

City of Cold Lake
Economic Development Advisory Committee
Opportunity Identification Group

Affordable Housing Report 2006

Preamble

In the Spring of 2005, residents of Cold Lake came together at a Community Economic Development Planning Workshop and identified “Affordable Housing” as a top community priority. As a result the Opportunity Identification Sub-Committee was formed, its first goal being to identify the extent of the affordable housing problem and to begin exploring potential solutions for the City. The information collected by the committee is packaged in this report.

The purpose of this report is to:

- raise awareness as to what affordable housing is;
- highlight affordable housing gaps and challenges in Cold Lake;
- draw attention to the economic, social and health benefits that accompany the creation of affordable housing;
- provide information on what other communities have done to address the need for affordable housing and;
- present ways that the City of Cold Lake can partner to help create affordable housing in the community

This report uses a continuum-of-housing framework; by adopting this framework, it provides a foundation for action that builds on Cold Lake’s current housing assets. The structure of the report is particularly important because it will be turned over to The Cold Lake Housing Society in the near future, a group whose mandate is to assist and/or spearhead projects that aim to fill affordable housing needs (gaps) in the community.

Executive Summary

Cold Lake is a growing community that continues to be subject to decreasing vacancy rates and rising costs of living. As in many other communities—nation-wide, the creation of affordable housing in Cold Lake has come to the forefront as a community priority needing to be better understood and addressed strategically. Within the last 10 years, the federal and provincial government have become responsive to this growing issue; municipalities in Alberta have followed suit by supporting the creation of affordable housing via a number of ways including: supplying land for affordable housing (trusts or donations), rezoning parcels of land, streamlining the development approval process, providing tax incentives for affordable housing development, reducing minimum lot sizes and encouraging the development of secondary or basement suites.

In Cold Lake, many affordable housing gaps have been identified including the need for:

- a men's shelter
- a youth shelter
- supportive housing for people with disabilities and seniors
- accessible housing for people with disabilities and seniors
- affordable rental housing
- affordable housing for large families (e.g. 4 bedrooms +)
- affordable purchase options
- housing for students
- temporary housing for individuals/families moving into the community

Although the community continues to make progress in terms of taking the steps necessary to fill these gaps¹, it is crucial that the City offers ongoing support, encouragement and assistance in the process.

¹ For example the revitalization of The Cold Lake Affordable Housing Society and the Dr. Margaret Savage Crisis Centre going forth with their plans for a transition house for women and children fleeing violence.

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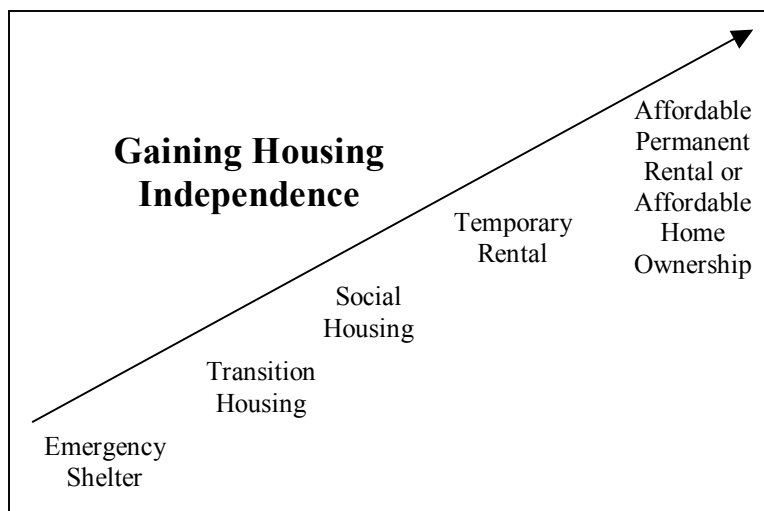
1. A FRAMEWORK FOR AFFORDABLE HOUSING

Preliminary research conducted by the committee helped establish a framework through which affordable housing could be understood. The following section outlines the elements of that framework.

1.1 Affordable Housing Continuum

Affordable housing is developed for people who are currently not appropriately housed. Whether they are homeless, having special needs, transitioning toward independence, or simply low to moderate-income, people who cannot access housing in the marketplace on their own are the focus of affordable housing initiatives.² When some people hear “affordable housing” they automatically think of first-time homebuyers while others think of social (subsidized) housing. The affordable housing continuum includes everything from emergency shelters to affordable home ownership. Although many of us enter into the affordable housing continuum at the rental stage, all stages support the growth, well-being and sustainability of a community.

Figure 1. The Affordable Housing Continuum



² The SHIP Understanding of Affordable Housing. Saskatoon Housing Initiatives Partnership. Available at: www.shipweb.org/understanding.html

1.2 Defining Affordable Housing

The two basic dimensions to housing affordability are:

- 1) the incidence of *core housing need* which is defined as the number of households who cannot obtain adequate housing³ without spending more than 30% of their household's income on shelter/housing costs (30 % includes utilities)
- 2) the degree of difficulty that prospective homeowners face in the housing market because of the cost of housing or level of mortgage rates or both⁴

Based on these two dimensions, sufficient affordable housing exists in a community when: the degree of difficulty prospective homeowners face in the housing market is minimal and few (if any) individuals or families are in core housing need.

A more inclusive, visionary definition has been provided by Smart Growth BC; this definition follows:

“Affordable housing” means that families and individuals – of all income levels and lifestyles - can find suitable places to live and can enjoy **a stable, secure place to call home**. Communities that provide...affordable housing ensure that:

- * Those who work, such as our teachers, health care providers, professionals, and retail employees, can afford to live in the communities they serve...
- * Young graduates can return to the neighbourhoods in which they grew up and find their own home.
- * Seniors can find smaller, lower maintenance homes, and can get around independently, in the neighbourhoods they know and love.

³ It should be noted that not all households spending more than 30% of their income are in core housing need. Some household *choose* to spend more money on shelter than necessary (e.g. for luxury, beyond “adequate” reasons.)

⁴ AUMA. *Affordable Housing Toolkit* (2003). Available at: <http://www.munilink.net/Tools/Affordable%20Housing%20Toolkit%20-%20Final.pdf>

- * Vulnerable people can find adequate and appropriate shelter and services and are not at risk of being homeless.
- * The development patterns in our towns and cities make the best use of infrastructure and resources, keeping property taxes low or directed to other services.⁵

1.3 Defining Homelessness⁶

Visible Homelessness: An individual who is homeless or has a permanent address but is not able to stay there tonight.

Homeless and currently accessing agency support: An individual who is currently residing at an agency but would otherwise be homeless.

Invisible (Hidden) Homelessness: The individuals who are not visible. They are either improperly housed, or temporarily staying with relatives or friends.

1.4 CHMC’s Affordability Criteria

1.4.1 Income, Home Price and Down Payment Guide⁷

With a 10 % Down Payment

<i>Household Income</i>	<i>10 % Down Payment</i>	<i>Maximum Home Price</i>
\$25,000	\$5,400	\$53,800
\$30,000	\$7,000	\$70,000
\$35,000	\$8,600	\$86,100
\$40,000	\$10,200	\$102,300
\$45,000	\$11,800	\$118,400
\$50,000	\$13,500	\$134,800
\$60,000	\$16,700	\$166,900
\$70,000	\$20,000	\$199,200
\$80,000	\$23,200	\$231,500

Approximately 50% of households in Cold Lake are in this income bracket or less

Average price of a home in Cold Lake

⁵ Smart Growth BC. *Smart Growth BC’s Affordable Housing Policy*. Available at: http://www.smartgrowth.bc.ca/index.cfm?group_ID=3423

⁶ Adapted from: City of Lethbridge. *Homelessness Count* (2004). Available at: <http://www.lethbridge.ca/NR/rdonlyres/58C7117D-5BF3-4332-9757-4E435AD11D2A/4749/HomelessCount2005.pdf>

⁷ CMHC. *Home Buying Step by Step: A consumer guide and workbook*.

With a 25 % Down Payment

<i>Household Income</i>	<i>25 % Down Payment</i>	<i>Maximum Home Price</i>
\$25,000	\$16,500	\$66,200
\$30,000	\$21,500	\$86,000
\$35,000	\$26,500	\$105,900
\$40,000	\$31,400	\$125,800
\$45,000	\$36,400	\$145,700
\$50,000	\$41,400	\$165,500
\$60,000	\$51,300	\$205,300
\$70,000	\$61,300	\$245,000
\$80,000	\$71,200	\$284,800
\$90,000	\$81,100	\$324,500

Approximately 50% of households in Cold Lake are in this income bracket or less

Average price of a home in Cold Lake

1.4.2. Rental Affordability Criteria

According to CHMC’s affordability criteria for 2004, **80%** of rental suites in our community should be in the following price ranges:

- 1 Bedroom: \$545.00 or less a month (Avg. rent in Cold Lake: \$646/month)
- 2 Bedroom: \$645.00 or less a month (Avg. rent in Cold Lake: \$740/month)
- 3 Bedroom: \$720.00 or less a month (Avg. rent in Cold Lake: \$857/month)

2 Affordable Housing Gaps/Needs in Cold Lake

2.1 Family Income/Demographics⁸

7.3 % of families in Cold Lake make less than \$20,000 per year

- the percentage of families making less than \$20,000 per year *doubled* between 1996 and 2001

PUTTING IT INTO PERSPECTIVE:

There are 175 families making less than \$19,999 per year yet there are only 17 single family homes (11 of these are for Metis families only) and 17, 2-bedroom suites that are subsidized (rent capped at 30% of family income) in Cold Lake.

16.8 % of families in Cold Lake make between \$20,000 and \$39,999

per year

PUTTING IT INTO PERSPECTIVE:

There are 405 families making between \$19,999 and \$40,000 per year in Cold Lake. According to CMHC (see section 1.4), if a household makes \$25,000 a year and has 10% (\$5,400) to put down on a home, the maximum purchase price is less than \$53,800 in order for their housing to be affordable based on their income. If a household makes \$40,000 annually and has 10% (\$10,200) to put down on a home, the maximum purchase price is less than \$102,300 in order for the payment to be affordable (and approvable) based on their income.⁹ The average price of a home in the Cold Lake realty market in 2005 was \$180,676¹⁰.

⁸ Statistics Canada. *Cold Lake Community Profile* (2001).

⁹ "Less than" is used because mortgage prices do not reflect total housing cost, meaning utilities.

¹⁰ Northern Alberta Real Estate Association.

2.2 To-Purchase Housing Profile

2.2.1 Real Estate

In 2005 (Jan-Jul), the average price of a dwelling in Cold Lake in was \$180,676.

2.2.2 Housing Construction

The Architectural and Construction Industries have calculated a “Cold Lake Factor”; this is an inflationary factor based on the difference in construction costs between Cold Lake and Edmonton. *The Cold Lake Factor is 18%.*

Table1. Housing Starts in Cold Lake

Year	2001	2002	2003	2004	2005
# Housing Starts	117	110	94	155	76

2.3 Apartment/Rental Accommodations Profile¹¹

Total Number of Apartment Suites in Cold Lake: 495

Cold Lake Vacancy Rate September, 2005: 0.6 %

Cold Lake Vacancy Rate December, 2005: 1.2 %

In 2001 the average monthly payment for rented dwellings (includes all types of rental units) was \$601.¹² It is to be noted that in 2005 the average monthly payment for a 1 bedroom is considerably more than \$601.

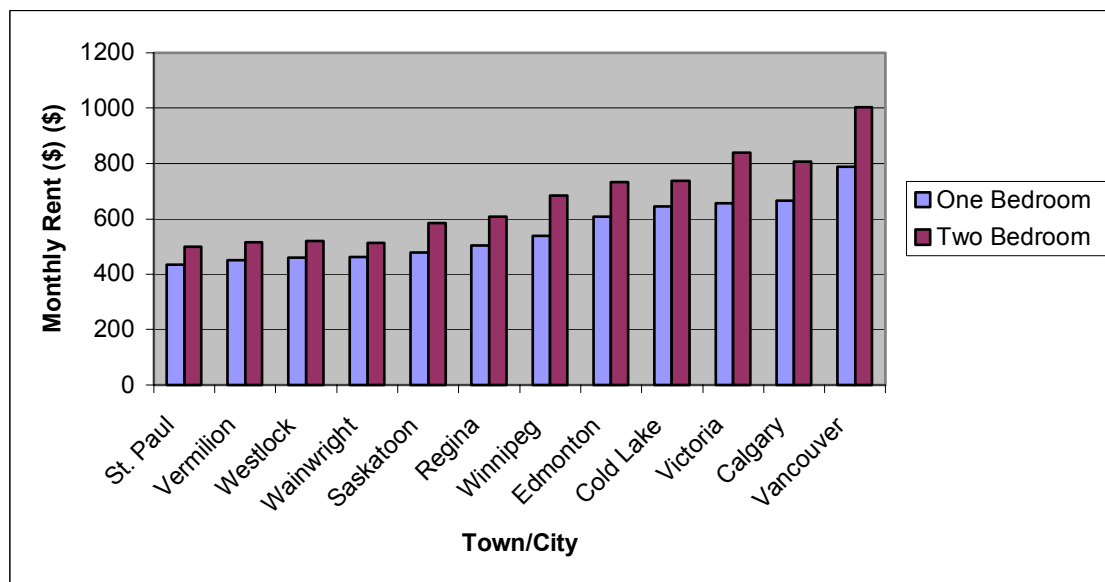
¹¹ Data collected September – December 2005 from local landlords. Rental rates that exclude utility costs were adjusted accordingly to ensure that apartment rents could be compared and averaged relatively. This data does not include social housing available through Lakeland Housing Authority.

¹² Statistics Canada. *Cold Lake Community Profile* (2001).

Table 2. Apartment Rental Ranges in Cold Lake (December 2005)¹³

Number of bedrooms	Minimum rent per month (\$)	Maximum rent per month (\$)	Average rent per month (\$)
1	450	750	646
2	550	914	740
3	675	959	857

Figure 2. One and Two Bedroom Average Rental Accommodations In Western Canada (2005)¹⁴



¹³ These rental amounts reflect suites that are heated and unheated. If heating costs for all units were factored in, these numbers would be higher.

¹⁴ Date is from: CMHC. *Rental Market Survey* (2005). Available at: <http://www.cmhc.ca/en/corp/nero/nere/2005/2005-12-15-0815.cfm> and Alberta Seniors and Community Support. *Apartment Vacancy and Rental Cost Survey* (2005). Available at: http://www.seniors.gov.ab.ca/housing/affordable_housing/vacancy_rental/index.asp. Cold Lake data as collected and tabulated locally (December, 2005).

Table 3. Affordable Rental scenarios based on the cost to rent in Cold Lake

Number of Bedrooms	Minimum Income Required so that Household is not in Core Housing Need (based on average rental rate reported ¹⁵)	
	Hourly wage necessary ¹⁶	Annual income necessary
1	\$12.42	\$25,840
2	\$14.17	\$29,480
3	\$16.48	\$31,800

PUTTING IT INTO PERSPECTIVE:

39.5 % of all occupations in Cold Lake are in Sales and Service¹⁷

Many of these positions pay less than \$12 per hour.

PUTTING IT INTO PERSPECTIVE:

A single parent (with one child) must make more than \$14 per hour to be able to afford the average cost of a 2-bedroom apartment suite in Cold Lake and remain out of core housing need.

PUTTING IT INTO PERSPECTIVE:

A single person must make more than \$12 per hour to be able to afford the average cost of a 1-bedroom apartment suite in Cold Lake and remain out of core housing need.

¹⁵ Average rental rates are used instead of the minimum rental rate because vacancy rates are so low that finding a suite to rent that is lower than the average price may be impossible at any given point in time.

¹⁶ Based on an individual working 40 hours a week.

¹⁷ Statistics Canada. *Cold Lake Community Profile* (2001)

2.4 Social (Subsidized) Housing Profile

Social housing is for low-income households requiring ongoing subsidization to reduce the cost of shelter. In Cold Lake subsidized housing is administered by Lakeland Housing Authority and Metis Urban Housing.

Table 4. Social Housing Accommodations in Cold Lake

Name of Building	Number of Units			Tenants
	1 Bedroom	2 Bedroom	>2 Bedroom	
Kimberly Manor	11	15		Low income non-seniors
Hillside Manor	19	2		Low-income seniors
Pioneer Manor	12			Low-income seniors
Houses			6	Low income non-seniors
Houses			11	Low income Metis peoples

Although there was currently no waiting list for seniors social housing in September 2005, Lakeland Housing reports that there is always 10 or so individuals/families on their waiting list for non-seniors subsidized housing. Metis Urban Housing reports that there are 45+ families on their waiting list which means a wait of 5-6 years.

2.5 Homelessness Profile

2.5.1. Dr Margaret Savage Crisis Centre

Cold Lake has one emergency shelter that is for women and children fleeing from domestic violence. The shelter runs at full-capacity and has had to turn women away in the past due to lack of space.

Over the last 3 years, 1110 women and children stayed at the crisis centre.

Dr. Margaret Savage Crisis Centre staff members said that *all* of the women and children who stay at their facility are absolutely homeless. At an affordable housing focus group one staff member noted, “if you ask our clients, they will tell you they are homeless.” It was reported that many women exiting the shelter after the 21 day maximum stay are so desperate for affordable housing that they end up shelter-hopping (going to another community that has an emergency shelter so that they, and often their children, have shelter for another 21 days.) Staff members report that many of the women who stay at the shelter apply for subsidized housing in Cold Lake but are unable to get in. Lack of affordable, non-emergency stage housing makes it even more difficult for these women to remove themselves from cycles of violence and/or homelessness.

In the December 2005 and January 2006, the crisis centre reported an increase in homeless women seeking shelter for non-domestic violence related reasons.

2.5.2 Other Agencies Reporting Homelessness

Healthy Babies reports that 15-20% of clientele in Cold Lake are homeless (see section 1.4 for definitions of homelessness).

The Centre for Fetal Alcohol Spectrum Disorder (FASD) reports that up to 50% of clientele in Cold Lake are homeless (see section 1.3 for definitions of homelessness).

AADAC reports that some clientele are forced to live in hotels while seeking help because their families have kicked them out. For these clients it is more of a temporary, “working through an addiction” housing availability issue than an affordability issue. Nonetheless there is no emergency or transitional stage housing for men.

Alberta Human Resources and Employment (local) staff report that approximately 2 homeless males walk into their office everyday; many of them are ready to work but in need of shelter.

Portage College staff report that a number of students had to quit school this semester (Winter 06) because they could not find affordable housing.

2.6 Information Reflective of Accessible and/or Supportive Housing Needs

According to Alberta Human Resources, 118 residents¹⁸ of Cold Lake depend on Assured Income for the Severely Handicapped (AISH).

There are 585 seniors (aged 65+) and 545 people between the ages of 55 and 64 living in Cold Lake¹⁹. Based on the distribution of age demographics, these numbers are expected to grow. Seniors in the area have identified the following affordable housing issues:

- Not enough low-cost affordable housing options
- Housing not being physically accessible (senior friendly)—doors too narrow for wheel chairs, no elevators, etc.
- New condos that are being built are too expensive for most seniors
- Housing gap between the lodge and long term care
- Housing gap between independent living and the lodge²⁰

¹⁸ Numbers reported September, 2005.

¹⁹ Statistics Canada. *Cold Lake Community Profile* (2001)

²⁰ These concerns were voiced by seniors at a focus group held by the Seniors Services Coordinator in October, 2005.

2.7 Summary of Key Informant²¹ Focus Group Results

Between December, 2005 and February, 2006, five focus groups were held with key informants to gain insight into the affordable housing situation in Cold Lake.

Representatives from the following groups participated in one of the five focus group sessions:

AADAC	Lakeland Centre for FASD
Healthy Babies Program	Lakeland Housing Authority
Employabilities	Alberta Human Resources
Dr. Margaret Savage Crisis Centre	Portage College
Cold Lake Native Friendship Centre	Cold Lake United Church
Community Options	The Vault Youth Drop In Centre
Metis Urban Housing Cold Lake ²²	

What follows is a summary of some of the recurring commentary that came out of focus group discussions around the affordable housing situation in Cold Lake.

Affordable Housing Availability

All key informants said that affordable housing is *not available* in Cold Lake. Affordable purchase options do not exist. Subsidized housing for non-seniors exists but is always full. Metis Housing has a waiting list of over 45 families—expected minimum wait time being 5-6 years. Furthermore, the more affordable privately owned rental accommodations that do exist are often poorly maintained (sometimes to the extent that tenants go without basic shelter necessities for a lengthy period of time—heat or a refrigerator for instance.) Key informants expressed frustration in trying to help their clients find affordable housing, for instance filling out an application for subsidized housing just to be put on a waiting list. Some key informants expressed how desperate

²¹ Key informants are persons whose position or experience (e.g. working with young, single mothers) provides them with knowledge and insight regarding the nature and magnitude of the need for affordable housing in the community.

²² Metis Urban Housing could not make the focus group sessions but faxed in answers to the focus group questions.

the housing situation really is by emphasizing the devastating impacts of unsafe, overcrowded housing on the lives of their clients, individuals trying to improve their lives (e.g. fleeing violence, getting an education or seeking treatment for an addiction.)

Workforce & Affordable Housing

Several key informants noted that by not having affordable housing options available, we drive the workforce away. The lack of adequate, affordable housing (rental and purchase) options was said to be a major issue for young families (single or two-parent households) wanting to settle down in the community. Some mentioned relatives wanting to move to Cold Lake but deciding against it due to the price of housing and/or lack of rental opportunities in the community. Others mentioned co-workers who have had great difficulty finding shelter. Several of the key-informants had taken friends, family or co-workers in for a certain period of time because they could not find housing that was available and affordable on their income.

Students, Young Workers & Housing

College students, young workers and/or individuals/families unable to get into subsidized housing were said to be couch-hopping or going through cycles of sleeping in other people's homes. A few key informants commented that this (couch-hopping) can mean 7 to 12 people sleeping in a 2-bedroom home. Concern was expressed for 16-17 year olds who had either been kicked out of their homes by their parents or had left by choice or had come into the community for the first time, concern meaning there is no housing for them. Both the Dr. Margaret Savage Crisis Centre and Lakeland Housing Authority (managers of subsidized housing in Cold Lake) have an 18 years + policy. This sub-population of affordable housing seekers were called "displaced youth" at one focus group.

Homelessness

Homelessness is definitely an issue in Cold Lake according to key informants; informants spoke of everything from couch-hopping to students and families sleeping in their vehicles to young men carrying around blankets in their backpacks and sleeping wherever

they can. Others referred to individuals and families who are attempting to create a sense of “home” while living in hotel rooms for extensive periods of time. The Dr. Margaret Savage Crisis Centre (shelter for women and their children fleeing violence) was noted as being a major asset to the community at all focus groups however a few key informants noted that there is a shelter imbalance in that there is no such emergency stage service for men.

Although the amount of subsidized seniors rental housing is adequate based on current vacancy rates, these seniors must be able to live independently. There is no affordable, supportive housing for seniors and/or people living with disabilities. Furthermore few apartments in the area have enhanced accessibility features.

* See Appendix C for a listing of the focus group questions.

2.8 Summary of Residential Survey Results

The following information comes from the Affordable Housing Survey that was conducted by the Opportunity Identification group in March/April 2006. See Appendices D & E for details on survey. All raw data collected is available to EDAC and the Cold Lake Affordable Housing Society for affordable housing related purposes.

Out of the 359 households that responded to the survey, 78 rented and 281 owned their home. 39% of home owners did not have a mortgage (had their home paid off).

KEY FINDINGS / INTERESTING STATS:

82% of households think that Cold Lake is facing a housing crisis.

1 out of 7 households have one or more temporary residents staying there because they cannot find their own, affordable place to stay in Cold Lake.

8% of households rent space out of their home to one or more residents²³.

11% of households that do not currently rent space out of their home would like to.

²³ This percentage may be slightly higher since 16 survey respondents chose to skip this question.

Nearly 50% of rental households said that they plan on residing in Cold Lake for 5 years or more.

92% of rental households stated that they would like to move into another home. When rental respondents were asked what their top reason for wanting move is, the most frequent response was that the rent is too high (followed by the size of their home being too small).

82% of respondents who were renters would like to purchase a home in the future. The most important elements of their future (mortgaged) home are price and location.

37% of home owner households reported that they want to move. When home owner respondents were asked what their top reason for wanting move is, the most frequent response was that they wanted more space (a bigger home). The next most common response was wanting to downsize.

Core Housing Need

Households in core housing need are defined as expending more than 30% of their income on their rent or mortgage. The following information is based on income and housing cost ranges as reported by respondents; because ranges were reported (not exact figures), the upper rent or mortgage amount (e.g. \$799 from the \$700-\$799 range) and the lower income amount (e.g. \$40,000 from the \$40,000-\$49,999 range) was used to approximate the percentage of households in core housing need.

Only 2% of homeowners with mortgages are currently in core housing need. There are major limitations to this finding because core housing need could not be calculated for 43 of the households with mortgages due to the fact that they refused to provide their income or mortgage amount information or both. This also does not reflect difficulties that new residents may be having in terms of finding homes to purchase and remaining out of core housing need due to recent increases in real estate prices; 84% of households with mortgages that responded to survey had been in the same home for a year or more.

The 70 households that were owned but were without mortgages were not included when calculating core housing need as their monthly expenditure was assumed to be 0%²⁴.

Although 19% of households that are renting said that the number one reason they wanted to move out of their current dwelling is because their rent is too high, only 13% of households that are rented are in core housing need. However if the rental amounts were to increase by 10%, an additional 8% of renters would be in core housing need²⁵.

²⁴ Even though it is likely that households are spending a percentage of their income on home upkeep, renovation etc. this is not included when determining core housing need.

²⁵ Again the percentage of households in core housing need could be higher than reported here because 14 households would not give out income or rent amount information or both.

2.9 Affordable Housing Assets and Gaps in Cold Lake

Affordable Housing Assets

- ◇ Dr. Margaret Savage Crisis Centre

- ◇ Subsidized housing for seniors and
and non-seniors (Kimberly Manor etc.)

Affordable Housing Gaps

- ◇ Men's shelter
- ◇ Youth shelter
- ◇ Transition housing (for women & men)
- ◇ Supportive housing for seniors
(transitioning from living completely
independently)
- ◇ Supportive housing for people with
disabilities
- ◇ Supportive housing for women
- ◇ Accessible housing for people with
disabilities and seniors
- ◇ Affordable & adequate rental housing
- ◇ Affordable home ownership options

3. Why Support the Creation of Affordable Housing?

3.1 Affordable Housing and Economic Sustainability & Development

The creation of affordable housing is an important component to economic sustainability and development in our community. Adequate provision of affordable housing helps to sustain rural communities by providing a local work force and benefiting the local economy as well as helping maintain a mix of residents in terms of age, skills and needs.²⁶ Economic benefits to the creation of affordable housing include: attracting and retaining employees, enhancing the local reputation, demonstrating commitment to the community in a direct & tangible way as well as opening up new business opportunities, networks and contacts.

Currently in Cold Lake workers can find jobs but not housing; this increases the labour shortage in the community. Companies cannot find workers and thus are reluctant to invest in Cold Lake. Poor customer service results from chronic staff shortages and has people leaving the City to purchase items.

In addition to all of the above reasons for encouraging the development of affordable housing, Cold Lake is about to become the home of an increased number of post-secondary students. The announcement of Portage College's plan to build a larger (higher density) campus means that housing will become even more of a challenge for students seeking shelter while they become skilled workers. There will be an increase in students looking for shelter—those coming from outside of the community and those wanting to stay in the community but get out on their own post-high school graduation. An increase in the student population has the potential to have a major impact on the already minimal rental vacancy rate.

²⁶ Affordable Rural Housing. *Business in the Community* (2003). Available at: http://www.bitc.org.uk/resources/publications/rural_housing.html

* See Appendix A for a letter from Portage College regarding the need and opportunity to work in collaboration to increase affordable housing in the community.

The Alberta Urban Municipalities Association (AUMA) supports a human capital approach to economic development. AUMA states, “the quality of Alberta’s human and physical infrastructure is an essential ingredient in attracting investment, expanding business opportunities and facilitating economic growth in communities” and recommends that affordable housing be considered an important infrastructure component. “It is difficult for low wage employees (and potential employees) to take advantage of education and training opportunities when they are inappropriately housed”²⁷.

3.2 Affordable Housing and Healthy Communities

Allied to a shortage of affordable housing is an increase in individuals and families living in low quality housing...these families are spending a disproportionately high percentage of their income on housing and basic services. The result of this is a declining quality of life with associated health and social problems.²⁸

As the market value of housing goes up, households in the \$40,000 or less annual incomes range will be able to afford less and less in terms of basic needs requirements. For some households less is literally approaching nothing. After being asked whether or not affordable housing exists in Cold Lake at a focus group, one key informant stated: “It doesn’t exist. It absolutely doesn’t exist. I have a client who is on assistance and her rent is more than her assistance. Her *rent* is more than her assistance. And it’s a good thing she is getting child tax benefit.” Another key informant stated that many of her clients spend 80-90% of their income on shelter.

²⁷ AUMA. *An Agenda to Create Solutions* (2000). Available at: <http://www.munilink.net/policy/agendaSolutions/Agendacreatsolu.rtf>

²⁸ Affordable Rural Housing. *Business in the Community* (2003). Available at: http://www.bitc.org.uk/resources/publications/rural_housing.html

Access to adequate and affordable housing is...essential to the health and well-being of individuals. When people are well housed their family and community life is more stable, enabling greater opportunities for good health, educational performance, job security and community safety...Adequate shelter is...a basic human right.²⁹

Increased rates of criminal activity, mental illness, and unemployment as well as decreased academic aptitude and health have been correlated with lack of affordable and/or inadequate housing.³⁰ Although some of these connections are less clear than others, lack of affordable and/or adequate housing definitely puts added stress on individuals and families and thus foreseeably puts those already suffering from social, health or economic barriers at a higher risk of all of the above.

²⁹ Canadian Policy Research Networks Inc. *Housing and Social Policy* (2005) in The City of Lethbridge and Social Housing in Action. (Updated February, 2005). Available at: <http://www.socialhousing.ca/PDF%20Files/Affordable%20Housing%20Community%20Policy%20-%20February%202005.pdf>

³⁰ Carter, T. & Polevychok, C. *Housing is Good Social Policy*. Canadian Policy Research Networks Inc. (2004) in The City of Lethbridge and Social Housing in Action. (Updated February, 2005). Available at: <http://www.socialhousing.ca/PDF%20Files/Affordable%20Housing%20Community%20Policy%20-%20February%202005.pdf>; Phibbs, P. *The Social and Economic Impacts of Unmet Housing Needs*. Queensland Government: Department of Housing (2006). Available at: <http://www.public-housing.qld.gov.au/about/pdf/papers/paper4.pdf>

4 Partnerships and Resources that Encourage the Creation of Affordable Housing

4.1 Federal and Provincial Response to the Need for Affordable Housing in Alberta

The federal and provincial government's responsiveness to the need for affordable housing in Alberta resulted in the establishment of the Affordable Housing Partnerships Initiative (AHPI) in 2002. Under this initiative, the two levels of government continue to partner to provide capital grants for community-based affordable housing projects that seek to accommodate low to moderate-income working households. To date more than twenty communities in Alberta have received capital funds for major affordable rental housing projects including: Whitecourt, Red Deer, Canmore, Cochrane, Fort McMurray, Leduc, Grande Prairie, Medicine Hat and Stony Plain.³¹

The National Homelessness Initiative (NHI) is another example of the federal government's commitment to addressing the need for affordable housing. Although NHI funding is directed towards major urban centers, rural communities in Alberta, NWT and Nunavut have been able to access federal funding to support emergency, transition and supportive stage housing through the Regional Homelessness Fund.

The recently elected federal government has already begun making funding promises to go toward the rejuvenation and/or renovation of affordable housing.³²

³¹For more information visit:

http://www.seniors.gov.ab.ca/housing/affordable_housing/affordablehsg_initiatives/index.asp

³² Toronto Star. *Opinion Piece* (February 3, 2006). Available at:

http://www.thestar.com/NASApp/cs/ContentServer?pagename=thestar/Layout/Article_Type1&c=Article&cid=1138920612144&call_pageid=970599119419

4.2 Municipal Level Support for Affordable Housing Initiatives

Alberta Seniors and Community Supports encourages municipalities to support proposals for funding under the AHPI to help address local housing gaps. NHI also encourages municipalities to help build affordable housing capacity in their communities by supporting local emergency, transition and/or supportive stage housing initiatives.

In addition to being aware of federal and provincial government support for affordable housing projects, residents of a community need to know that their local government supports the development of affordable housing.

There are multiple ways that municipalities can support affordable housing initiatives.

Examples of Recent Municipal Affordable Housing Partnerships in Other Communities:

1. The City of Grand Prairie donated land (value: \$338,000) to assist the Grand Prairie Residential Society in their 65 suite affordable housing complex project for low-moderate income families and people with disabilities.
\$3,250,000 was received through the federal and provincial APhi funds.
2. The Municipality of Wood Buffalo donated land and covered servicing costs (value: \$2,365,000) to assist the Wood Buffalo Housing and Development Corporation in the creation of two low-rise apartment buildings (110 suites) and 20 townhouses.
\$6,500,000 was received through the federal and provincial APhi funds.
3. The Town of Cochrane donated a 40-year land lease (value: \$1,800,000) to assist the Cochrane Society for Housing Options in their apartment project (21 suites),
\$1,500,000 was received through the federal and provincial APhi funds.

4. The Town of Whitecourt and Woodlands County donated \$300,000 towards Spruce View Heights Enhanced Lodge's housing project for seniors (49 suites to be created).

\$1,200,000 was received through the federal and provincial APhi funds.

Effective implementation of a housing/homelessness strategy and resulting projects requires local policy and procedures that support the construction and renovation of affordable housing. Municipal activities that can assist in the creation of affordable housing include: rezoning activities, less restrictive zoning bylaws, streamlining the development approval process, providing property tax incentives for affordable housing development, reducing minimum lot sizes, permitting the division of single family dwellings into two houses, encouraging the development of secondary or garden suites, encouraging the development of multi-family dwellings, basement suite incentives and encouraging the maintenance and renovation of aging properties.

There is funding available through Affordability and Choice Today (ACT) to encourage the development of innovative housing solutions in Canadian communities. ACT projects and case studies offer insights and solutions to a variety of regulatory barriers that have a negative impact on the amount of affordable housing available in a community.³³

Other Issues to Consider: The creation of affordable housing will be most effective in the context of a broader municipal/community growth strategy. Such a strategy could include public transportation and green space planning for instance.

The following 9 Smart Growth Principals³⁴ build on the idea of larger scale strategies and planning that increases and enhances affordable housing availability:

³³ Affordability and Choice Today. Available at: www.actprogram.com

³⁴ Smart Growth Network Subgroup on Affordable Housing. *Affordable Housing and Smart Growth: Making the Connection* (2001). Available at: <http://www.neighborhoodcoalition.org/pdfs/AH%20and%20SG.pdf>

1. Mix land uses.
2. Take advantage of compact building design.
3. Create housing opportunities and choices for a range of household types, family sizes, and incomes.
4. Create walkable neighbourhoods.
5. Foster distinctive, attractive communities with a strong sense of place.
6. Preserve open space, farmland, natural beauty, historic buildings, and critical environmental areas.
7. Provide transportation choices.
8. Make development decisions predictable, fair, and cost-effective.
9. Encourage citizen and stakeholder participation in development decisions.

4.3 Learning from Affordable Housing Initiatives in Other Parts of Alberta

Because affordable housing is re-emerging as a topic of interest for all levels of government and in communities nation-wide, information on affordable housing research, strategies and action is readily available.

The sharing of information on affordable housing innovation, policy reform, and strategies between local affordable housing leaders and leaders in other communities is essential to help move planning ahead in a timely manner.

From small towns to large urban centers, Albertan communities have been engaging in affordable housing planning and projects. In Bonnyville and Cochrane, affordable housing projects are driven by community based groups while in Lethbridge affordable housing initiatives are a City priority. Although there is no uniformity in terms of organizational driving-forces and capacity, most communities have adopted an affordable housing continuum framework and have a plan that addresses multiple affordable housing concerns/gaps.

* See Appendix B for summaries of the evolution of affordable housing progress in other Albertan communities.

5. Next Steps in the Creation of Affordable Housing

5.1 The Cold Lake Affordable Housing Society

Although the creation of this report was identified as the main goal of Opportunity Identification's involvement in affordable housing, the committee decided to extend their role to include the following, less specific objectives:

To act as a steering committee for affordable housing action planning by:

- educating and advocating on behalf of current and potential community members in need of affordable housing
- supporting and encouraging communication between partners and the general public
- encouraging the development of new partnerships
- establishing subcommittees
- providing support and feedback for subcommittees

All of the above activities were achieved except for subcommittee establishment. Opportunity Identification has raised public awareness regarding affordable housing in the local paper, handed over preliminary research to and supported the Dr. Margaret Savage Crisis Centre in their plans to build transition housing for their clients, and have started engaging new partners in affordable housing through the promotion of the Cold Lake Affordable Housing Society. Instead of subcommittee developments the committee focused on revitalizing the Cold Lake Affordable Housing Society. The Society will be provided with a copy of the committee's report to ensure that the information in this report is used to increase affordable housing assets in the community.

5.2 Ongoing Evaluation and Monitoring of Affordable Housing Needs

An ongoing review of the affordable housing situation and evaluation of resulting strategies, projects and outcomes will be integral to the success of affordable housing creation in the future. The City’s involvement in this process will depend on what types of steps it takes to encourage and increase affordable housing opportunities in Cold Lake (e.g. partnering to create affordable housing via land donation versus an internally developed program to encourage the development of mixed housing or both.)

5.3 Increasing Public Awareness Regarding the Benefits of the Creation of Affordable Housing Options

Ongoing education and awareness regarding the need for multiple affordable housing options in the community will be critical to ensuring the success of affordable housing efforts. This includes strategically addressing the stigma and stereotypes that are attached to the terms “low income” and “affordable housing”. Although the Affordable Housing Society is an ideal candidate for the implementation such communications, municipal support will be integral to increasing community understanding and acceptance of affordable housing creation in the future.

5.4 Limitations of this Report

1. Because rental rates and vacancy rates were not formally tracked in years past we could only provide the current rental and vacancy rates. These figures should be collected on a regular basis (e.g. semi-annually.) This task could be taken on by the Affordable Housing Society, the City and/or another group.
2. A visible homelessness count was not conducted and should be pursued in the future.
3. Extensive community consultation was not conducted and should be pursued in the future—particularly before affordable housing project plans are implemented.

Website Bibliography

1. Affordability and Choice Today: www.actprogram.com
2. Canada Mortgage and Housing Corporation: www.cmhc.ca
3. National Neighbourhood Coalition: www.neighborhoodcoalition.org
4. City of Lethbridge Social Housing Initiative: www.socialhousing.ca
5. Saskatoon Housing Initiatives Partnership: <http://www.shipweb.org/>
6. Business in the Community (UK Website): <http://www.bitc.org.uk/index.html>
7. Smart Growth BC: <http://www.smartgrowth.bc.ca/index.cfm>
8. Alberta Urban Municipalities Association: <http://www.munilink.net/noflash.htm>

Glossary of Terms³⁵

Accessory Dwelling Unit /Secondary Suite can be rented as affordable units for low to moderate income individuals or families. They can be contained within a principal residential building or in an accessory building. In some municipalities, a covenant is attached to the deed (or title), ensuring that the unit is rented to a local resident or employee.

A.C.T. – The Affordability and Choice Today Program is sponsored by CMHC and managed by the Federation of Canadian Municipalities, the Canadian Home Builders Association and the Canadian Housing and Renewal Association. The program is designed to eliminate bylaw barriers to new approaches in planning, design, construction or servicing. Municipalities, homebuilders and developers (private, non-profit and co-operative) are eligible for grants to undertake demonstration projects, to investigate streamlined approval process projects or to document existing initiatives.

Adaptable Housing is housing designed with built-in flexibility to integrate special needs groups and an aging population e.g. ground floor accessibility, wider doorways, wheelchair ramps, adjustable counters and cabinets.

Alternate Development Standards: A way to reduce servicing costs, examples include: smaller lots, narrower roads, reduced sidewalk requirements, storm water systems that rely more on surface drainage, and the use of common utility connections.

Affordable Housing – pertains to those households in “core housing need” as developed by Canada Mortgage and Housing Corporation. Households are in core housing need if they cannot find somewhere to live that is in reasonably good condition and is big enough for their household without spending more than 30% of their household income.

Capacity – Capacity is the ability of individuals, organizations and communities to perform functions, solve problems, and set and achieve goals effectively and efficiently. Capacity development involves the sustainable creation, utilization and retention of that capacity. It involves a consideration of all factors that impact on the ability to develop, manage, and implement policies, programs, and projects. These factors include: human, physical, and financial resources and the

CHBA - Canadian Home Builders’ Association.

CMHC - Canada Mortgage and Housing Corporation.

Co-Housing – This form of housing depends on traditional subsidy-free financing and attracts mostly middle class households. Units in a co-housing project are owned, often through a strata-title arrangement. In addition to the residential units there is also a common building that includes a large dining room, kitchen, lounges, meeting rooms, recreational facilities, library, workshops, and child care facilities. Cardiff Place in Victoria is the first co-housing project in Canada. (www.cohousing.org.)

Community Housing is a program that provides accommodation, generally for families on a rent-geared-to income basis. The rent charged is based on 30% of adjusted family income. The

³⁵ Adopted from AUMA’s Glossary of Terms in the “Affordable Housing Toolkit” (2003). Available at: <http://www.auma.ca/Tools/Affordable%20Housing%20Toolkit%20-%20Final.pdf>

shortfall of economic costs less the tenant rent is subsidized by governments. The housing projects are usually owned by the Federal/Provincial governments, the Provincial Government or Municipal government.

Condominium – A multiple family residential strata title development consisting of individual dwelling units.

Core Need Income Thresholds (CNIT) are measures used by the Province to distinguish households requiring social housing assistance. Households with annual incomes equal to or less than CNIT are said to have insufficient income to afford the on-going cost of suitable and adequate and rental unit in their area.

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

Co-ownership Housing enables housing to be offered to buyers at reasonable prices. The property is owned jointly between a homeowner and a housing authority. The land remains in the ownership of the municipality. The homeowner has equity in the value of the building. The units are deed (or title) restricted with covenants. To retain the units as affordable, resale restrictions are placed on the property. The resale value is typically set with the Consumer Price Index (CPI).

Deed - Generally, the word “deed” is an American term for what we call the “title” of a piece of property.

Deed (or Title) Restrictions are used to ensure that units are inhabited by local residents and employees. They can also be used to ensure that the residential unit will remain afford over the long-term. Municipalities can place a covenant on deed (or title) that will limit the resale price of the unit for an extended period of time.

Deferred taxes can act as an incentive to construct affordable housing. In the United States, municipalities have the authority to defer property tax payments. Often, tax deferrals are extended until a profit has been made by the developer. This helps to reduce the initial cost of the project for the developer.

Density bonuses permit developers to build at higher densities than designated by the existing zoning provided there is an affordable housing component. This provides incentive to construct affordable housing, as the cost of constructing affordable housing is lumped in with the market development.

Density Bonusing – A zoning tool used by municipalities increase density (e.g. small lot, multi-family, seniors, clustering and zero lot lines) within a zone in exchange for amenities such as the protection of environmentally sensitive areas, construction of day-care facilities, and the provision of affordable housing.

Density transfers allow for the sale and transfer of unused development rights of one building or parcel of land to another. Often, municipalities will sell or donate the development rights

on municipally owned land to a developer assuming a proportion of the units constructed are affordable.

Employee housing units are used exclusively for the residence of employees and their families. These units are not rented to seasonal staff.

Equity Coops – Equity coops provide a form of limited equity homeownership as an alternative form of tenure for families and seniors. The coops operate on a non-profit basis so housing cost are affordable. Purchasers get ownership of unit and security of tenure. Members manage the project and control who can join. The sponsor non-profit company retains ownership of the building exterior and all common property, including the recreation, meeting and parking facilities.

Flexible Housing – Housing designs that offer a range of incremental adaptation to either the interior and/or exterior.

Ground-Oriented Housing – A relatively broad housing category; includes any structure type where the entry to dwelling unit is from the outside rather than from an interior corridor. Examples of housing types in this category include single-detached houses; duplexes, triplexes and other small, attached projects; small and large row house projects; stacked row houses; and higher-density projects with some form of ground oriented row house component.

Housing Adequacy refers to the physical safety of the individual dwelling. The Public Health Act, Regulation 241/85 provides a series of conditions in which housing is considered to be inadequate. Housing is inadequate if it requires major repairs and/or is lacking the necessary services and basic facilities. Major repairs refer to plumbing, electrical, ventilation systems, disposal systems, and the structural components of a house that would warrant it being unsafe. Basic facilities refer to potable hot and cold running water, and full bathroom facilities including an indoor toilet and bathtub or shower. Additionally, housing is not adequate if it is infested with vermin.

Housing Affordability relates the ability of individual households to meet their monthly rent or mortgage payments within a reasonable threshold of their income. CMHC has determined that housing is affordable if it cost not more that 30% of a household's gross monthly income for rent or mortgage payments. CMHC also uses 32% if utilities and taxes are included. Assessing the median house prices and average market rents to local income levels.

Housing Reserve Fund or Trust Fund – Municipalities establish special funds (from general revenues, provincial grant monies, community bonds, pension funds) to buy sites for lease or to make up the shortfall between market value and the amount paid by groups who lease land from the municipality at below market price.

Housing Suitability refers to the size of the home in bedrooms compared to the size of the family living in that home. Regulation 244/94, section 8, subsection 3 of the Alberta Housing Act states that accommodation is not suitable if:

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

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

Housing suitability is most likely to be an issue for large low-and moderate-income families since these families may not be able to afford the rents or mortgages on larger homes (homes that have enough bedrooms).

Inclusionary zoning is a technique applied to new housing developments, in which a certain portion of the units being constructed are set aside to be affordable for low and moderate-income homebuyers. Municipalities can enforce that a certain percentage of new residential development is affordable over the long term.

Inclusionary Zoning – Refers to policies requiring that a proportion of housing units within a new development meet affordability or other special needs criteria. It has been used to help ensure a mix of housing types in an area.

Infill Development occurs on parcels that have been bypassed by previous development. Infill development to provide new housing in already built-up areas. Lot size are often smaller, and the infrastructure is already in place, thereby allowing for a more affordable housing price.

Infill Housing – The introduction of new housing into, or adjacent to, existing neighbourhoods resulting in an intensification of land use. Such a project can include a single family dwelling, residential conversion, attached or multiple uniform of housing and can occur in a variety of locations, including small vacant lots, transitional areas between land uses, lands previously zoned for alternate uses (e.g. commercial or industrial), underdeveloped sites, and irregular sites.

Land Lease – Municipalities lease land owned by them usually for non-profit co-operative or government-assisted rental housing. Generally they lease the land at 75% of its market value or 60 years. Maximum rent increases or limited resale prices are sometimes imposed.

Land Trust – A land trust can acquire land through purchase an interest in the project through a leasehold interest or a contract with the sponsoring organization, and “share” in an appreciated value of the building and property. Rights to leasehold interest are purchased with a lump sum prepayment and residents contribute their monthly share of maintenance and operating costs through a monthly occupancy fee.

Linkage Program /Leverage Fee

Commercial – Large commercial developments, often in excess of 4000 square feet in floor space, can be required to provide an affordable housing component as a stipulation of approval. Housing can be provided on the commercial site (if appropriate); off-site, there could be a donation of land, or a cash-in-lieu payment, with the latter being the most undesirable of the options. These units normally become deed (or title) restricted.

Residential – A residential linkage program would often be a fee payment to the municipality, which would contribute to an affordable housing fund. Larger homes may be required to provide an ancillary dwelling unit or a secondary suite.

Manufactured Home – A single family dwelling manufactured as a unit, or in modules, intended to be occupied in a place other than that of its manufacture and designed so that it may be drawn or moved from place to place.

Mixed Use – A combination of retail/commercial, institutional and housing units of various types on one parcel or in one project. An example is apartments for rent or condominium tenure, located above commercial or retail uses, typically maintaining separate street access.

Multi-Family Housing – Includes patio homes, apartments, townhouses, cluster developments and duplexes.

Non-Cost Initiatives are defined as methods by which the community can secure resident housing without contribution to the capital funds required for housing. Whistler, B.C. has recently launched a study into non-cost initiatives.

Ordinance is a term often used in the United States which refers to a statutory or legislative enactment passed by government, especially a local government. A municipality can pass an ordinance requiring that a certain percentage of new residential development be affordable. In the Canadian context an ordinance is similar to a municipal by-law.

Payment-in-lieu is an option that many municipalities provide developers who do not wish to build the required affordable housing. Many municipalities have found that payment-in-lieu programs don't provide for affordable housing. Often the fees are too low, or are set at outdated levels.

Planned Unit Developments (PUD, US term) give developers an increased level of flexibility in the overall design of residential projects in exchange for a higher quality of development. PUD ordinances often allow developers greater latitude in locating buildings on the development site, mixing various housing types and densities (single and multi-family), and land uses (including some neighbourhood commercial uses), and in some cases grant density over those normally allowed in the zoning ordinance.

Rent Geared to Income (RGI) – This is considered to be the share of the lower income household's budget that could be spent on shelter without impacting on other necessities.

Resident Occupied Housing refers to rental units being occupied by local residents.

Resident Restricted Housing refers to housing that has covenant attached to the deed (or title), ensuring the house will remain affordable over the long-term. When a developer is required to construct affordable housing as part of a housing or commercial development, a covenant is often placed on the affordable housing units. The covenant restricts the re-sale price of the units, thereby ensuring that affordable housing will be available over the long-term.

SCPI – Supporting Communities Partnership Initiatives; a federal program and part of the National Homelessness Initiative, that provides funding to projects addressing the needs of the homeless and those at risk of homelessness.

Secondary Suites – A self-contained unit in a building (typically a single family home). These rental units are called basement apartments, apartments in houses, accessory apartments, in-law suites and “illegal” suites.

Second Home /Vacation Homes are those homes owned by people that do not reside permanently in the community.

Shell housing – Housing built as a complete shell with the interior left unfinished. The owner can reside in the enclosed space or basement while completing the remaining structure.

Small Lot Zoning – A zoning tool designed use land more effectively and efficiently by decreasing the average lot size, or creating a maximum lot size; and reducing setbacks.

Social Housing – Generally housing that is subsidized by government.

Special Needs – Persons with special needs include persons with chronic mental illness, physical disabilities, alcohol and/or drug dependency, brain injuries, HIV/AIDS, mental illness, children-in-care, inner city youth, women fleeing violence, disorderly offenders, young offenders and individuals who are homeless or at risk of homelessness, the frail elderly. Special Needs Housing includes short-term emergency shelters for the homeless, transition houses, group homes, single room occupancy, second stage and permanent self-contained accommodation.

Special Needs Housing is usually provided in the form of a Group Home, and is for persons with special needs such as physical or mental disabilities. The group home residents are generally provided with support services that assist them with daily living needs. Projects are typically owned by community non-profit groups and subsidies are provided by Federal and Provincial governments.

Staff Housing, not to be confused with employee housing, is seasonal or temporary accommodation for staff.

Streamlined Municipal Approval Process – The removal of obstacles that slow the development approval process. Usually involves a review of such regulatory tools as zoning, development permits, and public processes.

Supportive Housing – A form of housing that combines building features and personal services to enable people to remain living in the community as long as they are able and choose to do so. Support services, include, at a minimum: a private space with a lockable door, a safe and barrier-free environment, monitoring and emergency response, at least one meal a day available, housekeeping, laundry and recreational opportunities.

UDI – Urban Development Institute.

APPENDIX A

Letter from Portage College: The Need for Affordable Housing Partnerships and Student Housing

August 29, 2006

Jacquie Hakes
Community Development Coordinator
Cold Lake Community Services

Dear Jacquie:

This is a letter of support for the development of a low cost housing complex at or near the new Portage College Campus in the City of Cold Lake.

Portage College currently employs 18 people in Cold Lake and has approximately 140 students in attendance. In 2007 the College plans to open its new campus at Imperial Park which we estimate will employ at least 26 staff and will have approximately 280 students enrolled at any given time. With the addition of all of these new people in Cold Lake, demand for affordable housing will further strain the existing supply.

Enabling students to find housing that is affordable and in close proximity of our campus will greatly enhance Portage College's ability to meet its student enrolment growth targets. Currently our main, Lac La Biche, campus has capacity to house 350 students in a mix of family town houses and single residence units for an annual enrolment of approximately 550 students. Using this ratio, the College may require residences for up to 175 students at the Cold Lake campus.

Students have very limited resources to put toward accommodations while attending school. The maximum allowable rates (rent and utilities combined) are capped by the student finance board as identified in the table below. As can be seen, students are

therefore unable to pay the inflated rates that landlords in a community with low vacancy often charge. Further these maximum allowable rates cannot be appealed.

2004-05 Shelter Benefits Allowable by the Student Finance Board

	Maximum Shelter		Maximum Shelter
Single adult	\$323	Couple – no children	\$369
Single Parent – 1 child	\$546	Couple – 1 child	\$575
Single Parent – 2 children	\$566	Couple – 2 children	\$595
Single Parent – 3 children	\$586	Couple – 3 children	\$605
Single Parent – 4 children	\$606	Couple – 4 children	\$625
Single Parent – 5 children	\$626	Couple – 5 children	\$645
Single Parent – 6 children	\$646	Couple – 6 children	\$665

Portage College has considerable experience in managing student housing complexes as we have operated housing at our main campus for almost 24 years. Recently, the department of Advanced Education and Alberta Infrastructure and Transportation has provided direction ancillary services such as housing cannot be subsidized. Therefore, while Portage College can offer a wealth of experience in management of a new low cost housing facility in Cold Lake, all such ventures must operate on a cost recovery basis. The financial report for our housing complex for 2004-05 is listed below for your information.

2004-05 Portage College Financial Information

	Gross Revenue	<i>Operating Expenses</i>	Facility Expenses*	Net Return
Student Housing at Lac La Biche Campus	\$638,837	\$155,919	\$418,360	\$64,558

* Facility costs are 66% utilities, 13% property taxes 21% maintenance. This figure does not include amortization of \$143,000 annually which it is recommended be set aside as a sinking fund for capital replacement.

While Portage College does not have the resources to construct a student-housing complex in Cold Lake, we are very interested in a partnership to provide these services. There are several partnership models already in place in Alberta where Colleges, municipalities and industry have worked together to create affordable housing for students. We would be quite willing to work with your department to contact industry for support.

If you require any specific operational information regarding student housing please feel free to contact our Student Housing manager, Tom Hannan at 780 623-5670 or by email at tom.hannan@portagecollege.ca

Thank you for considering Portage College in your community development needs.

Sincerely,

Nancy Broadbent
Vice President Student and College Services

Appendix B

The Evolution of Affordable Housing Solutions/Strategies in Other Communities in Alberta

COCHRANE, ALBERTA

Due to its proximity to Calgary and Calgary's rapid expansion in the mid-1990s, Cochrane undertook an affordable housing project consisting of research and policy change. In 1996, the Cochrane Affordable Housing Initiative was established. The purpose of this community-based committee was to gather information and develop policy guidelines to address local affordable housing gaps. From the start, this committee was proactively involved in relaying information to the public; their purpose and activities showed up in the local paper and the Town newsletter that accompanies household utility bills. Council was informed of committee activity via regular updates. In 1997 the committee made their final report to Town Council and as a result council amended their Land Use Bylaw to permit additional housing types.

Some specific examples of the impact of the affordable housing initiative committee's work:

- a developer of a partially developed residential neighbourhood obtained approval from Town Council to re-zone the undeveloped portion from single detached residential lots to a mix of small lot, single detached houses, duplexes & semi-detached residences, and multi-unit dwellings

- another developer received approvals for a subdivision containing a range of lots that would accommodate single detached to multi-unit dwellings

- a site within the commercial core of the town was re-zoned for high density, multi-unit residential developments, as well as units above street-level commercial uses

- Town council re-zoned a parcel immediately east of the downtown shopping area from a medium-density multi-unit residential district to a high density residential district

In 2000 a number of businesses in the service and hospitality sectors identified difficulties attracting and training staff because of the high cost of housing in Cochrane. A community task force was created with much support from the FCSS manager and the Economic Development manager in Cochrane. A consultant was hired to complete a needs assessment and a strategic plan to clearly identify gaps in the housing continuum; this analysis included the collection and assessment of qualitative and quantitative data as well as open houses and public forums. The task force has since become a society, which becomes beneficial when applying for grants.

After Alberta Seniors announced the affordable housing grants that were available through AHPI, the housing society immediately developed a long-term business plan. This plan included the leasing of a piece of land from the Town for \$1/year for 60 years. The municipality also included a waiver of development fees to a maximum of \$40,000 and a waiver of the property tax (the amount of property tax that is supposed to be paid every year goes into a reserve fund for future affordable housing projects.) In June 2005, construction of a 21 suite affordable housing apartment began on the land leased by the society from the town. This project targets the working poor but also has two suites that will accommodate people with disabilities and/or seniors. As of October 24, 2005 the project was 50% completed—they hoped to be finished by the end of the year. FCSS will be a major tenant in the building and occupy the entire bottom floor (the bottom floor is commercial and the top floors are residential.)

BONNYVILLE, ALBERTA

In 2003, a group of concerned citizens met to discuss the need for affordable housing in Bonnyville. As a result the Bonnyville Affordable Housing Steering Committee came

into existence. The group sought incorporation and assembled community resources prior to defining their first project.

The committee, now incorporated as “The Bonnyville Affordable Housing Association”, meets as needed to discuss affordable housing project planning. They received \$25,000 from the Alberta Real Estate Association (AREA) to get themselves organized. The group reports being most interested in addressing the housing needs of individuals making less than the average oil-patch worker. They are passionate about improving the quality of life for low-income residents of Bonnyville.

Vic Stapleton, Bonnyville’s Economic Development Supervisor has been spearheading the first project, which is going to be a 4 to 6-plex to be filled by referral from Catholic Social Services. Lakeland Housing does not want to get involved in the process of creating or owning the building however they are willing to manage it. The Town of Bonnyville donated land and had it rezoned to accommodate the building (2 lots valued at \$120,000). They have Minister Fritz’s commitment for funding however before sending in their application for Alberta Seniors and Community Support funding, they must work with an architect and have the plan secured.

The Association is also currently looking for potential commercial buildings to convert to low-income/affordable rental suites. They are looking at buildings downtown because that area could use a bit of a face-lift.

THE REGIONAL MUNICIPALITY OF WOOD BUFFALO, ALBERTA

In 2000 the Regional Municipality of Wood Buffalo identified the need to create a plan to address the increasing number of people unable to find affordable housing in their region. The Homelessness Initiative Steering Committee was formed to provide information and insight regarding how best to address and respond to the need for affordable housing. The committee was made up of several local organizations such as: Fort McMurray Association for Community Living, HRDC, Northern Lights Health Region, Regional

Municipality of Wood Buffalo, and the Family Crisis Society (just to name a few.)³⁶ Ultimately members of this committee advocate on behalf of agencies and clients to more comprehensively develop and direct Wood Buffalo's homelessness strategy and Community Plan—with input and approval from the municipality.

The Regional Municipality of Wood Buffalo is responsible for supporting initiatives to address homelessness, providing information and promoting and understanding of the diverse nature of the homeless problem in their community, developing appropriate policies and procedures that will ensure realization of the Community Plan, and entering into or administering funding agreements with government or non-government agencies.

LETHBRIDGE, ALBERTA

In 1997, the Standing Committee on Community Service in Lethbridge agreed to develop a plan to address homelessness in their community; *Phase 1* of the plan was to identify the needs, barriers and recommendations to deal with homelessness. By 1998, City Council had endorsed recommendations made by the Standing Committee and had directed the committee to continue on with their project. The Standing Committee established 4 working groups to address different housing issues and then appointed a Steering committee to implement and monitor the working groups' action plans. By 2000, the homelessness initiative had evolved into a more comprehensive *Community Social Housing Plan* which focused on development in three key project areas: emergency shelter, transitional housing and affordable & safe housing.

In 2004 and 2005, homeless counts were conducted and in 2005 updates were made to the *Community Social Housing Plan*. Projects in this plan continue to move forward. More information can be found on their website: www.socialhousing.ca

³⁶ This committee is guided and sponsored by the National Homelessness Initiative.

APPENDIX C

Key Informant Focus Group Questions

1. Is affordable housing easily accessible and available in Cold Lake?
2. What affordable housing gaps exist in Cold Lake?
3. Are any of the people you work with homeless or near homelessness?
4. What types of affordable housing needs do the people you regularly work with have?
5. Do you feel your clients' housing needs are being met?
6. What is needed to improve the affordable housing situation in Cold Lake?
7. What would the creation of more affordable housing have on the people you work with?

APPENDIX D

Residential Survey on Affordable Housing: Survey Questions

Current Housing Situation

1. What type of housing do you currently occupy:

- | | | |
|--|------------------------------------|---|
| <input type="checkbox"/> Single Detached | <input type="checkbox"/> Duplex | <input type="checkbox"/> Fourplex |
| <input type="checkbox"/> Townhouse | <input type="checkbox"/> Apartment | <input type="checkbox"/> Condominium |
| <input type="checkbox"/> Mobile Home | <input type="checkbox"/> PMQ | <input type="checkbox"/> Basement Suite |
| <input type="checkbox"/> Other: _____ | | |

2. How long have you been living at this residence?

- < 1 year 1-3 years 4-7 years 8 years +

3. How many bedrooms are in your home?

- 1 2 3 4 5 Other: _____

4. Do you rent or own your home?

- Rent **4.a. <If they rent> Would you like to purchase a home in the future?** Yes No

- 4.b. <If they rent> Would you like to purchase a home in the future?** Yes No

- Own

Current Housing Satisfaction/Potential Change in Housing

5. If you had the opportunity to move into a different home, would you?

- Yes No

5.a. <If yes> Is the main reason you would like to move because:

- Your home needs repair or renovation
 Your home does not have enough space
 Your mortgage or rent is too high

- You want to downsize
- Other: _____

6. If you were to build a home, what would be most important to you?

- A garage
- Price
- Backyard
- Location
- Size
- Other: _____

7. How long do you plan on living in Cold Lake?

- < 2 years
- > 8 years
- 2-4 years
- Not sure
- 5-8 years

Demographic Information

9. Do you currently have anyone residing at your house because they cannot find their own affordable place to stay in Cold Lake? Yes No

9.a. <If yes> How many people?

- 1
- 2
- 3
- 4
- 5
- Other: _____

10. Do you think we are facing a housing crisis in Cold Lake? Yes No

11. How many people in your household are:

- Female and <18 years old _____
- Female and 18-24 years old _____
- Female and 25-44 years old _____
- Female and 45-54 years old _____
- Female and 55-64 years old _____
- Female and 65 + _____
- Male and <18 years old _____
- Male and 18-24 years old _____
- Male and 25-44 years old _____
- Male and 45-54 years old _____
- Male and 55-64 years old _____
- Male and 65 + _____

13. What employment sector does the highest income earner of your household work in?

- Military
- Education
- Sales and Service
- Municipal or Provincial Government
- Oil & Gas
- Health or Social Services
- Self-Employed
- Other: _____

14. Do you rent out space in your home? Yes No

14.a. <If yes> How many people do you accommodate?

- 1
- 2
- 3
- 4
- 5
- Other: _____

14.b. <If no> Would you like to rent living space out in your home?

- Yes
- No

15. <If renting> How much is your rent per month?

- < \$400
- \$400-499
- \$500-599
- \$600-699
- \$700-799
- \$800-899
- \$900-999
- \$1000-1099
- \$1100-1199
- \$1200-1299
- \$1300-1399
- \$1400-1499
- \$1500 +
- Not willing to provide this information

15.a. What utilities does this include?

- Power
- Water
- Heat
- Parking
- Cable
- Other: _____

16. <If they own> Do you have a mortgage on your home? Yes No

16.a. <If yes> How much is your mortgage payment every month?

- < \$400
- \$400-499
- \$500-599
- \$600-699
- \$700-799
- \$800-899
- \$900-999
- \$1000-1099
- \$1100-1199
- \$1200-1299
- \$1300-1399
- \$1400-1499
- \$1500 +
- Not willing to provide this information

17. What is the gross annual income of your household?

- | | | |
|--|--|--|
| <input type="checkbox"/> < \$20,000 | <input type="checkbox"/> \$20,000-\$29,999 | <input type="checkbox"/> \$30,000-\$39,999 |
| <input type="checkbox"/> \$40,000-\$49,999 | <input type="checkbox"/> \$50,000-\$59,999 | <input type="checkbox"/> \$60,000-\$69,999 |
| <input type="checkbox"/> \$70,000-\$79,999 | <input type="checkbox"/> \$80,000-\$89,999 | <input type="checkbox"/> \$90,000 + |
| <input type="checkbox"/> Not willing to provide this information | | |

APPENDIX E

Residential Survey on Affordable Housing: Methodology & Responsiveness

Methodology:

The survey questionnaire was designed by Opportunity Identification committee members over the course of a few regularly scheduled meetings (fall 2006) with the affordable housing framework—highlighted in this report—in mind. The collection method agreed upon was a telephone survey. Samples were randomly drawn from the 2005/2006 telephone directory. An electronic, online data collection program was used for data entry (Survey Monkey).

The target population was households in Cold Lake and surrounding area. The survey population was households in Cold Lake and surrounding area with phone numbers listed in the 2005/2006 directory (“area” outside of City Limits being defined by phone numbers beginning with 639 or 594). Households in Cold Lake and area were also the reference units within the sampling frame. Survey respondents were primary owners or renters of dwellings (e.g. not children or temporary residents).

Based on 5000 households³⁷, 357 responses were required for the data to be statistically significant and accurate 19 times out of 20, +/- a 5% margin of error). (<http://www.isixsigma.com/offsite.asp?A=Fr&Url=http://www.raosoft.com/samplesize.html>).

The survey was conducted between March 28th and April 6, 2006. Survey calls were made from 6-9pm on Monday thru Friday and 10am-4pm on Saturday and Sunday from Cold Lake Community Services by four hired interviewers.

Responsiveness:

Out of 1278 phone numbers called, 164 numbers were not in service, 14 were fax numbers and 4 were not residential. That left a potential 1096 potential responders. The overall response rate was 33%. This is significantly lower than the 75% response rate that was hoped for.

362³⁸ of the households contacted took part in the survey. 309 of the households contact refused to take the survey. 70 of the households contacted asked the interviewer to call back another time—for numerous reasons (busy right now, owner not home, parents not home etc.) The remaining households (355) did not answer the telephone. 2 callbacks were made for most phone numbers on the randomized list. All homes called on a

³⁷ 5000 households was used as the approximate survey population size which reflects the approximate number of residential numbers listed under Cold Lake in the 2005/2006 telephone directory. This is number is consistent with the 2001 census data which reported Cold Lake having a total of .

³⁸ 3 surveys had been completed (entered into the system) but were not conducted beyond the first question; it is unknown at this time what type of data entry mistake was made. Two of these surveys were PMQs and one was an apartment rental suite. These surveys were not included in the results. Because the population approximation was an over estimate, 359 survey responses should still be considered as yielding statistically significant results within the parameters noted above.

weeknight during the week of March 28th were called back during the daytime on Saturday or Sunday.

Cleaning Up Data:

3 out of the 362 surveys that were entered by the interview staff had to be removed prior to data analysis—although this did not impact the statistics significantly. Why these surveys were not completed is unknown however it is likely due to some data entry errors.

Some data adjustments were made because in several cases the “other” category was selected by the interviewer/data enterer when a specific category should have been checked off instead. For most of these, the respondent had provided a lengthier answer which could have been summarized in a word or two (one of the specific categories.) E.g. the respondent saying there just is not anything affordable for them to purchase which can be summed up as “price”. As a result all “other” selections and explanation entries were reviewed and responses were adjusted accordingly.