Affordable Housing
Advisory Board
A City of St. Albert Board

Report

St. Albert Affordable Housing Update - 2005

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THE CITY OF St. Albert
Planning and Development

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Executive Summary

This document has been developed for the City of St. Albert's Affordable Housing Advisory Board (AHAB). Its purpose is to update the figures provided in the *Affordable Housing Strategy (the Strategy)* adopted early in 2005, and provide a more detailed overview of the need for affordable housing, building upon the recommendations in the *Strategy* and the research and work undertaken as part of AHAB's 2005 Workplan.

While every attempt has been made to further define the unique nature of affordable housing need in St. Albert, it is recognized there are some limits to the available data and information. Some statistics are only available on a metropolitan region level and the presence of Edmonton can significantly skew statistics as they specifically relate to the smaller communities around. Where possible, a breakdown by community is provided.

Gaps between Need and Demand

Many cities identify the types and numbers of households in Core Housing Need by the use of a waiting list for public or social housing. Unfortunately, St. Albert does not have either a housing program or such a waiting list from which to gather such information. Therefore, estimates must be made based on available data.

Using the available data, it is estimated there could be over 3,400 households in St. Albert currently paying more than 30 percent of their income on housing, and are in need of affordable housing. Of this number, between 2,000 and 2,400 households would require rental housing. There are actually less than 800 rental units in the City that would be affordable to these households.

Approximately 30 percent of the households earning less than $40,000 would be likely candidates for ownership housing. In 2004, only six percent of resale homes were affordable to this group. And the number of smaller new homes being built, which are generally more affordable, has declined from a high of 50 percent of homes built in 1999 to only 30 percent of homes built in 2004.

Overlapping with the 3,400 households, it is estimated that approximately 1,900 subsidized and supportive housing units may be needed in St. Albert. There will continue to be an increasing proportion of seniors as the large cohort aged 45 - 64 reach retirement. Nearly150 households receive income assistance and approximately 200 people receiving AISH benefits. There are currently less than 600 units available, and these include primarily long-term care facilities for seniors and group homes for people with developmental disabilities.

There are currently no facilities in St. Albert to accommodate those in need of emergency or transitional housing. There is an ongoing need for such housing that is currently being quantified by a public committee of various social service agencies in the City.

Based on population growth projections, it is estimated nearly 100 additional affordable housing units will be needed each year, in addition to the current shortfall.

Introduction

St. Albert's *CityPlan's* vision and goals for neighbourhood development include an inclusive, family-oriented community with a broad range of housing types, densities, sizes, tenure and prices. Housing affordability and choice are central to the well-being of individuals, families and communities. Encouraging a healthy mix of housing types, price ranges and tenure options within a community achieves socio-economic diversity, a diversified economy, attracts qualified workers and balances family and community life. Greater diversity of housing allows for a greater mix of age and income groups. This mix reinforces a community's sustainability by accommodating residents in all phases of the life cycle. Housing can meet the needs of traditional families, employees working in lower-income jobs, young adults getting established in a career, couples seeking starter homes, aging adults wishing to stay in the community as they age, people with physical or mental challenges seeking independence and single parent families.

Failure to take a strategic municipal perspective on investment in housing affordability and choice will have long-term consequences on the desirability of St. Albert as a place to live, work and play.

A comprehensive and proactive 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. But the municipality must take the lead.

In response to AHAB's request, for the first time the City's 2005 Community Survey asked two questions related to affordable housing. Seventy-five percent of the respondents felt it was important or critically important for St. Albert to have a wide range of housing types to accommodate families of all income levels. Only 37 percent felt that the needs of the community are actually being met in terms of the types and variety of living accommodation in St. Albert. Those residents more likely to feel strongly about this included females, renters, families with children, and those with an income below $100,000.

The results of the *Strategy* provide an important starting point for identifying the need for affordable housing in St. Albert. Table 1 provides an update to information first provided in the *Strategy*. It indicates approximately how much households in various income categories can afford to spend on housing.

The *Affordability of Housing in St. Albert* chart, Figure 1, provides an overview of the number and types of households that are likely paying more than 30 - 32% of their income on housing.

Each bar represents the price range households in St. Albert within various income ranges could afford to pay each month for housing while meeting the targeted 30 - 32% limit. Overlaid on these bars are horizontal lines indicating the average monthly cost for various types of housing in St. Albert, based on 2004 figures. It is interesting to note that the average price for a single family home increased by $20,000 by the end of 2005.

This report builds on this information and provides a more detailed analysis of the nature of affordable housing in St. Albert. This includes a more definitive look at what types of households are in need of affordable housing, other factors that may be contributing to the lack of affordable housing, and existing measures or programs that may be able to facilitate more affordable housing.

Table 1 - Affordability of Housing

RENTAL HOUSING		HOUSEHOLD INCOME	OWNERSHIP HOUSING						
Households could afford to pay between:			Households could afford to pay between:		These total payments include:			A household could afford a house that costs:	
(30%)				*(32%)*	*Heat*	*Taxes*	*Mortgage*	*Minimum*	*Maximum*
$0	$250	$0 - $9,999	$0	$267	-	-	-	-	
$250	$375	$10,000 - $14,999	$267	$400	-	-	-	-	
$375	$500	$15,000 - $19,999	$400	$533	$75	$100	$358	$59,566	$81,730
$500	$625	$20,000 - $24,999	$533	$667	$75	$100	$492	$81,730	$103,893
$625	$750	$25,000 - $29,999	$667	$800	$75	$100	$625	$103,893	$126,057
$750	$875	$30,000 - $34,999	$800	$933	$75	$100	$758	$126,057	$139,909
$875	$1,000	$35,000 - $39,999	$933	$1,067	$75	$100	$892	$139,909	$162,074
$1,000	$1,125	$40,000 - $44,999	$1,067	$1,200	$75	$150	$975	$162,074	$184,238
$1,125	$1,250	$45,000 - $49,999	$1,200	$1,333	$75	$150	$1,108	$184,238	$206,402
$1,250	$1,375	$50,000 - $54,999	$1,333	$1,466	$75	$150	$1,241	$206,402	$220,255
$1,375	$1,500	$55,000 - $59,999	$1,466	$1,600	$75	$150	$1,375	$220,255	$242,419
$1,500	$1,625	$60,000 - $64,999	$1,600	$1,733	$75	$200	$1,458	$242,419	$264,583
$1,625	$1,750	$65,000 - $69,999	$1,733	$1,866	$75	$200	$1,591	$264,583	$286,747
$1,750	$1,875	$70,000 - $74,999	$1,866	$2,000	$75	$200	$1,725	$286,747	-

Assumptions:
5% downpayment, 5.5% over 25 years
Heat/taxes - general estimates, can vary

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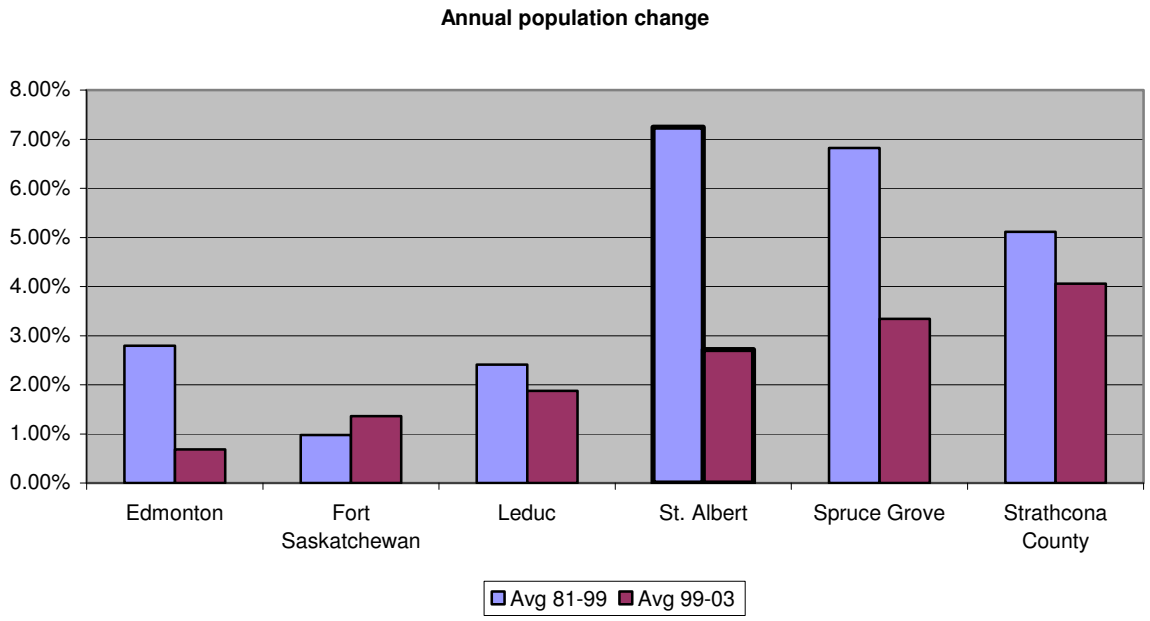
St. Albert's demographics and housing availability

Population Growth

St. Albert is a part of the Edmonton metropolitan region, which is experiencing its longest period of sustained economic expansion with one of the highest rates of growth in the country. The region is expected to see ongoing population growth, significant in-migration, low unemployment, and high participation in the labour market, contributing to an unprecedented demand for housing. While a slowdown is predicted, growth and demand are expected to remain relatively high.

While retaining its unique character as a distinct community, St. Albert is an important player in the ongoing success of the region. Like other area municipalities, St. Albert needs to maintain its economic competitiveness within the region. To do this, the City of St. Albert must secure a sufficient supply of land for development and provide a variety of housing choices for residents. The current land constraints limit the City's ability to pursue and implement new planning measures and keep the city competitive with other municipalities in the region. Despite these constraints, St. Albert has lead the region in annual growth since 1981. However, since 1999, it has fallen behind Spruce Grove as the leading growth municipality in the region, as shown in Figure 2. Preliminary figures for 2005 suggest Fort Saskatchewan and Edmonton are also now surpassing St. Albert's growth rate.

Figure 2 - Average annual population growth



Source: Alberta Municipal Affairs

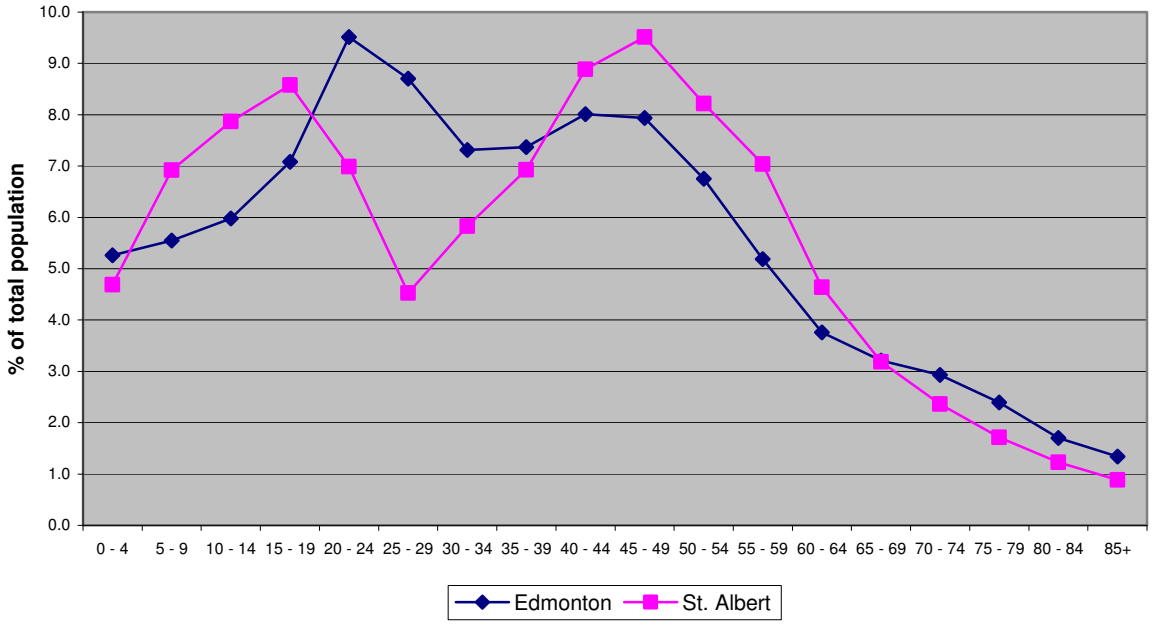
The current population demographics, as reported by the 2005 municipal censuses conducted by the Cities of St. Albert and Edmonton and shown in Figure 3, show an apparent outward migration of seniors and young adults from St. Albert. The figure suggests young adults between the ages of 20 and 39 are migrating away from St. Albert, only to return during their prime working years between 40 and 65. After the age

of 65, the seniors once again migrate away from St. Albert to Edmonton. This suggested migration could be a result of many factors, including:

- access to services that are available in Edmonton and elsewhere but do not exist in St. Albert
- the availability of certain lifestyle choices in Edmonton and elsewhere that do not exist in St. Albert
- a lack of affordable housing in St. Albert that is suitable to these two age groups

It is worthwhile to note that due to the significant growth in St. Albert beginning in the 1960s and 1970s, the City is moving into a phase where its first generation of long-time residents are soon to become retirees. As a result this could impact the proportion of seniors in the near future.

Figure 3 – Population by Age Cohort in St. Albert and Edmonton, 2005



Source: City of Edmonton, City of St. Albert 2005 censuses

Emergency/Transitional housing

Currently, St. Albert residents in need of emergency or transitional housing must access services in Edmonton. There are no such facilities available in St. Albert. Social service providers in St. Albert are finding that these residents are not getting the support they need and often end up in worse situations. For instance, St. Albert youth can end up on the streets of Edmonton as a result of the sometimes insurmountable challenges of maintaining previous connections and supports such as school in St. Albert while accessing services and staying in Edmonton. Generally, residents moving into the social system in Edmonton do not return to St. Albert.

A coalition of representatives from various social service and government agencies in St. Albert has recognized this issue, and is currently working to establish a means of tracking and assessing the need for an emergency/transitional housing facility, preparing a feasibility study and pursuing the eventual realization of a multi-use facility that would provide not only needed shelter for St. Albert residents, but also direct access to the

many potential services they would require. The Temporary Residential Services Committee is a public committee supported by the City's Family and Community Support Services. AHAB has declared its support in principle for the work of this committee.

The recently approved *Land Use Bylaw* now permits transitional residential services as a discretionary use in the Public & Private Services and Institutional Facilities land use districts.

Supportive & Subsidized housing

Demand

There are individuals and families who require some level of support, either temporary or permanent, for housing. Subsidized housing is provided 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 such projects. A procedure to determine eligibility of tenants is required.

Supportive housing may or may not be subsidized and provides permanent accommodation to those who require support services to live independently. This could include anything from minimal support to long-term continuing care facilities.

There are a number of key groups to consider that would likely have a need for supportive and/or subsidized housing. The *Strategy* suggested up to 15 percent of people in Core Housing Need are receiving some form of income support such as AISH or Income Support.

The average monthly income for a single parent with two children receiving Income Assistance is $1,100 including a federal child credit. For a single person, not expected to work, the monthly income is $635. The average monthly rents in St. Albert are $587 for a one-bedroom apartment, and $707 for a two-bedroom. In St. Albert there are currently 146 families receiving Income Assistance. A breakdown by family type is provided in Table 2.

Table 2 - St. Albert families receiving Income Assistance

Type of family	Number of families
Single	67
Single parent	69
Couples without children	3
Couples with children	7
	146

Source: Alberta Human Resources and Employment, August 2005

There are currently approximately 200 individuals in St. Albert receiving AISH benefits, up to a maximum of $950 monthly. Table 3 provides a typical breakdown of such clients by type of disability, each of which would have different implications for housing and associated support requirements.

Table 3 - Breakdown of AISH clients

32%	Clients with mental disabilities
23%	Clients with developmental disabilities
45%	Clients with physical disabilities

St. Albert has a higher proportion of citizens between the ages of 45 and 65 than other regional communities, but Figure 3 indicates there is currently a significant drop in the proportion of citizens in St. Albert after the age of 65. This suggests that seniors may not be finding the type of housing they require after that age. Given the large size of the cohort expected to become seniors within the next 20 years, it is reasonable to anticipate an increase in the demand for this type of housing.

There are over 2,800 households in St. Albert with an income under $20,000. Even making adjustments, as outlined in the *Strategy* to account for young singles living with family or seniors owning their own home[1], there are still 1,889 households in this income category likely in need of some support with regard to housing. Just over half of these are singles. There are family groups earning more than $20,000 that would also find it difficult to find suitable housing.

St. Albert currently has no mechanism to determine the need for subsidized housing. Many cities have programs to maintain waiting lists for families and singles in need of subsidized housing which are used to determine the actual need.

Availability of Subsidized/Supportive Housing

There are 11 group homes in St. Albert housing 41 adults with developmental disabilities. There are no rooming houses currently in St. Albert. A recent change to the City's Land Use Bylaw now permits group homes in residential areas. *(Checking on provincially licensed homes for clients of AMHB)* There are no housing opportunities for people with physical disabilities.

It is frequently the case that people with disabilities live at home with their parents. Opportunities for independent living will continue to be in demand as parents age and become unable to continue to provide the necessary supports their grown child requires.

There have been occasional private landlord subsidized units made available in St. Albert through Capital Region Housing Corporation that would be available to families and individuals receiving Income Assistance. Rooming houses are not a permitted use in the City.

There are some seniors' homes in St. Albert, as shown in Table 4, that are subsidized and/or provide assisted living arrangements.

Table 4 - Subsidized and/or supportive housing for Seniors in St. Albert

Facility	Units	Subsidized	Supportive
Youville Home	162	?	✓
Ironwood Estates	109	-	✓
Northridge Lodge	45	✓	✓
Chateau Mission Court	94	✓	✓
EXISTING		**139**	**410**

An important factor to consider in housing developments is accessibility. As people age, the proportion of people with some type of disability increases significantly. Incorporating measures of accessibility within affordable housing developments will not only serve existing populations, but also the growing proportion of seniors in the future.

[1] The Strategy assumed that ¾ of singles under 25 are youth living in the family home or single adults able to share accommodations. In addition, it assumed ½ of the households aged 55 and over have paid off their mortgage, while still receiving a low income.

Affordable housing

There are a number of trends affecting household composition and related housing demand. In determining the extent of the need for various types of affordable housing, it is useful to examine how St. Albert's situation compares to these trends.

While increases in residential development are occurring in central areas like downtown Edmonton, many households prefer lower density suburban-style residential development, especially when the households are in a family-oriented lifestyle phase. Rural-to-urban migration continues to rise, with new residents generally preferring to reside in suburban areas. Residents of smaller cities like St. Albert have shorter non-work and shopping trips, and job development tends to be greater in suburban areas than in central areas. Given the family-oriented nature of St. Albert, many local residents value being able to remain in the city as they grow older. This family focus is expected to dictate a continuation of development styles comparable to what currently exists, but there are demographic changes that will need to be considered for longer term sustainability.

Demand

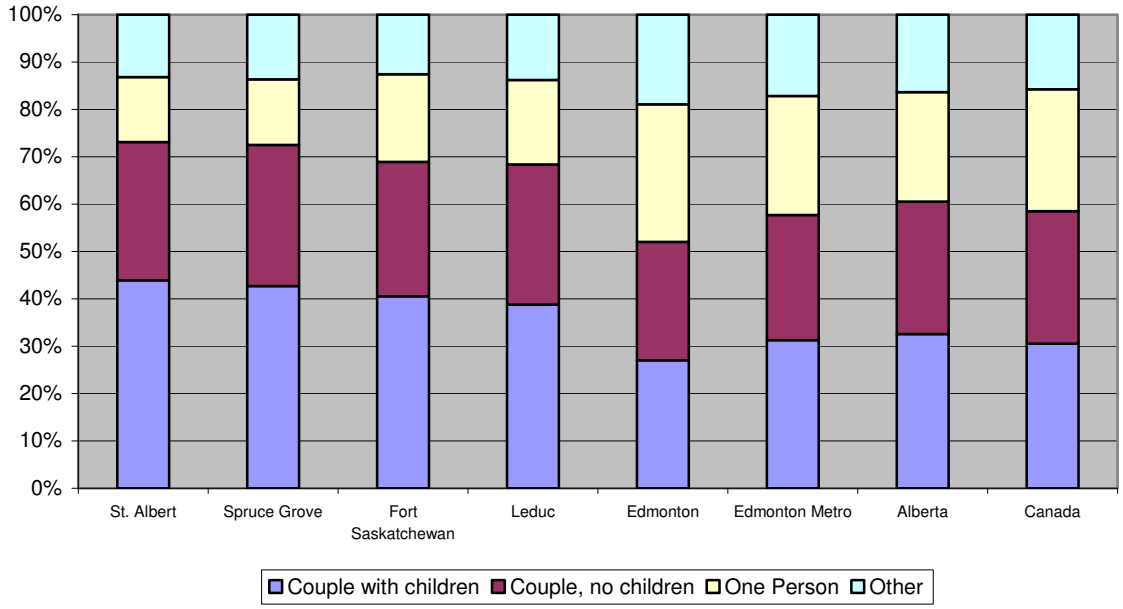
Household size and composition

The housing market has primarily been based on the housing needs of traditional couple families with children. However, less than 50 percent of Canadian households now include a couple with children. There are many factors that are contributing to the change in household composition, and increasing the number of households seeking housing:

- People are marrying later, and more are never marrying
- Couples are having fewer children
- Divorce rates continue to be high, and the rate of re-marriage is decreasing
- Seniors as a proportion of overall population is growing
- Seniors are living longer, and make up the highest proportion of single person households

St. Albert considers itself a family-oriented city, and the statistics would support that, as shown in Figure 4. Not yet reflecting national trends, St. Albert has a higher proportion of couples with children compared with the metropolitan region. But that could change in the future, as St. Albert also has the highest proportion of people aged 45 - 64, who will become empty-nesters once their children move out. St. Albert also has the highest proportion of children and teenagers, but one of the lowest numbers of young adults in the 20s and 30s age groups. Both of these factors suggest a change in the future demand for housing in St. Albert, assuming many people wish to remain in this community.

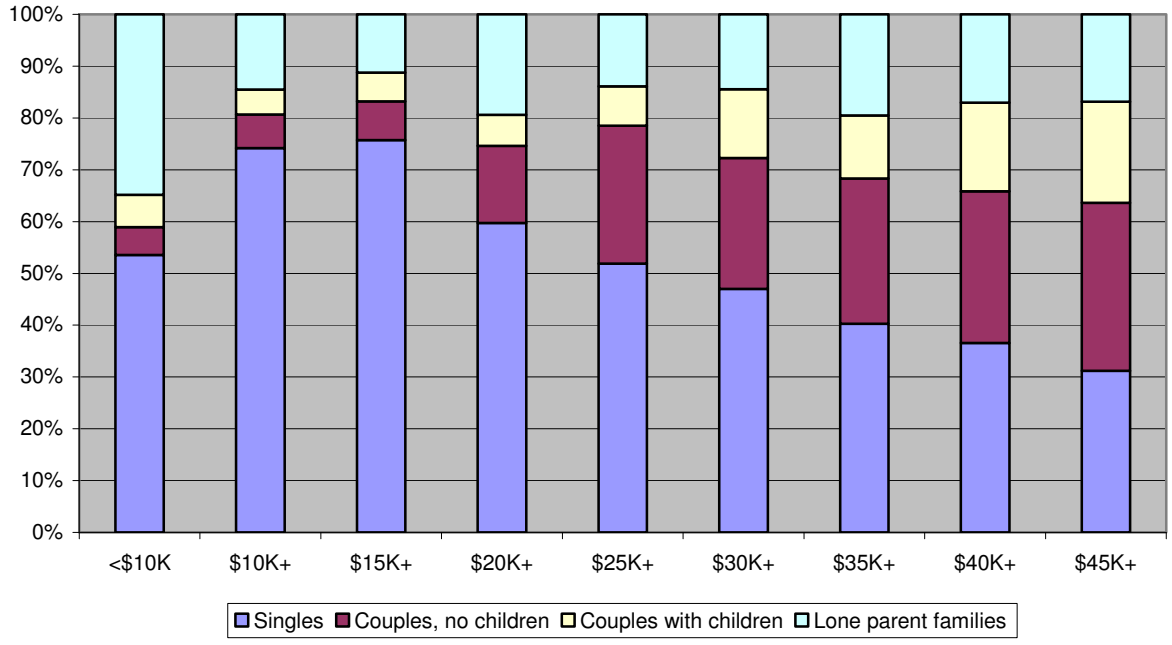
Figure 4 - Comparison of household composition



Source: Statistics Canada, 2001

Figure 5 takes a further look at the household composition by income category. The lowest income households are predominantly singles and lone-parent families. Couple families, especially those without children, tend to increase in proportion as incomes rise, with couple families with children remaining a fairly small proportion of lower income households.

Figure 5 - Household Type by income

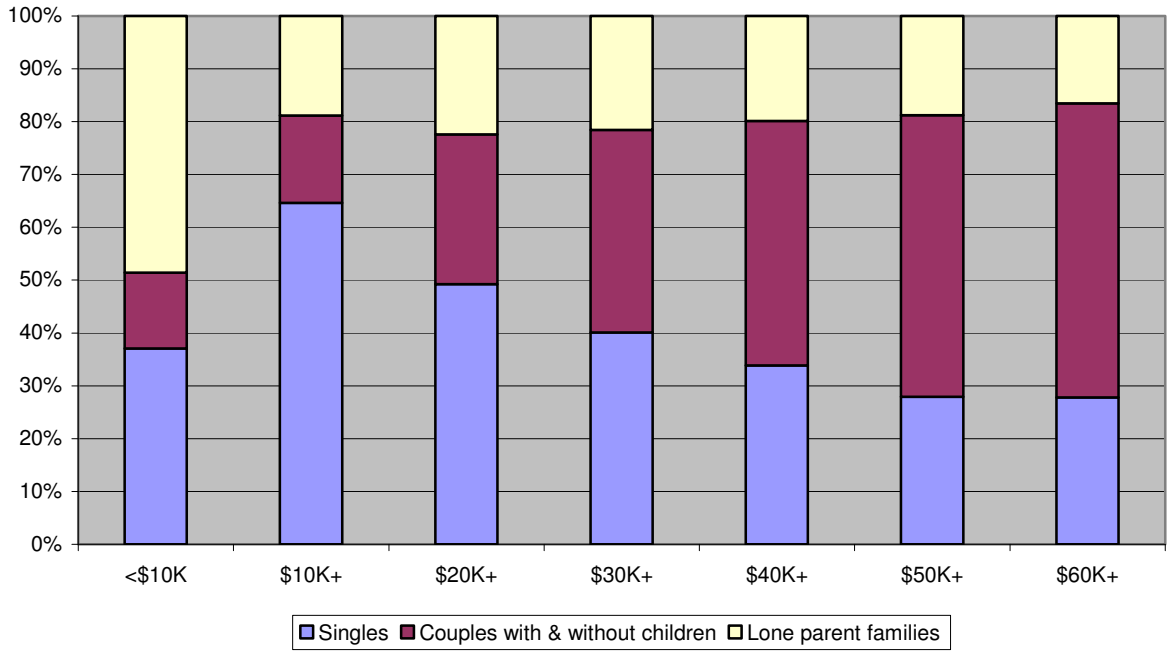


Source: Revenue Canada Taxfiler data, 2003

Households in St. Albert can be further examined by income and age. The largest proportions of low income households are found among people under 25 and over 65. The *Strategy* assumed that three-quarters of the people under 25 would be either able to live with family or share accommodations, and thus were excluded. In addition, it was assumed that half of the people 55 years of age and older would have no mortgage payments, having paid off their homes.

If these adjustments are made to the data, it adjusts the proportions at the lower income levels, as shown in Figure 6. Available data does not allow a breakdown between couples with children and those without.

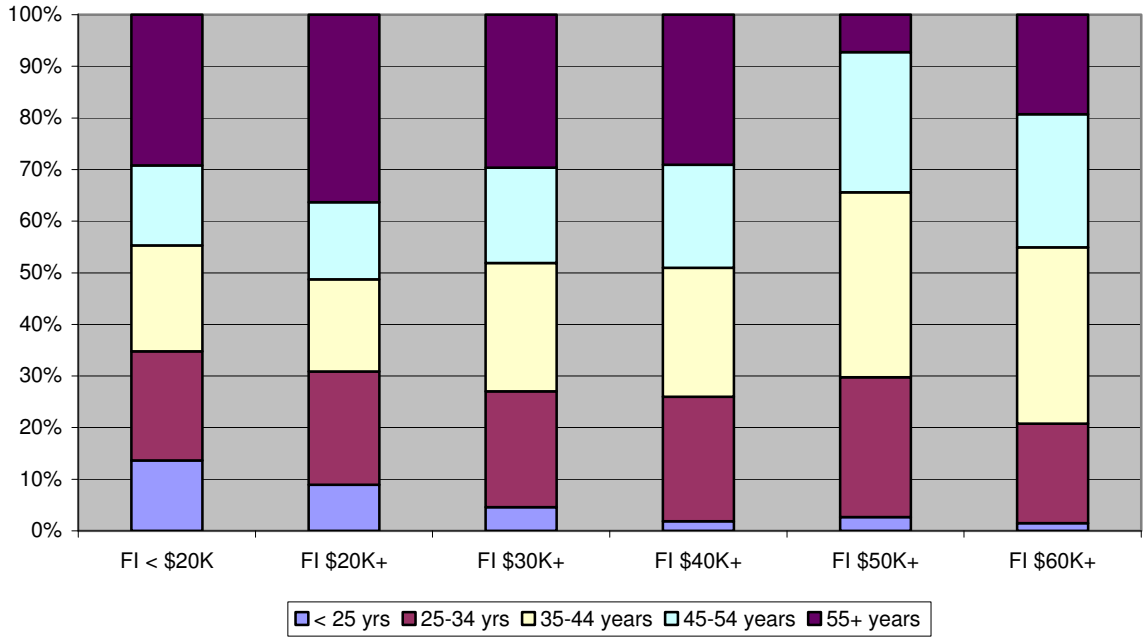
Figure 6 - Adjusted Household types by Income



Source: Revenue Canada Taxfiler Data, 2003

Figure 7 provides a breakdown of the households in different income categories by the age of the person, or older spouse, adjusted according to the assumptions outlined in the *Strategy*. People over 55 make up an average of 30 percent of those in low income categories, but the majority are between 25 and 54.

Figure 7 - Income by age



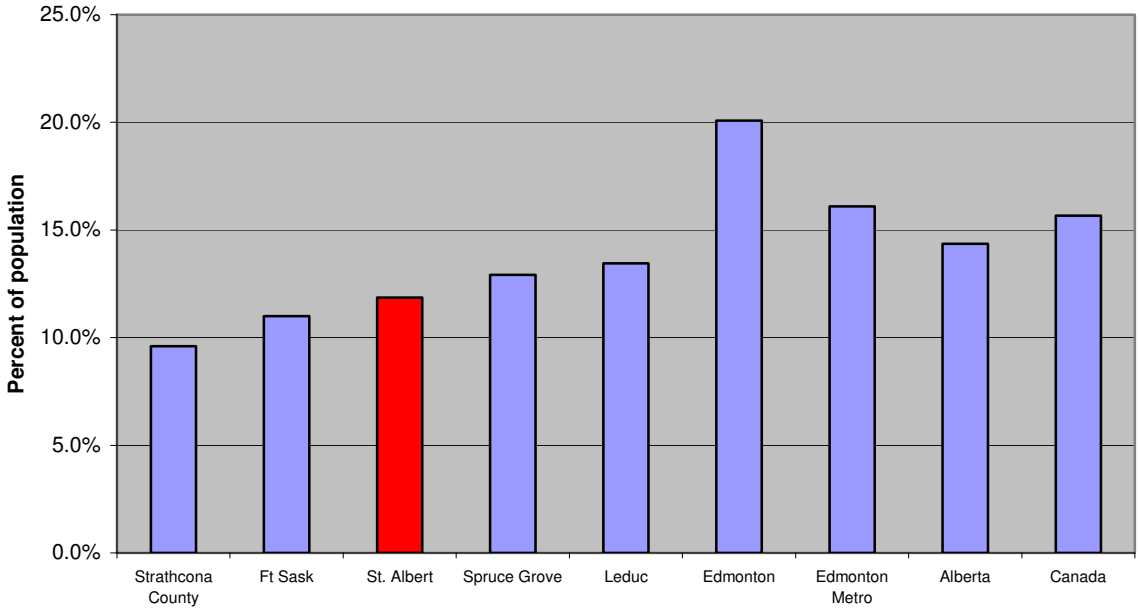
Source: Revenue Canada Taxfiler Data, 2003

Another interesting difference for St. Albert is the number of people per household. It is 3.3, compared with 3.2 everywhere else in the region. While the difference is small, the 3.2 figure is standard in most regional municipalities, which suggests that St. Albert tends to have larger families than elsewhere.

Lone Parent Families

St. Albert has a lower than average proportion of lone-parent families, as shown in Figure 8. Both Spruce Grove and Leduc have a higher proportion of this type of household, and have a higher growth rate than St. Albert. Given the higher number of lone-parent families in the City of Edmonton than on the provincial or national level, it does suggest there may be a higher demand in the region by this type of household, but such housing needs cannot be met in St. Albert.

Figure 8 - Lone parent families



Source: Statistics Canada, 2001

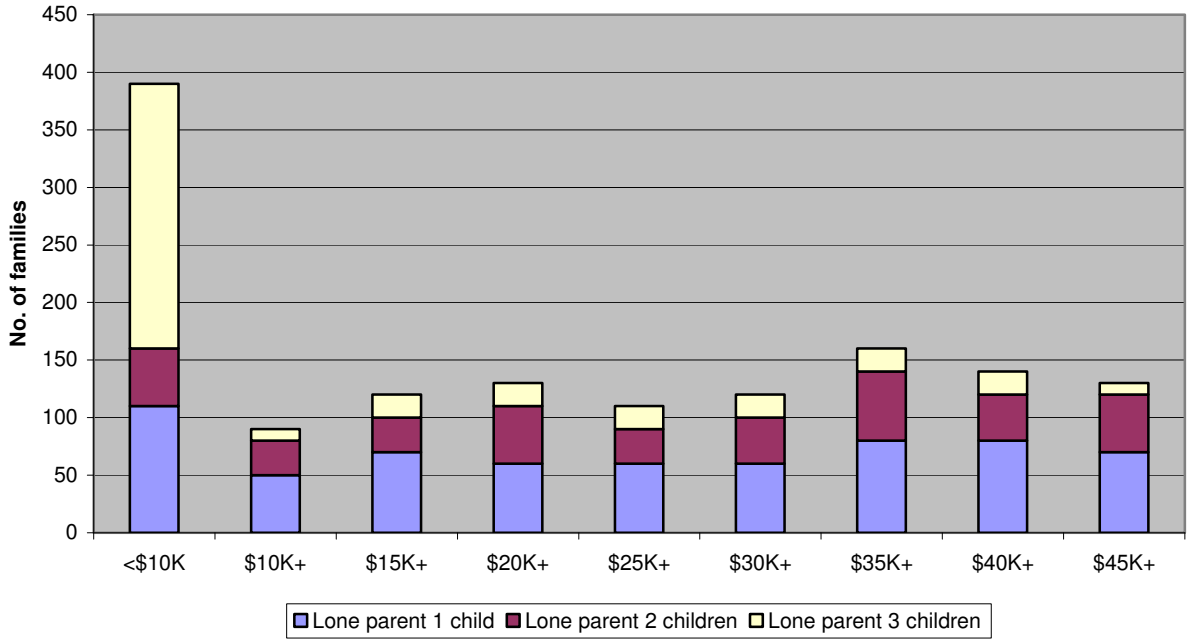
Despite a much lower overall proportion of lone-parent families in St. Albert, it is interesting to note that the majority of such families have very low incomes, and there is a predominance of lone-parent families with three or more children, as shown in the breakdown in Figure 9.

However, it is important to keep in mind that child support payments are not included as part of the income in this data. A sample of the additional income a lone-parent family could be receiving, calculated from the Federal Child Support Guidelines, is found in Table 5.

Table 5 - Minimum Child Support Payments

Supporting Spouse's annual income	Minimum Child Support paid
$50,000	$11,004
$75,000	$15,696
$100,000	$20,184
$150,000	$29,172

Figure 9 - Lone parent families by income

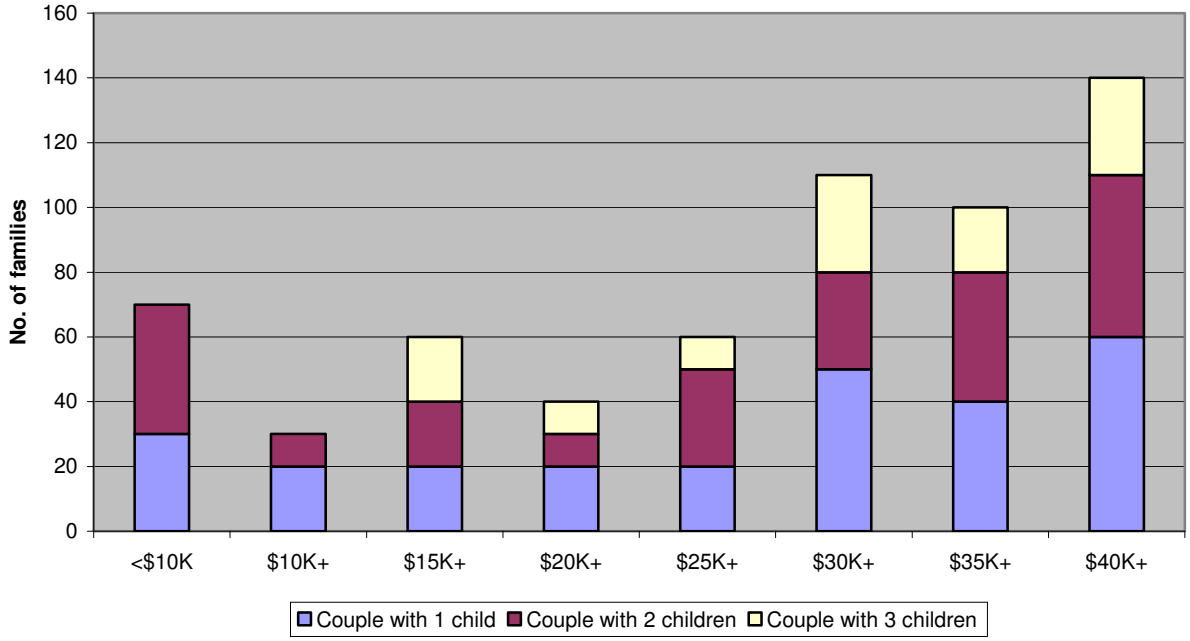


Source: Revenue Canada Taxfiler Data, 2003

Couple families

There is a definite challenge for some couple families in the low income categories with 1 or 2 children, but the overall numbers seen in Figure 10 are significantly lower than for lone-parent families.

Figure 10 - Couple families with children by income

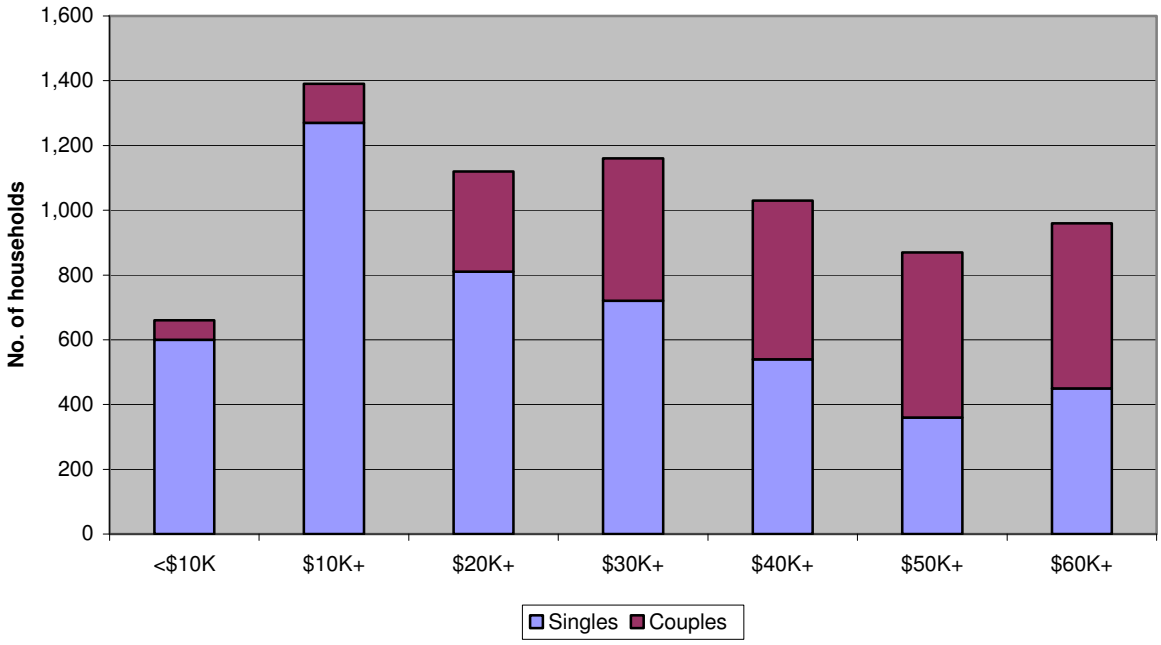


Source: Revenue Canada Taxfiler Data, 2003

Couples and singles

Singles are much more likely to be in lower income categories than couples without children. The proportion of couples without children increases significantly in the income categories above $20,000 annually, as seen in Figure 11.

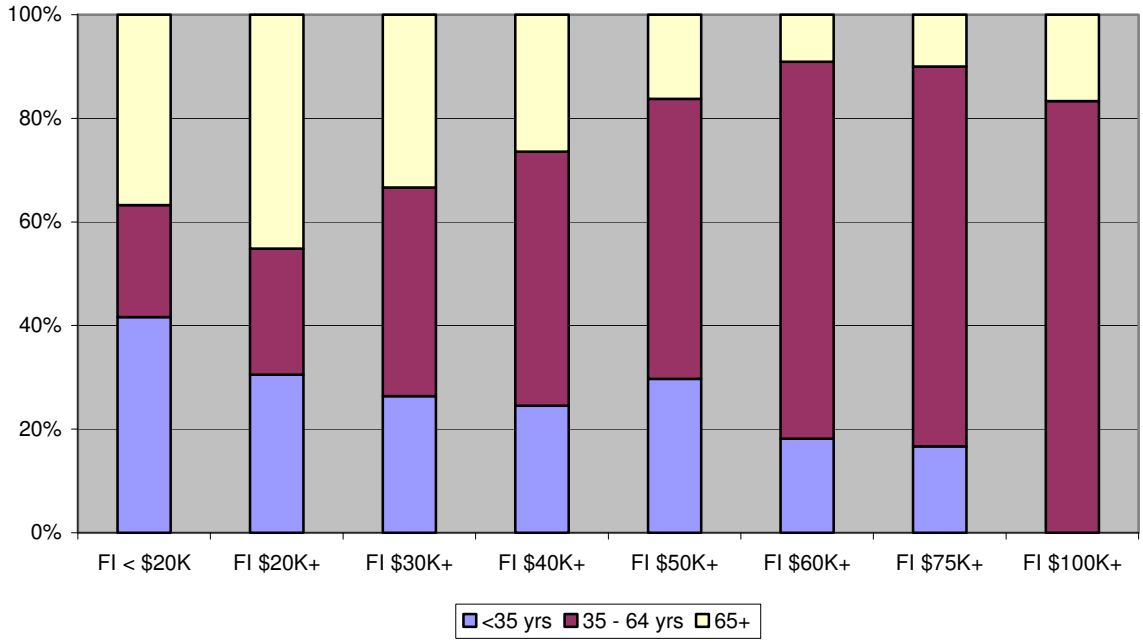
Figure 11 - Couples/singles by income category



Source: Revenue Canada Taxfiler Data, 2003

Within the category of single person households, there is a definite tendency for young people and seniors to have low incomes as shown in Figure 12.

Figure 12 - Singles by income



Source: Revenue Canada Taxfiler Data, 2003

Housing sizes required

Building on this data regarding households, the size of homes that would be required can be estimated. Using the assumptions that a single household or couple without children would need a minimum of a one-bedroom unit, couples and lone-parents with one child would need a minimum of a two-bedroom unit, and couples and lone-parents with two or more children would need a minimum of a three bedroom unit, it is possible to determine the approximate number of homes needed in the different pricing categories. Table 6 estimates the size and pricing of housing required, based on the demographics and income data. Assumptions used are that all households earning less than $20,000 will be renting, and 30% of households earning more than $20,000 will be renting. Figures have been adjusted to take into account the assumptions related to singles under 25 and those over 55. As data is not available to distinguish between couples with children and those without, the adjustment for couple families 55 and over has not been made.

Table 6 - Estimated size and total number of units required

	One bedroom	Two bedroom	Three bedroom
Rentals (monthly)			
up to $500	1,000	300	460
$500 - $750	188	48	54
$750 - $1,000	201	69	78
$1,000 - $1,250	184	81	87
TOTAL	**1,573**	**498**	**679**
Ownership			
up to $126,000	438	112	126
$126,000 - $162,000	468	161	182
$162,000 - $206,000	430	189	203
$206,000 - $242,000	412	196	273

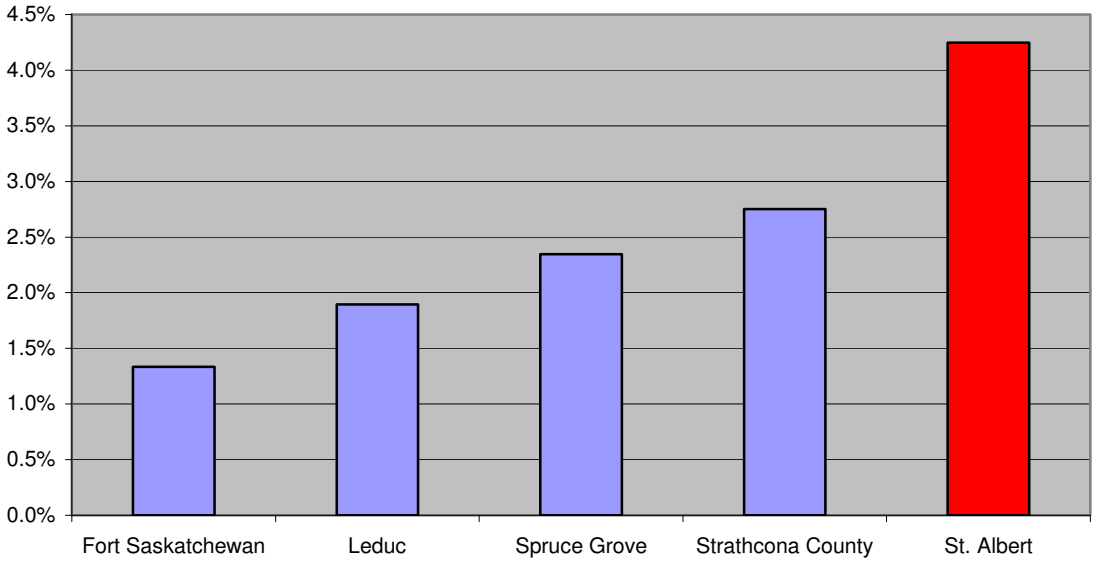
TOTAL	**1,748**	**658**	**784**

Immigration and visible minority households

Immigration continues to increase in Alberta with 25 percent of immigrants settling in the Edmonton area. There are implications for the demand for housing. Visible minority households tend to be younger, have more children and are more likely to have extended family members living together in a household. Types of housing demands can be different among different ethnic groups as well. There continues to be a greater disparity in income between visible minorities and other Canadians, and new immigrants tend to have a higher need for affordable housing.

St. Albert has a noticeably higher proportion of visible minority population than other regional municipalities, as seen in Figure 13. Edmonton's rate is significantly higher at 19 percent than the other municipalities in the region, and was not included in the chart. This difference could have implications for the size and type of housing being sought in St. Albert.

Figure 13 - Comparison of proportion of Visible Minority population[2]



Source: Statistics Canada, 2001

Undetermined demand

There is a demand for housing in St. Albert that is harder to measure. Based on anecdotal evidence, it would seem there are people who would like to have the option of living in St. Albert but are unable to find suitable and affordable housing. Often these are young people who grew up here and would like to live and/or raise their families here. Seniors who have lived here for many years but whose fixed income has not kept up with the increasing costs to maintain their home, have no lower cost alternatives to choose from in St. Albert. Employers in St. Albert are finding it increasingly difficult to find and keep employees partially due to the lack of affordable housing.

Therefore, it may be assumed there is some level of demand for affordable housing in St. Albert among residents currently living elsewhere in the region.

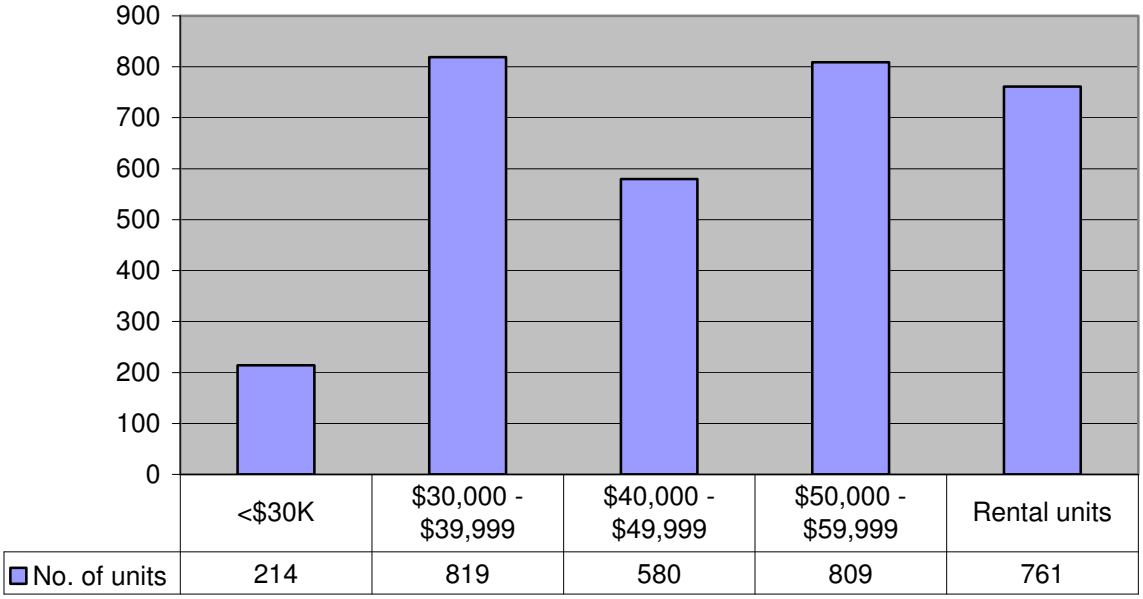
[2] The visible minority population in Edmonton is approximately 19 percent.

Availability of Affordable Housing

Condominiums and apartments

Out of a total of 4,418 multi-family condominiums and apartments in St. Albert, approximately 1,794 of them are affordable to households earning less than $40,000 per year. Figure 14 breaks down this total figure into the number of affordable ownership-tenure units available by household income, as well as the number of rental units affordable to households earning less than $40,000.

Figure 14 – St. Albert's Affordable Condominium and Apartment Supply by Income levels (2005)



	<$30K	$30,000 - $39,999	$40,000 - $49,999	$50,000 - $59,999	Rental units
No. of units	214	819	580	809	761

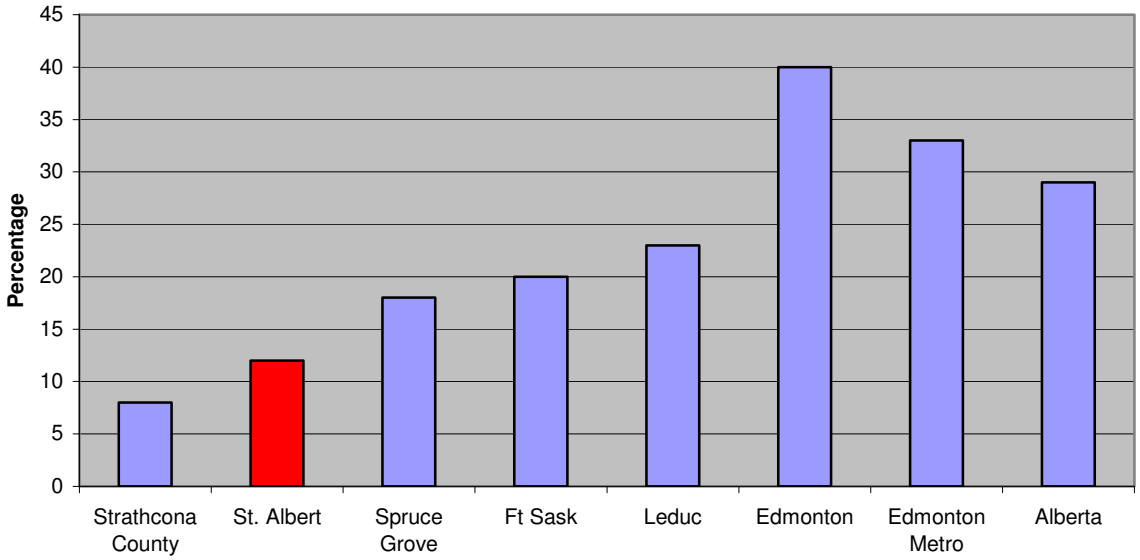
Source: City of St. Albert, Planning & Development, 2005

Rental Units

Of the thirteen rental housing developments containing the 761 apartments, all had affordable two-bedroom units, but only six had affordable one-bedroom units. Only two developments, both cooperative housing complexes, had affordable three-bedroom units, and only one had affordable four-bedroom units.

St. Albert has a significantly lower proportion of rental units than other regional municipalities, as shown in Figure 15. In addition, St. Albert's rental vacancy rate is less than two percent while the regional average is over five percent.

Figure 15 - Percentage of total rental units in regional municipalities



Source: Statistics Canada 2001

Rental Homes

In 2003 there were approximately 437 single family homes being rented in St. Albert. This is approximately three percent of all single family homes. There is no available data to determine where these homes are in terms of affordability.

Secondary Suites

Often basement or other secondary suites in existing homes are rented to households seeking more affordable housing. Secondary suites are not a permitted use in St. Albert. While there are some that exist, there is no available data on them.

Co-ops

Co-ops are an alternative type of housing that can be more affordable. There are two in St. Albert with a total of 93 units ranging from two to four bedrooms.

Owned Units

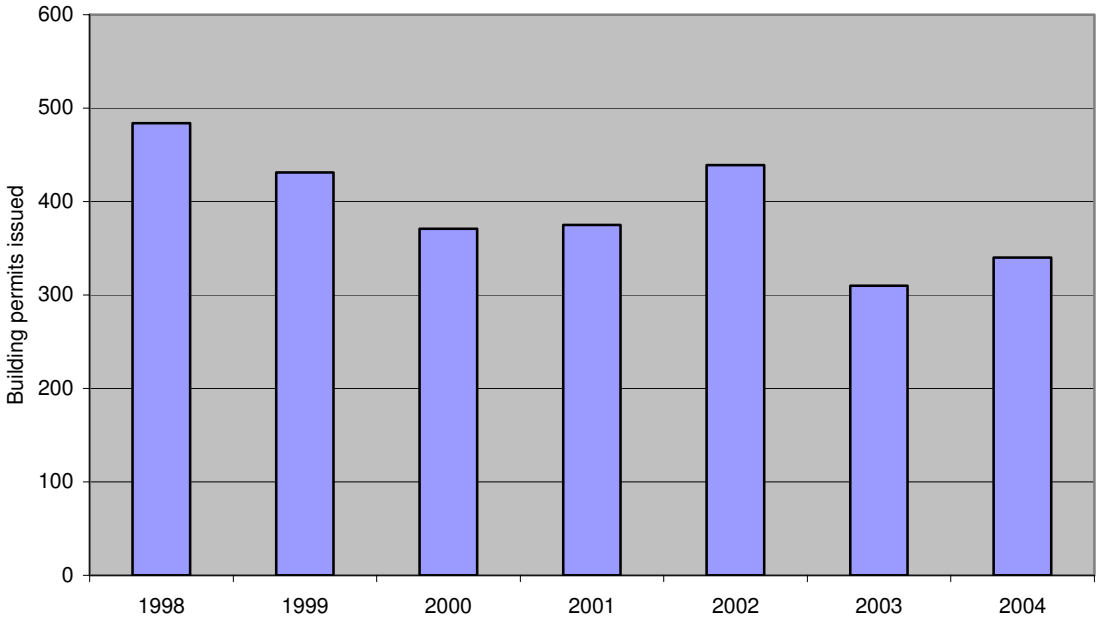
Single detached homes

There are both resale and new homes available in St. Albert. Resale homes tend to be slightly less expensive overall than new homes.

New homes

The number of new homes built in St. Albert has seen a fairly steady decline since 1999 with a significant surge in 2002 and a slight upswing in 2004, as seen in Figure 16.

Figure 16 - Building Permits Issued in St. Albert

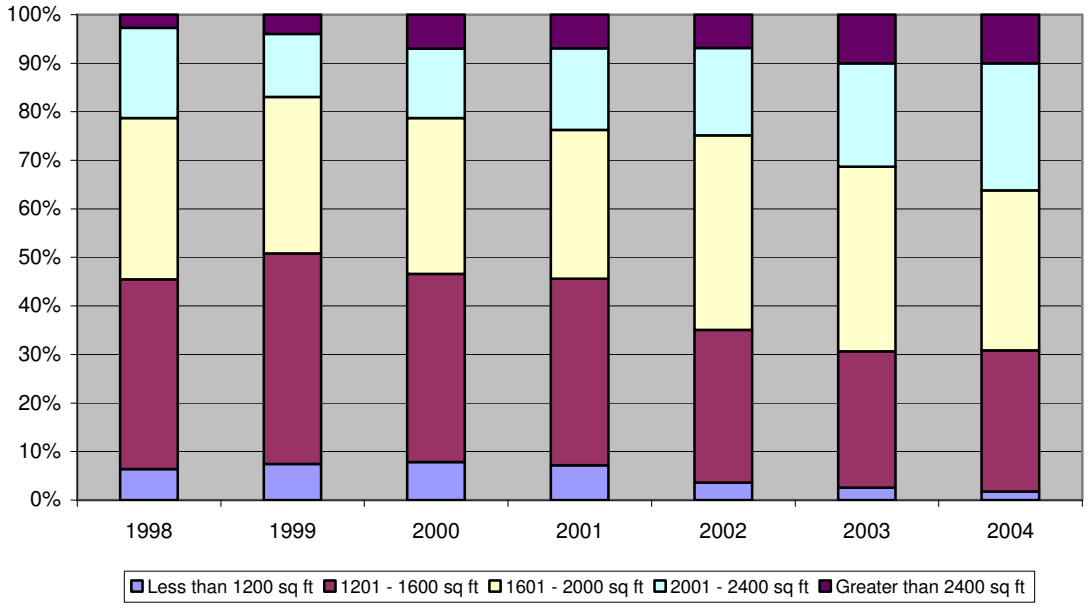


Source: City of St. Albert, Planning and Development

Along with an overall decline in the number of homes built, there has been a significant increase in the proportion of larger homes being built at the higher end of the market. Between 1999 and 2004, the number of houses over $400,000 more than doubled. While smaller homes are not guaranteed to be less expensive, Figure 17 does provide an indication that the number of homes over 2,400 square feet tripled since 1998, while smaller homes, which are generally less costly, saw a noticeable decline.

While lower interest rates have contributed to homebuyers' ability and choice to build larger homes, there has been a decrease of 50 percent in the number of homes less than 1,600 square feet being built over the past seven years.

Figure 17 - Comparison of new house sizes



Source: City of St. Albert, Planning and Development

Resale homes

According to the *Strategy*, the number of single-detached housing units sold in recent years that would be affordable to households earning less than $40,000 per year is limited. The *Strategy* cited 2003 sales figures indicating that 382 of the total 1,559 single-detached housing units sold were less than $160,600, which was the maximum amount affordable to those earning $39,999 per year. These accounted for 24 percent of houses sold.

Despite home prices increasing dramatically since 2003, the declining interest rates mean that the maximum amount affordable to a household earning $40,000 is very similar at $162,000. However, only 81 of the 1,316 single family homes sold in 2004 were less than $162,000, which accounts for only 6 percent of houses sold. Table 7 - Available units by income category, shows the number of units sold in 2004 that would be affordable to households within various income categories given today's interest rates. Condos and duplexes have contributed to the available ownership housing for households earning less than $40,000.

Table 7 - Available Units by Income Category

RENTAL HOUSING	HOUSEHOLDS					OWNERSHIP HOUSING SOLD IN 2004					
				A household could afford a house costing*:					% of total sales		
Units	No. of households	% of total	Income			Condos	Duplexes	SFD	Condos	Duplexes	SFD
	1120	5%	$0 - $9,999	-		-	-	-	-	-	-
	620	3%	$10,000 - $14,999	-		-	-	-	-	-	-
	1070	5%	$15,000 - $19,999	$59,566	$81,730	-	-	-	-	-	-
	670	3%	$20,000 - $24,999	$81,730	$103,893	8	-	-	0.5%	-	-
	790	4%	$25,000 - $29,999	$103,893	$126,057	71	4	-	4.3%	0.2%	-
	830	4%	$30,000 - $34,999	$126,057	$139,909	54	15	7	3.3%	0.9%	0.4%
761	820	4%	$35,000 - $39,999	$139,909	$162,074	53	16	74	3.2%	1.0%	4.5%
	820	4%	$40,000 - $44,999	$162,074	$184,238	46	9	198	2.8%	0.5%	11.9%
	770	4%	$45,000 - $49,999	$184,238	$206,402	25	2	225	1.5%	0.1%	13.6%
			$50,000 - $54,999	$206,402	$220,255	11	3	162	0.7%	0.2%	9.8%
	1540	7%	$55,000 - $59,999	$220,255	$242,419	8	0	180	0.5%	0.0%	10.8%

Sources:

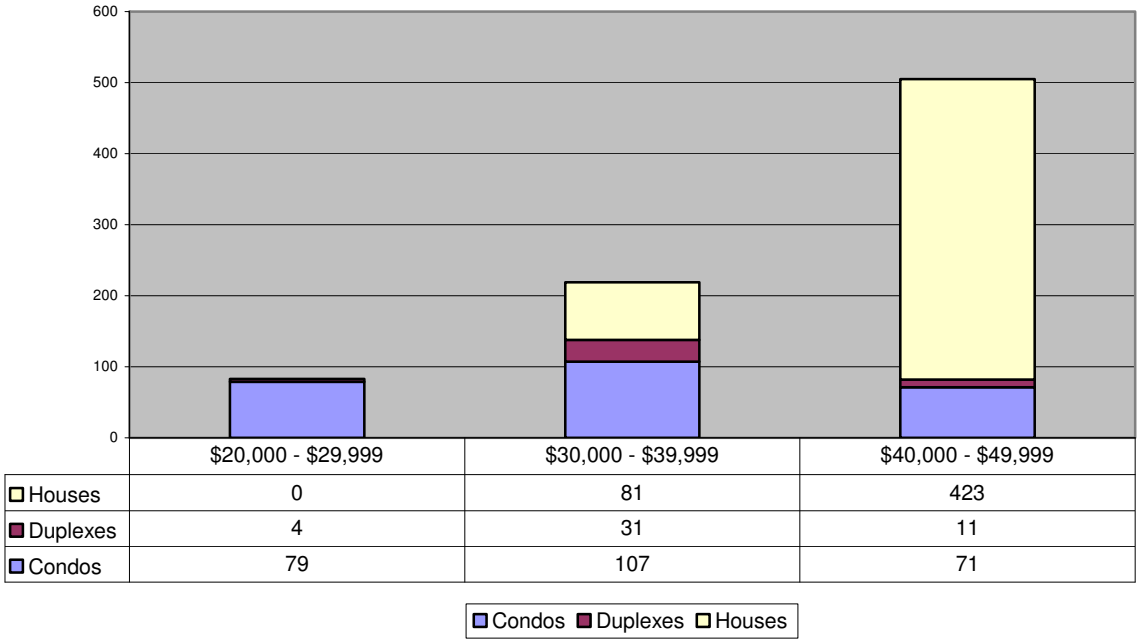
Units: City of St. Albert, Planning and Development

Households: Revenue Canada Taxfiler data 2003

House prices: 5.5% mortgage over 25 years (see Table 1)

House sales: City of St. Albert, Assessment 2004

Figure 18 - Home Sales 2004 (Resale and New)



	$20,000 - $29,999	$30,000 - $39,999	$40,000 - $49,999
Houses	0	81	423
Duplexes	4	31	11
Condos	79	107	71

Source: City of St. Albert, Assessment

There are considerably more homes available to households earning more than $40,000 annually, as shown in Figure 18.

Other factors affecting affordable housing

Land Availability and Cost

Availability of land is a critical component for successful affordable housing programs in a municipality. In St. Albert, there is a significant limitation on available land that could be accessed for affordable housing purposes.

St. Albert has a smaller supply of developable land within its boundaries than many other Alberta municipalities, and its population density indicates a more intense use of available land than most other Alberta municipalities. Growth-constrained cities, which St. Albert's situation mimics, are finding both development and growth are slowing and significantly reducing their ability to meet the housing needs of low- and middle-income families. The fact that St. Albert has maximized the use of its land far more than most other Alberta municipalities demonstrates the City's reasonable and efficient land development approach. However, St. Albert must find a reasonable means to address the issue of land availability and costs to ensure its ongoing effectiveness as a sustainable community, which requires the provision of a variety of housing choices, both on its own and as part of the Edmonton region.

Infill development

Infill developments in a city's core are often a feasible way to create more affordable housing. Both Edmonton and St. Albert have downtown cores that house about one percent of their populations, but the significant difference is found in the downtown fringe of Edmonton, which is the most densely populated area in that city. Multi-family rental dwellings in Edmonton's downtown and fringe areas house an extremely high percentage of single people and a growing number of seniors, with families making up less than 10 percent of the area's total population. It is in this area that more infill and higher densities are generally found to be most effective.

St. Albert does not have a similar fringe area. Often cities have a ring around the downtown that includes former warehouse or light industrial lands, or significant amounts of vacant land currently used as parking lots. St. Albert's downtown core is constrained on three sides by St. Albert Road, the Sturgeon River, and the CN railway tracks. The industrial area adjacent to the railway is still active and the city has not seen the relocation of its small amount of industrial uses away from this area. The linear nature of the development along the river also precludes a cohesive core of development around the downtown. To the south of the downtown are single-family neighbourhoods that, unlike such neighbourhoods in cities like Edmonton, are still very viable and well-established neighbourhoods. There are few redevelopment opportunities in these areas.

This particular area of redevelopment and its role in the provision of greater housing choice is not feasible in St. Albert, due to the lack of suitable land available.

Government surplus lands

Many cities benefit from the availability of municipal, provincial, or federal government surplus land that can facilitate the provision of more affordable housing. Table 4 outlines St. Albert's publicly owned lands. The properties owned by both the Provincial and Federal governments are required for ongoing government needs, and the City's lands are located in industrial or commercial areas and not suitable for residential development.

Annexation

The City of St. Albert is making an application to the Municipal Government Board to annex 1,336 hectares of land from Sturgeon County to the north and west of the City's current boundaries. It is anticipated that this primarily privately owned land would provide nearly 1,000 hectares for future residential development. Due to the current limited supply of reserve, downtown fringe, and government surplus lands, the addition of the annexed land provides the most feasible opportunity to increase the variety of housing choices available in St. Albert.

Land Costs

The price of a new house is determined by two main factors: the price of the labour and materials required to build the house, and the price of the land itself.

The price of labour and materials is relatively constant throughout the Edmonton region. While there have been significant increases in costs for both labour and materials due to increasing local and global demands, the effect has been constant throughout the region.

On the other hand, St. Albert has experienced a greater change in the price of land than other municipalities in the region, because it has a smaller supply of developable land within its boundaries than many other Alberta municipalities.

The effects of maximizing growth while holding less than a twenty-year supply of land are becoming apparent in St. Albert. These effects are similar to those found in cities with an imposed growth boundary that contains growth within a defined area with the aim of encouraging higher densities and more infill development. Cities with growth boundaries are now discovering some significant associated costs, including:

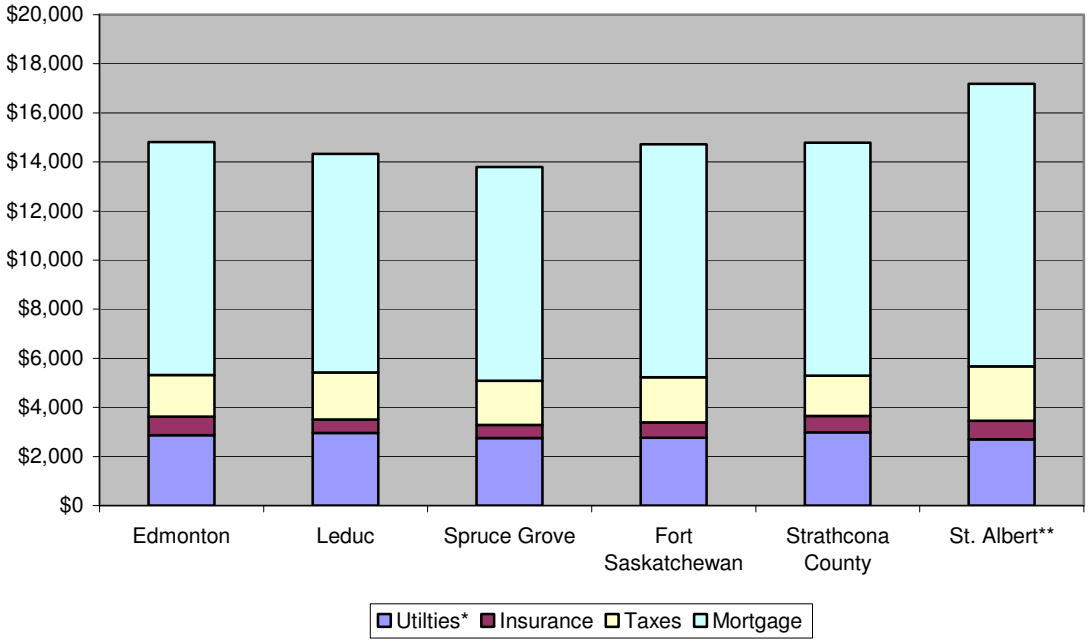
- housing prices rising significantly,
- land prices rising significantly,
- a reliance on infill resulting in a significant increase in cost,
- bigger houses being built on smaller lots,
- significant reductions in new housing starts,
- new developments that retain typical suburban characteristics, and
- a significant increase in country residential and hobby farms outside the boundary, which take up more prime land than traditional urban development, and result in these residents forming significant lobby groups that campaign against more traditional forms of urban development and are a part of the sprawl so many are fighting against.

Home ownership cost

St. Albert ranks the highest of the compared municipalities for home insurance, property taxes and mortgages, as seen in Figure 19. These costs increased by 41 percent in St. Albert from 1998 to 2003. Edmonton and Strathcona County saw increases of only 29 percent during the same period.

There is one area where St. Albert does have an advantage. It has the lowest utility rates of any of the regional municipalities.

Figure 19 - Comparison of home ownership costs

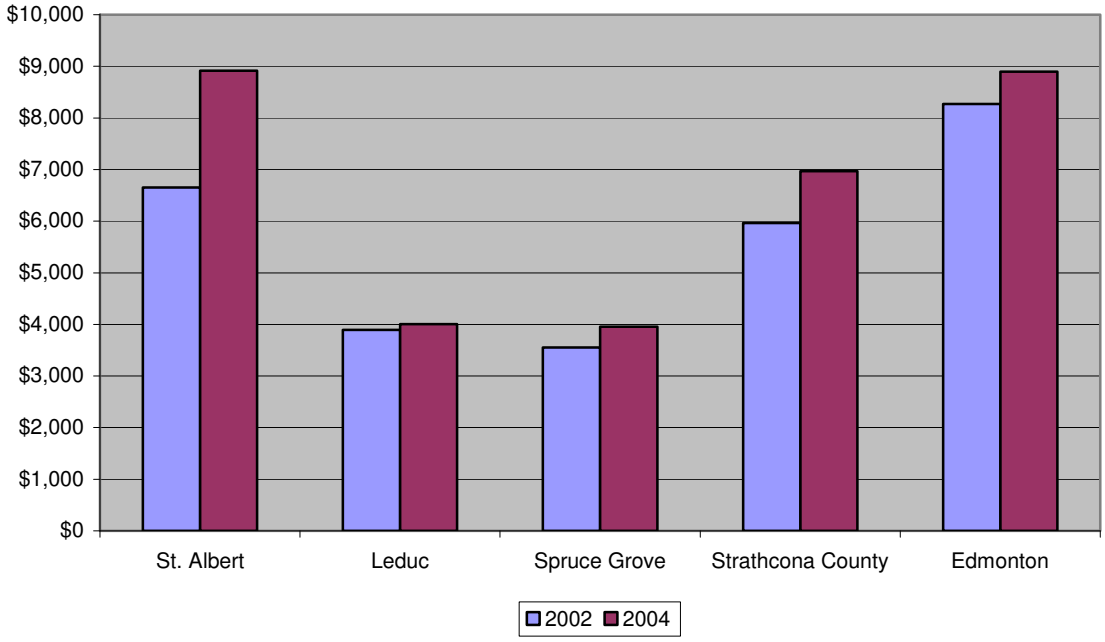


** Includes phone, power, water, sewer, garbage drainage, gas*
*** A modest home in St. Albert is considered 1600 sq ft, while everywhere else they use 1400 sq ft*
Source: Edmonton Region Home Builders Association, 2004

Development costs

St. Albert has very high total development costs, as seen in Figure 20, and has surpassed Edmonton in 2004. These include infrastructure charges, land dedications, development fees, building permit fees, and other charges and taxes. St. Albert rates highest in land dedication, development and other charges/taxes. St. Albert has the second highest in the region in infrastructure charges behind Edmonton, and is ranked third for building permit fees, with Edmonton and Strathcona County having higher costs for those. St. Albert also ranks second highest in comparing fees as a percentage of house price. Fees account for approximately 9 percent of total house price.

Figure 20 - Total development fees[3]



Source: Edmonton Region Home Builders Association, 2004. Note St. Albert considers a modest home 1600 square feet, while the other municipalities use 1400 square feet.

Land Use Regulations and Statutory Plans

Municipalities are responsible for local land use regulations and planning, defined within the parameters of provincial legislation. These tools can encourage or hinder the development of affordable housing. The City recently updated its Land Use Bylaw and incorporated some changes that could encourage the development of more affordable housing:

- Narrow lots of 10 m are now permitted in R1 districts. Up to 20 percent of lots are allowed to be less than 11.5 m wide. Any future Area Structure Plans must include a minimum of 5 percent narrow lots.
- For lots less than 11.5 m wide, the maximum gross floor area per dwelling is 1,458 square feet.
- The density permitted for multi-family development in the R3 district has been changed from 30 dwelling units per hectare to 35.
- Limited group homes with up to three residents are permitted uses in R1 and R2 districts. Group home with four to six residents are discretionary uses in R1 and R2 districts.
- Transitional Residential Services is now a discretionary use in the PS district.

Other programs

There are some other programs currently in existence that can be accessed and can contribute to increased affordability of housing:

- Property tax exemption - provincial legislation allows non-profit organizations to submit an application to a municipality in which the organization owns property and have the property taxes waived.

[3] Data is not available for Fort Saskatchewan

- Federal GST rebates - Owners of rental properties, or owners of the land leased for housing, can claim half of the GST back from the federal government.
- Private landlord subsidy program - Capital Region Housing Association (CRHA) will enter into agreements with a private landlord to have a portion, or all, of their rental properties included in the subsidized properties managed by CRHA. CRHA will provide the tenants from their waiting list who will pay 30 percent of their income for rent, with the remainder covered through subsidy. If the unit is vacated, the full rent is paid for up to two months or until the apartment is rented. The agreement includes a specified length of time that the unit will remain as a subsidized one.
- Seniors Education Tax Increase Exemption - Eligible seniors can apply to the provincial government for a rebate equivalent to the increase in the education portion of their property taxes.
- The Home Adaptations for Seniors' Independence (HASI) through CMHC that provide funding to eligible seniors to upgrade their homes to accommodate disabilities and special needs.
- The Residential Rehabilitation Assistance Program (RRAP) through CMHC provides forgivable loans to eligible clients for the conversion or modification of homes and buildings to provide affordable housing units.

Summary of key affordable housing issues in St. Albert

St. Albert had one of the highest growth rates in the metropolitan region for many years, but has experienced a much slower growth rate in the last couple of years compared to other municipalities in the metropolitan region. The lack of affordable housing could be a factor in this.

The key issues arising from the data reviewed in this report provide further insight into specific local affordable housing concerns.

Population and Demographics

Income levels

There are significant numbers of households in St. Albert with lower income levels:

- Approximately 3,400 households in St. Albert earning less than $40,000 are likely paying more than 30 percent of their income for housing
- As many as 1,900 households in St. Albert could required subsidized and/or supportive housing
- There are 146 families receiving Income Assistance and approximately 200 people receiving AISH benefits currently living in St. Albert

Households Types

The TD study referred to earlier highlighted certain household types that were more likely to be in need of affordable housing. By looking in more detail at the types of households that are currently found in St. Albert, one can see a predominance of these in the low income categories. However, there is also some significance in the lower proportions of these types of households in St. Albert, suggesting a lack of affordable housing may be a factor:

- St. Albert has the highest proportion of people aged 45- 64 who, as seniors, are likely to want to remain in the community and require more affordable and/or supportive housing.
- The largest proportion of low income households in St. Albert are singles under 25 and households over 65. The City has a much lower proportion of people in their 20s and 30s and over 65 when compared to Edmonton. Both these groups generally have a high rate of demand for affordable housing
- St. Albert has a lower proportion of lone-parent families than other municipalities within the metropolitan region, suggesting a possible lack of affordable housing
- 50 percent of St. Albert households are either single individuals or couples without children

Some other details suggest some consideration regarding household size may be needed as households tend to be slightly larger here:

- St. Albert has a larger average household size than both the regional and national average
- In 2001 St. Albert had just over 40% of its households made up of a couple family with children, compared to only 30% in the Edmonton metropolitan region
- St. Albert has a higher proportion of visible minority households than other municipalities in the metropolitan region, who may be more likely to have extended family sharing a home

Lack of affordable housing stock

There is a limited amount of available housing stock that is affordable:

- There are some group homes for people with developmental disabilities, and nothing to accommodate people with other types of disabilities
- There are approximately 400 supportive housing units for seniors.
- There are no private or public subsidized housing units
- St. Albert has a lower proportion of rental units and a much lower vacancy rate than elsewhere in metropolitan region
- Newer homes include a significantly greater proportion of larger, more expensive homes, while the number of small homes is declining
- Of resale homes, 24% sold in 2003 were valued at less than $160,000. In 2004 only 6% of the homes sold were under $160,000

Lack of public land and assets

Public land is an important asset a municipality often contributes to the development of affordable housing. There is a significant lack of public land at any government level available within the City of St. Albert.

Many municipalities often own housing stock, often received through foreclosures due to delinquent property taxes. Such assets are another potential municipal contribution to the development of affordable housing. The City of St. Albert has no such assets.

Housing and development costs

The price of labour for housing development is consistent throughout the metropolitan region. However, St. Albert generally has higher land costs than other area municipalities because it has a smaller supply of developable land within its boundaries than most other Alberta municipalities. In addition, St. Albert has some of the highest development costs in the region, which includes infrastructure charges, land dedications, development fees, building permit fees and other charges and taxes. These fees account for approximately nine percent of a home's total cost.

St. Albert also ranks high in the region with regard to home ownership costs. While utility costs are the one area where St. Albert has one of the lower costs in comparison to other municipalities, all other costs such as home insurance, property taxes and mortgages are higher in St. Albert.

Estimation of Need

Many cities identify the types and numbers of households in Core Housing Need by the use of a waiting list for public or social housing. Unfortunately, St. Albert does not have either a public housing program or such a waiting list from which to gather such information. Therefore estimates must be made based on available data.

The *Strategy* identified up to 16 percent of residents in St. Albert being in Core Housing Need. It provided a breakdown according to singles, couple families with or without children and lone-parent families. Updates in this report provide a further breakdown. Building upon the figures in Table 6, Table 8 indicates the housing sizes needed for households earning less than $40,000. Approximately 62% of the need is for rental housing. Approximately 40% of both rental and ownership housing would be needed for families requiring two or three bedroom units.

Table 8 - Estimated housing sizes and quantities needed for households earning under $40,000

	One bedroom	Two bedroom	Three bedroom	
Rentals (monthly)				
up to $500	1,000	300	460	
$500 - $750	188	48	54	
$750 - $1,000	201	69	78	
TOTAL	**1,389**	**417**	**592**	**2,398**
Ownership				
up to $126,000	438	112	126	
$126,000 - $162,000	468	161	182	
TOTAL	**906**	**273**	**308**	**1,487**
				(400)[4]
ADJUSTED TOTAL				**3,485**

Approximately 761 rental units in St. Albert exist that would be affordable to those earning less than $40,000. Table 8 suggests that nearly 2,400 households could be in need of such rental housing.

There are some homes being sold that are affordable to households earning less than $40,000, but the numbers of single-family homes sold in that price category has dramatically dropped from nearly 382 in 2003 to only 81 in 2004. Condos are primarily providing ownership housing for households in this category, which are not likely to be as appropriate for families with children.

There are approximately 580 units of supportive and/or subsidized housing for seniors and adults with developmental disabilities. But there is nothing available for families and singles receiving some form of income support, or others who might need assistance for independent living. St. Albert does not currently have a mechanism in place to measure the level of needs, such as with a waiting list for housing.

To try to assess this need, ratios for the City of Edmonton are compared to the need in St. Albert. Edmonton is expected to have a much greater need for the various types of affordable housing than St. Albert, so a percentage is used to determine the proportions based on the 16 percent estimated in the *Strategy* rather than use direct ratios to the St. Albert population. These estimates are included in Table 9. The numbers suggest nearly 60% of the housing required could need some level of subsidization and/or support associated with it.

Table 9 - Estimated numbers of housing types needed

	Edmonton		St. Albert
	units needed per 1000 population)	Percentage	Potential units needed
Subsidized	51	36%	1,255
Supportive	29	21%	732
Affordable	61	43%	1,498
			3,485

[4] Due to limitations of available data, it is not possible to take into account the equity position of households aged 55 and over. Using growth rates since 2003 as a guide and the initial figures from the *Strategy*, it is estimated this could represent approximately 400 units. The majority of these would likely be in the one-bedroom rental category of this chart.

The analysis to date looks at the current situation in St. Albert, and the lack of available affordable housing to accommodate existing residents and unmet demand. However, the city continues to grow each year, and with that growth comes an ongoing demand for more affordable housing options. Table 10 shows the projected need for affordable housing in St. Albert over the next twenty years, over and above the current need. An average of just under one hundred affordable units could be needed each year.

Table 10 — Projected growth of households in Core Housing Need

Year	Number of households	Households that may be in Core Housing Need	Change
2003	19,037	3,282	—
2016	25,289	4,045	+763
2027	34,485	5,517	+1,472