Albertafirst.com, based on Statistics Canada 2001 Census

2.4 Age of Housing

St. Albert's housing stock is relatively new with the majority of homes – 84% - being constructed within the last 35 years. In the City of Edmonton, 57% of homes were constructed after 1970 and 24% predate 1960. Strathcona County, like St. Albert, has a predominance of newer homes. Appendix B (page B.13) provides a more detailed breakdown of dwellings by period of construction.

2.5 Housing Prices

2.5.1 Detached Homes

Housing prices have increased significantly in St. Albert and the surrounding area in the last few years. An expanding economy and in-migration have fuelled the demand for homes. The average sale price for a single detached house in St. Albert in 2003 was $217,000, as compared to $180,000 in 2001. Table 3.0 shows that house prices in St. Albert were the highest in the Edmonton region, although Sherwood Park figures were only marginally lower. The average sale price for a single detached house in St. Albert was

[5] Data for Strathcona County includes data on both the urban area (Sherwood Park) and the rural area of the County.

23% higher than in Edmonton, which is partly due to the difference in the age, size and type of dwellings in each community.

Table 3.0: Average Sale Price of Single Detached Houses (Jan–May)

Region	2001	2002	2003	% Change
Sherwood Park	177,000	202,000	216,000	22%
St. Albert	180,000	204,000	217,000	21%
Edmonton City	139,000	161,000	176,000	27%
Edmonton Region	147,000	169,0000	183,000	24%

Source: Edmonton Real Estate Board

2.5.2 Multi-Family Dwellings

The average sale price of multi-family units also increased significantly between 2001 and 2003. As shown in Table 4.0, condominiums in St. Albert jumped by 21% from $106,000 in 2001 to $128,000 in 2003 while prices in the Edmonton region as a whole increased by 33%.

Table 4.0: Average Sale Price of Condominiums

	2001	2002	2003	% Change
St. Albert*	106,000	109,000	128,000	21%
Edmonton Region**	91,241	104,856	121,313	33%

*Source: * City of St. Albert, Assessment Department*
***Edmonton Real Estate Board*

The sale price of duplexes and row houses in St. Albert increased by 24% to $151,600, as Table 5.0 reveals. The Edmonton region experienced higher increases of 27% over the same period.

2.0 Housing Supply

Table 5.0: Average Sale Price of Duplexes/ Row Houses

	2001	2002	2003	% Change
St. Albert*	122,650	144,250	151,600	24%
Edmonton Region**	118,619	141,268	150,442	27%

*Source: ** Edmonton Real Estate Board*
** Housing Sales Data, City of St. Albert, Assessment Department*

2.6 Housing Starts

Housing starts are usually strongly correlated to economic growth. For the period from 1999 to 2003 St. Albert had 2,692 housing starts – 72% of these were single-detached dwellings. This ratio is similar to that reported in the 2001 federal census for single detached houses. For the same period, Edmonton had 30,285 housing starts. However, the proportion of multiple family units to single detached units was quite different. The number of multiple family units constructed in Edmonton exceeded the number of single detached units in 2002 and 2003. A more detailed breakdown of housing starts is provided in Appendix B (page B.16).

2.6.1 Rental Housing

In 2003, 10.9% of dwelling units in St. Albert were rentals. Of the 10.9%, (2065) rental units in St. Albert, 52% were conventional apartment units and the remaining 48% were single detached homes, duplex units, four-plex units, and townhouses. Although there was some tracking of the number of secondary suites in 1997, the actual number of secondary suites in St. Albert is unknown.

Canada Mortgage and Housing Corporation (CMHC) provide data on apartment vacancy rates and rental costs. This however, does not include data on secondary suites, rented houses and condominium units that are not managed by a property management firm. Data on St. Albert's rental apartment housing is available though the October 2003 Apartment Vacancy and Rental Cost Survey prepared by CMHC. It is summarized below and in Table 6. Data for the five-year period from 1991 to 2003 is in Appendix A.

- In 2003, average rents for one, two and three bedroom apartments in St. Albert were $587, $707 and $736 respectively. Although rents in the community increased an average of 18% since 1999, they rose less than the 25% increase experienced in the City of Edmonton.
- St. Albert's overall apartment vacancy rate was 2% - its highest level in five years – but below Edmonton's 3.4%.
- Apartments in St. Albert are predominantly two bedroom units 58% (539), followed by one bedrooms 23% (217) and three+ bedrooms 19% (178). There are no bachelor suites. In comparison with

2.0 Housing Supply

Edmonton, one-bedroom units are the predominant unit type and bachelor suites are also available, making the rental mix more diverse.

Table 6.0: Average Apartment Vacancy and Rental Rates – 2003

		ST. ALBERT	CITY OF EDMONTON	OTHER CENTRES*
Overall Vacancy Rate		2.0%	3.4%	3.1%
Avg. Rent & Total Units	▪ Bachelor	-	$504 (4,684 units)	$459 (78 units)
	▪ 1 Bedroom	$587 (217 units)	$589 (30,804 units)	$567 (1,041 units)
	▪ 2 Bedroom	$707 (539 units)	$725 (23,961 units)	$684 (1,824 units)
	▪ 3 Bedroom+	$736 (178 units)	$804 (2,858 units)	$733 (147 units)

Source: CMHC Apartment Vacancy and Rental Cost Survey
**Refers to all municipalities in Edmonton region outside City of Edmonton boundaries.*

Generally, many communities in the Edmonton region have seen increasing rents and decreasing vacancy rates in recent years in response to the influx of new residents that started in the late 90's.

2.7 Seniors and Special Needs Housing

There are two cooperative housing projects in St. Albert. The Heritage Hills Co-op, which consists of 50 townhouse units and Liberton Terrace with 43 units. The latter has a waiting list for singles, adults with disabilities and seniors. These are part of the Northern Alberta Co-op Housing Association.

There are three seniors housing facilities in St. Albert:

- North Ridge Lodge with 45 rooms and a waiting list of 50;
- Chateau Mission Court with 53 self-contained units and 42 lodge-type units, with a waiting list of about 35; and
- Youville Homes, which accommodates 162 residents.

2.0 Housing Supply

2.8 Community Supports

The data provided in this section provides a brief overview of some of the supports available within the community and region and the demand for the same.

St. Albert Food Bank has seen the number of adults and children served increase by 4.6% since 2002. The Food Bank reports that children represent about 52% of their clients and adults represent 48%. In 2003, 989 hampers were given out.

Edmonton Youth Emergency Shelter - Over the last three years, on average the Edmonton Youth Emergency Shelter has received approximately 12 youth per year from St. Albert. The youth range from 15 to 17 years of age and are typically there for four to five days at a time.

Alberta Human Resources and Employment

Where eligible, households may receive income support to assist in housing costs through such programs as Assisted Income for the Severely Handicapped (AISH) and Support for Independence (SFI). For the 2002/ 2003 fiscal year, 462 (15%) of households in Core Need in St. Albert received SFI or AISH benefits[6].

Table 7.0 on the next page illustrates what an eligible single adult receiving maximum core benefits[7] through the Income Support Program, an adult receiving AISH and an adult earning minimum wage would be able to pay for rental accommodation based on CMHC's affordability thresholds.

[6] Income assistance benefits received by households are reflected in a household's personal tax return as part of Total Income earned for the year. Total income was used to estimate the number of household's in Core Housing Need within St. Albert.

[7] Core Benefits consist of core essential (food, clothing, household & personal needs), core shelter (rent, mortgage & utilities) and National Child Benefit Supplement.

2.0 Housing Supply

Table 7.0: Percentage of Income for Median Market Rent in St. Albert, 2004

Monthly Income Source	2004 Gross Monthly Income	Suitable Unit Size	CMHC 2004 Apartment Rent in St. Albert	Apartment Rent as a % of Income
1Adult - Core Benefit (ETW*)	$ 402.00	1-bedroom	$ 613.00	152%
Single Wage Earner at $5.90/ hr	$ 944.00	1-bedroom	$ 613.00	65%
AISH	$ 825.00	1-bedroom	$ 613.00	74%

Source: Alberta Human Resources and Employment, Income Support
* Note: ETW refers to an individual that is expected to work.

The Core Need Income Threshold for single households in St. Albert in 2004 was $24,500 annually or $613.00 monthly. Those single adults receiving Core Benefits, AISH or earning minimum wage would be paying well over 30% of their gross annual income for median rental accommodation in St. Albert. Together 550 households received income support in the form of Supports for Independence (SFI) or Assured Income for Severely Handicapped (AISH) for the fiscal year ending February 2004.

2.9 Future Housing Supply

2.9.1 Lots for Single Detached Housing Development

An inventory of vacant single detached lots conducted by the City of St. Albert Planning Department on December 31, 2003 indicated that 623 single-family lots were available for development. With single-detached housing starts averaging 386 annually in the last five years, this supply could be consumed by mid-2005. The availability of lots by neighbourhood is as follows:

- Lacombe Park – 44
- North Ridge – 97
- Erin Ridge – 284
- Oakmont – 70
- Kingswood – 123
- Various locations - 5

2.0 Housing Supply

2.9.2 Land Currently Zoned for Multiple Family Development

At present, St. Albert has 18.4 ha of undeveloped land zoned for multiple family development. These sites are a combination of R3 (13.4 ha) and R3A (4.9 ha) Districts located in North Ridge, Lacombe Park, Erin Ridge, Oakmont and Kingswood neighborhoods. Assuming an average of 90 units per hectare for R3A and 30 for R3, this land could accommodate 840 new multiple family dwelling units in the future.

2.9.3 Demand Forecast for Annexation

St. Albert's possible annexation area is 1,320 ha. Of this area, 1,070 ha would be considered for residential development. Assuming an overall density of 30 to 37 persons per gross residential hectare (Policy 4.10(2) or up to 39 persons per gross residential hectare as identified in Policy 4.11 (3) of the Municipal Development Plan, the annexed area could potentially accommodate an additional 39,590 to 41,730 residents.

3.0 Core Housing Need and Gaps in the Housing Continuum

This section provides an estimate of the degree of affordable housing need in St. Albert by determining the number of households, who must pay in excess of 30% of gross annual income to acquire suitable and adequate median rental housing. It identifies trends in housing sales and rental costs in St. Albert for the 2001/ 2003 period. The long-term implications of local housing trends on housing affordability within St. Albert are discussed. The section concludes by identifying the gaps along the current housing continuum.

3.1 Estimated Core Housing Need

Canada Mortgage and Housing Corporation (CMHC) consider the adequacy, suitability and affordability of housing within a community when assessing housing need. Affordability is the most significant factor as housing demand is directly tied to household income. CMHC has determined that a household is in Core Housing Need if it must pay more than 30% of its gross annual income for median market rent or more than 32% of gross annual income (including taxes and utilities) for home ownership that is adequate and suitable. For the purpose of this study, the cost of rental housing is used because of the difficulty tracking mortgage payments.

CMHC in partnership with Alberta Seniors has developed Core Need Income Thresholds to assist in estimating the number of households that may be in Core Housing Need and they are also used by the province to determine those households that may require social housing assistance. The Core Need Income Thresholds (CNITs) are based on the median market rent for one, two and three-bedroom rental units within St. Albert. Housing affordability is determined by comparing a household's gross annual income to the Thresholds for a particular municipality. Households with annual incomes equal to or less than the CNIT are said to have insufficient income to afford the ongoing cost of suitable and adequate rental units in their community.

The foundation for this estimate is readily available information including the 2001 Taxfiler data from Statistics Canada and the 2001 Core Need Income Thresholds (CNIT) calculated by Canada Mortgage and Housing Corporation (CMHC) in partnership with Alberta Seniors.

There are a number of assumptions underpinning this estimate of need for affordable housing.

.1 **Housing affordability and demand are directly related to level of income**. CMHC has determined that housing is affordable if it costs a household no more than 30% of gross annual income for rental accommodation or no more than 32% of gross annual income (including taxes and utilities) for home ownership that is suitable.

.2 **CMHC's Core Need Income Thresholds are used to estimate the need for affordable housing because of the difficultly associated with tracking mortgage payments** [8]. Core Need Income

[8] Mortgage payments can vary greatly depending on when a home was purchased. This in turn affects the purchase price of the home and the size of the down payment.

3.0 Core Housing Need and Gaps in the Housing Continuum

Thresholds are based on 30% of median market rent. In 2001, the CNIT's for St. Albert ranged from $21,500 for a 1-bedroom suite to $39,500 for a 4+-bedroom suite. For the purposes of this study, it is assumed that a one-bedroom suite is the minimum suite size for non-family (single) households. Singles require a minimum annual salary of $21,500 or $537/ month in order to remain above the Core Need Income Threshold. Two or more bedrooms are considered to be the minimum suite size for lone-parent and couple households (families). Families require a minimum annual salary of $27,000 or $675/ month for a 2-bedroom suite and $39,500 or $988/ month for 4-bedroom suite, in order to remain above Core Need Income Threshold.

.3 **Affordability estimates may tend to be overstated as Statistics Canada Data is based solely on declared income and does not take into account a household's equity position or level of debt**. Core housing need estimates may tend to be more distorted when working with those aged (55-65+) and youth or young adults (0-24). Those aged 55 to 65+ because of their stage in the lifecycle may appear to be within a lower income range, yet may have a high equity position and could conceivably acquire a house. Youth and young adults tend to remain in the family home or are able to share accommodation. To compensate for possible distortion in estimating core-housing need the following assumptions were made in calculating Core Housing Need:

- 3/4 of singles (0-24) are youth living in the family home or single adults, who are able to share accommodations;
- ½ of those households aged 55 to 65+ may be expected to be in core housing need based on low income, yet they have paid off their mortgage[9].

Table 8.0 summarizes the number of households earning gross annual incomes at or below the Core Need Income Thresholds. Based on household income data for 2001 derived from Statistics Canada, Taxfiler data and the Core Need Income Thresholds received from Alberta Seniors, it is estimated that of the total 20,820 households in St. Albert that as few as 2,532 (12%) to as many as 3,282 (16%) of households in St. Albert may be in core housing need[10]. It is estimated that:

- 645 to 1,130 **couple households** may be in Core Housing Need. Twenty-five percent of couple households in core need earn less than $20,000 annually.
- 595 to 860 **lone-parent households** may be in Core Housing Need. Of the lone-parent households, persons aged (25-44) represent 67%.

[9] CMHC is currently undertaking a study that assesses the number of single seniors who have both low income and a low equity position as opposed to low income and high equity position. Initial findings indicate that within all CMA's across Canada, 54.4% of those single seniors within Core Housing Need have both low income and a low equity position.

[10] The number of households in Core housing need have been adjusted as per the assumptions identified in this Section.

3.0 Core Housing Need and Gaps in the Housing Continuum

- 1,292 (39% of all households within Core Need) (6% of total households) **non-family (single) households** earn less than $21,500 and may be in Core Housing Need. Non-family (single) households represent the group with the greatest need for affordable housing both in terms of lowest income level (< $25,000) and number of households. Eighty-two percent of non-family households earn less than $20,000 annually. Seniors represent the largest proportion of this group at 34%.
- Together 15% of households in Core Need received income support in the form of Supports for Independence (SFI) or Assured Income for Severely Handicapped (AISH) for the fiscal year ending February 2003.

Table 8.0: Estimate of Households in Core Housing Need (2001)

Income Range	Non-family households		Family households[11]			
	No. of Households	1-Bdrm Threshold	No. of Households	2- Bdrm Threshold	3- Bdrm Threshold	4+- Bdrm Threshold
$ 0 -$9,999	327		290			
$10,000 - $14,999	372		160			
$15,000 - $19,999	358		220			
$20,000 - $24,999	235	$21,500	235			
$25,000 - $29,999			335	$27,000		
$30,000 - $34,999			350		$34,500	
$35,000 - $39,999			400			$39,500
$40,000 - $44,999						
Total No. of Non-family Households Below Core Housing Need [12] as a % of all Households	1292 (6%)		Total No. of Family Households Below Core Housing Need as a % of all Households	1240 (5.9%)	1590 (7.6%)	1990 (9.5%)

Source: Statistics Canada, Small Area and Administrative Data Division, 2001
Core Need Income Thresholds, Albert Seniors, 2001

[11] Family households includes all couple and lone-parent households
[12] The total number of households within an income range is used in calculating Core Housing Need.

3.0 Core Housing Need and Gaps in the Housing Continuum

3.2 Trends in Housing Sales and Rental Costs

This section provides an indication of changing housing sales prices and rental costs within St. Albert for 2001 and 2003.

Cost of Ownership Housing

Table 9.0 identifies the sale price and number of homes sold by income range for 2001.[13]. For the purposes of this assessment, house prices are based on a five-year closed mortgage amortized over 25 years with an interest rate of 7% and a 32% gross debt service ratio.

Table 9.0 shows that in 2001, the lowest 25% of homes sold in St. Albert ranged from $60,115 to $140,267. Within this entry-level range, condominiums were priced between $60,115 and $140,267 and single detached housing were priced between $100,205 and $140,267. Only 19 homes sold for less than $80,153 and these were condominiums. The lowest priced single detached homes sold for $100,205 to $120,231, but as with the condominiums these single detached homes (27) were very limited in number representing 2% of the total 1493 homes sold in 2001. While there is lower priced housing in St. Albert, it is not likely to be readily available for purchase. It is expected that as house prices increase available supply at these lower price ranges will diminish and households will need to pay more to afford entry-level housing.

In 2001, average and high-end market housing in St. Albert was priced at $140,267 and above.

Table 9.0 also provides a comparison between 2001 and 2003 housing sales prices. In 2001, the lowest 25% of homes sold in St. Albert ranged from $60,115 to $140,267. In 2003, the lowest 25% of homes sold in St. Albert ranged from $80,153 to $160,604. The sales data indicate that the price of entry-level housing increased substantially, the supply of homes available for purchase at the lower end of the market declined, and access by lower income households to St. Albert's ownership housing market has generally declined. In addition, the supply of homes available for purchase in the average to high-end range of the market increased (i.e. 2001 home sales data from the City of St. Albert Assessment Department show that four (4) homes valued at $400,768 and above were sold in 2001. In 2003, there were twenty (20) homes valued at $400,768 and above that were sold in St. Albert.) [14]. Moreover, the City of St. Albert Building Permit data indicates that there has been a significant decrease in the number of new homes that are less than 2,000 square feet being built.

[13] House sales prices in Table 9.0 include both new and older housing stock within St. Albert.
[14] Building permit statistics also reflect that since 2001, there has been a significant decrease in the number of new houses under 2,000 sq. ft. in size being constructed, and an even greater increase in house prices.

3.0 Core Housing Need and Gaps in the Housing Continuum

It is important to note, that sales data reflect the prices for both new and older housing stock within St. Albert and as housing prices increase and older housing stock ages, it is likely that the supply of lower cost homes will decline further.

In considering Table 8.0 together with Table 9.0, two housing markets are apparent in St. Albert – a small primarily rental housing market comprised largely of single households and a larger ownership housing market.

Cost of Rental Accommodations

In Alberta, the Core Need Income Thresholds (CNIT's) are developed every year. The CNIT's developed by CMHC in partnership with Alberta Seniors are used to assess the number of households that may be in Core Housing Need and are also used by the province to distinguish households requiring social housing assistance. Table 10.0 provides an indication of the increase in rental costs over the last three years. As shown in Table 10.0, a single household needed to have a minimum gross annual income of $21,500 in order to afford a one-bedroom apartment in St. Albert in 2001. A family household required a minimum gross annual income of $27,000 for a 2-bedroom, a minimum gross annual income of $34,500 for a 3-bedroom and a minimum gross annual income of $39,500 for 4-bedroom unit, in order to remain above Core Need Income Threshold. These figures have increased since 2001.

In 2004, a single household required a minimum gross annual income of $24,500 to afford a one-bedroom apartment. A family household required a minimum gross annual income of $29,500 for a 2-bedroom unit, a minimum gross annual income of $38,000 for a 3-bedroom and a minimum gross annual income of $41,000 for 4-bedroom unit in order to remain above Core Need Income Threshold.

Between 2001 and 2004, the income thresholds for 1-bedroom units increased by 14%, 2-bedroom units increased by 9%, 3-bedroom units increased by 10% and 4-bedroom units increased by 4% as per Table 10.0.

3.0 Core Housing Need and Gaps in the Housing Continuum

Table 9.0: Housing Affordability by Housing Sales (2001/ 2003)

Household Income	Affordable Monthly Payments (32% of income)	Approximate House Price	2001 Home Sales Single Detached[15]		2001 Row Housing Sales		2003 Home Sales Single Detached [16]		2003 Row Housing Sales	
			# Homes	% Homes	# Condos	% Condos	# Homes	% Homes	# Condos	% Homes
$ 0 - $9,999	$ 0 - $266.64	N/A	0	0	0	0	0		0	
$10,000 - $14,999	$266.67 - $399.97	$40,079 - $60,115	0	0	0	0	0		0	
$15,000 - $19,999	$400.00 - $533.31	$60,116 – $80,152	0	0	19	6.8%	0		0	
$20,000 - $24,999	$533.33 - $666.64	$80,153 - $100,204	0	0	86	30.7%	13	0.8%	11	3.4%
$25,000 - $29,999	$666.67 - $799.97	$100,205 - $120,231	27	2.2%	57	20.4%	73	4.7%	68	21.2%
$30,000 - $34,999	$800.00 - $933.31	$120,232 - $140,267	188	15.5%	56	20.0%	112	7.2%	64	19.9%
$35,000 - $39,999	$933.33 - $1,066.64	$140,268 - $160,604	263	21.7%	21	7.5%	184	9.9%	75	23.3%
$40,000 - $44,999	$1,066.67 - $1,199.97	$160,305 - $180,346	240	19.8%	26	9.3%	230	14.8%	38	11.8%
$45,000 - $49,999	$1,200.00 - $1,333.31	$180,347 - $200,383	179	14.8%	4	1.4%	257	16.5%	14	4.4%
$50,000 - $59,000	$1,333.33 - $1,599.97	$200,384 - $240,462	194	16.0%	9	3.2%	359	23%	27	8.4%
$60,000 - $74,999	$1,600.00 - $1,999.97	$240,463 - $300,578	86	7.1%	2	0.7%	237	15.2%	26	8.1%
$75,000 - $99,999	$2,000.00 - $2,666.64	$300,579 - $400,767	32	2.6%	0	0	74	4.8%	2	0.6%
$100,000 +	$2,666.67+	$400,768	4	0.3%	0	0	20	1.3%	0	0

Source: Home Sales 2001 City of St. Albert - Assessment
This table uses the 32% gross debt ratio and 25-year, 7% mortgage with monthly payments using the Canadian calculation.
Statistics Canada, Small Area and Administrative Data Division, 2001

[15] It should be noted that home sales reflect pricing for new and older housing stock.

[16] The 2004 home sales data were not available at time of production of this report.

3.0 Core Housing Need and Gaps in the Housing Continuum

Table 10.0: Core Need Income Thresholds (CNIT)
2001 – 2004

ST. ALBERT	1 BDRM CNIT	2 BDRM CNIT	3 BDRM CNIT	4+ BDRM CNIT
2001	$21,500	$27,000	$34,500	$39,500
2004	$24,500	$29,500	$38,000	$41,000
Difference between 2001 and 2004	$3,000 (14%)	$2,500 (9%)	$3,500 (10%)	$1,500 (4%)

Source: Canada Mortgage and Housing Corporation and Albert Seniors – Core Need Income Thresholds

3.3 Implications for Housing Affordability

Housing sales data from the Edmonton Real Estate Board and the City of St. Albert Assessment Department show an increase in the average sale price for single detached houses and multi-family dwellings of 21% over the 2001 to 2003 period. Table 9.0 shows that the supply of homes available for purchase by lower income households has declined since 2001 in both absolute terms and as a proportion of all homes on the market [17].

Table 10.0 indicates that on average the income thresholds for 1-bedroom units increased by 14%, 2-bedroom units increased by 9%, 3-bedroom units increased by 10% and 4-bedroom units increased by 4% between 2001 and 2004. Additionally, rental data provided by City of St. Albert Assessment indicate that the supply of rental units declined over the last 10 years due to apartment conversion and lack of new affordable apartment construction.

The St. Albert housing market is influenced by a number of factors, including but not limited to a lack of land available for residential development, lack of developers and insufficient options for affordability. St. Albert has one of the lowest inventories of land among Alberta municipalities. Because of the limited amount of developable land, fewer developers are building in St. Albert, resulting in less competition in the market. Moreover, land use related issues, such as limits on lot size, decreases the choice available to developers and potential homeowners, and likely has an impact on land costs. As well, low interest rates together with in-migration of higher income households have likely contributed to a growing proportion of large homes being built. The growing proportion of larger homes is reflected in City of St. Albert Building Permit data,

[17] Table 9.0 also indicates that some single detached homes were available at a lower in 2003 than in 2001. This variability is a function of the age, type and condition of housing stock sold in any given year. What is most important to note is that overall the supply of homes available within this lower cost bracket have declined over the 2001/ 2003 period representing a very small percentage of the total number of homes sold.

which indicates that there has been a significant increase in the number of new homes that are more than 2,000 square feet being built. These factors reinforce the perception that St. Albert is an expensive community in which to live, and must be taken into consideration when addressing affordable housing issues.

These factors have contributed to a housing trend, which sees a decline in the supply and choice of affordable housing for purchase, and rent by lower income households. This means that:

- Fewer households will be able to afford home ownership, and
- Further pressure will be placed on an already diminishing rental market, as households will find it difficult to afford home ownership.

Moreover, as housing prices continue to rise at a rate higher than income levels, the housing available to households with lower incomes will continue to diminish. As a result of declining affordable housing supply and choice, some households may choose to leave St. Albert.

Statistics Canada Census data indicate that the median household income in St. Albert increased from $59,975 in 1996 to $74,848 in 2001, an increase of 25% over five years or 10% annually. For the same time period, average single detached home sale prices in the community increased by 33% or 7% annually. At the time of production of this report, median income data was not available for the 2001 to 2003 period. However, in comparing housing prices for the 2001 to 2003 period, it was apparent that housing prices had increased by 21% or 10% annually. Based on the substantive increases in housing prices over the 2001 to 2003 period, we are quite confident saying that income levels have not increased to the same degree.

3.4 Core Housing Need at a Provincial Level

A housing survey conducted by the Alberta Urban Municipalities Association (AUMA) Housing Policy Task Force indicated that certain groups within Alberta municipalities experienced particular difficulty in accessing affordable and adequate housing[18]. The groups identified included:

- Single parent families
- The working poor (at or close to minimum wage)
- Persons with special needs
- People relying on social assistance.

[18] Alberta Urban Municipalities Association, An Agenda to Create Solutions: A report from the AUMA Housing Policy Task Force, February, 2000

3.0 Core Housing Need and Gaps in the Housing Continuum

3.5 Gaps along the Housing Continuum

Through the housing needs assessment and input received through the community consultation process, four gaps were identified along the existing housing continuum. The gaps identified are reflective of the time at which the study was undertaken. They are identified in Figure 1 and include:

Figure 1: Gaps in the Housing Continuum (2001)

Entry-Level Market Ownership Housing	Market Rental Housing	Affordable - Subsidized Housing	Special Needs Housing
Entry- Level Market Ownership Housing refers to the lowest 25% of homes sold in any given year. This category includes homes * priced between $80,153 and $140,267 in 2001 - affordable to households earning between $20,000 and $35,000 annually. Within the 2001 entry-level market there were also some homes priced between $60,116 and $80,152, however these homes were very limited and are likely to be unavailable over time due to increasing house prices and continued supply and demand pressures consequently they are not included in this category. The entry-level housing category allows households to enter the housing market and allows established households to downsize, as housing needs change.	The Market Rental Housing Category provides an alternative for households of various income ranges and for those households, who are unable to afford $80,152 or more for home ownership. The Core Need Income Thresholds (CNIT) for 2001, indicate that median market rental in St. Albert was generally affordable to households earning between $21,500 and $39,500 annually. It is likely that some market rental accommodations are available for those households earning less than $21,500 annually as the CNIT's are based on **median** market rent.	Housing for low-income households on a rent-geared-to-income basis. Rent geared to income for households earning less than $21,500 annually. Eleven percent of all households in St. Albert earn less than $21,500 annually. For these households, neither ownership housing nor rental accommodation is available without government subsidy. Rental accommodation would not be affordable (based on 30% of income) to most single households earning minimum wage except through shared accommodation, etc. Affordable Subsidized Housing provides a safety net for those households, that because of a change in circumstances are unable to retain their position on the housing continuum.	Provides stable and supportive housing. There are no shelters or transition beds in St. Albert. Youth and women use other transitional housing available in the Edmonton Capital Region. Youth use the Edmonton Youth Emergency Shelter. Special needs housing provides a safety net for those households that are unable to retain their position on the housing continuum.

* condominiums and single detached homes

The exact number of households in need of housing within each of the four housing categories is unknown. This is due to lack of available data in terms of tracking and inherent limitations in the statistical data.

3.0 Core Housing Need and Gaps in the Housing Continuum

3.5.1 Affordable Entry-Level Market Ownership Housing

Entry-Level Market Housing is a term used by the real estate industry to describe the lowest 25% of homes sold in any given year within a particular community. Based on 2001 housing sales as identified in Table 9.0 entry-level housing ranged from $60,116 to $140,267. Of the 373 entry-level homes only 19 homes sold for less than $80,153 and were condominiums. 30.7% of homes sold for $80,153 to $100,204 - these homes were condominiums. The lowest single detached home sold for $100,205. Consequently, $80,153 was selected as the bottom threshold for the entry-level housing category.

Entry-level market housing is currently available. However, as housing prices increase the bottom threshold for entry-level housing will increase, reducing the number of homes available to lower income households. This upward shift in the bottom threshold is apparent in the sales trends for 2001 and 2003. There is a need to preserve housing available within this category for households earning under $35,000 annually to ensure the continued ease of access to the ownership market and to provide greater downsizing opportunities.

Target Market Segments:
Entry-level housing is considered to be necessary for young adult singles and young families entering the housing market, lone-parent families, the mentally ill (not requiring daily support services) and seniors (65+) looking to downsize.

Housing Form:
Entry-level housing would include ownership housing in the form of small single detached houses, townhouses, semi-detached, condominium apartments, garden suites, manufactured homes and flex housing.

3.5.2 Market Rental Housing

Given increasing housing prices, land prices and limited housing stock priced between $60,116 and $80,153, it is unlikely that home ownership will be available in St. Albert for much less than $80,153. As a result some households may need to pursue other alternatives such as market rental housing. Affordable – Market Rental Housing provides an alternative for households of various income ranges and for those households that are unable to afford home ownership. The Core Need Income Thresholds (CNIT) for 2001, indicate that median market rental in St. Albert is generally affordable to households earning between $21,500 and $39,500 annually. It is likely that some market rental accommodations are available for households earning less than $21,500 annually as the CNIT are based on median market rent.

3.0 Core Housing Need and Gaps in the Housing Continuum

Target Market Segments:
Market Rental Housing is considered to be necessary for low-income and low asset seniors as well as low-income young adults, young families, the mentally ill (not requiring daily support services), fixed income residents and lone-parent families earning lower incomes.

Housing Form:
Market Rental Housing would include rental housing in the form of small single detached houses, townhouses, semi-detached, condominium apartments, and manufactured homes. Providing homes within this price range may require initiatives to preserve existing lower cost rental housing and increase the supply of low-cost rental housing.

3.5.3 Affordable - Subsidized Housing

Affordable- Subsidized Housing is a means of providing affordable rental housing for low-income households including families and singles on a rent-geared-to-income basis. The housing is often owned or managed by agencies that receive direct government subsidies or funding to operate projects and provide rent-geared-to-income support.

To qualify for social housing a household must be at or below the Core Need Income Threshold (CNIT) of the community in which it is located. In 2001 in St. Albert, the CNIT for a one-bedroom unit was $ 21,500 and the CNIT for a two-bedroom unit was $27,000. Therefore, a single earning $21,500 or less or a family earning $27,000 would qualify for subsidized housing. However, not all households that qualify for subsidized housing necessarily pursue the subsidy. Table 8.0 indicates that in 2001 there were 670 families and 1057 singles within St. Albert that earned less than $20,000 annually and would technically qualify for rent-geared-to-income subsidized housing. Those who might decide to pursue social housing and are most often considered by Alberta Human Resources and Employment are often those with the greatest need including seniors and families.

Affordable Subsidized Housing can provide a safety net for those households; that, because of crisis are unable to retain their position on the housing continuum.

Target Market Segments:
Affordable - Subsidized Housing is considered to be necessary for lower income seniors from independent living through to supportive housing, single adults, young families, lone-parent families, and physically and mentally challenged individuals living independently.

Housing Form:

3.0 Core Housing Need and Gaps in the Housing Continuum

Affordable – Subsidized housing would include rental housing in the form of townhouses, semi-detached units, apartments, seniors' lodges, cooperative housing and secondary suites.

3.5.4 Special Needs Housing

Special Needs Housing refers to a range of emergency, transitional and permanent accommodation provided to individuals and families, who require support services in order to live independently. At present there are no shelters or transition beds in St. Albert. Youth and women use transitional housing services available elsewhere within the Edmonton Capital Region. Youth from St. Albert use drug rehabilitation services and housing available in Edmonton and the youth emergency shelter in Edmonton.

Target Market Segments

Special need housing is considered to be necessary for persons with physical or mental disabilities, women, men and children (16-19) leaving dysfunctional home environments, the physically and mentally challenged, seniors requiring supportive housing, continuing care and long term care, and homeless individuals.

Housing Form:

Special Needs Housing may include a variety of housing forms including multi-unit development, purpose-built accommodation (new construction or conversion), and transitional housing or beds within single detached units. The key consideration with this housing is that it be properly integrated into the community.

4.0 Implementation Strategies

Implementation Strategies

Flowing from the needs assessment are a number of strategies which would assist in reducing barriers to affordable housing and would promote affordable, appropriate housing choices in St. Albert. These strategies are preliminary suggestions for City consideration. The strategies were validated through the Roundtable sessions and explore such areas as:

- The provision of planning incentives through policy and regulation review,
- Public education and partnership development to garner support, and
- Land Banking.

Further steps toward implementation of any of the strategies should be preceded by further prioritization, and a detailed feasibility assessment prior to specific recommendations being brought before Council for consideration. The strategies and underlying rational for each are presented below.

.1 Re-affirm Community Vision and Political Will

There is a need to reach community consensus on the type of community St. Albert should be in the future. The Vision and policies of the Municipal Development Plan identify St. Albert as an inclusive family-oriented community that provides a broad range of housing choice for various income and age groups. On the other hand, some feel that housing in the City of St. Albert should continue to cater to primarily middle and upper income groups, with the City of Edmonton and other municipalities in the Capital Region providing the majority of affordable housing and associated support services. Without a consensus on the vision for St. Albert, it is difficult to move forward with specific initiatives aimed at increasing the supply of affordable housing and broadening housing choice.

.2 Create Incentives by Developing Inclusionary Housing Policies

It is recommended that in preparing and reviewing area structure plans, a mix of housing types and tenures be encouraged to accommodate a range of age groups in all phases of the life cycle. It is further suggested that providing 10-15% of dwelling units that are affordable within neighbourhoods is the right ratio without diminishing property values (Perks et al, 1996, 3 [19]). Incentives the City might consider to encourage greater housing choice and affordability may include a density bonus to any developer prepared to include affordable housing in a new development or review of off-site levies.

[19] *Perks, William T. and Clark, Andrea Whiton. Consumer Receptivity to Sustainable Community Design, prepared for CMHC, April 1996.*

4.0 Implementation Strategies

Inclusionary housing policies require addressing the NIMBY attitude (Not in My Back Yard). Opponents to affordable housing typically maintain that affordable housing is not compatible with a neighbourhood because of its density, scale, and impact on parking, traffic and parks and recreation space. It is usually up to the proponent of an affordable housing project to demonstrate neighbourhood compatibility. CMHC offers seminars for communities interested in better managing issues related to NIMBY.

.3 Identify and Acquire Land for Affordable Housing

The Institute of Community Economics defines a Community Land Trust as a "private non-profit corporation created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents."

It is recommended that the City of St. Albert consider land banking to accommodate affordable housing within the area proposed for annexation to the City. This land could be provided through a Community Land Trust for development of affordable housing by a private or non-profit developer to develop perpetually affordable housing. By owning the land, the Trust is able to ensure that housing remains perpetually affordable. The Communitas Group prepared a report entitled "*Using the Land Trust Model to Facilitate an Integrated Development, St. Albert Project*" in September 1997.

The concept of land banking has already been explored by the City of St. Albert. The Communitas Group prepared a report entitled *"Using a Land Trust Model to Facilitate an Integrated Seniors Community"*. The study proposed assisting seniors in St. Albert to build affordable housing designed specifically for seniors. The recommended approach combined a community-based land trust with a resident-financed model to maintain long-term affordability. The project developed a creative financing model using price rebates for early purchasers to attract member equity. Members who pre-purchased their units would be granted a price reduction on the market price of their unit.

.4 Improve Public Awareness of Innovative 'Prototype' Communities and Housing Forms

Currently, all St. Albert neighbourhoods are 'conventional' in design, bounded by arterial roads and curvilinear streets. However, more innovative neighbourhood design trends are emerging to support and encourage more integrated communities, providing a range of housing choice including affordable housing opportunities and alternative forms of transportation. St. Albert's MDP contains policies to encourage innovative housing and neighbourhood design when supported by market demand. Alternative designs cannot only contribute to enhanced housing choice in a community, but can also add variety to the character and form of neighbourhoods.

4.0 Implementation Strategies

Two emerging trends are 'New Urbanism' and 'Transit Oriented Development'. New Urbanism is a design concept that supports development of integrated communities and encourages:

- Diversity in land uses and population.
- Wide range of housing choice.
- Design that accommodates pedestrian, bicycles, transit and cars.
- Public streets and opens spaces that are well connected.
- Architecture and landscape design that respect local history and conditions.
- Integration with the natural environment.

Terwillegar Towne in Edmonton and McKenzie Towne in Calgary are two suburban developments based on new urbanism design principles. Transit Oriented Development (TOD) is a higher density, mixed use community that combines residential, retail, office, open space and public uses in a way that makes it convenient for residents and employees to travel by transit, foot and bike. Normally, the center of a TOD neighbourhood has a transit station. As newer development forms are only just appearing in western Canada, there is limited public awareness of the benefits and desirability of innovative residential communities.

In addition to conventional higher density building forms such as townhousing and mid-rise and high-rise apartments, affordable housing can take other types of forms, including the following:

- Manufactured homes, which are pre-built in a factory, have the potential to supply affordable housing to many low and middle income families. This provides integration of lower income residents into the greater community because a larger proportion of people can afford to own their homes. A CMHC research report indicates that in the United States in 1999, manufactured homes accounted for 35% of all new homes sold. In Canada, the figure is closer to 3%. The difference is due largely to the legislative environments. The industry faces its greatest barrier at the municipal levels with zoning restrictions, often related to outdated perceptions of this housing form.
- FlexHousing describes an emerging innovative design concept for housing units. It allows homeowners to occupy dwellings for longer periods of time, perhaps over their entire lifetimes. FlexHousing buildings are pre-planned and built to adapt to the changing and evolving needs, circumstances and levels of physical ability of their occupants. Changes to these units can be made with ease and minimum expense. Examples include making a house wheelchair accessible, adding a separate suite or converting a room to another use. McGill University professors Avi Friedman and his colleague Witold Ryboznski introduced as their solution to affordable housing a FlexHousing form called the Grow Home, a single unit in a row of townhouses with expandable interior living spaces.

Innovative neighborhood and housing design trends were supported by participants to the Workshops and Roundtable Sessions. Features that they believed to be important in affordable housing included: flex housing, more heterogeneous housing stock in neighbourhoods to initially ease access to the housing market and to later allow downsizing when housing needs and life cycle stages changed, manufactured housing, integrated and intergenerational neighbourhoods, diversity in design to allow greater accessibility to seniors and those with activity limitations, and consideration of a land trust.

4.0 Implementation Strategies

.5 Increase Density Through Lot Design and Building Form

Construction costs for new housing are generally the same throughout the Capital Region. The variable that most affects housing costs is the land component including the cost of servicing. Housing becomes more affordable at higher densities, as construction and land costs per square foot of building are lower and the per unit land cost decreases. Higher densities also facilitate more cost-effective delivery of municipal and community services, therefore providing for more sustainable development. It is recommended that as part of the review of the St. Albert Land Use Bylaw currently underway, the questions of permitting smaller lot sizes and more dense forms of multi-unit housing be explored. A worthwhile exercise would be to compare allowable densities for townhousing, low rise and mid-rise apartment in St. Albert with the City of Edmonton, Sherwood Park, Red Deer and other Alberta communities of comparable size.

.6 Allow Garden and Secondary Suites as an Alternative Form of Affordable Housing

Garden and secondary suites can provide an alternative form of affordable housing. Given building code issues, it is usually expensive and difficult to retrofit existing housing stock for secondary suites or garden apartments. However, the potential exists through the Land Use Bylaw to make provision for secondary suites or garden apartments in new neighbourhoods as a cost effective source of rental accommodation. For example, zoning in the 'New Urbanist" community of Terwilliger Town in Edmonton allows for the construction of secondary suites above garages. Secondary suites become "mortgage helpers" by providing the ability for a property owner to generate additional income that can help to offset the homeowner's housing costs. Consideration may also be given to working with the manufactured housing industry to expand the implementation of this affordable housing strategy. It is also suggested that a policy to preserve existing affordable rental properties be developed to ensure that efforts to create new affordable housing are not undermined.

.7 Increase Density on Underutilized Sites

The City of St. Albert, through provisions in its Land Use Bylaw and Municipal Development Plan, should identify opportunities to increase development densities to make more efficient and effective use of existing infrastructure and avoid costs associated with continued suburban expansion. The City of Edmonton recently identified various methods of doing this in their *Smart Choices for Developing Our Community* document. CMHC's *Practices for Sustainable Communities* identifies the following five categories of residential intensification:

4.0 Implementation Strategies

- Conversion – increasing the number of dwelling units by renovating or adding to existing dwellings.
- Infilling – construction of new housing in existing serviced residential areas (e.g. vacant lot or side yard).
- Redevelopment – construction of new housing on abandoned or underused sites in serviced non-residential areas.
- Adaptive reuse – creation of housing in existing buildings not originally residential (eg. warehouse). i.e. Grandin Mall
- Suburban densification – development of new subdivisions at higher than average densities.

.8 Implementation of the Strategies

Listed below is a framework for future City Council actions as it relates to the facilitation of affordable housing choices in St. Albert. These steps include:

- Reaffirmation of the St. Albert City Plan Vision and the goal of Section 4.0 Housing and Neighbourhood Design.
- Review and possible modification of operational policies in the Municipal Development Plan, Area Structure Plans and the Land Use Bylaw, to support the facilitation of affordable housing choices in St. Albert.
- Agreement in principle for the four (4) housing gaps discussed under Section 3.0.
- Establishment of the position of Affordable Housing Coordinator to:
    - develop a more detailed implementation program,
    - facilitate, and coordinate implementation of the Council-approved recommendations relating to the final report,
    - monitor changing housing needs in St. Albert on an annual basis,
    - further investigate funding available for affordable housing,
    - discuss with CMHC the development of a home ownership education program,
    - meet with housing industry representatives on a regular basis to identify housing needs and opportunities, and
    - develop effective relationships with not-for-profit, public and private organizations toward more efficient, intentional, outcome oriented partnerships.

5.0 Funding Options

The high cost of land and housing in St. Albert require that various sources of funding be considered in the provision of affordable housing. This Section provides some possible sources for consideration.

.1 Municipal Funding Support

Municipal Councils sometimes make funding available for affordable housing projects. This can take the form of providing land at below market value on a long-term lease basis to reduce the cost of housing.

.2 Affordable Housing Partnerships

CMHC's Canadian Centre for Public / Private Partnerships in Housing promotes and facilitates partnerships to increase the supply of affordable housing. The center gives advise on legal, financial and regulatory solutions, experiments with new financing and tenure agreements and disseminates information on successful practices.

Partnerships can take various forms and involving municipal, provincial and federal governments; the private sector; non-profits groups or a combination of these. They are often used to bring together sufficient financial resources to make a project economically feasible. For example, Credit Unions often get involved in community based affordable housing projects. Common organizational approaches include joint ventures; build, operate and transfer; outsourcing and contracting out; and privatization.

.3 Funding from Government Sources

The Affordable Housing Partnership Initiative is a federal / provincial program that provides funding of up to $50,000 per unit to provide affordable housing. Proposals must respond to clearly identified needs of a municipality. Proposals involving strong partnerships are given priority.

CMHC's Proposal Development Funding (PDF) can provide interest-free loans to help with the up-front expenses incurred during the process of developing a proposal for a non-profit or for-profit affordable housing project.

Residential Rehabilitation Assistance Program (RRAP) CMHC makes funding available for repairing and upgrading older buildings (rented or owned) to provide affordable housing.

Infrastructure Canada-Alberta Program (ICAP) provides municipalities with funds to upgrade municipal infrastructure. Affordable housing initiatives could be considered but they are regarded as a secondary priority.

5.0 Funding Options

The following summary of government funding sources was prepared by the City of St. Albert Planning Services Department at the request of the St. Albert Affordable Housing Advisory Board in order to provide them with greater detail regarding funding options that may be pursued by the City or the private sector in considering affordable housing in St. Albert. Additionally, two Internet sites have been identified for further information.

Provincial Housing Programs:

Alberta Seniors administers programs for both seniors and low-income groups.

Community Housing Program

The Community Housing Program provides subsidized rental housing for low-income families, senior citizens, wheelchair users, or individuals who cannot afford private sector accommodation. Management and tenant selection are the responsibilities of management bodies. Applicants are given priority based on need, as determined by income, assets and current housing condition. Rents are based on 30 percent of a household's adjusted income. Operating deficits and amortization are cost-shared by Canada Mortgage and Housing Corporation (CMHC) and Alberta Seniors.

Rent Supplement Program

The Rent Supplement Program provides assistance to households in need to obtain affordable and suitable rental accommodation by subsidizing rents in eligible private sector rental projects. Management and tenant selection is the responsibility of the local management body. Applicants are prioritized on the basis of need, as determined by income, assets and current housing conditions. Through management bodies, Alberta Seniors and Canada Mortgage and Housing Corporation pay private landlords a 'rent supplement' to subsidize the difference between a negotiated market rent and 30 percent of household income.

Private Non-Profit Housing Program

No new funding is available for this program.

Senior Citizens Self Contained Housing Program

Apartment accommodation is provided for low-income senior citizens who cannot afford private sector accommodation. Rent is based on 30 percent of a household's adjusted income. The Province owns the apartments, however, management and tenant selection are delegated to local management bodies.

Senior Citizens Lodge Program

Lodge accommodation offers single or double bed/sitting rooms, meals, housekeeping, and recreation services. Management and tenant selection are delegated to local management bodies. Municipalities, which are members of the management body, financially support the lodges by paying the facility's operating deficit while the Province provides funding through the Lodge Assistance Program.

5.0 Funding Options

Special Purpose Housing Program

No new funding is available for this program.

Affordable Housing Partnerships Initiative

Provides capital grants to assist in the construction of new affordable housing projects, major renovations to convert existing non-housing projects into housing, or undertake renovations to return vacant housing to the market or prevent dislocation due to dilapidation. The program provides matching funding from Provincial and Federal sources to facilitate the development of affordable housing in high-need areas of the province. Applications are available from Alberta Seniors (need not only be a seniors oriented project) and are considered annually. The formation of partnership funding and planning organizations are strongly encouraged. Approved projects must remain as affordable housing for at least 20 years.

Federal Housing Programs administered by the CMHC:

Residential Rehabilitation Assistance Program (RRAP) – Conversion

This program provides fully forgivable loans for the conversion of previously non-residential buildings to create affordable rental accommodation. Loans do not have to be repaid should the owner meet certain conditions, with the maximum loan of $24,000 per unit.

Residential Rehabilitation Assistance Program (RRAP) – Homeowner

This program offers financial assistance to low income households in the form of loans or grants depending on region and case specifics, up to a maximum value of $16,000. The homeowner RRAP is aimed primarily at facilitating renovations to sustain existing housing stock, such as improvements or repairs to structural elements, heating, electrical, plumbing and fire safety systems.

Residential Rehabilitation Assistance Program (RRAP) – Disabilities

This program is aimed at retrofitting housing for persons with disabilities, either owner occupied or landlord owned rental property. Other eligibility criteria include low household incomes, low property value, or low rents and low-income tenants. Funding is in the form of a forgivable loan up to a maximum of $16,000 for a home or rooming house or $24,000 for a rental building.

Details on all the above programs can be found at the following two Internet sites or through contact with the Planning Services Department:
http://www.seniors.gov.ab.ca/housing/
http://www.cmhc.ca/en/

5.0 Funding Options

.4 Non-Government Funding Sources

The Alberta Real Estate Foundation (AREF) provides funding for research and project development for affordable housing initiatives. Other charitable, faith organizations and service clubs get involved in providing funding assistance and/or sponsoring affordable housing initiatives (e.g. Lion's Club Lease for Life projects).

6.0 Fiscal Impact Analysis

An analysis of the financial impacts to the City of St. Albert in implementing affordable housing is presented in this section.

A fiscal impact analysis was undertaken to measure the preliminary financial implications to the City of pursuing various affordable housing forms on a demonstration site basis with build out of one net hectare.

The analysis considers the assessment generated from each housing form and the net operating costs to the City associated with providing municipal services to the population residing in the units.

The fiscal impacts associated with the various affordable housing forms are then compared with the fiscal impacts of comparable developments representative of conventional housing in the City. This analysis provides an indication of the opportunity cost to the City of pursuing affordable housing over conventional housing.

6.1 Study Limitations

A number of limitations to the analysis exist, including the following:

- The analysis does not address the projected demand or uptake in that demand for the various affordable housing forms in the City of St. Albert. The actual fiscal impacts associated with affordable housing will be dependent on several factors, including: land area allocated for affordable housing, the types of affordable housing that would occur, the number of units constructed for each housing form, and the rate at which these units would be constructed. Once specific housing strategies are defined a more detailed and complete fiscal impact analysis that would incorporate the factors above should be completed.
- The analysis does not include any costs that may be incurred by City in the way of subsidies provided to encourage the development of affordable housing units, including the provision of municipally owned land at below market value.
- The analysis assumes that the net municipal operating costs, on a per capita basis, associated with residents in affordable housing are the same as for the City's population residing in conventional housing.[20]
- The analysis assumes no net capital cost impacts to the City.
- The analysis assumes a continuation of the existing uniform property tax rate for residential properties. A differential tax rate across residential assessment classes will affect the property tax revenues calculated in the analysis.

[20] It can be expected that people residing in affordable housing may require additional family and community support services.

6.0 Fiscal Impact Analysis

6.2 Analysis Assumptions

The key assumptions incorporated into the analysis are summarized below.

- **Affordable Housing Forms**: The analysis includes four types of affordable housing forms:[21]
  - Single family housing (detached garage, average house size of 1,100 square feet, 9 metre lot width)
  - Duplexes / semi-detached housing units (average house size of 1,100 square feet)
  - Townhouses (average house size of 1,100 square feet)
  - Apartments (including both one and two-bedroom units, averaging 650 square feet to 800 square feet)

  While these housing forms currently exist in the City, affordable housing in each of these forms would be comprised of developments that are of lower construction quality and finish (sometimes referred to as "modesty standards") as compared to conventional housing – thus making them more "affordable".
- **Land Density**: The City's Land Use Bylaw outlines permitted land densities for various housing structures. For the purposes of this analysis, it has been assumed that duplexes would have the lowest land density with 26 units per net hectare. Single-family units on small lots (9 m lot widths) would generate 28 units per net hectare followed by townhouses with 32 units per net hectare.[22] Apartments would have the highest land density of 75 units per hectare.
- **Household Size**: The average household sizes corresponding to the various housing forms are based on the City's 2003 Municipal Census.
- **Assessment Per Unit**: To calculate the municipal property tax revenues that would be collected from the various housing forms, projections of assessment are required. The assessment information incorporated into the analysis was obtained from experts in the housing industry and represents estimated market values of newly constructed dwelling units.[23]
  - Single-family housing: $175,000 per unit
  - Duplexes: $160,000 per unit
  - Townhouses: $140,000 per unit
  - Apartments: Average of $100,000 per unit, based on an equal mix of one and two-bedroom units.
- **Property Tax Rates**: For the purposes of the analysis, the 2004 residential property tax rate (municipal portion) of 9.354 mills was used to calculate the property tax revenues that would be collected from each housing form.

[21] Although secondary suites have also been identified as an affordable housing form, data relevant to secondary suites was not available at the time of this analysis.
[22] The land density factor for the single-family 9 m lot widths is based on an analysis completed for the City in 2003.
[23] Source: Armin Preiksaitis, Armin A. Preiksaitis & Associates Ltd.

6.0 Fiscal Impact Analysis

- The incremental operating costs and revenues included in the analysis are based on the City's Municipal Fiscal Impact Model.[24]
  - **Operating Costs:**[25] In the Fiscal Impact Model, operating costs are projected using a marginal cost approach, whereby a specified percentage of each City department's Base Year operating costs are fixed and not affected by growth, and the remaining portion of costs are variable and driven by population growth.[26,27] The operating costs attributed to the various housing forms reflect the incremental costs to the City of providing municipal services to the people residing in these units.

    On a per capita basis, total marginal operating costs equal approximately $610.

    While the marginal cost approach has been used in previous fiscal impact analyses completed for the City using the Fiscal Impact Model, Council made a request to report on the impacts using the average cost approach. The findings are presented in Appendix E.

  - **Operating Revenues**:[28] Departmental operating revenues are projected based on cost recovery rates.[29] With the exception of the utility functions, the cost recovery rates assumed in the model are consistent with the cost recovery rates calculated based on the Base Year data seeded into the model.[30]

    Operating revenues average approximately $210 per capita

  - **Net Operating Costs:** On a per capita basis, total net operating costs equal to $400.

- **Capital Costs:** At this time, no capital costs that would be incurred by the City as a result of pursuing any of the affordable housing forms have been identified.

[24] The most current and complete version of the model is based on 2002 Base Year data. More recently, the model was updated to reflect revised estimates of 2002 population.
[25] In the model, operating expenditures are net of transfers to reserves and capital-related expenditures.
[26] This differs from average costing, which includes both fixed and variable operating costs in calculating an average operating cost. Thus on a per capita basis, both fixed and variable costs are assumed to grow with population using the average cost approach.
[27] The fixed / variable splits assumed in the model are based on analysis undertaken by the City in 2002.
[28] In the model, departmental operating revenues are net of taxes and tax-related revenues, operating grants, transfers from reserves and investment income.
[29] Capital costs are not included in the calculation of cost recovery rates, with the exception of the utilities (water, sanitary sewer, waste, storm sewer).
[30] The cost recovery rates for utility functions were adjusted and set at 100%.

6.0 Fiscal Impact Analysis

6.3 Fiscal Impacts

The fiscal impacts associated with each housing form are summarized in the table below. Key findings include:

- Based on the assumptions in the analysis, each of the affordable housing forms produces a positive fiscal impact.[31]
- Assuming the full build out of a one-hectare site of affordable housing, the net positive impacts range from $10,891 (single-family) to $18,555 (apartments). The municipal property revenues collected exceed the net operating costs of providing municipal services to the additional population base.
- While apartments will generate the highest net operating costs due to a larger population, the number of apartment units that can be constructed on a one hectare site is also considerably greater compared to the other housing forms, thus generating a greater assessment base. On the one-hectare site, the estimated assessment for apartments is $7.5 million compared to $4.9 million for single-family dwelling units.
- On a per dwelling unit and per capita basis, the net benefits of the affordable housing forms are substantively different due to differences in density of units per hectare and people per dwelling unit.

[31] See Subsection .1 Study Limitations.

6.0 Fiscal Impact Analysis

Figure 2: Fiscal Impacts of Affordable Housing Forms

	Single-Family (9 m)	Duplexes / semi-detached	Townhouses	Apartments
Unit Size (SF)	1,100	1,100	1,100	650-800
Land Density (per net ha)	28	26	32	75
Land Area (net ha)	1	1	1	1
# Units	28	26	32	75
Average Assessment	$175,000	$160,000	$140,000	$100,000
Total Assessment	$4,900,000	$4,160,000	$4,480,000	$7,500,000
Residential Municipal Property Tax Rate (2004)	9.354	9.354	9.354	9.354
Total Property Tax Revenues	**$45,835**	**$38,913**	**$41,906**	**$70,155**
Average Household Size	3.12	2.55	2.21	1.72
Total Population	87	66	71	129
Net Cost Per Capita	$400	$400	$400	$400
Total Net Operating Costs	**$34,944**	**$26,520**	**$28,288**	**$51,600**
Net Impact				
Benefit (Cost) per ha	**$10,891**	**$12,393**	**$13,618**	**$18,555**
Benefit (Cost) per Dwelling Unit	**$389**	**$477**	**$426**	**$247**
Benefit (Cost) per Capita	**$125**	**$187**	**$193**	**$144**

6.4 Opportunity Cost of Affordable Housing Development

While the findings of this analysis indicate the City could financially benefit from affordable housing, a more complete understanding of the fiscal impacts includes a comparison of the fiscal impacts to the City of developing the "demonstration site" with conventional housing of similar types.

An alternate conventional housing development scenario was defined which assumed the same housing forms and development parameters as with affordable housing, with the exception of the assessment generated on a per unit basis. To reflect better construction finishes in conventional housing, the average assessment per unit was assumed to be higher for conventional housing.[32]

- Single-family housing: $200,000 per unit (14% higher than affordable housing)
- Duplexes: $190,000 per unit (19% higher than affordable housing)
- Townhouses: $190,000 per unit (36% higher than affordable housing)
- Apartments: Average of $135,000 per unit, based on an equal mix of one and two-bedroom units. (35% higher than affordable housing)

[32] Housing cost information provided by Armin Preiksaitis, Armin A. Preiksaitis & Associates Ltd., based on discussions with experts in the housing industry.

6.0 Fiscal Impact Analysis

Based on the higher assessed values, the municipal fiscal impacts associated with conventional housing are considerable higher. The figure below provides estimates of the fiscal impacts of conventional housing measured on the same basis as the affordable housing forms.

The results of this analysis indicate that each of the conventional housing forms provide a net positive fiscal impact which is higher than that achieved for the comparable affordable housing forms.

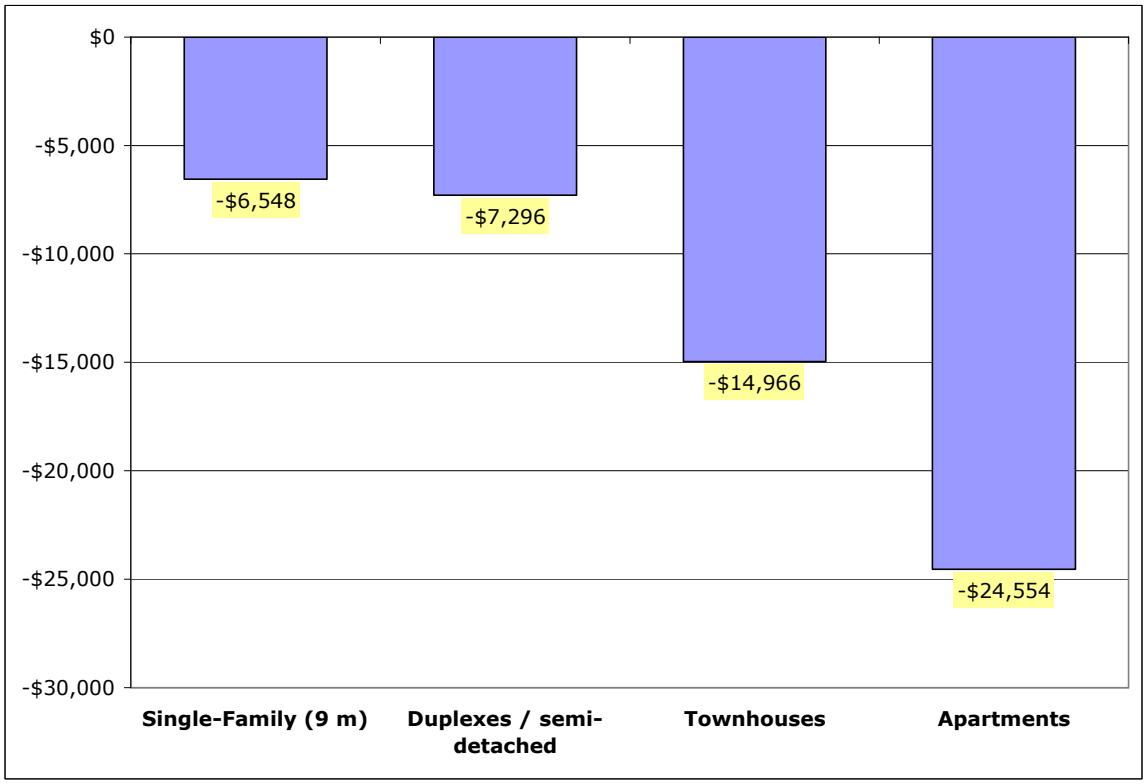
Figure 3: Fiscal Impacts of Conventional Housing Forms

	Single-Family (9 m)	Duplexes / semi-detached	Townhouses	Apartments
Unit Size (SF)	1,100	1,100	1,100	650-800
Land Density (per net ha)	28	26	32	75
Land Area (net ha)	1	1	1	1
# Units	28	26	32	75
Average Assessment	$200,000	$190,000	$190,000	$135,000
Total Assessment	$5,600,000	$4,940,000	$6,080,000	$10,125,000
Residential Municipal Property Tax Rate (2004)	9.354	9.354	9.354	9.354
Total Property Tax Revenues	**$52,382**	**$46,209**	**$56,872**	**$94,709**
Average Household Size	3.12	2.55	2.21	1.72
Total Population	87	66	71	129
Net Cost Per Capita	$400	$400	$400	$400
Total Net Operating Costs	**$34,944**	**$26,520**	**$28,288**	**$51,600**
Net Impact				
Benefit (Cost) per ha	**$17,438**	**$19,689**	**$28,584**	**$43,109**
Benefit (Cost) per Dwelling Unit	**$623**	**$757**	**$893**	**$575**
Benefit (Cost) per Capita	**$200**	**$297**	**$404**	**$334**

Illustrating the difference in net impacts between affordable and conventional housing, the graph in Figure 4 provides an estimate of the net loss benefit of proceeding with affordable housing on a "demonstration-site" as opposed to developing the same site with conventional housing. On a full build out of one hectare, the greatest difference is for Apartments ($24,554 per hectare) while the smallest difference is for Single Family units on 9 metre lots ($6,548 per hectare).

6.0 Fiscal Impact Analysis

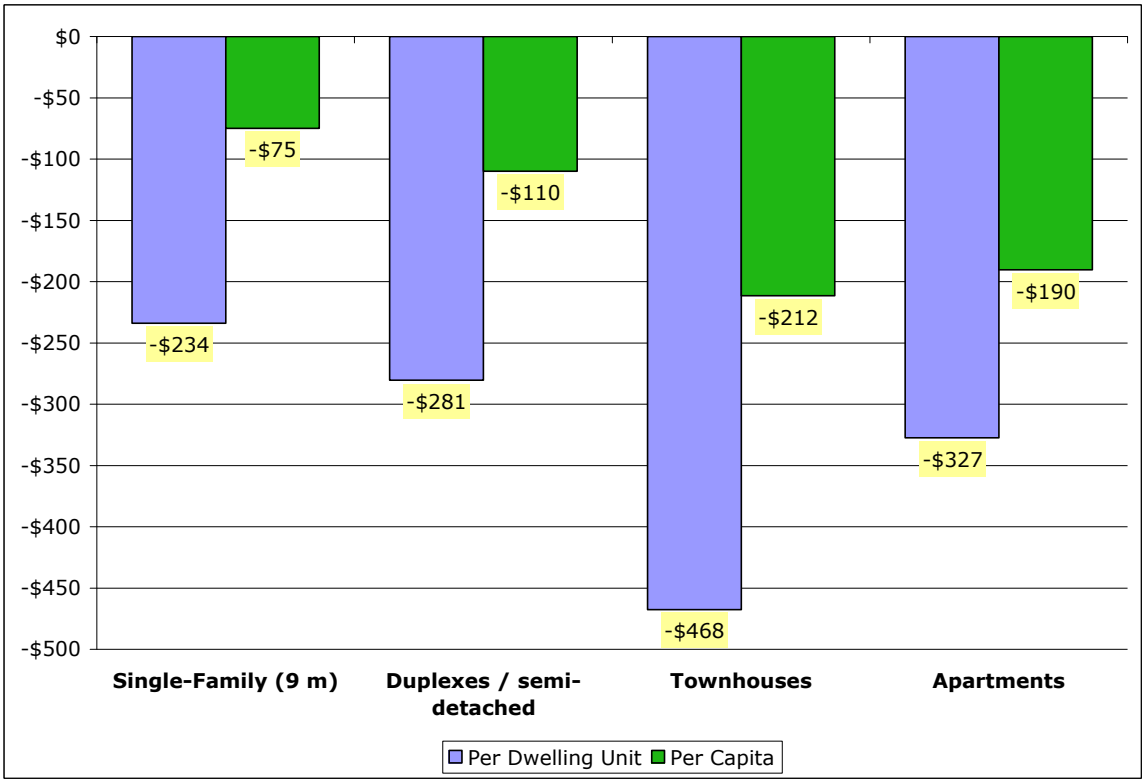
Figure 4: Loss in Net Fiscal Impacts (Per Hectare) of Affordable Housing Over Comparable Conventional Housing



When viewed on a per dwelling unit and per capita basis, these results are significantly different. On this basis, the difference is greatest for Townhouses ($468 per dwelling unit and $212 per capita). The difference is smallest for Single Family units on 9 metre lots ($234 per dwelling unit and $75 per capita).

6.0 Fiscal Impact Analysis

Figure 5: Loss in Net Fiscal Impacts (Per Dwelling Unit / Capita) of Affordable Housing Over Comparable Conventional Housing



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APPENDICES A - D

APPENDIX A:

Definitions

Appendix A: Definitions

Adequate Housing refers to housing that is not in need of major repairs and does not lack necessary facilities and services as defined by governmental standards.

Affordable Housing refers to housing that costs less than or equal to 30% of a households gross annual income while still meeting the suitability and adequacy standards prescribed by the provincial government.

Affordable - Subsidized Housing is affordable rental housing owned or managed by agencies that receive direct government subsidies/ funding to operate projects and provide rent-geared-to-income support for low-income tenants. The difference between the actual rent paid and the rent required to cover all operating and maintenance costs is provided by the government through subsidies.

Census Family refers to a married couple (with or without children), a couple living common-law (with or without children), or a lone parent of any marital status with at least one child living in the same dwelling.

Core Housing Need refers to a measurement developed by Canada Mortgage and Housing Corporation. Core Housing Need refers to households who must pay in excess of 30% in the case of rental accommodation or 32% in the case of home ownership (includes taxes and utilities) of their gross income in order to acquire adequate and suitable housing.

Core Need Income Thresholds (CNIT) are calculated by Canada Mortgage and Housing Corporation in partnership with Alberta Seniors to assist in distinguishing households requiring social assistance. CNIT's are established based on 30 percent of the Median Market Rent. Households with annual incomes equal to or less than CNIT are said to have insufficient income to afford the on-going costs of suitable and adequate rental units in their area.

Covenants are legal documents registered on title of a property that can be used to ensure that a house or property will remain affordable over the long-term. Most covenants cover one or both of the following: restricting resale prices/ rental rates to a fixed rate (usually linked to the Consumer Price Index or other similar benchmark); or restricting the use of the units to a particular group.

Entry-level Market Housing is market housing that provides reasonably priced homeownership opportunities. The real estate industry generally considers entry-level housing to be that portion of the local housing market that is in the lowest 25% or real estate listings. Selling prices of entry-level housing will rise or fall over time according to market forces.

FlexHousing are pre-planned buildings that are built to adapt to the changing and evolving needs, circumstances, and levels of physical ability of their occupants. Examples include making a house wheelchair accessible, adding a separate suite or converting a room to another use.

Garden Suites are small self-contained houses that are placed on the same lot as the home of close family members. These units enable older adults to live independently in the community in housing that is affordable while receiving informal support from family members.

Household refers to a person or persons living within a single dwelling unit. A household is an economic unit that includes couple and common-law families with or without children, lone-parent families, and non-family persons.

Appendix A: Definitions

Integrated Communities are communities that are designed to provide a range of housing choice for persons of various ages and income groups.

Low Income Families refers to a family living at or below the poverty line set by Statistics Canada. The poverty line differs according to size of community and family. Being below the line means a disproportionate amount of income is spend on food, clothing and shelter.

Non-Family Persons include single adult households not living with a spouse, child or parent as well as adults living with extended family.

Row Housing means development consisting of a building containing a row of two or more dwellings joined in whole or in part at the side only with no dwelling being placed over another in whole or in part. Each dwelling has separate, individual, and direct access to grade.

Secondary Suites means a dwelling unit that is self-contained, including kitchen, bathroom, living and sleeping area, but incorporated as a secondary use within an existing structure that was originally designed as a single dwelling unit.

Single Detached Housing means a development comprised of 1 dwelling unit on a site separated by open space from any development on an adjoining site.

Special Needs Housing is a range of emergency, transitional and permanent accommodation provided to individuals and families (i.e. persons with physical or mental disabilities, women, men and children leaving abusive relationships) who require support services in order to live independently.

Townhousing means a single building comprised of 3 or more dwelling units, each unit having a separate, direct entrance from the exterior and includes stacked townhousing and street-oriented townhousing.

APPENDIX B:

Housing Needs Assessment

Appendix B: Housing Needs Assessment

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Appendix B: Housing Needs Assessment

1.0 Housing Demand

The Canada Mortgage and Housing Corporation (CMHC) identifies three criteria for assessing housing need within a community including: adequacy, suitability and affordability.

1.1 Adequacy

Adequacy refers to the physical safety of a dwelling relative to the level of maintenance and repair. *The Alberta Public Health Act, Regulation 241/85* states that housing is considered to be inadequate if it requires major repairs and/ or is lacking the necessary services and basic facilities.

Table 1.0 illustrates the proportion of dwellings in St. Albert at various levels of repair. Only 4% of the dwellings in St. Albert require major repairs with the remaining 96% of dwellings requiring regular maintenance or only minor repairs. Comparatively, the 2001 Census data indicates that 6.9% of all dwellings in Alberta required major repairs. Most dwellings in St. Albert have been constructed since 1960 and are not that old. St. Albert's housing stock is relatively new with the majority of houses being under 35 years of age.

Table 1.0: Level of Repair of St. Albert Dwellings (2001)

Repairs	No. of Dwellings	% of Dwellings
Regular Maintenance Only	12,760	71%
Minor Repairs	4,525	25%
Major Repairs	800	4%
Total	18,085	100%

Source: Statistics Canada 2001 Census

1.2 Suitability

Suitability refers to a family's ability to afford the type of housing necessary to meet their needs. The *Alberta Housing Act* considers suitability of a dwelling in terms of the number of bedrooms relative to the size of the family living in the home. The *Albert Housing Act, Regulation 244/94* states that:

8(3) For the purposes of subsection (2)(a), accommodation is not suitable if

(a) more than 2 persons must share a bedroom and there is at least 1 individual in each of the other bedrooms,
(b) An individual, 18 years of age or older, must share a bedroom with another member of the household, unless the individual is married or in a common-law relationship with that member, or

(c) An individual, 5 years of age or older, must share a bedroom with an individual of opposite sex.

The number of bedrooms per dwelling is one variable to be considered in assessing suitability, however it is important to consider dwelling unit size and individual household circumstances and preferences to gain a better understanding of need. This is not possible without individual sampling of households and this was not within the scope of the project. A household's ability to meet the Alberta Housing Act regulations is likely to be an issue when they are unable to afford housing of the size necessary.

1.3 Housing Affordability

Housing affordability relates to a household's ability to acquire and maintain accommodation. A household's ability to acquire affordable housing at any given time is based on the household's level of income and the demand for and supply of housing within a particular community.

Over the last decade, St. Albert, as well as other municipalities within the Capital Region have experienced substantial growth. Some of the factors that have contributed to this growth include:

- An influx of higher income households seeking a small town ambience,
- increased net migration within the Edmonton CMA and within St. Albert,
- changes in the demographic profile and increased affluence of the baby boomer generation, and
- record low interest rates.

Together these factors have resulted in strong and continuous demand for housing and rental units within St. Albert. The increased demand together with a tight supply has ultimately resulted in an increase in housing and rental prices and a shortage of affordable housing.

This section explores in detail the changes in 1) population levels, 2) demographic profiles and 3) income structure brought about by economic changes over the last decade and the impact on housing affordability and choice within St. Albert.

1.3.1 Population Growth

Population growth can affect the demand for housing in a community and ultimately influence local housing prices. Historical and projected growth rates are shown in Table 2.0. Since 1996, the City's population has grown from 46,888 to 54,588 an increase of 7,700 residents or 16.4 %. The average annual growth rate for this same period was approximately 2.3%. In light of expected future growth in the province and region

Appendix B: Housing Needs Assessment

overall, the City of St. Albert Population Forecasting Model [33], anticipates growth over the next 5 years at 2.6% annually. St. Albert's population is expected to increase by 7,976 by 2008, reaching 62,564.

Table 2.0: Population and Growth Rate for the City of St. Albert (1984 – 2019)

Historical		Projection
Year	Population	Growth Rate
1989	39,388	2.8
1990	40,707	3.3
1991	41,745	2.5
1992	42,852	2.7
1993	44,195	3.1
1994	45,045	1.9
1995	45,895	1.9
1996	46,888	2.2
1997	48,066	2.5
1998	49,243	2.4
1999	50,479	2.5
2000	51,716	2.5
2001	52,678 [34]	1.9
2002	53,634	1.8
2003	54,588	1.8
2004	55,993	2.6
2005	57,471	2.6
2006	58,980	2.6
2007	60,754	3.0
2008	62,564	3.0
2009	64,188	2.6
2010	65,811	2.5
2011	67,457	2.5
2012	69,130	2.5
2013	70,890	2.5
2014	72,627	2.4
2015	74,384	2.4
2016	76,168	2.4
2017	77,978	2.4
2018	79,878	2.4
2019	81,752	2.3
Average Historical		2.4
Projection		2.6
Total (Historical & Projection)		2.5

Source: City of St. Albert Population Forecasting Model

[33] The Population Forecasting Model is based on a cohort survival method of projection that takes economic variables into account. For the purpose of calculating projected population to the year 2019 the model assumes a high growth scenario.

[34] Actual population 53,081based on Statistics Canada 2001 Census

Appendix B: Housing Needs Assessment

Table 3.0 provides comparisons between the population growth rates for St. Albert, Sherwood Park, and Alberta for 1996 and 2001. St. Albert's growth rate between 1996 and 2001 was 12.4%. St. Albert surpassed the provincial population growth rate by 6.2% between 1996 and 2001. While Sherwood Park's population growth exceeded that of St. Albert's by 2% with a growth rate of 15.2%.

Table 3.0: Comparison of Population Growth Rates (1996 -2001)

Municipality	1996	2001	Growth	% Change
St. Albert	46,885	53,081	6196	13.2%
Sherwood Park	39,614	45,629	6,015	15.2%
Alberta	2,780,639	2,974,810	194,171	7.0%

Source: Statistics Canada 1996 and 2001 Census
Municipal Affairs 2001 Official Population List

1.3.2 Demographics

Demographic factors such as age profile, household structure and income, influence lifestyle as well as the size and type of housing sought.

1.3.2.1 Age Profile

Figure 1.0 and Table 4.0 show a continued aging of St. Albert's population and a more family-oriented structure than that seen in the Province. For the period from 1996 to2001, the City experienced a significant increase in the proportion of residents approaching retirement age (50-64) and a decline in the proportion of young and middle-aged families aged (0-4), (5-19), (20-34), and (35-49).

For the same period, the proportion of residents' aged 50-64 increased by 3% and the proportion of seniors increased to a lesser extent by 1%. The proportion of residents' aged 50-64 was proportionately higher than the Province with respect to those approaching retirement. As compared to other age groups, the 50-64 age group experienced the largest amount of growth for the 1996 – 2001 period. This trend toward aging is reinforced in the 1996 and 2001 Statistics Canada, Small Area and Administrative Data, which indicate that the median age for the City of St. Albert increased from 33 in 1996 to 36 in 2001.

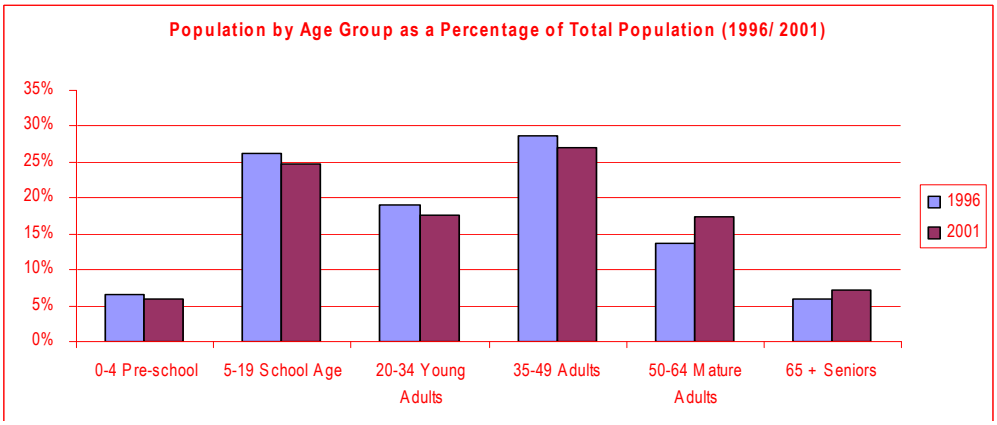
Table 4.0 also shows a lower proportion of Seniors (65+) compared to the Province.

For 1996 - 2001, the City has also seen a slight decline in the proportion of residents aged (0-4), (5-19), (20-34) and (35-49). This decline may be attributable to middle-aged families with children (35-49) aging-in-place and young families (20-34) with pre-school and school-age children moving out of the community due to housing costs. A comparison of provincial statistics illustrates that the proportion of young adults (20-34) in St. Albert has remained consistently lower at 17.7% than the Province at 22.4%.

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Table 4.0 also indicates that proportionately, school age (5-19) and adult (35-49) age groups represent the largest age groups within St. Albert accounting for just over 50% of the total population suggesting a more family-oriented structure than that found in the Province.

Figure 1.0: Population by Age Group as a Percentage of Total Population (1996/ 2001)



1996	6.5%	26.3%	19%	28.6%	13.7%	5.9%
2001	5.9%	24.8%	17.7%	27.0%	17.4%	7.2%

Source: Statistics Canada 1996 and 2001 Census

Table 4.0: Population by Age Group as a Percentage of Total Population (1996/ 2001)

Age Group	1996				2001			
	St. Albert	%	Alberta	%	St. Albert	%	Alberta	%
0-4 Pre-school	3,045	6.5%	199,940	7.2%	3,110	5.9%	185,668	6.2%
5-19 School Age	12,320	26.3%	624,234	22.5%	13,090	24.8%	642,719	21.6%
20-34 Young Adults[35]	8,905	19.0%	657,390	23.6%	9,315	17.7%	667,658	22.4%
35-49 Adults	13,420	28.6%	682,333	24.5%	14,305	27%	749,054	25.2%
50-64 Mature Adults	6,430	13.7%	345,488	12.4%	9,160	17.4%	424,355	14.3%
65+ Seniors	2,765	5.9%	271,254	9.8%	3,785	7.2%	305,356	10.3%
Total	**46,885**		**2,780,639**		**52,765**	100%	**2,974,810**	

Source: Statistics Canada 1996 and 2001 Census

[35] Young adults include early adulthood and young family.

Appendix B: Housing Needs Assessment

The St. Albert Population Forecasting Model indicates that St. Albert's population will continue to age. It is assumed that the availability of higher density multi-family dwellings will continue to be limited in St. Albert over the forecast period, leading to a continuation of the out-migration of Young Adults and Young Family household types. However, the out-migration of Young Families is assumed to slow modestly by 2019. The strongest in-migration will continue to occur in the Move Up Family (30-44 + dependents) household category. [36]

Implications of Age Profile on Housing Demand

The changing age structure has important implications for the type and form of housing that the market will be geared towards. In particular:

- The proportionately smaller distribution of persons in the young family (20 – 34) and (0-19) age category may be attributable to the cost of housing and the lack of entry-level housing within the community. Young families are either not moving to St. Albert or they are moving out.
- The increase in the (50- 64) age group will support demand for more smaller housing requiring less maintenance and empty nester or retirement housing including condominium and semi-detached housing forms.
- Growth in the proportion of seniors (65+) will increase demand for social and health care services.

1.3.2.2 Household Structure

Household structure influences lifestyle and the size and type of housing needed.

Household Type

Table 5.0: Proportion of Household Types indicates that the total number of households in St. Albert increased from 17,300 in 1996 to 20,820 in 2001 an increase of 20.3%. Couple households continue to represent the largest proportion of all households at 66.3%. On an absolute basis, couple households increased by 1800 households since 1996, but as a proportion of total households they declined by 3.1% over the five-year period. Non-family (single) households steadily increased by 2.5% and lone-parent households increased only slightly by 0.6%. The decline in the couple households may signal unmet demand for more affordable housing by young families.

The changes in household type follow a similar pattern at a national level caused by the increasing numbers of non-traditional households, such as lone parents, divorced persons, couples without children, as well as single persons. Canada Mortgage and Housing projects this trend to continue.

[36] *Source: City of St. Albert Population Forecasting Model*

Appendix B: Housing Needs Assessment

Table 5.0: Proportion of Household Types

Year	Couple		Lone-Parent		Non-Family		Total Households
	No.	%	No.	%	No.	%	
1996	12,010	69.4%	1,470	8.5%	3,820	22.1%	17,300
1997	12,530	69%	1,610	8.9%	4,030	22.2%	18,170
1998	12,900	68.8%	1,680	9.0%	4,180	22.3%	18,760
1999	13,340	68.3%	1,780	9.1%	4,400	22.5%	19,520
2001	13,810	66.3%	1,890	9.1%	5,120	24.6%	20,820

Source: Statistics Canada, Small Area and Administrative Data Division, 1996 - 2001

Table 6.0 indicates that the proportion of couple households in St. Albert in 2001 was substantially larger at 66.3% than either Edmonton (47.9%) or the Province (55%). The proportion of lone-parent households was slightly lower in St. Albert (9.1%) than Edmonton (11%) and the Province (10%). The proportion of non-couple households in St. Albert (24.6%) was considerably less than the number of non-family (single) households in Edmonton (41.1%) and the Province (35%) suggesting that non-family households may be choosing not to locate in St. Albert due to economic factors.

Table 6.0: Comparison of Household Types (2001)

Household Type	St. Albert		Edmonton		Alberta	
	No.	%	No.	%	No.	%
Couple	13,810	66.3%	148,030	47.9%	711,600	55%
Lone-parent	1,890	9.1%	33,850	11%	130,410	10%
Non-family	5120*	24.6%	126,790	41.1%	453,330	35%
Total	**20,820***	100%	**308,670**	100%	**1,295,340**	100%

Source: Statistics Canada, Small Area and Administrative Data Division, 2001

Table 7.0 shows that, between 1996 and 2001, the proportion of lone-parent households in the City increased slightly from 8.5% to 9.1%. Of the total lone-parent households in 1996, approximately 86% were female-lead and 14% were male-lead households. Since 1996, there has been a shift in the proportion of female-lead to male-lead households. The proportion of female-lead households declined by 6.8% to 79% and the proportion of male-lead households increased to 21% in 2001.

Appendix B: Housing Needs Assessment

Table7.0: Male & Female Lead Lone-parent Households as a Proportion of all Lone-Parent Households (2001)

	Lone-Parent (female)		Lone-Parent (male)		Total No.	All Households	
	No.	%	No.	%	No.	No.	%
1996	1,261	85.8%	209	14.2%	1,470	17,300	8.5%
2001	1493*	79%	397*	21%	1,890	20,820	9.1%

*Source: Statistics Canada, Small Area and Administrative Data Division, 2001 (*the ratio of female to male-lead lone-parent households as identified in the Statistics Canada1996 and 2001 Census Data were utilized to calculate the number of female and male-lead households when using Taxfiler data).*

Household Size

The Civic Census indicates that St. Albert is experiencing a shift in household size. Table 8.0: Average Household Size indicates that with the exception of 1996, the average number of persons per household has steadily declined from 3.31 to 2.87 for the period from 1985 to 2003. So too has the number of children per household. Table 9.0: Proportion of Households with Children indicates that the number of households with one child has remained steady over the 1996 to 2001 period, while the number of households with 2 children and 3 or more children decreased by 2.5% and 1.5% respectively.

Table 8.0: Average Household Size

	1985	1993	1995	1996	2000	2001	2003
Persons per Household	3.31	3.13	3.0	3.3*	2.93	2.9*	2.87

Source: St. Albert Civic Census

** Statistics Canada 1996 and 2001 Census*

Table 9.0: Proportion of Households with Children (1996 - 2001)

	1 Child	%	Two Children	%	Three + Children	%	% of Total Households with Children
1996	3,280	19%	4,170	24%	1,930	11%	54%
2001	3,960	19%	4,480	21.5%	1,970	9.5%	50%
% Change		0%		2.5%		1.5%	4%

Source: Statistics Canada, Small Area and Administrative Data Division, 1996 and 2001

Summary of Changes in Demographic Profile

Over the 1996 to 2001 period, the City of St. Albert experienced a number of changes in its demographic profile as follows:

- A decrease in the proportion of young and middle-age families with children (0-4), (5-19), and (20-34), (35-49),
- A proportionately larger distribution of those persons approaching retirement (50-64) and small increase in the 65+ group,
- A decrease in the proportion of couple households,
- An increase in the proportion of non-couple households (singles) within the community,
- An increase in the number of male-lead lone parent families, and
- A declining number of children per household and a smaller average household size.

1.3.3 Income

Income is a primary determinate of the type of housing that is available to households within a community. Canada Mortgage and Housing Corporation has determined that housing is affordable if it costs no more than 30% of a household's gross monthly income for rental accommodation or no more than 32% for home ownership.

Table 10.0: Comparison of Median Total Income by Household Type indicates that St. Albert is a relatively affluent community with median incomes that are substantially higher than the City of Edmonton and the Province. On average couple households in St. Albert earn 33.8% to 39.5% more than their counterparts within the Province and Edmonton respectively. The median incomes for lone-parent and non-couple households are also higher than those of the Province and the City of Edmonton. Median total incomes for lone-parent households exceed those of lone-parent households in Alberta and Edmonton by approximately 47%. The median income of non-couple households in St. Albert are on average 20% higher than Provincial median incomes and 27% higher than the median incomes of non-couple households in Edmonton.

Table 10.0: Comparison of Median Total Income by Household Type (2001)

Household Type	Couple	Lone-Parent	Non-Family	Total
No. of Households	13,810	1,890	5,120	**20,820**
% of all Households	71.6%	9.8%	18.6%	100%
Median Household Income	**$ 88,700**	**$ 41,900** [37]	**$ 27,600**	**$74,848**
Edmonton Median Income	$ 63,600	$ 28,400	$ 21,800	
Alberta Median Income	$ 66,300	$ 28,600	$ 23,000	

[37] The median family income for female-lead lone parent households was $37,776 and the median family income for male-lead lone parent households was $58,860 based on Statistics Canada, 2001 Census.

Appendix B: Housing Needs Assessment

Source: Statistics Canada, Small Area and Administrative Data Division, 2001

A closer look however, at the distribution of income by household type indicates that not all households are earning high incomes. Table 11.0: Household Income illustrates the income distribution for three household types including: couple, lone-parent, and non-family households. It indicates that in the case of couple households, higher proportions of households are located toward the high end of the income distribution. In the case of lone-parent household's incomes are fairly evenly distributed. With non-family (single) households however, a higher proportion of households are located toward the low end of the income distribution with 38% of all non-family households earning less than $20,000 per year. Collectively only 22% of all couple and lone-parent households earn less than $20,000 per year. The higher proportion of households found at either end of the income distribution rather than in the middle suggest some income polarization.

It is interesting to note that since 1996, the number of couple households in St. Albert earning over $100,000 annually has almost doubled from 14.4% to 26% of total households.[38]

Table 11.0: Household Income (2001)[39]

	Couple		Lone-Parent		Non-Family Persons		Total Households	
Income	Total	% Total	Total	% Total	Total	% Total		
$ 0 -$9,999	150	1.1%	150	7.9%	650	12.7%	950	4.6%
$10,000 - $14,999	90	.7%	90	4.8%	630	12.0%	810	3.9%
$15,000 - $19,999	110	.8%	130	6.9%	670	13.1%	910	4.4%
$20,000 - $24,999	160	1.2%	120	6.3%	400	7.8%	680	3.3%
$25,000 - $29,999	310	2.2%	130	6.9%	400	7.8%	840	4.0%
$30,000 - $34,999	290	2.1%	130	6.9%	360	7.0%	780	3.7%
$35,000 - $39,999	360	2.6%	150	8.0%	350	6.8%	860	4.1%
$40,000 - $44,999	410	2.9%	150	8.0%	270	5.3%	830	4.0%
$45,000 - $49,999	430	3.1%	110	5.8%	260	5.0%	800	3.7%
$50,000 - $59,000	1060	7.7%	220	11.6%	370	7.2%	1650	7.9%
$60,000 - $74,999	1835	13.3%	220	11.6%	370	7.2%	2425	11.7%
$75,000 - $99,999	3135	22.7%	180	9.5%	240	4.7%	3555	17.1%
100,000 +	5470	39.6%	110	5.8%	160	3.1%	5740	27.6%
	13,810	100%	**1,890**	100%	**5,120**	100%	**20,820**	100%

Source: Statistics Canada, Small Area and Administrative Data Division, 2001

[38] Data is derived from Statistics Canada, Small Area and Administrative Data Division, 2001 and is based on declared income levels as reported in the 2001 Tax Return.

[39] The primary data used in the housing needs assessment has limitations when used both in isolation and in combination with other data sources. All data are subject to rounding and suppression. This rounding can affect the results obtained from calculations, including calculating percentage. Results may be distorted, especially when using small numbers. The accuracy of Taxfiler data also relies on full and accurate disclosure by individual tax filers.

Appendix B: Housing Needs Assessment

2.0 Housing Supply in St. Albert

Housing development in St. Albert has generally targeted mid and upper income groups. This is in part due to higher development costs and the preference of developers in the community. Higher land and servicing costs, along with neighborhood design standards that provide a high proportion of green space, also contribute to higher development costs when compared to other communities in the Capital Region.

In the following section, data was collected from a variety of sources to profile the City of St. Albert's current housing supply and to compare it to data available for the City of Edmonton and where possible, Sherwood Park.

2.1 Age of Housing

As shown in the Table 12.0 below, St. Albert has relatively newer housing stock. The majority of its houses (84%) were constructed after 1970. While only 16% of St. Albert's private dwellings pre-date 1971 (34+ years old), 42% of Edmonton homes are in this age group and 21% of Strathcona County's.

Table 12.0: Private Dwellings by Period of Construction 2001

PERIOD OF CONSTRUCTION	ST. ALBERT	EDMONTON	STRATHCONA COUNTY	ALBERTA
Before 1946	55 (.30%)	13,565 (5.11%)	395 (1.65%)	n/a
1946 – 1960	685 (3.79%)	48,300 (18.20%)	1,400 (5.86%)	n/a
1961 – 1970	2,215 (12.25%)	50,625 (19.08%)	3,180 (13.31%)	n/a
1971 – 1980	6,095 (33.72%)	73,155 (27.57%)	7,720 (32.32%)	n/a
1981 – 1990	3,960 (21.91%)	46,940 (17.69%)	4,204 (17.61%)	n/a
1991 - 2001	5,065 (28.02%)	32,750 (12.34%)	6,985 (29.24%)	216,650 (19.62%)
Total	18,075	265,335	23,885	1,104,100

Source: Albertafirst.com, based on Statistics Canada 2001 Census

Appendix B: Housing Needs Assessment

2.2 Housing Types

The main housing type in all three municipalities is single detached. As Table 13.0 below reveals, Strathcona County has the highest proportion of this dwelling type at 90%, followed by St. Albert at 77% and Edmonton at 51%. Edmonton and St. Albert have similar proportions of row and semi-detached housing - about 13%, well exceeding Strathcona County's 6.68%. Apartment units, which account for nearly one-third of dwelling types in Edmonton, represent less than 10% of St. Albert's housing stock.

Table 13.0: Private Dwellings by Type 2001

DWELLING TYPE	ST. ALBERT	EDMONTON	STRATHCONA COUNTY
Apartments	1,785 (9.87%)	84,690 (31.92%)	560 (2.34%)
Detached Duplexes	85 (.47%)	5,230 (1.97%)	95 (.40%)
Movable Dwellings	5 (.03%)	2,615 (.99%)	120 (.50%)
Other Single Attached House	5 (.03%)	200 (.08%)	5 (.02%)
Row and Semi-Detached House	2,345 (12.97%)	36,500 (13.76%)	1,595 (6.68%)
Single Detached House	13,860 76.64%	136,115 (51.30%)	21,515 (90.05%)
Total	18,085	265,340	23,890

Source: Albertafirst.com, based on Statistics Canada 2001 Census

2.3 Tenure

As identified in Table 14.0, nearly 90% of private dwellings in St. Albert and Sherwood Park are owned. These findings are consistent with the higher proportion of single detached homes found in these communities. The proportion of dwelling units that are owned as opposed to rented are 60% in Edmonton and 70% province-wide.

Table 14.0: Housing Tenure

TENURE	ST. ALBERT*	EDMONTON*	SHERWOOD PARK**	ALBERTA*
Rented	12.22%	40.57%	10.2%	28.90%
Owned	87.78%	59.43%	89.8%	70.41%

**Source: Albertafirst.com, based on Statistics Canada 2001 Census*
***Source: Strathcona County Census 2003*

Appendix B: Housing Needs Assessment

2.4 Housing Prices

2.4.1 Single Detached Houses

A vibrant economy and growing population have contributed to robust housing sales in Alberta in recent years. This is reflected in the selling price of single detached homes in the Edmonton Region, which jumped an average of 24% between 2001 and 2003. The increase experienced in St. Albert was slightly lower at 21% as indicated in Table 15.0. However, it should be noted that St. Albert housing prices were the highest in the Edmonton region.

Table 15.0: 5-Month Average Sale Price of Single Detached Houses (Jan–May)

Region	1996	2001	2002	2003	2001-2003 % Change
Sherwood Park	133,000	177,000	202,000	216,000	22%
St. Albert	134,800	180,000	204,000	217,000	21%
Edmonton City	126,800	139,000	161,000	176,000	27%
Edmonton Region	118,200	147,000	169,0000	183,000	24%

Source: Edmonton Real Estate Board

2.4.2 Multi-Family Dwellings

The average sale price of multi-family units also increased significantly between 2001 and 2003. As shown in Table 16.0, condominiums in St. Albert jumped by 21% from $106,000 in 2001 to $128,000 in 2003 while prices in the Edmonton region as a whole increased by 33%.

Table 16.0: Average Sale Price of Condominiums

	1996	2001	2002	2003	2001-2003 % Change
St. Albert*	-	106,000	109,000	128,000	21%
Edmonton Region**	74,200	91,241	104,856	121,313	33%

*Source: *City of St. Albert*
***Edmonton Real Estate Board*

Appendix B: Housing Needs Assessment

The sale price of duplexes and row houses in St. Albert increased by 24% between 2001 and 2003 to $151,600, as revealed in Table 17.0. The Edmonton region experienced higher increases of 27% over the same period.

Table 17.0: Average Sale Price of Duplexes/ Row Houses

	2001	2002	2003	% Change
St. Albert*	122,650	144,250	151,600	24%
Edmonton Region**	118,619	141,268	150,442	27%

*Source: *City of St. Albert*
***Edmonton Real Estate Board*

2.5 Housing Starts

As Table 18.0 below reveals, single detached housing starts in St. Albert were more than double those of multiple family housing starts in the 1999 to 2003 period. Edmonton on the other hand had equal numbers of multiple and single-detached housing starts in this period.

Table18.0: Housing Starts 1999-2003

YEAR	ST. ALBERT[1]		EDMONTON[2]		SHERWOOD PARK[3]	
	Single	Multiple	Single	Multiple	Single	Multiple
1999	432	154	2,141	1,791	467 +35	287
2000	372	121	2,137	1,628	466 + 47	198
2001	374	73	2,815	1,996	616 +22	302
2002	440	303	4,157	4,664	731 + 57	117
2003	311	112	3,857	5,099	646 + 41	199
Total	1,929	763	15,107	15,178		

1. Source: City of St. Albert, Building Permit Reports
2. Source: Canada Mortgage and Housing Corporation, Total Housing Starts prepared by: City of Edmonton Planning and Development
3. Source: Strathcona County, Corporate Planning Housing Starts

Appendix B: Housing Needs Assessment

2.6 Rental Housing

In 2003, the average rent for one and two bedroom apartments in St. Albert was $587 and $707 respectively. These rents reflect an increase of 18% since 1999. The five-year increase in the City of Edmonton was closer to 25%.

As the Table 19 below reveals, in the last five years St. Albert has had a consistently lower vacancy rate than the City of Edmonton and other centers in the Census Metropolitan Area. This can in part be attributed to the smaller number of apartments and other multi-family dwellings in the community. The Table also shows that the average rental rates for one-bedroom apartments in St. Albert were noticeably higher than Edmonton's from 1991 to 2001. However, the price gap narrowed in the last two years and rental rates are now slightly higher in the City of Edmonton for both one and two bedroom units.

Appendix B: Housing Needs Assessment

Table 19.0: Vacancy and Rental Rates 1999-2003

YEAR	ST. ALBERT	CITY OF EDMONTON	OTHER CENTRES*
1999			
Overall Vacancy Rate	1.1%	2.3%	1.7%
Avg. Rent			
▪ Bachelor	-	$403	$349
▪ 1 Bedroom	$499	$468	$445
▪ 2 Bedroom	$597	$578	$530
▪ 3 Bedroom+	$602	$662	$600
2000			
Overall Vacancy Rate	0.6%	1.4%	1.5%
Avg. Rent			
▪ Bachelor	-	$421	$367
▪ 1 Bedroom	$527	$488	$502
▪ 2 Bedroom	$630	$603	$542
▪ 3 Bedroom+	$670	$674	$606
2001			
Overall Vacancy Rate	0.4%	0.9%	0.8%
Avg. Rent (Total Units)			
▪ Bachelor	-	$459 (4,764)	$401 (80)
▪ 1 Bedroom	$561 (218)	$537 (29,906)	$518 (969)
▪ 2 Bedroom	$675 (532)	$657 (23,171)	$601 (1,383)
▪ 3 Bedroom+	$703 (183)	$739 (2,857)	$676 (154)
2002			
Overall Vacancy Rate	0.5%	1.7%	1.5%
Avg. Rent (Total Units)			
▪ Bachelor	-	$491 (4,836)	$436 (79)
▪ 1 Bedroom	$575 (217)	$576 (30,525)	$549 (1,001)
▪ 2 Bedroom	$704 (532)	$712 (22,922)	$664 (1,690)
▪ 3 Bedroom+	$737 (178)	$782 (2,983)	$701 (159)
2003			
Overall Vacancy Rate	2.0%	3.4%	3.1%
Avg. Rent (Total Units)			
▪ Bachelor	-	$504 (4,684)	$459 (78)
▪ 1 Bedroom	$587 (217)	$589 (30,804)	$567 (1,041)
▪ 2 Bedroom	$707 (539)	$725 (23,961)	$684 (1,824)
▪ 3 Bedroom+	$736 (178)	$804 (2,858)	$733 (147)

Source: CMHC Apartment Vacancy and Rental Cost Survey
**Refers to all municipalities in Edmonton region outside City of Edmonton boundaries.*

Appendix B: Housing Needs Assessment

2.7 Seniors and Special Needs Housing

There are two cooperative housing projects in St. Albert. The Heritage Hills Co-op, which consists of 50 townhouse units and Liberton Terrace with 43 units. The latter has a waiting list for singles, disabled and seniors. These are part of the Northern Alberta Co-op Housing Association.

There are three seniors housing facilities in St. Albert:

- North Ridge Lodge with 45 rooms and a waiting list of 50;
- Chateau Mission Court with 53 self-contained units and 42 lodge-type units, with a waiting list of about 35; and
- Youville Homes, which accommodates 162 residents.

2.8 Future Supply

2.8.1 Lots for Single Detached Housing Development

An inventory of available vacant single detached lots (A *Vacant Lot Inventory – Single Family*) conducted by the City of St. Albert Planning Department on December 31, 2003 indicated that 623 single-family lots were available for development. With single-family housing starts averaging 386 annually in the last five years, this supply could be consumed by mid 2005. Based on the inventory, the number of lots available by neighbourhood are as follows:

- Lacombe Park – 44
- North Ridge – 97
- Erin Ridge – 284
- Oakmont – 70
- Kingswood – 123
- Various locations - 5

2.8.2 Land Currently Zoned for Multiple Dwelling Units

As summarized below, St. Albert has 18.4 ha of undeveloped land zoned for multiple family development. These sites are a combination of R3 (13.4 ha) and R3A (4.9 ha) Districts located in North Ridge, Lacombe Park, Erin Ridge, Oakmont and Kingswood neighborhoods. Assuming an average of 75 dwelling units per hectare for R3A and 31 for R3, this land could accommodate 783 new multiple family dwelling units in the future.

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Neighbourhood	Stage	District	Subdivision Status	Area (ha)	Dwelling Units/Ha
North Ridge	NR7 NR8 N/a	R3 R3 R3	Approved Approved Subdivision required	0.9 1.0 1.7	
Lacombe Park	LPk17	R3A	approved	1.7	
Erin Ridge	ER33	R3A	Registered – DP pending	2.2	
Oakmont	Oak27	R3	approved	1.2	
Kingswood	N/a N/a N/a	R3 R3 R3A	Subdivision required Subdivision required Subdivision required	2.8 4.1 2.7	
Total Area				18.4	

2.8.3 Demand Forecast for Annexation

St. Albert's possible annexation area is 1,320 ha. Of this area, 1,070 ha would be considered for residential development. Assuming an overall density of 37 to 39 persons per hectare as referenced in Policies 4.10 and 4.11 of the MDP, the annexed area could potentially accommodate an additional 39,590 to 41,730 residents.

APPENDIX C:

SUMMARY OF FINDINGS FROM WORKSHOP AND ROUNDTABLE SESSIONS

Appendix C: Summary of Workshop & Roundtable Sessions

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Appendix C: Summary of Workshop & Roundtable Sessions

1.0 Workshop and Roundtable Sessions

This report summarizes the outcome of consultation activities with St. Albert City Council, the Affordable Housing Advisory Board and community stakeholders as part of Phase II of the project. This consultation was an integral and important component of the planning process as it provided a deeper understanding of issues and possible strategic initiatives.

The consulting team facilitated a Workshop with City Council and the Affordable Housing Advisory Board on May 5 and two Roundtable Sessions on June 3. The Workshop and Roundtable sessions began with facilitator and participant introductions. The consulting team presented the desired outcomes for the sessions as follows:

- To summarize the findings of the needs assessment and areas of core housing need,
- To receive validation of identified gaps along the housing continuum,
- To receive advice on barriers to affordable housing, and
- To receive advice on possible strategies for overcoming barriers to affordable housing

Invitations to participate in the Roundtable Sessions together with a summary of findings were sent to 38 individuals representing a broad range of community interests including - the development and business community, financial and educational institutions, housing providers, community service groups, faith community and government departments seniors, local media, social service providers, developers, young adults, and realtors. In total nineteen people participated in two Roundtable Sessions, which were conducted on June 2, 2004. A complete list of participants is included at the end of this section.

In addition to the workshop and the Roundtable Sessions a series of personal interviews were also conducted with representatives from Canada Mortgage and Housing (CMHC) Alberta Human Resources and Employment, the Edmonton Youth Emergency Shelter, the St. Albert Food Bank, and the development sector.

The following pages summarize the findings relating to the small group work done as part of the Council/ AHAB Workshop and the two Roundtable Sessions involving community stakeholders.

1.1 Small Group Exercises

Workshop and Roundtable participants were organized into smaller groups and were lead through three group exercises to:

- validate identified gaps in the housing continuum,
- provide advice on barriers to affordable housing, and

Appendix C: Summary of Workshop & Roundtable Sessions

- provide advice on strategies to overcome the barriers.

Council and the AHAB were involved in an additional exercise that involved the validation of criteria for priority setting. The criteria were as follows:

- Reduce or remove barriers to the provision of affordable housing
- Provide greater access and choice in affordable housing.
- Increase affordable housing opportunities that serve to make St. Albert a more attractive choice for business and industry that require lower wage manpower.
- Be readily implementable (have a short term impact of 3 to 5 years).
- Be sustainable over the long term (i.e. not require ongoing municipal subsidy).
- Increase supply of affordable rental accommodation.
- Capitalize on opportunities for partnerships with other levels of government, private and non-profit sectors.
- Have a tangible, quantifiable impact.
- Address NIMBY (Not in my backyard) syndrome.
- Be more inclusive in the provision of housing types available.
- Ensure local municipality does not assume provincial/federal affordable housing responsibilities.

1.1.1 Validation of Gaps

As part of the exercise to validate gaps along the housing continuum, the consulting team identified four gaps in St. Albert's housing continuum including:

- Entry-level Market Ownership Housing
- Affordable- Non-subsidized Housing
- Subsidized Housing
- Special Needs Housing

For each gap the consulting team identified households in need and associated housing forms. They then asked participants to identify additional needs and housing forms. The comments received are provided below for each of the four gaps.

Appendix C: Summary of Workshop & Roundtable Sessions

Entry-level Market Ownership Housing

Entry-level housing is a term used by the real estate industry to describe the lowest 25% of houses and condominiums sold in any given year.

Gaps By Consulting team

- Young adult singles entering the housing market
- Young families entering the housing market
- Lone-parent families
- Seniors (65+) (singles and couples)

Gaps by Participants:

- Mentally ill (not requiring daily support services)

Housing forms by consulting team

- Small single detached houses (owned / rented)
- Townhouses (owned / rented)
- Semi-detached (owned / rented)
- Apartments (owned / rented)
- Secondary suites and garden suites

Housing forms by Participants:

- New versus existing single detached homes.
- Manufactured homes
- Flex housing – allowing for incremental growth or modification of a home to accommodate various living arrangements and lifestyle changes.

Other Comments or Suggestions

Consideration be given to trickle-down housing concept. In the case of trickle down housing – when people move on to newer, larger or more specialized housing within a community, other housing is freed up - often at the lower end of the market. i.e. an elderly resident moving out of a smaller, older bungalow to move to a seniors' housing development would make way for a family or single looking for a modestly priced home. This trickle down concept is most effective in communities where a choice of housing is available. Because of St. Albert's homogenous housing stock, this trickle down effect may not apply.

Appendix C: Summary of Workshop & Roundtable Sessions

Market Rental Housing

Market Rental Housing is based on the lowest end of the rental market and is non-subsidized.

Gaps By Consulting team

- Young adults
- Young families
- Lone-parent families
- Seniors (singles and couples)

Gaps by Participants:

- Seniors with low income and low assets
- Mentally ill (not requiring daily support services)

Housing forms by consulting team

- Secondary suites
- Semi-detached
- Townhouses
- Apartments

Other Comments or Suggestions

It was noted that the number of seniors in core housing need may be overstated in the gap analysis as their income level naturally drops once retired. Seniors with ample assets may not be in need at all.

Affordable - Subsidized Housing

Affordable Subsidized Housing includes subsidized housing on a rent-geared-to income basis.

Gaps By Consulting team

- Young adults
- Young families
- Lone-parent families
- Lower income seniors from independent living through supportive housing to assisted care accommodation (singles and couples)

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Gaps by Participants:

- Physically and mentally challenged individuals
- Mentally ill (not requiring daily support services)
- AISH / fixed income residents

Housing forms by consulting team

- Semi-detached
- Townhouses
- Apartments
- Seniors lodge
- Co-operative housing

Housing forms by Participants:

- Continuing care, long term care, supportive housing, assisted living and designated assisted living for seniors

Other Comments or Suggestions

- There is a shortage of two bedroom self-contained units for seniors in the community.
- Provision should be made for neighborhoods that are integrated and intergenerational providing a variety of housing to accommodate a mixture of income levels and age groups.

Special Needs Housing

Special Needs Housing provides stable and supportive housing. St. Albert does not currently have transitional housing.

Gaps By Consulting team

- Women, men and children who wish to leave abusive relationships;
- Physically and mentally challenged;
- Teenagers 16 – 19 years who may be leaving dysfunctional home environments may require an emergency shelter.

Appendix C: Summary of Workshop & Roundtable Sessions

Gaps by Participants:

- Single parents and day care
- Hard to house individuals – covers a range of individuals including youth, disabled and single parents who may have difficulty finding accommodation due to stereotypes about their desirability as tenants.
- Drug rehabilitation housing – if individuals have to travel too far for rehabilitation services, especially youth, they will be less likely to seek available help
- Mentally ill - not requiring daily support services.
- Homeless people.

Housing forms by consulting team:

- Transitional housing or beds within single detached units
- Purpose-built accommodation (new construction or conversion)

Housing forms by Participants:

- None.

1.1.2 Validation of Barriers to Affordable Housing

In the second exercise, the consulting team identified a series of barriers to affordable housing to participants for their review and validation. The Table below identifies the additional barriers added by participants to the Roundtable Sessions.

Barriers By the Consulting Team:

- NIMBY (Not in My Back Yard) Opposition – this refers to the opposition that citizens feel to change in their neighbourhoods.
- A limited supply of land designated or pre-zoned for multiple housing development
- High servicing and development standards – St. Albert's higher neighborhood design standards increases the cost of lots in the community.
- Lack of regulations that encourage infill / intensification in existing neighbourhoods.
- Lack of zoning incentives to encourage affordable housing.

Additional Barriers by Roundtable Session participants:

- Community vision – must be part of what the community wants to look like in the future.

Appendix C: Summary of Workshop & Roundtable Sessions

- Lack of political will and community understanding – affordable housing must be supported at the political level if strategies are to be successfully implemented. There are also often community misperceptions about different types of housing development, higher density, rentals, etc. Residents often have unfounded fears.
- Taxation policies on rental housing.
- Lack of work and school opportunities in the community to support housing for students and employees.
- High cost of utilities – utility costs can now be higher than mortgage payments.
- Transportation to support services for youth and seniors.

1.1.3 Validation of Strategies

The consulting team presented a number of possible strategies that could be used by the City of St. Albert to facilitate the development of affordable housing in the community. Roundtable participants were asked to identify any other strategies that may have been overlooked and to then select their top six strategies. The chart on the next page identifies the proposed strategies and their ranking by the total number of votes received.

Appendix C: Summary of Workshop & Roundtable Sessions

Policy Area	Proposed Strategies	Rank
Policy and Regulation	▪ Inclusionary housing policies	11
	▪ Modify development standards	5
	▪ Density bonusing	5
	▪ Restrict conversions of rentals to condos	1
	▪ Provide for garden suites and secondary suites	11
Community and Housing Design	▪ Increase density through lot design, lot size and building form	12
	▪ Alternative development standards	1
Financing and Tenure	Creating Funding Sources:	
	▪ Community reinvestment	5
	▪ Other funding sources	2
	Using Land:	
	▪ Community land trust	0
	▪ Public land banking	1
	▪ Land lease tenure	1
	▪ Provide land at reduced costs	3
	▪ City consider acquiring land for affordable housing	10
	Ownership and Quasi-Ownership	
	▪ Down payment assistance	3
	▪ Sweat equity	0
	▪ Life lease model	0
	Redevelopment and Renovation	
	▪ Acquire and renovate housing (RRAP)	2
	▪ Increase density on under-utilized sites	7
Other strategies added by participants	▪ Community vision and political will	13
	▪ Improve public awareness through innovative “prototype” communities.	6
	▪ Cooperative housing	2
	▪ Equity Cooperative	0
	▪ Group Home	0

The top six strategies selected by Roundtable participants and there rankings were:

1. Community vision and political will (13)
2. Increase density through lot design, lot size and building form (12)
3. Provide for garden suites and secondary suites (11)
4. Inclusionary housing policies (11)
5. City to consider acquiring land for affordable housing (10)
6. Increase density on under utilized sites (7)

APPENDIX D

Fiscal Impacts of Affordable and Conventional Housing Forms Using Average Costs

Appendix D: Fiscal Impacts of Affordable and Conventional Housing Forms Using Average Costs

Figure 1A: Fiscal Impacts of Affordable Housing Forms – Using Average Costs[40]

	Single-Family (9 m)	Duplexes / semi-detached	Townhouses	Apartments
Unit Size (SF)	1,100	1,100	1,100	650-800
Land Density (per net ha)	28	26	32	75
Land Area (net ha)	1	1	1	1
# Units	28	26	32	75
Average Assessment	$118,640	$160,000	$140,000	$100,000
Total Assessment	$3,321,920	$4,160,000	$4,480,000	$7,500,000
Residential Municipal Property Tax Rate (2004)	9.354	9.354	9.354	9.354
Total Property Tax Revenues	**$31,073**	**$38,913**	**$41,906**	**$70,155**
Average Household Size	3.19	2.55	2.21	1.72
Total Population	89	66	71	129
Net Cost Per Capita	$855	$855	$855	$855
Total Net Operating Costs	**$76,369**	**$56,687**	**$60,466**	**$110,295**
Net Impact				
Benefit (Cost) per ha	**-$45,295**	**-$17,774**	**-$18,560**	**-$40,140**
Benefit (Cost) per Dwelling Unit	**-$1,618**	**-$684**	**-$580**	**-$535**
Benefit (Cost) per Capita	**-$507**	**-$268**	**-$262**	**-$311**

Figure 2A: Fiscal Impacts of Conventional Housing Forms – Using Average Costs[41]

	Single-Family (9 m)	Duplexes / semi-detached	Townhouses	Apartments
Unit Size (SF)	1,100	1,100	1,100	650-800
Land Density (per net ha)	28	26	32	75
Land Area (net ha)	1	1	1	1
# Units	28	26	32	75
Average Assessment	$200,000	$190,000	$190,000	$135,000
Total Assessment	$5,600,000	$4,940,000	$6,080,000	$10,125,000
Residential Municipal Property Tax Rate (2004)	9.354	9.354	9.354	9.354
Total Property Tax Revenues	**$52,382**	**$46,209**	**$56,872**	**$94,709**
Average Household Size	3.12	2.55	2.21	1.72
Total Population	87	66	71	129
Net Cost Per Capita	$855	$855	$855	$855
Total Net Operating Costs	**$74,693**	**$56,687**	**$60,466**	**$110,295**
Net Impact				
Benefit (Cost) per ha	**-$22,310**	**-$10,478**	**-$3,593**	**-$15,586**
Benefit (Cost) per Dwelling Unit	**-$797**	**-$403**	**-$112**	**-$208**
Benefit (Cost) per Capita	**-$255**	**-$158**	**-$51**	**-$121**

Using average costs per capita, the calculated losses in the net fiscal impacts of the affordable housing forms over comparable conventional housing forms remain the same as with using marginal costs per capita.

[40] Net costs per capita calculated by subtracting $210 (operating revenues per capita) from $1,065 (operating costs per capita).

[41] As above.