

TOWN OF CLARESHOLM

Affordable Housing Strategy



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EXECUTIVE SUMMARY

The Town of Claresholm is a growing community that values economic and social sustainability. In order to ensure that all residents are able to contribute and feel safe in their community, there is a need to ensure everyone has access to affordable and stable housing. As such, the Town of Claresholm has partnered with the Rural Development Network (RDN) to create the Affordable Housing Strategy. This strategy aims to provide policy recommendations and an implementation process to achieve affordable housing outcomes.

The strategy is based on community feedback and research on urban planning principles and strategies seen in communities in throughout Western Canada.

There are five interconnected key actions developed in the report. They are meant to support the creation of both affordable market and non-market housing.



1. Introduction

1.1 PURPOSE OF THE AFFORDABLE HOUSING STRATEGY

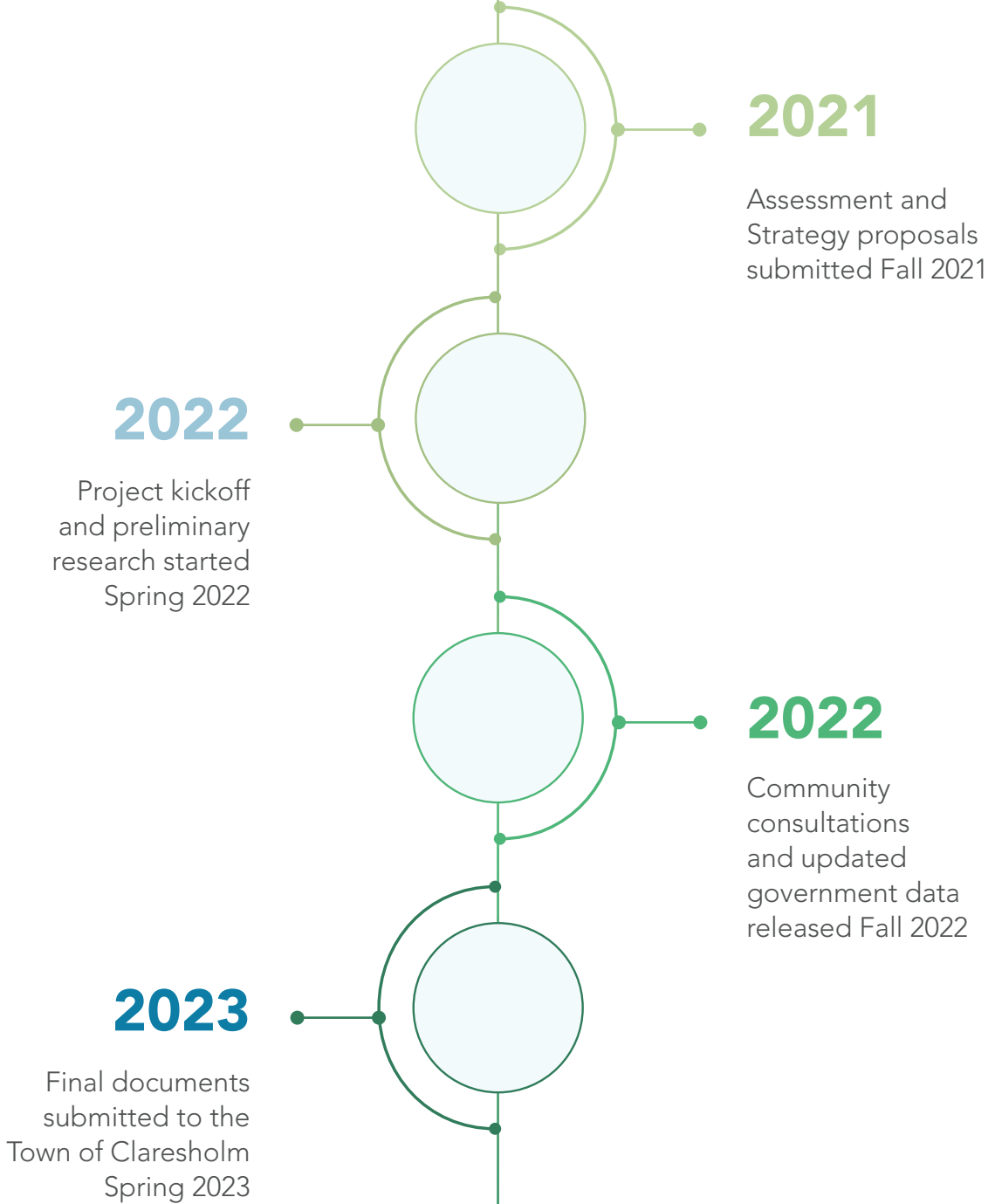
The Affordable Housing Strategy aims to provide policy recommendations and an implementation process to achieve affordable housing outcomes. This strategy aligns with Claresholm’s Council mission statement: “We will offer quality family living and encourage prosperity through innovative and progressive thinking.” As the town looks to grow and expand its economic and social well-being, ensuring that the entire community benefits is vital.

1.2 THE IMPORTANCE OF AFFORDABLE HOUSING

As part of Claresholm’s goal to appeal to residents ranging from young families to retirees, ensuring appropriate and affordable housing in the community is crucial. A significant component of this is allowing for a diversity of housing options. The needs of a growing family with children can radically differ from those of a retired couple looking to downsize. However, both groups bring value to the community. Claresholm can build resilience and provide a broader range of social and economic opportunities for people by allowing and supporting a more comprehensive range of housing options.

TIMELINE

AFFORDABLE HOUSING STRATEGY



1.3 HOW THE STRATEGY WAS PREPARED

October 2021: The Rural Development Network (RDN) submitted a proposal to develop a Housing Needs Assessment, a Social Needs Assessment, and an Affordable Housing Strategy for the Town of Claresholm.

February 2022: The project started with initial data collection and plan development.

Spring and Summer of 2022: RDN worked with Claresholm to collect community feedback through an online survey and an analysis of relevant housing and social data.

September 2022: RDN held three in-person and one virtual engagement session in order to solicit community feedback.

October 2022: Drafts of the housing and social needs assessments were provided to the town.

Winter 2022: Updated housing data was released by Statistics Canada and incorporated into the housing and social needs assessments.

March 2023: Final editions of the Housing Needs Assessment, Social Needs Assessment, and Affordable Housing Strategy delivered to the Town of Claresholm for review.

NEXT STEPS

Spring 2023: Final editions will be reviewed by the Town of Claresholm, and RDN will incorporate any feedback.

2. Housing Strategy

2.1 MISSION

Our primary focus is creating an environment that will allow every Claresholm resident to have affordable, adequate, and suitable housing. According to the 2021 Canada Census, at least 405 households live in homes that need major repairs, are unaffordable, or are overcrowded. By providing a blueprint for the Town and other community leaders on how to provide assistance and flexibility through a mix of market and non-market solutions, Claresholm can create a foundation for all residents to prosper and thrive.

2.2 OVERVIEW OF RECOMMENDED ACTIONS

The Claresholm Affordable Housing Strategy was developed based on Claresholm and area housing and demographic data, an environmental scan of successful policies seen elsewhere, and consultation with the community. The five key actions can be developed independently over time while complementing and supporting each other.



2.2.1 ENABLE HOUSING DIVERSITY

SUMMARY

While affordable housing exists as a non-market option for residents who require it, there is a lot of opportunity to create more market housing options for community residents by allowing zoning changes that focus on allowing homeowners more flexibility in developing their property.

OBJECTIVE 1: MODIFY SELECT RESIDENTIAL PARKING REQUIREMENTS

ISSUE

Current parking minimums for residential areas may force developers to create underutilized and costly spaces in residential areas.

STRATEGY

Allow more market flexibility for residential parking.

MEASURES

- Reduce or eliminate requirements for Secondary Suites' one space per bedroom requirement in the land use bylaw. Secondary suites are commonly used as a form of lower-cost market housing and are often used by students, seniors, people with disabilities, and young families with children. Legislation that each bedroom is being utilized by someone who requires their own parking space leads to excessive costs and wasted land.
- Perform a parking utilization study to determine if current residential parking standards are sufficient.
- Reduce, eliminate, or allow more flexible parking requirements for affordable housing developments.

OBJECTIVE 2: MODIFY RESIDENTIAL ZONING REQUIREMENTS

ISSUE

Most of Claresholm is zoned R1, which limits development to single detached houses, or R2, which allows for duplexes and single detached houses. This creates a gap in options for people who do not necessarily need or want that form of housing. It also restricts what landowners can do on their property.

STRATEGY

Allow for more market flexibility in housing.

SHORT TERM MEASURES:

- Modify R1 Zoning to allow for duplexes in new neighborhoods or infill projects as a permitted use rather than discretionary.
- Modify R2 Zoning to allow for 3-4plexes or townhouses as permitted use.
- Modify R3 Zoning to allow for low-rise apartments or merge R3 and R4 zoning.
- Decrease minimum site and floor area requirements to allow for denser developments in residential areas.
- Allow for accessory dwellings to be built on residential lots. Often called "garden suites," "granny flats," or "backyard suites," small-scale dwellings limited to 15-20% of a lot can be created as alternative housing options. People who may use such homes are seniors looking to live in multigenerational households while maintaining their own space, young adults looking for housing close to their families, adults who need family assistance in their daily lives due to health reasons but also desire some independence, and homeowners looking for a way to subsidize their mortgage.

LONG TERM MEASURES:

Look into the viability of developing a building-form-based zoning code that provides guidelines based on building dimensions and land usage as the town grows and develops. A template for such zoning can be found in the Town of High River, Alberta. It divides land into the following zones:

- Natural District (ND): Parks and recreation only
- Urban Reserve District (URD): Land set aside for future development with some temporary usages allowed.
- Traditional Neighbourhood District (TND): Newer developments with primarily ground-oriented residential development with the integration of local services that serve the daily needs of residents, such as Cafés, daycare facilities, home occupations, personal services, and small-scale Professional Offices. Dwelling unit numbers are limited by building codes and height/setback limitations that top out at three stories. Strives for a mix of 80% residential and 20% low-impact services.
- Neighbourhood Centre District (NCD): Centrally located neighborhoods just outside of downtown. Dwelling unit numbers are limited by building codes and height/setback limitations that top out at five stories in most locations. Strives for a mix of 50% residential and 50% low-impact services such as retail stores.
- Central Business District (CBD): The downtown area. Dwelling unit numbers are limited by building codes and height/setback limitations that top out at five stories in most locations. Strives for a mix of 30% residential and 70% services.
- Service & Employment District (SED): Industrial areas with few residential inhabitants.

Such zoning allows for greater flexibility in building market and non-market housing by focusing on the impacts of building size and usage rather than the number of dwellings.

2.2.2 SUPPORT AND DEVELOP HOUSING PARTNERSHIPS

SUMMARY

This recommended action is one of the key points in developing both market and non-market affordable housing. Partnerships can be a mix of non-profit organizations and private development companies with experience building and maintaining housing. Claresholm's role would be establishing these partnerships and providing appropriately justified incentives such as land or financial support.

OBJECTIVE 1: CREATE RESEARCH BASED JUSTIFICATIONS

ISSUE

It is difficult for smaller communities such as Claresholm to access outside funding because of staff time and expertise limitations. Communities such as Claresholm would benefit from partnering with experts and agencies to apply for funding .

STRATEGIES

Utilize outside expertise from the nonprofit sector to navigate the specific information required for various funding sources and provide clear, evidence-based support for more affordable housing.

MEASURES

- Claresholm is currently making progress in navigating this barrier by working with nonprofit organizations such as the Rural Development Network to assess the housing and social needs for the community. These reports should be updated a minimum of every 5 years to ensure they remain valid.

OBJECTIVE 2: INCREASE TOWN CAPACITY

ISSUE

Smaller communities such as Claresholm have to be strategic in utilizing their staff and resources in developing affordable housing.

STRATEGIES

Continue to work with existing partners in affordable housing initiatives, including non-profits, developers, and government agencies while pursuing other resources.

MEASURES

- Claresholm currently has housing agency called Claresholm Housing Authority (funded by Alberta Social Housing). More non-profit and market-focused housing providers should be pursued to ensure a more comprehensive array of housing options. This would also allow for more housing resiliency during rapid economic or social shifts.

OBJECTIVE 3: ENSURE AFFORDABLE HOUSING IS FINANCIALLY VIABLE

ISSUE

Affordable housing development has cost barriers that can limit or derail projects. Rising interest rates and supply shortages can exacerbate this.

STRATEGIES

Encourage development partners to create housing projects and increase affordable supply, through town incentives and assistance.

MEASURES

Claresholm has several options that they can pursue on a case-by-case basis.

- This can include providing municipally owned land at no or low cost for affordable housing projects, subject to land costs and availability.
- The town can borrow funds on behalf of a non-profit or other development organizations for high-impact affordable housing projects. This would require a high level of coordination and a certain level of risk for the municipality.
- The Town can utilize partnerships to research and apply for funding from outside sources, such as higher levels of government and non-profit organizations.

2.2.3 OBTAIN AND DESIGNATE MUNICIPAL LAND

SUMMARY

One of the most significant barriers to developing affordable housing is land cost and servicing for potential developers. By providing low or no-cost land and designating it for affordable housing, Clarsholm can further encourage such developments.

OBJECTIVE 1: REDUCE DEVELOPMENT COSTS

ISSUE

Land and servicing costs provide a challenge for affordable housing developments.

STRATEGY

Subsidize the development of dedicated and serviced municipal land.

MEASURES

- Ensure that costs related to development, such as utility infrastructure servicing, are reduced by developing on sites already compatible with the use or working with the developer to reduce costs.
- Create tax-based incentives on a sliding scale according to the merits of individual projects.

OBJECTIVE 2: OPEN UP LAND FOR AFFORDABLE HOUSING

ISSUE

Appropriate land may not be available or too costly for affordable housing.

STRATEGY

Identify and dedicate land for affordable housing.

MEASURES

- Use the Potential Affordable Housing Development Sites section of the strategy to identify land where affordable housing would benefit residents most. Further isolate individual lots based on servicing, costs, whether the municipality already owns it, and whether it is available to sell.
- Use zoning requirements to ensure the land is available for the highest level of use and available to expand if necessary.

2.2.4 CREATE COMMUNITY HOUSING CONVERSATIONS

SUMMARY

Community engagement and support are key to creating a sustainable, affordable housing base. Housing is a fundamental human right, but misconceptions about affordable housing often lead to negative push-back and project delays or failure. A proactive stance can help mitigate some of these issues.

OBJECTIVE 1: MITIGATE PUBLIC PUSH-BACK

ISSUE

Affordable housing has historically been associated with negative misconceptions and real-world issues.

STRATEGIES

Provide relevant information to residents that clearly show a need for affordable market and non-market housing. Increasing these options benefits the entire community.

MEASURES

- Use social media and town events related to affordable housing to dispel myths about affordable housing using real-world examples of its positive benefits and need.

OBJECTIVE 2: INCREASE COMMUNITY ENGAGEMENT

ISSUE

A low level of community engagement may lead to issues in developing support for affordable housing projects and maintaining public awareness of the negative impacts of unaffordable housing.

STRATEGIES

Encourage feedback and provide project information from community residents through regular formal engagement opportunities such as council meetings and information sessions.

MEASURES

- Promote and allow access to research documents that justify a need for affordable housing.
- Publicize and allow for feedback during critical moments in actualizing the affordable housing strategy.
- Create a single point of contact with a town staff member for resident correspondence about the affordable housing strategy.

2.2.5 SUSTAIN EXISTING AFFORDABLE HOUSING

SUMMARY

Claresholm Housing Authority provides affordable housing for low-income seniors in 41 senior self-contained apartments and low-income families in 20 social/family housing duplexes/townhouses/trailers in the Town of Claresholm. These housing units date from 1978-1987. They remain a crucial part of Claresholm's housing mix. Hotels are used as a form of no-barrier emergency housing, but rates are based on market demand and can exceed the financial capacities of many residents. Legal and illegal basement suites are also crucial to the affordable housing market mix.

OBJECTIVE 1: ENSURE AFFORDABLE HOUSING CONTINUES TO DEVELOP AND BE MAINTAINED

ISSUE

The affordable housing that currently exists in Claresholm is a mix of options that are subject to public funding and market forces.

STRATEGY

Ensure that current levels of affordable housing are maintained while also developing more options.

MEASURES

- Work with housing developers and nonprofit organizations to increase supply of affordable housing and reduce the reliance on a single organization.
- Work with Alberta Social Housing Corporation with redeveloping the current housing supply into denser options when buildings reach end of useful life.

2.3 POTENTIAL AFFORDABLE HOUSING DEVELOPMENT SITES

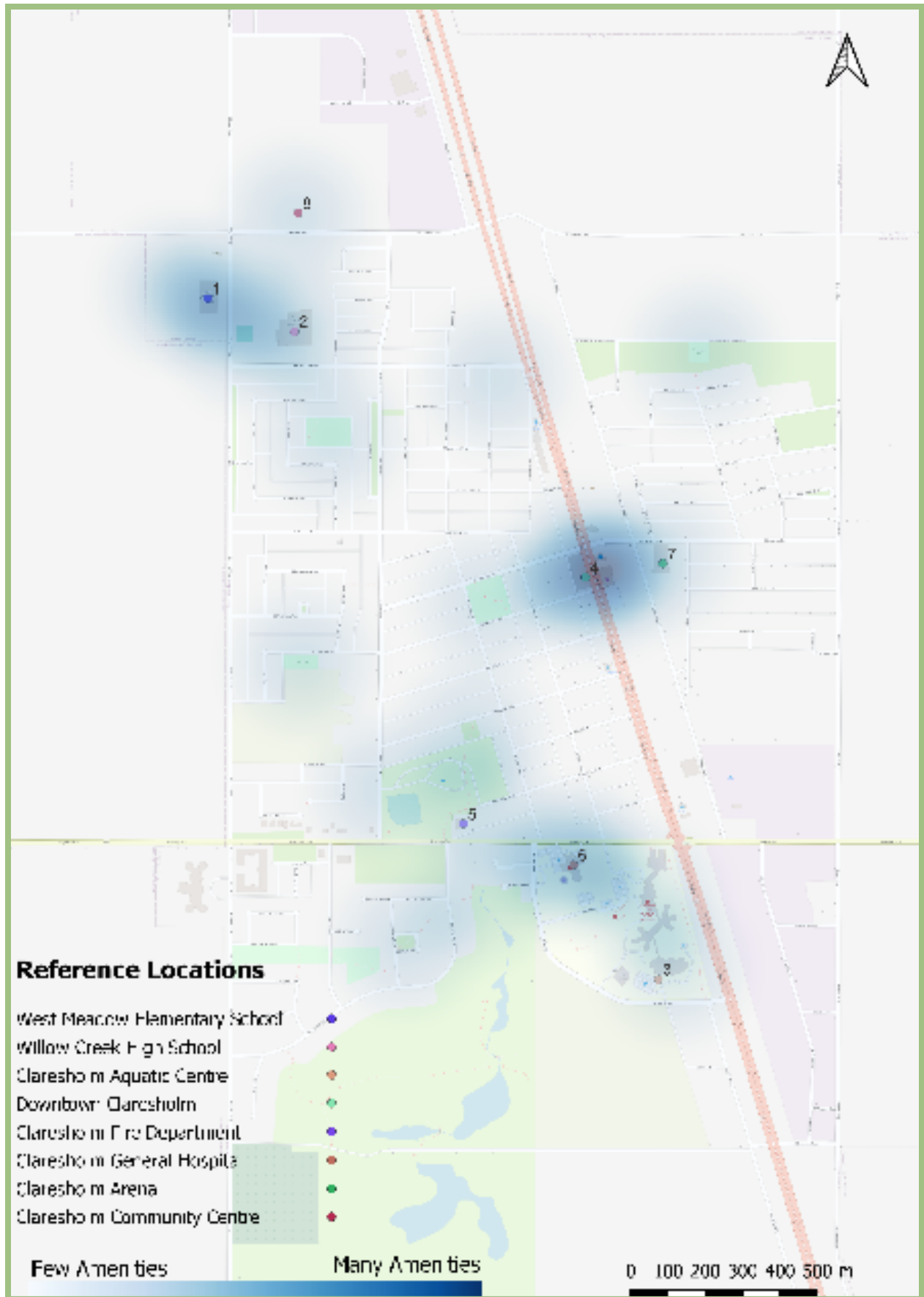
Affordable housing is used by a wide demographic of people, including those with limited mobility or without regular access to a personal vehicle. This can be a severe barrier for residents accessing their basic needs, especially in a community without regular public transit.

While individual preferences may vary, a distance of 400 meters is seen as a walkable distance for most people. This is the equivalent of a five minute walk for the average person. However, this can vary widely, particularly if the individual has a mobility issue, is an older adult, or if weather conditions (such as high winds, snow, or rain) cause problems.

The following map is intended to serve as a general guide to areas that would be most suitable for affordable housing and is based on a concentration of services within a 400 meter walkable distance. This included:

- Grocery Store
- Hospital
- Parkspace
- Schools
- Recreation Sites
- Pharmacies





2.4 STRATEGIC ROLES

The affordable housing strategy depends on a mix of private sector, non-profit, and government stakeholders working together and separately.

TOWN OF CLARESHOLM'S ROLE

1. Planning, research implementation and policy development
2. Advocacy and education
3. Proactive leadership
4. Creating, updating and enforcing regulations
5. Monitoring and evaluating community needs
6. Supporting and organizing the initiatives of partners
7. Ensuring the successful implementation of the Affordable Housing Strategy

NON PROFITS' ROLE

1. Designing and building affordable housing
2. Performing research
3. Pursuing funding
4. Property management

PRIVATE DEVELOPERS' ROLES

1. Designing and building affordable housing
2. Pursuing funding
3. Property Management

OTHER ORDERS OF GOVERNMENT ROLES

1. Providing grants and other sources of funding for affordable housing projects
2. Providing high-level affordable housing policies, strategies and support
3. Providing census data used for the analysis of housing need and demand

3. Affordable Housing

3.1 DEFINITION

WHAT IS AFFORDABLE HOUSING?

Affordable housing means less than 30% of a household's pre tax income is spent on shelter. For homeowners, this means the total cost of their mortgage, property taxes, utilities, and condominium fees (if applicable). For tenants, this means rental costs and utilities.

BELOW-MARKET HOUSING

Below-market housing includes rents or charges for housing that are below the market rate, often developed by nonprofit organizations and supported by subsidies from various levels of government. It can be designed just like market housing, providing a safe and supportive home that does not look or feel different from market housing. This can be found in Claresholm through the Claresholm Housing Authority.

MARKET HOUSING

Market housing includes rents or mortgage charges for housing that are at or above the market rate, with minimal or no subsidies from various levels of government. This makes up the overwhelming majority of housing in Claresholm and most other communities in Canada.

3.2 THE HOUSING CONTINUUM

The Canadian Mortgage and Housing Corporation (CMHC) uses the housing continuum to depict the range of housing situations Canadians can live in. Depending on socioeconomic status, these living situations can and often will change throughout a person's life; this ranges from homelessness and emergency shelters to market rental and home ownership. The goal of the CMHC is to ensure that every Canadian resident can transition to or stay within a safe and affordable home. An equitable and balanced approach to housing recognizes that not every community member has the means or capacity to live in market housing. A community with only higher-priced market ownership housing can lead to increased homelessness and reduced services from critical but lower-paid occupations in areas such as healthcare. In contrast, a community with only social housing reduces economic opportunities and social mobility, leading to multigenerational poverty.



3.3 FILTERING

Housing Filtering is the process in which new, higher-priced properties entering the market cause those who can afford to do so to trade up. Their now vacant older properties are then accessible for a reduced cost for lower-income homeowners or tenants. An example is a retired couple buying a new luxury townhouse and selling their outdated 1960s bungalow as a “fixer-upper” to first-time buyers, or a growing family purchasing a four-bedroom house and renting out their two-bedroom condominium.

However, this process depends on creating new dwellings that allow people to upgrade. If there are obstructions in the housing cycle, such as insufficient market home ownership options built, it affects the rest of the market. Higher-income households that would have normally upgraded to a new home are forced to remain in or buy/rent a place that a lower-income household would have historically used. This then reduces the supply of housing for lower-income households. Eventually, an affordability crisis cycle arises, where higher-income households are competing for a limited supply of poor-quality housing options, while lower-income households are left with increasing levels of homelessness or unstable housing.

3.4 NON-MARKET AFFORDABLE HOUSING IN ACTION

Affordable housing has had a long and successful history in Southern Alberta, including Claresholm itself. It can come in a variety of forms, from single family dwellings to duplexes, townhouses, and apartment buildings.

CLARESHOLM HOUSING AUTHORITY

Owned by the Alberta Social Housing Corporation, these non-market affordable homes are funded by a mix of resident rent and government funding.

PARKSIDE MANOR

Built in 1979, this seniors facility has 33 one bedroom apartments in a three story building. Rent is set to 30% of the total household income.

HERITAGE MANOR

Built in 1987, this seniors facility has 8 one bedroom apartments in a one story building. Rent is set to 30% of the total household income.

FAMILY HOUSING

Built between 1972 and 1985, these are a mix of townhouses, duplexes, and trailers, meant for low income families with dependents under the age of 18. Rent is 30% of total household income or the social allowance rent scale.



CITY OF LETHBRIDGE

COTTAGES AT SOUTHGATE

Opened in August 2022, this seniors housing complex has 64 one bedroom and one bathroom homes divided into 16 single story fourplexes. This is a mixed model approach with a rental rate of \$520.00 per month for households earning less than \$39,500.00 and a market rate of \$1,250.00 per month for households earning above that — with a needs based rental assistance of up to \$400 if applicable. All units are fully or partially accessible, meaning they are built to accommodate people with a wide range of mobility needs, such as wheelchairs.

As one of the most recent affordable housing project in Southern Alberta, the following cost breakdown and funding mix provides a snapshot of what it takes to develop a larger, low density affordable housing project.

Alberta Social Housing Corporation: \$3.4 million

Canada Mortgage and Housing Corporation (CMHC): \$4.8 million

CMHC seed funding: \$128,000

City of Lethbridge: \$790,000

Private donation: \$500,000

Lethbridge & Region Community Housing Corporation: \$6.2 million

TOTAL COST: \$15.8 MILLION

PER FOURPLEX: \$987,500

PER UNIT: \$246,875



COTTAGES AT SOUTHGATE



LETHBRIDGE AFFORDABLE HOUSING

A mix of properties are available from Lethbridge Housing Authority, in the form of duplexes and other smaller multiplex forms. Applicants are prioritized on the basis of need, as determined by income, assets, and current housing conditions, with rental rates that may not exceed 90% of market value. This form of affordable housing was funded by a mix of federal and provincial grants, as well as a conventional mortgage. They are integrated into existing neighborhoods and communities.



PINCHER CREEK AFFORDABLE HOUSING

The Town of Pincher Creek has several affordable housing options, as operated by the Pincher Creek Foundation. This includes affordable housing targeted to seniors as well as families. Affordable housing in Pincher Creek has a variety of building typologies, ranging from duplexes to large apartment style buildings.



3.4 MARKET AFFORDABLE HOUSING IN ACTION

While affordable home ownership programs do not have a significant presence in Canada, there are several programs in place from private and government sources that may be of interest to Claresholm residents.

HABITAT FOR HUMANITY

Habitat for Humanity is a non-profit organization that “builds strength, stability and independence for families through affordable home ownership.”

While Habitat for Humanity does not currently have any projects in Claresholm, they currently operate in Lethbridge, Carstairs, Cremona, Didsbury, Olds, Sundre, Medicine Hat, High River, Okotoks, Black Diamond, Turner Valley, Brooks, and Calgary through Habitat for Humanity Southern Alberta and Habitat for Humanity Lethbridge.

Qualified buyers are able to purchase a home with no down payment, no interest, and monthly mortgage payments set at 25% of household income.

Depending on the individual community and applicant, homes can range from single family houses to duplexes, townhouses, and larger multiplexes in major urban centres.

BASIC QUALIFICATION CRITERIA FOR APPLICANTS:

- Minimum employment income of \$35,000 per year (dependent on location).
- Maximum total household income dependent on family size.
- Have children under the age of 18.
- At least one member of the household working full-time (35 hours per week).
- Consistent full-time work history for the past two years.
- Do not currently own real estate.

- Have lived in the city or town where they are applying for at least two years.
- All family members are Canadian Citizens or Permanent Residents.
- Willing to volunteer 500 hours.
- No debt in Collections.
- Minimum \$2,000 in chequing, savings or RRSP accounts to demonstrate strong savings behaviour and for closing costs.
- Consumer Proposal must be in final year. Considered on case-by-case basis.
- Balance of debt and mandatory monthly payments on debt are taken into consideration.



CANADA'S FIRST TIME HOME BUYER INCENTIVE

With this incentive, the Government of Canada can provide:

- 5% or 10% for a first-time buyer's purchase of a newly constructed home
- 5% for a first-time buyer's purchase of a resale (existing) home
- 5% for a first-time buyer's purchase of a new or resale mobile/manufactured home

This program is a shared equity instrument. That means that the purchaser will repay the Government of Canada either 5% or 10% (depending on original percentage received) of the property's market value at the time of repayment, up to a maximum repayment amount equal to:

- Home Value Goes up: Seller repays the incentive amount plus a maximum gain to the Government of 8% per annum (not compounded) on the incentive amount from the date of advance to the time of repayment.
- Home Value Goes Down: Seller repays the incentive amount minus a maximum loss to the Government of 8% per annum (not compounded) on the incentive amount from the date of advance to the time of repayment.

Homebuyers are eligible if:

- They have never purchased a home before
- They did not occupy a home that they or their current spouse or common-law partner owned in the last 4 years.
- They have recently experienced the breakdown of a marriage or common-law partnership (even if they don't meet the other first-time home buyer requirements)
- Their total annual qualifying income doesn't exceed \$120,000
- Their total borrowing is no more than 4 times their qualifying income
- The buyer is a Canadian citizen, permanent resident or non-permanent resident

- The buyer is authorized to work in Canada
- The buyer meets the minimum down payment requirements with traditional funds (savings, withdrawal/collapse of a Registered Retirement Savings Plan (RRSP), or a non-repayable financial gift from a relative/immediate family member)

Residential properties can have 1 to 4 units and include:

- Single family homes
- Semi-detached homes
- Duplex/Triplex/Fourplex
- Townhouses
- Condominium units
- Mobile homes

RENT-TO-OWN STREAM FOR HOUSING PROVIDERS

Announced in Autumn 2022, the Rent-to-Own stream of the Affordable Housing Innovation Fund is for housing providers interested in developing, testing and scaling innovative rent-to-own models and projects. While the initiative is in its early stages, it is worthwhile for the Town of Claresholm to monitor it. This program could potentially be used to incentivize young families, immigrants, and other economically disadvantaged groups to move into Claresholm from higher cost of living areas.

Eligible applicants include:

- Municipalities, provinces and territories
- Private sector developers and builders
- Non-profit housing providers and community housing organizations
- Indigenous governments and organizations

To be eligible, a proposal needs to demonstrate:

Innovation: approach can facilitate prospective buyers transitioning from renting to owning a home within 5 years.

Affordability: supports housing affordability, which could include all units or designated unit(s) within a given model or project.

Financial sustainability: financially viable, or a plan is in place to ensure financial viability.

Safeguards: must have contractual mechanisms in place to provide safeguards and consumer protections to prospective home buyers. These include:

- Provisions for at least a partial refund for payments (in excess of reasonable administration costs) made in excess of market rents in the event the sale does not proceed as anticipated.
- Limits on rent increases no greater than the annual increase permitted under

applicable legislation/regulations or, in the absence of legislation/regulations limiting the annual increase of rent for the subject unit, then rent increases will be limited to the applicable consumer price index.

- Clearly stipulated sale price or methodology for determining the future sale price.

Knowledge transfer

As part of the application, an applicant must provide a knowledge transfer plan and information dissemination strategy for the innovative project or idea. Knowledge transfer objectives include:

- Capturing and sharing information, lessons learned and insights gained through the initiative
- Advancing the capabilities of the housing sector and knowledge of decision-makers
- Informing and influencing policymakers, builders or seed the next generation of innovations to improve housing affordability
- Planting the seeds for the next generation of innovations to improve housing affordability

3.4 AFFORDABLE HOUSING FUNDING

In Alberta, the development and funding for non-market affordable housing can be found through a mix of sources, including:

Alberta Social Housing Corporation

Government of Alberta Affordable Housing Funding through programs such as:

- Family and Community Housing Development and Renewal Program
- Seniors Housing Development and Renewal Program
- Affordable and Specialized Housing Program
- Capital Maintenance and Renewal Program

Canada Mortgage and Housing Corporation (CMHC)

CMHC Seed Funding

- The Seed Funding program supports affordable housing through interest-free loans and/or non-repayable contributions. There are two funding streams: one for new construction/conversions, and one to preserve existing community housing projects.

Municipal Governments

Private donations

Community Housing Corporations

4. Housing in Claresholm

4.1 HOUSING BREAKDOWN

This section is meant to give a broad overview of the current housing market in Claresholm and covers both homeowners and renters within the community. It covers data taken from the Claresholm Housing Needs Assessment and includes information on households in Core Housing Need, rental and home ownership rates, and vacancy rates.

Data for this section was taken from:

Statistics Canada, 2016 and 2021 Census

Alberta Regional Dashboard

Rural Development Network

Claresholm Community Consultations

CORE HOUSING NEED

According to Statistics Canada and the Canadian Mortgage and Housing Corporations (CMHC), a household is considered to be in core housing need if it meets 2 criteria:

A household is living in housing that does not meet federal standards in Suitability, Adequacy, or Affordability.

The household would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards. Meaning, that they are dealing with a housing crisis and cannot reasonably afford to move to a better housing situation within their community.

ADEQUATE HOUSING

Housing is considered adequate when it isn't in need of major repairs. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.

SUITABLE HOUSING

Housing is considered suitable when there are enough bedrooms for the size and make-up of resident households according to National Occupancy Standard (NOS) requirements. Unsuitable housing examples would be teenage children sharing bedrooms with parents due to lack of bedrooms, or grandparents needing to sleep on a couch.

AFFORDABLE HOUSING

Housing is considered to be affordable when housing costs less than 30% of before-tax household income. Housing costs include taxes, maintenance, and mortgage payments for homeowners, or rental amounts for tenants.

HOME NUMBERS

1,826 dwellings

1,709 occupied by residents

117 Empty (including due to undergoing renovations, construction, tenant vacancy, or uninhabitable).

RENTAL MARKET

400 Tenant Households

38% spending more than 30% on housing

13% in subsidized housing

4% in core need

Median monthly shelter costs: \$870

Annual income that a single person would need in order to pay 30% of income:
\$34,764.20

Median Individual Income \$36,000
Men \$39,600
Women \$31,600

Median Income for household \$65,000

VACANCY

2021 Vacancy rate: 0%

10 year average: 2%

Health Vacancy Rate: 3%

Missing data from 2019 and 2020 (likely due to the COVID-19 pandemic). Based on community consultation, rental rates were very low in those years and is likely that the 10 year average is actually lower than 2%.

HOME OWNERSHIP MARKET

1,305 non farm, non reserve owner households

54% with a mortgage

11% of homeowners spend over 30% of their income on housing

2% of homeowners in core need

Median shelter costs for owned dwellings: \$940

Median home value: \$250,000

Income needed to purchase a home in Claresholm (assuming a first time home buyer with 5% down with a 5% rate on a 25 year amortization) \$57,404.93

102 NOC occupations, including: Delivery and courier service drivers, General farm workers, General office support workers, Medical administrative assistants,

Receptionists, and Sheet metal workers.

CLARESHOLM HOUSING AUTHORITY

The Claresholm Housing Authority is a management body providing 61 public housing units for low income families and independent seniors in the Town of Claresholm. Rents are geared to income based on 30% of Total Household Income.

41 Seniors Self-Contained homes for low to moderate income seniors

20 Social/Family Housing for low income families with dependents under 18

The units consist of a variety of apartments, duplexes, townhouses, and trailers. Vacancies have historically been low, with units filling up quickly once available.

HOUSING TYPOLOGIES

Claresholm is overwhelmingly a town of single family homes, which can limit opportunities for first time home buyers and older residents looking to downsize but want to stay in their community.

Total - Occupied private dwellings by structural type of dwelling -

Occupied Dwellings: 1,710

Single-detached house: 1,245 (73%)

Semi-detached house: 135 (8%)

Row house: 50 (3%)

Apartment or flat in a duplex: 25 (1%)

Apartment in a building that has fewer than five storeys: 185 (11%)

Movable dwelling: 65 (4%)

4.2 CHALLENGES AND OPPORTUNITIES

CURRENT CHALLENGES

Based on available data and resident feedback, challenges in affordable housing are present in the community and appear to have gotten worse over time. These challenges include:

- Severely limited vacancy rates.
- Consistent need for government subsidized affordable housing options.
- High percentage of tenants living with unaffordable housing.
- Housing affordability out of range for many first time buyers based on occupational medians.
- Lack of housing diversity for residents who cannot live in a single detached home due to age, disability, or affordability challenges.

OPPORTUNITIES

Based on the current challenges, there are two main opportunities to potentially improve the affordability, suitability, and adequacy of housing options for new and existing residents of Claresholm.

The first issue to be addressed is the overall shortage of housing. With such low vacancy rates, there is an opportunity to build more housing in all forms, including single detached houses and multi-unit buildings such as duplexes and townhouses.

The second issue is to ensure that the housing mix is relevant to the needs of the community. Based on the Housing Needs Assessment, there is a mismatch between what housing currently exists and what is needed by many residents. Claresholm is an older community with a large population of singles and couples without children. However, the houses in the community tend to be single detached houses with 3-4 bedrooms. This means that there is an opportunity for the development of housing more appropriate for older residents who are looking to downsize from their family homes, younger couples without children, or singles.

5. Appendices

5.1 APPENDIX 1: PERFORMANCE INDICATORS

A crucial part of ensuring that an affordable housing strategy is effective and properly utilized is to create measurable performance indicators that can be reviewed regularly. An annual update should be provided by Town Administration to track the progress of the Strategy. This is meant to be adjusted as situations change.

Topic	Indicator	Source	Frequency
SUPPORT AND DEVELOP HOUSING PARTNERSHIPS	Value of grants given to non-profits for affordable housing research and programs	Town of Claresholm	Annually
	Count of municipal land provided to non-profits for affordable housing projects	Town of Claresholm	Annually
	Number of new policies or changes to policies informed by partnership research	Town of Claresholm	Annually

Create Community Housing Conversations	Average satisfaction rating for public engagement opportunities	Town of Claresholm	Annually
	Number of times Claresholm affordable housing initiatives are mentioned on media (TV, social, etc.)	Town of Claresholm	Annually
	Number of participants in public engagement opportunities	Town of Claresholm	Annually
	Number of engagement initiatives, separated by Strategic Bundle	Town of Claresholm	Annually
Obtain & Designate Municipal Land	Number of land acquisitions done	Town of Claresholm	Annually
	Number of municipal-owned land dedicated to affordable housing	Town of Claresholm	Annually
	Number of housing units planned & developed	Town of Claresholm	Annually

Legalize Housing Diversity	Percentage change in the number of non-single-detached housing in Claresholm	Town of Claresholm	Every 5 years
	Number of residential development permits for non-single-detached housing projects	Town of Claresholm	Annually
	Proportion of development that is infill (Within existing urban area) and new area development	Town of Claresholm	Annually

Sustain Existing Affordable Housing	Number of residential permits for major renovations	Town of Claresholm	Annually
	Number of projects supported by Town (letter of support, etc.)	Town of Claresholm	Every 5 years
	Percentage of renter households spending more than 30% of household income on shelter costs	Federal Census	Every 5 years
	Percentage of owner households spending more than 30% of household income on shelter costs	AB Regional Dashboard Town of Claresholm	Annually
	Residential vacancy rate for units in non-subsidized rental buildings containing 3+ rental units	AB Regional Dashboard Town of Claresholm	Annually
	Residential rental rates for nonsubsidized rental buildings that have 3+ rental units	Town of Claresholm	Annually
	Value of grants for housing development applied for and received by the Town or other partners	Town of Claresholm	Annually

5.2 APPENDIX 2: PRACTICES IN OTHER MUNICIPALITIES

The Town of Claresholm's Affordable Housing Strategy is based on housing and demographic data, urban planning principles, community perspectives, and actions taken by other Canadian municipalities.

Municipalities and Policies Reviewed

City of Edmonton - Affordable Housing Strategy, Zoning Bylaw

City of Kelowna - Healthy Housing Strategy

City of Lacombe - A Housing Strategy for the City of Lacombe

Town of High River - Land Use Bylaw

Town of Cochrane - Cochrane Affordable Housing Strategy & Implementation Plan

Town of Golden - Affordable Housing Strategy

District of Squamish - Affordable Housing Strategy and Action Plan

City of Nelson - Affordable Housing Strategy

City of Dawson Creek - Housing Strategy

Town of Fort Mcleod - Affordable Housing Strategy

City of Fernie - Affordable Housing Strategy

Action 1: Enable Housing Diversity

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane, Town of High River, City of Squamish, and City of Dawson Creek

Edmonton, Kelowna, Lacombe and Cochrane have published plans to review their parking regulations in order to encourage more affordable market and non-market housing. Within the past five years, High River and Edmonton have eliminated parking requirements in their Land Use Bylaws, which gives developers and individuals the authority to decide how much parking is required for new development. High requirements for off-street parking directly impacts housing affordability by increasing costs, which limits the amount of housing being developed. It also assumes that people in non-market need to drive, which is not necessarily the case for seniors and people with disabilities. Higher construction costs are pushed onto homeowners and tenants.

Kelowna, Lacombe, Cochrane, Squamish, and Dawson Creek identify in their affordable housing strategies that there is a need to change zoning bylaws to encourage higher-density homes where needed. Recommendations include increases in the number of dwellings allowed, decreased setback requirements, and increased maximum site coverage.

The Town of High Level has completely redone its Land Use Zoning Bylaws into one of western Canada's first building form-based zoning codes.

Action 2: Support and Develop Housing Partnerships

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane, City of Fernie

Edmonton has an annual affordable housing development research program that is publicly released. The annual advocacy plan includes the calendar year's objectives, partners and activities.

Kelowna's strategy highlights the city's role as a hub for community collaborations and information. The City also identifies the need for establishing a Memorandum of Understanding with key partners to formalize relationships and further promote housing development. Lacombe identifies the need to host and attract people to civic engagement opportunities. Cochrane identifies the need to build partnerships with private, public and non-profit organizations to build affordable housing. Fernie has a key component of the

plan in forming partnerships with non-profits.

Action 3: Create Community Housing Conversations

Municipalities: City of Edmonton, City of Kelowna, Town of Cochrane, District of Squamish, City of Golden

All of the listed communities recognize that stakeholder engagements are key to ensuring the developments are seen as beneficial components of their housing systems. They all target conversations as housing as a human right and see the municipality as a hub for leading and encouraging conversation.

Action 4: Obtain and Designate Municipal Land

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane

All of the above listed communities dedicate land specifically for the use of affordable housing in their Housing Strategies. A key way to increase the supply of affordable housing, as well as housing in general, is by strategically allocating municipally owned land for affordable housing development. The communities then have the option to develop land on their own, sell the land, or lease/provide the land to a development group at no cost.

Municipalities can also acquire privately owned land in strategic areas for affordable housing projects. This approach requires increased financial investment from the municipality, as they must purchase or expropriate the land from private owners.

Action 5: Sustain Existing Affordable Housing

Municipalities: City of Edmonton, City of Kelowna

Providing financial incentives to support the renovation of existing affordable housing units is a key part of the City of Edmonton's strategy. The City of Kelowna keeps a detailed inventory of the existing purpose-built rental stock and keeps track of key issues occurring in the rental market.

5.3 APPENDIX 4: STRATEGY EVALUATION

The Claresholm Affordable Housing Strategy is meant to be a living document that adapts to potential Town changes. As such, it needs to be regularly reviewed to ensure the strategy remains effective.

ANNUAL UPDATES

In accordance with Appendix 1, Performance Indicators, the Strategy will be reviewed annually. This will include confirming each action's status, assessing performance indicators, and evaluating emerging issues and trends within the Town. The annual evaluation of this Strategy will also incorporate community feedback and updates through relevant community engagement methods.

FORMAL EVALUATION

A formal and major evaluation of the Strategy and its effectiveness should be performed at a minimum of every ten years. Such evaluation should consider and be strategically aligned with shifts in Town and provincial/federal policy. This includes:

- Changes to the Claresholm Municipal Development Plan
- The release of a new Provincial or Federal Housing Strategy which significantly changes available options or circumstances for affordable housing development

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