Appendix 4

Municipal Priorities and Growth Technical Study

City of St. Albert
Planning & Development

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Table of Contents

IV. MUNICIPAL PRIORITIES AND GROWTH 2

A. Introduction 2
B. Strategic Focus 2
C. Policy Context 3
D. Population and Employment Forecast 7
E. Works Cited 12

List of Figures

Figure IV.A - Estimated Growth Base Scenario 8
Figure IV.B - Workforce Occupations 9

IV. Municipal Priorities and Growth

A. Introduction

St. Albert has experienced many changes over the last 20 years, with periods of growth and economic recession. Residents who were attracted to the City between the years of the highest growth are now getting older and want to remain in St. Albert during their senior years.

While St. Albert has many affluent households earning at or above median income levels, there is also a segment of the City's population who are struggling, as illustrated by low income household earnings.

St. Albert's population is expected to experience strong growth over the next 30 years, due to the oil industry and associated spin-off industries. The attraction of young workers to the region will mean that the City's housing stock will need to be as equally diverse as the City's population is expected to be.

B. Strategic Focus

Council priorities indicate the desire to develop a safe, healthy, inclusive community, and to cultivate economic prosperity. In order to achieve these goals, St. Albert needs to attract its share of residents, businesses and industries to St. Albert rather than other Capital Region communities.

Municipalities that actively work to develop a range of housing products for a diverse range of incomes will have an economic advantage over their neighbours. As housing costs generally take up the highest percentage of income, it is important that the City's housing stock be affordable to the people we want to attract. Housing costs relative to incomes earned have a direct impact on quality of life indicators.

The City's strategic perspective on housing investment will be reflected in the continued desirability of St. Albert as a place to live, work and play. The development industry, as well a numerous not-for-profit agencies and groups, all have an equally important role to play.

Consideration of municipal contributions towards housing will enable the City to leverage additional resources from other levels of government, and the private sector. Housing

development incentives, assistance programs, housing cooperatives, equity sharing arrangements, alternative tenure methods, and land cost saving methods, can also contribute to developing a more diverse affordable housing supply.

C. Policy Context

The following Council priorities, municipal policies and initiatives have an impact on the City's direction in relation to housing.

1. CityPlan St. Albert (Municipal Development Plan)

The City's Municipal Development Plan (MDP) sets out the goals and policies for all aspects of the City's development, as required by the Municipal Government Act. It encourages the development of well planned and attractive neighbourhoods which provide a broad range of housing types with varying densities, sizes, tenures, and prices.

This goal recognizes that demographic changes will increase the demand for a greater housing mix, and may require development at a higher density, to provide more housing choices for this emerging market.

a) Capital Region Growth Plan Conformance

CityPlan addresses conformance with the CRB Growth Plan policies related to housing within three key areas:

1.	Residential Density	New residential areas of the City must meet the minimum residential target density of 30 units per net residential hectare.
2.	Location of Affordable Housing	The City will consider the equitable distribution of market and non-market housing based on existing and future needs. The distribution of housing should be strategically located near transit services and necessary related support services.
3.	Anticipated Affordable Housing Needs	The City will work collaboratively with all partners to meet the housing needs of the City through a sub-regional planning model.

2. Community Housing Plan (Master Plan)

In March 2006, Council approved the Community Housing Plan. This plan assessed and prioritized the recommendations within the Affordable Housing Strategy (approved in 2005), to develop a more detailed implementation program best suited to St. Albert at that time. The Community Housing Plan (CHP) summarized key issues in affordable housing specific to St. Albert and outlined recommendations to City Council from the Affordable Housing Advisory Board, in conjunction with City staff.

In 2006, there were an estimated 2,144 to 3,485 households in core housing need in St. Albert, the majority earning less than $40,000. The CHP estimated an average of almost one hundred affordable units could be needed each year.

3. Affordable Housing Delivery Model (Implementation Strategy)

In June 2012, Council then approved the *Affordable Housing Delivery Model* (the *Implementation Strategy)*, which recommended seven key strategies to support affordable housing development over the next five years to 2017. These strategies were built upon the recommendations contained within the Community Housing Plan.

a) St. Albert's Affordable Housing Policy

In 2012 St. Albert approved Affordable Housing Policy C-P&E-06, which includes the following vision:

> *"St. Albert is an inclusive family oriented community that promotes a high quality of life for all its residents regardless of income. Council recognizes that affordable and entry-level housing options in a variety of dwelling forms are needed to support business and industry, resulting in an economic and socially sustainable community for future generations."*

Policy C-P&E-06 defines the terms associated with housing affordability within the regional context, and outlines policies and procedures that the City will undertake to increase the supply and development of affordable housing.

4. Other Department Plans and Initiatives

a) St. Albert's Social Master Plan

In April 2013, Council approved St. Albert's Social Master Plan - *Cultivating a Community For All.* The Social Master Plan identified five key values to have an impact on the social well-being of St. Albert and its residents.

Within these values the Social Master Plan identified the following actions related to housing:

1. Value: Sense of Community and Connectedness

Goal #2: St. Albert is a community where crime is not tolerated.

Theme: Safe and Caring Neighbourhoods

Recommended Actions:

- Encourage neighbourhood design that promotes community safety and community cohesion
- Improvements are implemented to existing communities to promote safety

2. Value: Diversity and Inclusion

Goal #3: St. Albert is a community where all residents have a place to live.

Theme: Housing and Homelessness

Recommended Actions:

- Support the implementation of the Affordable Housing Policy.
- Explore the use of the Housing First approach within St. Albert.
- Create a multi-disciplinary team to oversee housing and homelessness initiatives.
- Advocate for the development of mixed density housing in new neighbourhoods.
- Advocate for sustainable funding for housing and homelessness initiatives.
- Advocate for a coordinated continuum of housing options.

Goal #4: St. Albert is a community where accessibility for all is ensured.

Theme: Supports for People with Disabilities

Recommended Actions:

- Advocate that public spaces in St. Albert be fully accessible to all residents of the community.

3. Value: Social Responsibility and Engagement

Goal #1: St. Albert is a community where individuals and families are able to meet their basic needs and achieve financial security.

Theme: Poverty

Recommended Actions:

- Develop a Poverty Reduction Strategy for St. Albert.
- Define the barriers community members face to achieving financial stability.
- Support the development of a living wage advocacy campaign.
- Explore options for ensuring residents have access to emergency housing.
- Ensure that services are delivered in a coordinated fashion.

D. Population and Employment Forecast

In 2013, Applications Management completed a study on behalf of the City of St. Albert to provide a 30 year population and employment forecast. This forecast, based on the Capital Region Board approved population and employment projections, reflect plausible scenarios for estimating future growth.

Population projections were prepared for two scenarios:

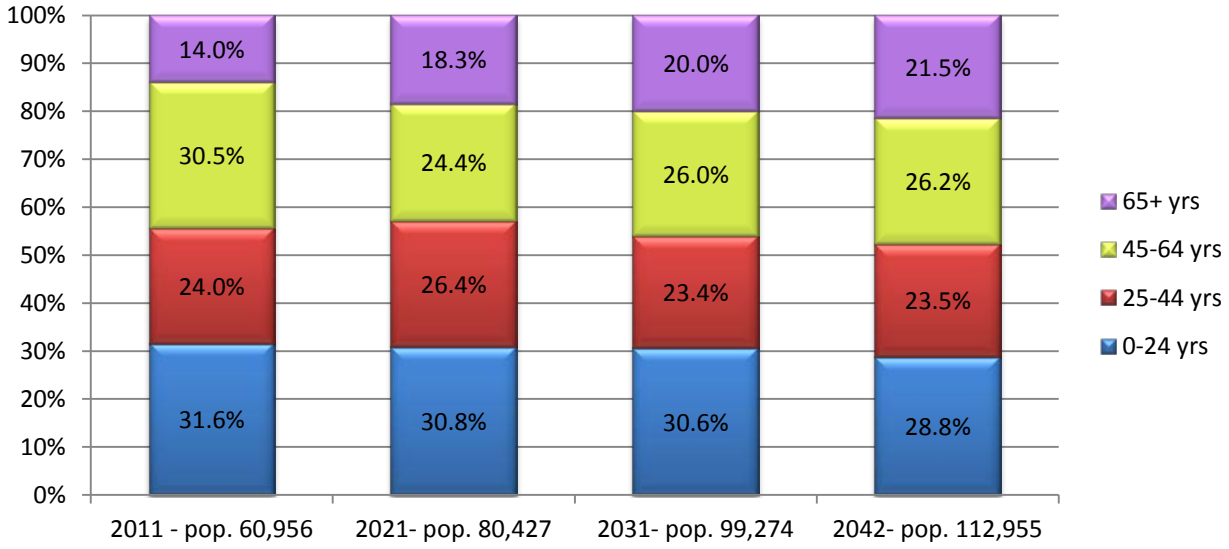
- Base Scenario assumes natural growth (births and deaths) in the permanent population and conservative employment growth in the Edmonton Capital Region from 2012 to 2042, as shown in Figure IV.A.[1]
- High Scenario – assumes natural growth in the permanent population similar to the Base Scenario, but considers higher economic growth in the Edmonton Capital Region and the local St. Albert economy. Increased population growth in the High Scenario is related to greater expectations of economic growth in the City and Capital Region, and population migration from other areas of the country and internationally, to meet the demand for workers. This model utilizes key drivers of local economic growth within the transportation and logistics, manufacturing, and construction sectors.
- The High Scenario assumes that the City would increase its share of residents employed in local jobs, filled by local residents.

Population projections assume that St. Albert's attractiveness as a residential location within the region has been increased as a result of the City offering a wider range of housing options fueling continued municipal growth. The anticipated wider range of housing choices could improve St. Albert's competitiveness as a residential location for young adults and young families looking for modest housing opportunities.

The St. Albert population forecast is within the range estimated by the Capital Region Board, showing modestly higher growth in the base scenario and slightly lower population growth within the high scenario.

[1] *Capital Region Total Employment Base Case, Capital Region Population and Employment Projections, Stokes Economic Consulting, Strategic Projections November 2012.*

Figure IV.A - Estimated Growth Base Scenario



Source: St. Albert Population and Employment Forecast

1. Estimated Growth Impacts

St. Albert has demonstrated consistently steady population growth (averaging around 2%) over the past 20 years. The CRB population forecast estimates an average annual growth rate between 1.2% to 2% over the next 30 years, resulting in an estimated population between 91,600 – 120,000 residents by 2044[2]. This is a 50% - 97% increase over the City's population size of 60,956 residents in 2011. In 2014 the municipal census recorded 63,255 residents.

The results of predicted population growth will necessitate the development of another 13,000 - 25,000 housing units over the next 30 years, equalling approximately 433 to 833 housing units per year on average. For reference purposes, the City has processed an average of 444 permits for housing units per year over the last 10 years. The highest amount was in 2013, with 808 units, and the lowest in 2009 with 233 units.

Demographic trends predict a higher number of single persons living alone, and an increased number of lone parent families. These changes may result in the need for more housing units than currently predicted. The City may need to expand 1.88 times its current size within the high growth scenario, perhaps not in land area, but in the number of dwellings needed.

It has taken the City 152 years to grow to its current size. It will take a little over thirty years for the City to double its population.

[2] *Capital Region Population and Employment Projections to 2044.*

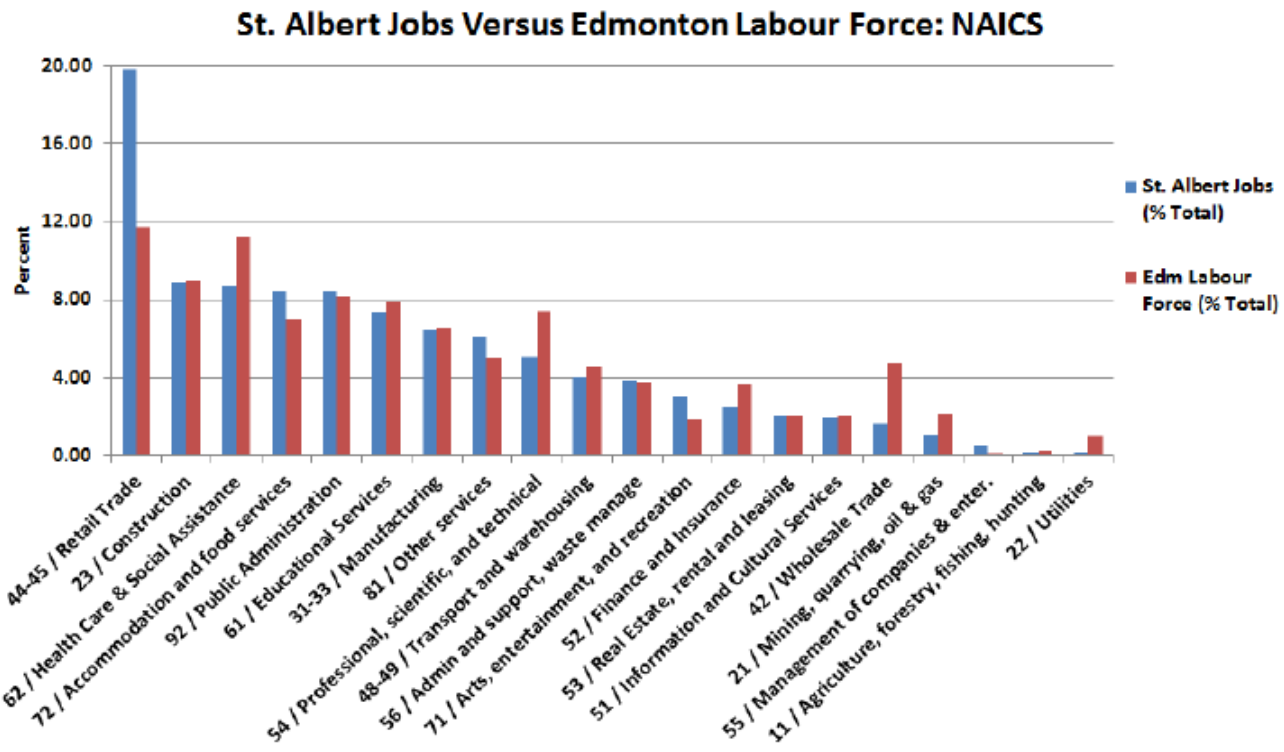
a) Current Employment Sectors

The City's *Employment Environment Analysis of St. Albert and Surrounding Area* (Economic Development, 2014) shows that 60% of St. Albert's jobs are held by local residents, employing 34% of local workers. The highest percentages of St. Albert's jobs are within the retail trade. Retail jobs generally employ a higher percentage of part time workers. Women make up 70% of all part-time workers and 66% of all minimum wage workers in Alberta (Hudson, 2013).

The remaining 66% of local workers travel to jobs outside of St. Albert, principally to Edmonton. St. Albert is roughly average in terms of the numbers of working residents who are employed locally; however the City has the potential to increase the number of local jobs with the employment lands coming on stream in the future.

If there were more jobs available, these workers would prefer to live in St. Albert. The Residential Housing Survey indicated a preference for residents to live close to their work.

Figure IV.B - Workforce Occupations



Note: This chart indicates the labour force share in 2011, broken down into North American Industry Classification codes. The numbers of St. Albert jobs are estimated based on Hoovers and Statistics Canada data.

b) Future Employment Projections

Employment projections show that for every 1,000 jobs, there is expected to be a draw of 2,200 family members, including children and seniors, who could potentially be attracted to the City. Employment is expected to be within the estimated local economic growth sectors, shown in Figure IV.B, and will be geared towards workers who are generally young and making modest incomes. Regional growth is expected to attract young migrants both nationally and internationally.

c) Future Focus

While the City is currently considering the development focus of the employment lands, industries common to the Edmonton and Alberta work force structures are in the fields of business services, construction, manufacturing, agriculture, and resource based industries. Edmonton currently has a greater share of trade, health care, and social assistance industries compared to St. Albert.

It is important that the City gear future housing towards employees of these future industries, as this may be one of the considerations in choosing their location. It is expected that these industries will employ a diverse range of employees, earning wages slightly above minimum wage to executive level positions.[3]

Retail trade, construction, accommodation, and food service industries, employ entry level and lower wage earning employees who would be least likely to be able to support the expense of commuting to jobs in St. Albert from other locales, and would be most likely to find work closer to their current residential location. Response to the Temporary Foreign Worker Program shows that attraction of modest wage employees are necessary and critical to the success of local service and retail industries.

Housing is needed for modest wage employees that convenient to work and close to public transportation. Modest wage employees are some of the highest users of public transit.

d) Generational Trends

Generation Y (also known as Millennials) is the demographic cohort that roughly refers to the generation born around 1980 - 2000, although there are no specific start or end dates for this generation.

The Generation Y cohort is substantially larger than the Baby Boomers, and is expected to be the most significant generation to influence future trends. This generation is well educated and technological savvy. The effects of this generation's preferences will have a strong influence on future housing trends.

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[3] */Average wages of these employees have been provided in Background Report #1.*

- Millennials are more inclined to pursue post-secondary education, racking up student loan debt, and often finding themselves without a well paying job.
- They are delaying marriage and children, along with the purchase of a home, until their early to late 30s. Higher student debt levels, high housing prices, and the changes to mortgage rules makes homeownership that much harder to attain for millennials.
- Generation Y is expected to be a less car-oriented generation, so distance from their homes to efficient transportation systems is important.
- Generation Y is known for its single and two-person households, which has become the fastest growing household type in Canada.
- Houses that Generation Y will be looking to purchase homes that are more urban. These may be in the forms of townhouses or condominiums (places that offer some benefits of urban living, proximity to transit, and culture). However this preference may change once they have families. Desired amenities would then shift to schools (Umberger, 2010).

Key Points:

The projected housing needs over the next 30 years will result in the demand for 465 to 645 new units annually. A portion of these units will need to be geared towards the following housing tenures:

Increased housing choices within the market rental and affordable market ownership options for predicted employment sectors - The highest predicted employment sectors are within the 30 – 44 age range, directed towards workers who will migrate to the Capital Region from other countries and other parts of Canada. These households will initially rent before making the commitment to purchase within their community of choice. It is important that there is a diverse range of rental housing choices as well as lower priced ownership options for households within their early income earning years in order to attract and retain these households in St. Albert.

Housing options for existing job sectors– The highest percentage of St. Albert's current job market is within the retail trade sector (clerical, retail, and food service industries). This job category is generally appropriate for employees earning minimum wage ($9.40/hour up to $20.00/hour), suitable for rents of $458 to $975/month. These workers are the least likely to commute to St. Albert from another location, and are the least able to pay market housing costs.

E. Works Cited

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3. Miller, D. B. (2011). City of St. Albert Future Industrial Land Requirements Study. St. Albert.
4. Umberger, M. (July 7th, 2010). *5 Gen Y housing trends to watch.* Retrieved from **http://www.inman.com/2010/07/07/5-gen-y-housing-trends-watch/**