

# Town Of Morinville



## Affordable Housing Preliminary Report



Prepared for: Community Services  
Prepared by: [www.communityconsulting](http://www.communityconsulting.com)

June 2008



**TABLE OF CONTENTS**

Acknowledgements .....	2
1.0 Introduction .....	3
2.0 Background .....	4
2.1 Context	
2.2 Definition of Affordable Housing	
2.3 Barriers to Affordable Housing	
3.0 Morinville Socio-Economic Profile.....	6
3.1 Population Growth	
3.2 Age Characteristics	
3.3 Families and Household Characteristics	
3.4 Mobility and Migration	
3.5 Income	
3.6 Population Impacts of Up-grader Development	
4.0 Housing Supply .....	12
4.1 Dwelling Type	
4.2 Age and Condition of Housing	
4.3 Housing Tenure	
4.4 Rental Accommodations	
4.5 Seniors' Housing	
4.6 Additional Housing Resources	
4.7 Ownership Housing	
5.0 Affordable Housing Gap Analysis .....	19
5.1 Housing Availability	
5.2 Housing Affordability	
5.3 Housing Adequacy and Suitability	
5.4 Implications	
6.0 Strategic Direction .....	24
6.1 Primary Focus	
6.2 Secondary Focus	
7.0 Strategies .....	25
7.1 Evaluation Criteria	
7.2 Recommended Approaches	
8.0 Concluding Remarks .....	30
References .....	31
Appendix A: Glossary of Terms.....	32

### **Acknowledgments**

www community consulting wishes to thank the Mayor and Council for their guidance and direction in the development of this document.

We would also like to thank the following people for their input and contributions in the development of this preliminary report on affordable housing for the Town of Morinville.

#### **Town Advisory Board:**

Lyle Hannan	Director Community Services
Mark Puczko	Director Planning and Development
Joyce Preeper	FCSS Coordinator

#### **Focus Group Members and In-Person Interviews:**

Chris Lauder	Construction Industry
Deanna Lewis	Chamber of Commerce
Dianne Johnstone	Home Builders Association
Gary Pool	Rendez-Vous Club
Gilles Boudreau	St. Vincent de Paul
Jim Newman	Sturgeon Regional Economic Development
Karen Gusak	Morinville United Church
Marguerite Bosvik	Sturgeon Foundation
Nicole Church	Canada Mortgage and Housing Corporation

## 1.0 Introduction

In recent years, the Province of Alberta has experienced strong economic and labour market conditions, resulting in net in-migration and rapid population growth. This trend brings both opportunities and challenges for municipalities. Addressing affordable housing shortfalls and meeting the needs of individuals and families are key issues in many communities in Alberta.

Some of the specific challenges facing Morinville include a rise in housing costs (both home ownership and rental prices), the general rise in the cost of living (e.g., utilities, food and transportation), and low vacancy rates. In recognition of these challenges, Council made a commitment to being “flexible and responsible in accommodating the housing demand” (Town of Morinville 2007 Business Plan).

The Government of Alberta also recognizes that a growing population and economy trigger service delivery and infrastructure challenges at the municipal level. In 2007, *The Alberta Affordable Housing Task Force Report* was completed and funding was announced. Alberta Municipal Affairs and Housing initiated a three-year Municipal Sustainability Housing Program and a one-year Capital Enhancement Grant Program to specifically help municipalities address immediate housing needs and increase the supply of affordable housing. The Program is a component of the Municipal Sustainability Initiative (MSI), which provides municipalities with capital funding until 2017.

In May 2007, the Town of Morinville was notified that it qualified for “category two” block funding through this Program. In order to receive the grant, an Affordable Housing Plan, which identifies and addresses the housing needs and priorities for families, individuals, seniors and persons with special needs, must be approved by the Minister of Housing and Urban Affairs.

To understand the specific housing needs and issues for Morinville, Council requested that the Community Services Department draft a preliminary report on affordable housing. The firm www community consulting was engaged to complete research and compile a report with the following objectives:

- identify predominant affordable housing issues facing the Town of Morinville;
- provide an inventory of strategies for addressing affordable housing issues;
- complete an analysis of the strategies (financial and non-financial); and
- make initial recommendations.

## 2.0 Background

### 2.1 Context

Historically, affordable housing is a provincial and federal responsibility. However, local governments are more in touch with citizens than higher levels of government, and municipalities are directly affected if there is not enough affordable, safe, and suitable housing. As a result, municipal governments find themselves taking a leadership role regarding housing issues.

Housing has always been a foundation for building strong, healthy communities. “Where and how people live not only affects individual health, but the well-being and character of the whole community” (AUMA Affordable Housing Tool Kit, 2003). Potential benefits of affordable and adequate housing include stability for individuals and families, social inclusion, and positive health outcomes.

Lack of affordable housing also has a direct impact on local economic development: inordinate rent or mortgage costs mean less disposable income to spend on other goods and services; the local workforce becomes less stable; businesses may be deterred from locating to the region; and some resident may feel there is no choice but to move either further north or into Edmonton.

### 2.2 Definition of Affordable Housing

According to the *Municipal Sustainability Housing Program and Capital Enhancement Program Conditional Grant Funding Agreement*:

“Affordable Housing means housing that is modest in terms of floor area and amenities, that meets household needs and that rents or leases below market rent in the community or area in which the unit is located.”

Canada Mortgage and Housing Corporation uses the term “core housing need” in defining affordable housing.

“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.”

The main difference between these two definitions is the focus on *below-market cost* in the first definition and a stronger focus on *income level and ability to pay* in the latter definition. Some communities, such as Strathcona County, narrow the CMHC definition to include, “without spending more than 30% of gross income on housing, *where income is below 80% of Strathcona County’s median income*” so that lower income individuals will be targeted.

The most crucial aspect of an affordable housing strategy is determining the community definition of affordable housing. As the Town moves forward in its planning, a clear definition, developed for the Morinville context, will be required. This will clarify the range of housing needs and potential strategies required to ensure the successful development and implementation of a community plan. A Glossary of Terms is included in Appendix A.

### 2.3 Barriers to Affordable Housing

A number of economic and market-related factors have made affordable housing an issue for many Alberta municipalities. As well, significant budget cuts to social housing and federal and provincial downloading of housing responsibilities has exacerbated the situation.

At a local level, barriers to affordable housing include:

- availability of land, in particular municipal-owned land;
- high costs of construction material and labour;
- high water, electricity, and heating costs which increase the total cost of home ownership;
- lack of long-term vision;
- not-in-my-backyard opposition;
- restrictive bylaws;
- lack of regulations that encourage infill developments within existing neighbourhoods;
- limited zoning incentives;
- inactivity of the private sector to construct new rental housing; and
- free-market development, that focuses on the bottom line, does not meet the needs of everyone.

### 3.0 Morinville Socio-Economic Profile

This section highlights key population and socio-economic characteristics for the Town of Morinville. Unless noted otherwise, the source for the data is Statistics Canada, 2006 Census.

#### 3.1 Population Growth

Since 2006, the population of Morinville has grown by 6.7% (Table 3.1). This change in population is substantial in comparison to the five years preceding the 2006 federal census (3.6%). Using the 2006 figures to compare across the region, Morinville's population trend is positive, e.g. Gibbons (-0.5%), Bon Accord (0.1%).

**Table 3.1: Population Growth, 1996-2008**

	2008*	2006	2001	1996
Morinville Population	7,228	6,775	6,541	6,226
Population Change (%)	6.7	3.6	5.1	

\*Source: Morinville 2008 Census Report

#### 3.2 Age Characteristics

In 2008, the median age of residents was 33.6, although similar to 2001 an increase over the 2001 figure of 31.3 (Table 3.2a). The increase in median age mirrors the national trend toward an aging population.

**Table 3.2a Age Characteristics, 1996-2008**

	2008*	2006	2001	1996
% of the population aged 0 – 14 years	21.8	22.4	26.3	30.2
% of the population aged 15-64 years	71.3	69.7	64.4	64.6
% of the population aged 65 years and over	6.9	8.0	6.3	5.4
Median Age	33.6	33.7	31.3	30.2

\*Source: Morinville 2008 Census Report

When the median age of Morinville residents is compared with other municipalities in the region a pattern emerges (Table 3.2b); rural communities have a slightly younger population than urban municipalities.

**Table 3.2b: Median Age Comparisons Across the Region (2006)**

	Bon Accord	Gibbons	Morinville	St. Albert	Edmonton
Median Age (2006 Census)	33.4	33.1	33.7	38.2	36.1

### 3.3 Families and Household Characteristics

This section compares changes in families and households between 2001 and 2006. The definitions below distinguish between the terms *family* and *household*.

- A census *family* refers to couples, with or without children, as well as lone parents with children living in the same dwelling.
- A *household* refers to a person or group of people who occupy the same dwelling, whether they are married or not.

Almost 74% of families residing in Morinville are married-couple families. Between 2001 and 2006, a shift occurred from married couples to common-law couples (Table 3.3a). The number of lone-parent families has remained fairly stable over the same period.

**Table 3.3a: Family Characteristics in Morinville, 1996-2006**

	2006		2001		1996	
Total number of census families	1, 955		1,780		1,650	
Number of married-couple families	1,445	(73.9%)	1,385	(77.8%)	1,500	(90.9%)
Number of common-law-couple families	245	(12.5%)	135	(7.6%)		
Number of lone-parent families	255	(13 %)	235	(13.2%)	150	(9.1%)
Female	175		190			
Male	80		45			

Changes in household characteristics are highlighted in Table 3.3b. There has been a significant reduction in the number of households with children; declining from 51.4% to 43%. Increases were seen in both one-person households and couple households without children. The average household size in Morinville was 2.9 people in 2006, down slightly from the 2001 Census.

**Table 3.3b: Household Characteristics in Morinville, 1996-2006**

	2006	2001	1996
Total private households	2,290	2,025	1,885
% one-person households	13.5	10.4	10.6
% of households containing a couple with children	43.0	51.4	55.2
% of households containing a couple without children	28.4	23.5	24.1
Average household size	2.9	3.2	3.3

### 3.4 Mobility and Migration

Although the Province has experienced increased migration over the past five years, Morinville increases are not significant. The percentage of people who moved from a different province/territory to Morinville has actually decreased, going from 11.6% in 2001 to 9.5% in 2006 (Table 3.4). The most significant mobility occurs *within* the Town as Morinville as residents move from one home to another. The slight in-migration is primarily from individuals who lived outside of Canada.

**Table 3.4: Mobility and Migration in Morinville, 1996-2006**

	2006	2001	1996
% who lived at same address 5 years ago	51.3	53.5	50.8
% who moved within the same census subdivision (CSD)*	14.9	12.7	12.9
% who moved within the province from a different census subdivision (CSD)	21.3	21.3	27.2
% who moved from a different province/territory	9.5	11.6	8.2
% who lived outside Canada	1.3	0.9	1.1

\* A census subdivision is the term used to describe municipalities

### 3.5 Income

Using the affordable housing definition from CMHC, as identified in background information (section 2.2), income level is a fundamental determinant regarding affordability issues. Median income refers to income in the middle of the group—exactly half of the reported incomes are greater than or equal to the median income and the other half are less than or equal to the median amount.

Table 3.5a compares median income by household type. Although referenced in the 2006 Census, the data reflects 2005 income figures. In 2005, married-couple families had a median income of \$85,986—more than twice the median income of lone-parent families (\$39,519). Within the lone-parent family category, female-headed families (\$38,833) earned almost a third less than male-headed families (\$57,905).

For comparison purposes, the 2005 median income for Alberta families has been included. Morinville's families have a median income of \$79,432, approximately 7.5% higher than the Province (\$73,828). These differences are not very significant when compared to the more affluent family incomes of St. Albert families (\$98,401).

**Table 3.5a: Comparison of Median Income by Family Type, 2001 – 2006 Census Year**

	2006	2001	Alberta (2006)
Total Number of Families	1,995	1,470	
All Census Families	\$79,432	\$60,851	\$73,823
Married-couple Families	\$85,986	\$66,266	\$83,046
Common-Law Families	\$73,379	n/a	\$67,184
Lone-Parent Families	\$39,519	\$35,000	\$40,397
Female	\$38,833		\$37,469
Male	\$57,905		\$55,205

Table 3.5b compares 2005 median incomes based on household characteristics. Not unexpectedly, the statistics show that couple households have significantly higher income than one-person households, particularly when comparing couple households with children (\$92,179) to one-person households (\$32,047). Also note the decrease in median income (17%) for one-person families over the last five years.

**Table 3.5b: Comparison of Median Income Based on Household Characteristics, 2001-2006**

	2006	2001
Total number of households	2,285	2,025
All private households	\$73,288	\$58,363
Couple households with children	\$92,179	n/a
Couple households without children	\$63,925	n/a
One-person households	\$32,047	\$38,951

### 3.5.1 Low-income Families

Statistics Canada uses Low Income Cut-Off (LICO) thresholds to identify people in a low-income bracket. Table 3.5c shows the 2005 before-tax Low Income Cut-Off for rural communities. According to this information, 5.5% of Morinville residents devoted a larger share of income to the necessities of food, shelter, and clothing than the average family would.

**Table 3.5c: 2005 Before-Tax Low Income Cut-Off (LICO) for Rural Communities**

2005	LICO
1 person	\$14,303
2 persons	\$17,807
3 persons	\$21,891
4 persons	\$26,579
5 persons	\$30,145
6 persons	\$33,999
7 or more persons	\$37,853

Source: Statistics Canada, Income Research Paper Series, 2006

The before-tax Low Income Measure or LIM is a second measure of low income that is available from 2005 Taxfiler information (Statistics Canada, Small Area and Administration Data Division). Boundary alignments between Census Subdivision and Taxfiler information are different, as the Taxfiler data is based on postal code. However, the information is considered to be a reasonable representation of the Town. The 2005 Taxfiler Family Income data shows that 370 Morinville families (16%) make less than \$39,000 in 2005 (Table 3.5d). 2006 data will be available at the end of June.

**Table 3.5d: 2005 Family Income, Taxfiler Data**

Family Income	Numbers of Families (2005)	%
Less than &19,999	120	5%
\$20,00 - \$39, 000	250	11%
\$40,000 - \$59,999	320	15%
\$60,000 and over	1,500	68%
Total number of families	2,190	100%
Average family income	\$73,957	
Median family income	\$79,800	

Source: Statistics Canada, Small Area and Administrative Data Division, 2005

### 3.6 Population Impacts of Up-grader Development

Nichol Applies Management has been contracted to gather data and review the potential impacts that up-grader development will have on the mobile workforce (construction and operation) for the Alberta Industrial Heartland. Although the figures are estimates, the region will likely be looking at 5,000 mobile workers coming into the area over the next 10 years with numbers peaking at 8,000 – 10,000.

The implications for the Town of Morinville could be minor or considerable, depending on the Town's desire and ability to attract the mobile workforce and their families. Levels of community services, housing prices, and closeness to family are factors which influence the willingness of workers to move to a specific municipality.

In response to the potential boom, the municipalities of Morinville, Legal, Bon Accord, Gibbons, and Redwater have formed the Sturgeon Regional Economic Development Committee. The Committee is exploring a range of housing opportunities and has passed a motion "whereby the Sturgeon Regional Economic Development Committee and the Up-grader Industries work together to investigate a legacy program....around mobile workers' accommodations."

## 4.0 Housing Supply

This section profiles the current housing supply in Morinville including dwelling type, age and condition of housing, and housing tenure. Information on rental accommodation, seniors' housing, and special needs' housing is provided, along with a look at ownership housing.

### 4.1 Dwelling Type

In Morinville, 79.9% of all private homes are single-detached dwellings (Table 4.1). This percentage is high in comparison to Edmonton (50.2%) and the Province (63.4%); however, it is low in comparison to rural communities in the area.

**Table 4.1: Occupied Private Dwelling Type, 2006 (as a percentage of total occupied private dwellings)**

	Morinville	Bon Accord	Gibbons	St. Albert	Edmonton	Province of Alberta
Single-detached	79.9	84.9	85.7	75.3	50.2	63.4
Semi-detached houses	4.4	1.9	2.1	5.4	4.2	4.8
Row houses	7.0	9.4	1	7.9	2.6	7
Apartments, duplex	0.4	0.0	1	.7	2.8	2.6
Apartments in buildings with fewer than five storeys	5.0	1.9	3.7	10.1	23.4	14.7
Apartments in buildings with five or more storeys	0.0	0.0	0.0	.5	8.9	4.4
Other dwellings	3.1	1.9	6.8	0.0	.8	3.1
Total private dwellings occupied by usual residents	2,290	530	955	20,560	297,725	1,256,200

#### 4.2 Age and Condition of Housing

In comparison to other small municipalities, Morinville's housing is relatively new, with 31.2% of the housing stock built in the last 20 years (Table 4.2). However, in Edmonton, close to 50% of the housing was built in the same timeframe. The condition of the housing in Morinville is slightly better than Edmonton and the Province, with 4.8% of the dwellings identified as requiring immediate repairs. Yet Morinville doesn't fair so well in comparison with Gibbons (1.6%) and St. Alberta (3.7%).

**Table 4.2: Comparison of Age and State of Repair of Housing Stock, 2006**

	Morinville	Bon Accord	Gibbons	St. Albert	Edmonton	Province of Alberta
Dwelling built pre-1986	1,575 (68.8%)	445 (84%)	755 (79%)	11,080 (54%)	210,760 (71%)	785,200 (62.5%)
Dwellings built post-1986	715 (31.2%)	85 (16%)	200 (21%)	9,480 (46%)	86,965 (29%)	470,995 (37.5%)
Total	2,290	530	955	20,560	297,725	1,256,200
% requiring major repairs	4.8%	4.7%	1.6%	3.7%	6%	6.7%

#### 4.3 Housing Tenure

Almost 86% of the housing in Morinville is owned, with the other 14% providing rental accommodations (Table 4.3). This proportion is likely to get even higher considering the new ownership housing built in Morinville in the last two years. (See section 4.6). Once again, comparisons differ between smaller municipalities and Edmonton, where the rental tenure is 37%.

**Table 4.3 Housing Tenure Comparison by Municipality, 2006**

	Morinville	Bon Accord	Gibbons	St. Albert	Edmonton	Province of Alberta
Owned	1,960 (85.8%)	455 (86%)	875 (91.6%)	18,120 (88.15%)	187,290 (63%)	917,905 (73%)
Rented	325 (14.2%)	75 (14%)	80 (8.4%)	2,435 (11.8%)	110,435 (37%)	330,275 (27%)

#### 4.4 Rental Accommodation

The strong Alberta economy has had a significant impact on apartment vacancies and rental rates since 2004 (Rental Market Report, Edmonton CMA, 2007). The Canadian Housing and Mortgage Corporation (CMHC) provide information on apartment vacancy rates and rental costs. The apartment vacancy rate across the Edmonton Census Metropolitan Area (CMA) increased from 1.2 % in October 2006 to 1.5% in October 2007. The Edmonton CMA reports that the average monthly rent for a two-bedroom apartment in new and existing structures was \$958 in 2007, up from the \$808 average reported in 2006. The Edmonton CMA information establishes the “average market rent” under the Municipal Sustainability Housing Program.

Detailed rental market data is not available for Morinville as this information is captured in the Edmonton CMA Rental Report under Zone 14. This zone also includes the municipalities of Devon, Fort Saskatchewan, Leduc, Spruce Grove, Stony Plain, and Strathcona County. CMHC provided apartment vacancy rates and average rental rates for Morinville, but these do not include secondary suites, rented houses, and condominium units that are not managed by a property management firm (Table 4.4a). A secondary rental market may emerge through the rental of investor-owned and rented condominiums; however, data on this trend is not available at this time.

**Table 4.4a: Average Apartment Vacancy and Rental Rates, 2004-2007**

	Dwelling Type	2004	2005	2006	2007	% change
Vacancy Rate	All Units	12.8	3.4	0	2.7	-9.4
	1 Bedroom	12.3	3.1	0	0	-9.2
	2 Bedroom	13.1	3.6	0	4.8	-9.5
Average Rent	All Units	648	658	693	815	25.8%
	1 Bedroom	586	581	616	755	28.8%
	2 Bedroom	695	710	751	861	23.9%

The data paints a grim picture for people looking for rental accommodations in Morinville. Since 2004, vacancy rates have decreased from 12.8% to 2.7% for all units; and the average rent increased by 25.8% to an average of \$815 for all units. When comparing these rental costs to the median income information presented in section three, we see that increases in rental costs are far out-pacing increases in income, especially for lone-parent families and one-member households.

An informal inventory of rental accommodation in Morinville confirms that the Town has a limited supply of rental housing, particularly for families and young adults (Table 4.4b).

**Table 4.4b: Rental Accommodations in Morinville**

Apartment Complex	Number of Units	Average Rental Cost	Characteristics
Deville Estates	83	1 bedroom \$845 2 bedrooms \$1056 (utilities included)	One building reserved for adults
Ivory Arms	24		
Notre Dame Dev.	38	1 bedroom \$800-\$900 2 BR (utilities extra)	Adults 35+
Villa Tina	16		
Total Units	161 units		

#### 4.5 Seniors' Housing

The Sturgeon Foundation provides management services to publicly funded housing projects for seniors in Morinville and the surrounding municipalities of Bon Accord, Gibbons, Legal, Redwater and St. Albert. Facilities in Morinville include Heritage Place Lodge, Heritage Place, and Lions Manor. Table 4.5 shows a breakdown of dwelling type and number of units.

**Table 4.5 Seniors' Publicly Funded Housing in Morinville**

Dwelling Type	Number of Units	Rental Rate
Heritage Place Lodge	45 units (196 sq. ft.)	30% of gross monthly income + \$600
Heritage Place, Self-contained	6 one bedroom (480 sq. ft.)	30% of gross monthly income
Lions Manor, Self-contained	8 one bedroom (480 sq. ft.)	30% of gross monthly income

According to the Sturgeon Foundation, all individuals living in these housing units have a fixed, low income. The self-contained apartments offer an affordable, social setting for seniors who are downsizing from single-detached housing. The apartments currently have a wait-list. Heritage Lodge becomes a housing choice when additional services are required, e.g., housekeeping, meals, and 24-hour non-medical staffing. Typical residents in the Lodge are older than those in the self-contained apartments. The Lodge is at capacity, but no wait-list exists.

#### **4.6 Additional Housing Resources**

This section highlights housing that offers considerably more support services including continuing care facilities, special needs housing, transitional housing, and emergency shelters. The housing at this end of the continuum is very limited in Morinville. For example, the Capital Region Corporation has close to 5,000 publicly-owned housing units—none are located in Morinville.

The primary resource in Morinville is Aspen House, an Assisted Living accommodation. Assisted Living is a continuing care program for frail, older seniors or people with disabilities who require health services and assistance with personal care. The Assisted Living program promotes resident independence and is not intended to provide constant care or supervision. Security features are in place for individuals with dementia.

Currently, alternative housing for individuals with development disabilities, mental health issues, adolescent treatment, or safe housing for abused women and their children is not available in Morinville.

#### 4.7 Ownership Housing

As mentioned, 85.5% of housing in Morinville is owner-occupied, and single-detached homes are the primary housing type (79.9%). For the most part, new development sustains this homogenous housing model. However, recent trends reveal more higher-density housing such as semi-detached and row style condos (Table 4.7a and Table 4.7b). In the near future, no new rental development is under construction or planned for.

**Table 4.7a: Housing Activity by Submarket and Intended Market, January – April 2008**

	Freehold		Condominiums		Rental		Total	
	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007	YTD 2008	YTD 2007
Housing Starts	15	48	32	0	0	0	47	48
Completions	38	36	0	43	0	0	38	79

Source: Housing Now, Edmonton CMA May 2008, Canada Mortgage and Housing Corporation

Despite the provincial housing market slow-down, Morinville experienced a 45% increase in housing under construction from April 2007 to April 2008.

**Table 4.7b Comparison of Housing Under Construction, April 2007 – April 2008**

	Free hold		Condominium			Rental		Total
	Single	Semi	Single	Row & Semi	Apt. & Other	Single, semi	Apt. & Other	
April 2008	116	0	0	71	108	0	0	295
April 2007	104	14	0	0	85	0	0	203

Source: Housing Now, Edmonton CMA May 2008, Canada Mortgage and Housing Corporation

#### 4.7.1 Cost of Housing

The average price of a single-detached home absorbed in the first quarter of 2008 rose by 21.5% for the same period in 2007, going from \$349,950 to \$421,400 (Table 4.7c).

**Table 4.7c: Average Price of Single-Detached Units**

Absorbed Single-Detached Units	Total Units	Median Price (\$)	Average Price (\$)
Year-to-date 2008	24	421,400	434,858
Year-to-date 2007	30	349,950	357,840

Source: Housing Now, Edmonton CMA May 2008, Canada Mortgage and Housing Corporation  
As a cautionary note, the selling price of most of these homes would have been agreed to at the time of sale several months prior. Therefore, the price gains are not an accurate picture of the current buyer's market. In fact, the biggest challenge for builders is the state of the existing resale market during the prime selling season of April, May, and June. Inventories of resale homes are high, putting downward pressure on home prices in recent months.

## 5.0 Affordable Housing Gap Analysis

Every community has a unique blend of individuals and families, with diverse age groups, income levels, and household characteristics. Therefore, housing in a community should ideally include a diverse mix of housing types and tenures to complement the various family and household characteristics.

This section will assess the current affordable housing gap using four criteria: housing availability, affordability, adequacy, and suitability.

### 5.1 Housing Availability

A housing continuum, as depicted in Table 5.1 illustrates the broad spectrum of housing needs, choices or options. Morinville's housing supply is assessed against the affordable housing continuum.

**Table 5.1: Assessment of Housing Availability on the Affordable Housing Continuum**

Affordable Housing Continuum				
Emergency, Transitional Housing	Supportive Housing	Subsidized Housing	Rental Housing	Home Ownership
Short term housing that is safe and secure until families and individuals can become more independent	Housing that provides social and/or medical supports to their clientele	Housing provided on a rent-geared-to-income basis; no social supports required	An alternative for households unable to afford and/or unable to take on the responsibilities of home ownership	Entry-level, lower-cost homes
Current Housing Availability				
Emergency shelter and transitional housing is non-existent.	Limited supply for seniors  *Aspen House provides services to seniors and persons with disabilities, but is not considered affordable housing	Not available for the general population Seniors' lodges and apartments are subsidized. Currently at capacity.	Short supply of apartment rental units; vacancy rates are low. A percentage of buildings cater to adults 35+. All units are at market rent.	Majority of housing stock is owner-occupied, single family dwellings. Recent development of multi-family dwellings. Very limited supply of entry-level or lower-cost homes.

In summary, the housing supply in Morinville is quite homogenous, with owner-occupied, single family dwellings marketed towards the middle to upper class. Affordable rental accommodations and entry-level ownership housing is limited. This situation is a concern, as “maintaining and investing in a diverse stock of housing is critical to creating a high quality of life for all residents, and building communities that remain sustainable over the long term (Building the Future, Canada West).

The unavailability of housing has implications for a number of populations segments in Morinville:

- one-person households (13.5% of Morinville’s population):
- young adults (20% of Morinville’s population is 20-34 years):
- lone-parent families;
- low-income individuals;
- individuals leaving abusive situations; and
- individuals with physical or mental challenges, requiring support services.

### 5.2 Housing Affordability

Housing affordability relates to a household’s ability to acquire and maintain accommodation. Using the Canada Mortgage and Housing Corporation definition, housing is affordable if it costs no more than 30% of a household’s gross monthly income for rental accommodation or no more than 32% for home ownership. Utilizing this formula, Table 5.2a has been developed which aligns household income with affordable rental payments and actual rental costs.

**Table 5.2a: Housing Affordability: Rental Accommodations**

Household Income (\$)	Max. Monthly Rental Rate* (30% of income)	Average Rent 2007	Actual Rental Costs May 2008
15,000 – 19,999	\$500		\$845: one bedroom water & heat included \$800/900: one bedroom, utilities extra \$995/1056: two bedroom, water & heat included
20,000 – 24,999	\$625		
25,000 – 29,999	\$750	\$755 - one BR	
30,000 – 34,999	\$875	\$861 - two BR	
35,000 – 39,999	\$1,000		
40,000 – 44,999	\$1,125		
45,000 – 49,999	\$1,250		
50,000 – 59,999	\$1,500		
60,000 – 74,999			
75,000 – 99,999			
100,000 +			

\*includes utilities and heat

Census information from 2006 lists the median monthly payments for rented dwellings at \$806 and the median monthly payments for owner-occupied dwellings at \$1,132. Table 5.2b aligns household income with approximate affordable house prices and current listings.

**Table 5.2b: Housing Affordability: Ownership Accommodations**

Household Income (\$)	Approximate House Price (32% of income) <sup>1</sup>	Current Listings <sup>2</sup> June 15, 2008
15,000 - 19,999	\$60,116 – \$80,152	1 mobile home
20,000 - 24,999	\$80,153 - \$100,204	
25,000 -29,999	\$100,205 - \$120,231	
30,000 - 34,999	\$120,232 - \$140,267	
35,000 - 39,999	\$140,268 - \$160,604	1 condo
40,000 - 44,999	\$160,305 - \$180,346	
45,000 - 49,999	\$180,347 - \$200,383	
50,000 - 59,999	\$200,384 - \$240,462	8 condos, 1 single family
60,000 - 74,999	\$240,463 - \$300,578	8 town home condo 12 single family
75,000 - 99,999	\$300,579 - \$400,767	3 town home condo 54 single family
100,000 +	\$400,768	51 single family

Source: <sup>1</sup> St. Albert Affordable Housing Strategy 2006, <sup>2</sup> MLS Listing June 15, 2008

In April 2007, the year-to-date median selling price of homes in Morinville was \$349,000. In the same month in 2008, the median selling price was \$421,400, an increase of almost 21%. As reported in section three, 120 Morinville families are earning less than \$19,999 annually, and 5.5% of individuals are considered low-income residents based on LICO measurement.

Based on this data, rental and ownership housing costs are well beyond the affordability range of many residents, making housing choices very limited to low-income residents. The population segments facing affordability challenges mirror those having availability issues:

- individuals just starting out in the workforce;
- Assured Income for Severely Handicapped and Supports For Independence recipients;
- one-person households; and
- female lone-parent families.

As well, individuals on fixed income will also find challenges due to increased taxes, water and heat costs.

### 5.2.1 Core Need Income Thresholds

The Province has established Core Need Income Thresholds (CNIT) to identify households that may qualify for subsidized housing. Households with total annual incomes equal to or less than CNIT are said to have insufficient income to afford ongoing costs of suitable rental units in their area. Table 5.2c provides the CNIT figures for Morinville. Currently, subsidized housing in Morinville is only available for seniors.

**Table 5.2c: 2007 Core Need Income Thresholds (CNIT), Morinville**

Bedroom Size	Max Annual Income
Bachelor	\$23,500
1 Bedroom	\$26,500
2 Bedroom	\$33,500
3 Bedroom	\$45,500
4 Bedroom	\$50,500

Source: Alberta Housing and Urban Affairs web-site

### 5.3 Housing Adequacy and Suitability

The Canada Mortgage and Housing Corporation defines *adequacy* as the physical safety of a dwelling, primarily focusing on the level of repairs required. *Suitability* refers to a family’s ability to afford the type of housing necessary to meet their needs. The *Alberta Housing Act* stipulates the number of bedrooms relative to the size of the family. In Morinville, census data tells us that almost 5% of homes are in need of major repairs, but the assessment of adequacy is subjective, and is a limited view of “physical safety.” Likewise, suitability is a difficult criterion to measure.

Rather than providing additional statistics, a more subjective analysis of housing adequacy and suitability follows. These anecdotes were shared by individuals who attended a stakeholder focus group. Detailed notes and focus group membership are available on request.

- Anecdote One: A local pastor arrived at church one morning to find an individual sleeping on the couch.
- Anecdote Two: An abused woman was recently put up in the local hotel, La Maison Inn, as an “emergency shelter” because no other alternatives were available.
- Anecdote Three: An individual receiving the Assured Income for Severely Handicapped (AISH) is living with relatives that want her out of the house. Support workers cannot find affordable or suitable housing in Morinville.
- Anecdote Four: A man and his 10-year-old son were homeless, living in a tent and then moving to a Jeep when temperatures dropped. Through the efforts of the local Family and Community Support Services office and a local not-for-profit organization, a trailer was purchased and renovated and given to the family. Improvements in the boy’s behavior and academic performance were seen almost immediately.

## 5.4 Implications

Fortunately, the last story has a happy ending. However, the availability, suitability, and adequacy of affordable housing in Morinville have significant implications for the community.

- Residents are moving further north or back into Edmonton. The cost of gas is a compounding variable as some commuters can no longer afford to live in Morinville and drive to Edmonton.
- Local business owners are finding it difficult to attract and retain qualified staff due to housing availability and suitability. The mobile workforce encounters no vacancies, and do not have the money to pay damage deposits.
- Employees are using the local camp ground as short-term housing.
- Families are re-mortgaging their houses.
- Multi-generational housing is increasing. Young adults are living at home longer or are moving back home because they can't afford housing and other expenses.
- Many houses are over-crowded.
- Individuals requiring continuing care programs are required to leave the community.
- Lack of affordable housing may make it difficult to attract new residents.

## **6.0 Strategic Direction**

Section five identifies numerous gaps in the affordable housing continuum. However, it is unrealistic to think that an affordable housing strategy can address the housing needs of all households. As well, given the limited amount of financial and non-financial resources available a narrower, but consistent, approach is necessary. This section recommends two focus areas.

### **6.1 Primary Focus**

It is recommended that Morinville focus its affordable housing plan on individuals and families whose income prevents them from obtaining long-term, adequate housing in terms of the size, safety, and needs of the family. The intent of selected strategies is to help citizens establish, maintain, or advance their position on a housing continuum.

- **Subsidized Housing:** Residents are able to pay a portion of housing costs, but need financial assistance to cover total costs.
- **Market Rental Housing:** Housing that is created or managed in a way to provide housing with costs below general market costs.
- **Entry-level Market Housing:** The lowest 25% of homes sold in any given year for entering the housing market or downsizing.

Individuals and families with sufficient income that allows them access to a broad range of housing alternatives will not be a priority area.

### **6.2 Secondary Focus**

Given rapid growth, the negative impact of the economic boom, and a minimal supply of affordable housing options, it is recommended that Morinville provide a secondary focus on transitional housing for a diverse set of individuals and families.

- **Transitional Housing:** Short-term housing for individuals requiring safe, affordable accommodations until they can become independent.

Although the focus group identified a tertiary need for supportive housing with social and medical supports, emergency shelters, and housing for at-risk youth, this type of housing will not be a focus area.

## 7.0 Strategies

A multitude of strategies and tools are available to address affordable housing issues, and a successful approach will need to combine a variety of strategies. The intent of this section is to present a limited number of options that address the affordable housing gaps identified in the previous section. An inventory of strategies was compiled and shared with the focus group and the Advisory Committee. Utilizing an evaluation matrix, the Advisory Committee provided input and analysis to recommend direction. A more thorough catalogue of approaches is available upon request.

### 7.1 Evaluation Criteria

**Infrastructure Sustainability:** reduction of infrastructure costs in the short and long term. This includes buildings, streets and sidewalks, as well as “social infrastructure” such as community and emergency services.

**Partnerships:** collaboration, resources and/or assistance from other orders of government, community organizations, the private sector, and not-for-profit agencies is essential

**Resources:** availability of resources including funding, personnel, and management obligations required to implement the strategy.

**Risk:** minimize financial and non-financial risk to the Town of Morinville and its partners.

**Timelines:** a mix of strategies which will have impact in the short and long term.

Short Term: within the first year of implementation

Medium Term: within the three-year agreement

Long Term: within the six-year requirement to dispense grant funding

**Triple Bottom-Line:** the selection and implementation of strategies should consider economic, environmental, and social impacts.

## 7.2 Recommended Approaches

Six broad approaches are presented, which include eight specific recommendations or options. Each action includes a description, approximate timelines, and resources. Examples are provided where available.

### Education and Advocacy

Recommendation One	Develop a communication and education strategy to inform existing or potential citizens of housing resources and programs and to dispel the myths surrounding affordable housing.
Description	There is no single information source regarding local rental accommodations (rental costs and vacancies), housing programs, or funding opportunities. This can create a very frustrating process for individuals interested in relocating, cause difficulties in making decisions, and cause under-utilization of available funding programs, e.g., Residential Rehabilitation Assistance Program.
Timeline	Short-term
Resources	Minimal

### Municipal Housing Corporation

Recommendation Two	Explore the development of a community housing corporation in partnership with Sturgeon Foundation.
Description	Sturgeon Foundation is the local housing management body, mandated through the Alberta Housing Act. Historically the Foundation has been responsible for managing seniors' lodges and apartments in Morinville, as well as other municipalities within Sturgeon County. The Executive Director and Board of Sturgeon Foundation are very interested in expanding their role to incorporate broader affordable housing initiatives. A community housing corporation would be responsible for leadership and management of affordable housing developments and initiatives.
Timeline	Short-term
Resources	Staff time, negotiation of administrative dollars

Examples:

- a) Cochrane Society for Housing Options is a registered non-profit organization dedicated to encouraging the development of a range of affordable housing options.
- b) The Central Edmonton Community Land Trust (CECLT) is a non-profit corporation formed to acquire land and housing to provide affordable housing for families with limited resources. To keep units affordable, the land is held in trust in perpetuity. Units are leased to tenants on a "rent-to-own" basis. These properties are purchased by the Trust with funding under the City of Edmonton Low-Income Housing Capital Assistance Program (LIHCAP). These properties also receive funding for renovations under the federal RRAP Program.

**Financial Support**

Recommendation Three	Develop a rent-supplement program for low-income individuals. This could be an initial project for a community housing corporation.
Description	The provincial government has two rent-supplement programs. Under the Regular Rent Supplement Program, local housing management bodies pay private landlords a rent supplement to subsidize the difference between a negotiated market rent and 30% of a household's adjusted income. Under the Direct to Tenant Rent Supplement Program, a subsidy is paid directly to an eligible tenant. Subsidy amounts and subsidy payments are delivered by local management bodies.
Focus Area	Subsidized Housing, Transitional Housing
Timeline	Short-term. The need is quite critical, so ideally a program should be established as soon as possible.
Resources	Minimal or significant depending on targets. The Municipality or community housing corporation could also decide to purchase rental accommodations.

## Examples:

- a) The Capital Region Housing Corporation manages 4,900 publicly owned housing units and administers rent programs for low-income families and individuals throughout the Capital Region.
- b) The City of Edmonton has developed a pilot project that will provide a Fixed Rate Rent Supplement for up to 400 existing private rental housing units in Edmonton over the next five years, beginning in 2007.

Recommendation Four	Facilitate connection between CMHC and developers to consider home ownership flexibility in mortgage loan insurance (MLI) for home buyers.
Description	CMHC offers a variety of flexible loan insurance options such as a Sweat Equity Program (which can cover up to 100% of the required down payment); grants or down payments from government agencies, sponsor groups or non-profit organizations; and a Rent to Own Proposal. CMHC will work directly with developers.
Focus Area	Entry-level Home Ownership
Timeline	Short- to mid-term
Resources	Minimal to moderate depending if the Municipality wants to provide grants.

## Examples:

- a) Home at Last (HAL) in London, ON partnered with the London Home Builders' Association, CMHC, and many other partners to provide homeownership opportunities to households that can afford a small mortgage.
- b) Through its FirstHome program in Toronto, ON, the Daniels Corporation provided condominium units at below-market prices, reduced the down payment for qualified buyers, and also offered a loan program. The developer's loan program was supplemented with funds from CMHC and the province of Ontario.

**Remove Barriers**

Recommendation Five	Modify zoning permissions and encourage specific housing types, e.g., secondary suites, modular homes, etc.
Description	Currently zoning does not allow for the development of legalized secondary suites. Many municipalities are encouraging secondary suites as a low-cost alternative that supports infill strategies. Agreements made to ensure the suites are affordable for a minimum of 15 years. Encourage sustainable, green development.
Focus Area	Market Rental Accommodations, Transitional Housing
Timeline	Short-term
Resources	Staff time. Capital costs if Municipality or community housing corporation decides to provide incentive grants to develop suites.

## Examples:

- a) The town of Canmore has recently encouraged the development of legal, secondary suites in a number of residential neighbourhoods. The increased supply of rental accommodation has provided a source of affordable rental accommodation for residents and temporary employees of Canmore. The development of secondary suites within homes makes them “doubly affordable,” by not only providing rental accommodation but by also providing a revenue stream to the home owner. The zoning of secondary suites is accomplished through RIB
- b) zoning that permits the inclusion of secondary suites as part of a single-family detached dwelling.
- c) The town of Canmore approved a bylaw that designated a 133-lot subdivision for a Manufactured Home Family Residential District. The lots have a minimum lot width of 12 meters and maximum site coverage of 40%.

**Incentives: Density Bonus**

Recommendation Six	Provide incentives to developers through a “density bonus.” Expedite approvals for an affordable rental housing component.
Description	A density bonus allows for the development of more units or floor space in return for affordable housing. The timing is right given planned residential development for multi-family units.
Focus Area	Market Rental Accommodations, Subsidized Housing, Entry-level Housing
Timeline	Short- to mid-term
Resources	Staff time. Capital costs if municipality or Community Housing Corporation choose to purchase

## Example:

Salmon Arm's medium-density residential zone is structured to permit an increase in the maximum height of the principal building if a special amenity is outlined in an accompanying table. The maximum density permitted is generally 40 dwellings per hectare (16 dwelling units per acre), which can be increased to a maximum of 50 dwelling units per hectare (20 units per acre) in accordance with the provision of each amenity. These amenities include commercial child care, affordable rental housing, and rental housing with a housing agreement.

**Embrace Local Opportunities for Partnerships**

Recommendation Seven	Assist Morinville United Church in developing an affordable housing proposal by providing staff support, grants, and loans.
Description	Morinville United Church has a vacant lot adjacent to church property. They are interested in an affordable housing development such as a fourplex or sixplex.
Focus Area	Market Rental Accommodations, Subsidized Housing, Entry-level Housing
Timeline	Mid-term
Resources	Staff time, capital investment. The value of the land can be used to match the provincial grant limit of 70% of capital costs.

## Examples:

- a) The City of Red Deer Social Planning Department has assisted the community in addressing affordable housing needs through financial assistance and staff support.
- b) Delta is a suburban municipality in the southwest portion of the Greater Vancouver region. Augustine House is an initiative of the St. Augustine Council of the Knights of Columbus. The Council formed a non-profit organization to build accessible and affordable housing on land donated by the parish. Although the residence resulted from the commitment of the Knights of Columbus, Augustine House is non-denominational.

Recommendation Eight	Active involvement in the Sturgeon Regional Economic Development Committee Legacy Housing Initiative
Description	Up-grader development in Alberta's Industrial Heartland is expected to require an extensive mobile workforce. Employee housing can take many forms, for example, worker lodges. Morinville could partner with up-grader companies to develop an employee housing district. An agreement would be made which sees the employee housing become affordable rental housing once up-grader construction is completed. One option for development might be a small hotel, with pool facilities that could be used by community residents.
Focus Area	Market Rental Accommodations, Subsidized Housing,
Timeline	Mid- to long-term
Resources	Staff time. Capital investment could be significant depending on negotiated agreement. Municipal land would be a definite asset.

## Example:

The Town of Canmore has encouraged the creation of employee housing districts (EHD) within its jurisdiction. To date, two developments, located at Montane Village adjacent to Bow Valley Trail, have been built. The developments are condominium complexes, with zoning restrictions that require only Bow Valley Residents to live in the units.

## 8.0 Concluding Remarks

The AUMA Affordable Housing Toolkit states that “the need and opportunity for municipalities to develop coherent, pro-active approaches to the provision of affordable housing have never been greater.” As Municipal leaders, the affordable housing pressures facing the community have been recognized; the difficult decision is to decide the municipality’s role in the affordable housing enigma. The following learnings are presented for consideration:

- 1) Develop a transparent community vision for Morinville. Reflect on what the municipality will look like in the future: does it have a small-town feel where citizens are engaged in the community? is it emerging as a city? are diverse populations groups attracted to the town? Once the vision is confirmed, ask yourselves about the types of housing required to accommodate this vision.
- 2) Link strategic documents to the Vision, e.g., Municipal Development Plan, Municipal Sustainability Framework, Affordable Housing Plan. Ensure the key documents align with each other.
- 3) Establish an Advisory Board or Steering Committee if development of an Affordable Housing Plan is to move forward. This improves transparency in the community, provides a wide-spectrum of information and increases the likelihood of successful implementation.
- 4) An Affordable Housing Plan needs to establish clear principles and measurable goals and objectives (such as program targets).
- 5) The municipality roles and responsibilities for housing should be transparent.
- 6) Availability of municipal land is an important asset in providing the 30% capital funding requirement. Ensure the inventory of municipal-owned land, surplus provincial land, and crown land is exhaustive.
- 7) Continue contact with the Community Development Centre, Canada Mortgage and Housing Corporation. Staff is assigned to work with municipalities to develop Affordable Housing Plans.

## References

- 2005 Taxfiler Data, Statistics Canada, 2006
- 2006 Census, Morinville Community Profiles
- 2007 Apartment Vacancy and Rental Cost Data, Subdivision 14, CMHC
- 2008 Metro Vancouver Housing Affordability, Presentation, May 15, 2008
- Affordable Housing “Toolkit”, Alberta Urban Municipalities Association, 2003
- Alberta Housing and Urban Affairs web-site
- Canada Mortgage and Housing Corporation, web-site: Project Profiles, Renovation and Grant funding programs
- Affordable Housing Calgary, City of Calgary: Research Briefs
- Building the Future: Public Policy Considerations for Affordable Housing in Canada*, Canada West Foundation, 2008
- City of Edmonton: *Edmonton Cornerstones Plan Initiatives, Building the Capital Partnership*
- City of Red Deer, Affordable Housing Strategy, December 2006
- Cochrane Housing Needs Assessment, February 2002
- Community Plan on Housing and Homelessness in Kingston, 2006
- Drayton Valley Municipal Shelter Plan, 2004 and Update May 2006
- Housing First: An Investment with a Return in Prosperity*, Alberta Affordable Housing Task Force, 2007
- Housing Now*, Edmonton CMA May 2008, Canada Mortgage and Housing Corporation
- Lacombe Residential Housing Development Initiative (REHDI)
- St. Albert Affordable Housing Strategy, January 2005
- St. Albert Community Housing Plan, 2006
- Seniors Housing Guide 2008; Seniors Housing Guide of Greater Edmonton
- Strathcona County, Housing Needs Assessment, January 2008
- Sustainable Community Planning*, CMHC
- The 8 Pillars of a Sustainable Community*; Summary Paper, Mark Holland
- The 10 Secrets to Effective Affordable Housing Policy*, Robert Roach, April 2008

## Appendix A: Glossary of Terms

**Affordable Housing:** housing that is modest in terms of floor area and amenities, that meets household needs and that rents or leases below market rent in the community or area in which the unit is located.

**Average Market Rent:** average rent or lease rate for the area, based on Canada Mortgage and Housing Corporate and Alberta Housing and Urban Affairs annual market rental surveys for where the Affordable Housing Approved Project is located.

**Capital Costs:** costs to acquire construct or renovate a capital asset, including material, labour, land, servicing and soft costs, and any cost required to bring a site, building or unit into compliance with all applicable codes and legislation, including environmental legislation.

**Core Need Income Threshold:** the maximum income limits used to assess income eligibility for Provincial subsidized housing programs, as set annually and provided by the Minister

**Entry-level Market Ownership Housing:** the lowest 25% of homes sold in any given year for households entering the housing market or downsizing.

**Low Income Cut-Off (LICO):** income thresholds, determined by analysing family expenditure data, below which families will devote a larger share of income to the necessities of food, shelter and clothing than the average family would. To reflect differences in the costs of necessities among different community and family sizes, LICOs are defined for five categories of community size and seven of family size.

**Low Income Measures (LIMs):** relative measures of low income, set at 50% of adjusted median family income. These measures are categorized according to the number of adults and children present in families, reflecting the economies of scale inherent in family size and composition.

**Market Housing:** housing within the community that rents or leases at rates at or near “Average Market Rent”.

**Ownership Costs:** include payments for mortgage principle and interest; and property taxes; and payments for utilities (water, fuel, and electricity); as well as condominium fees, where the dwelling is a condominium (CMHC).

**Project Rent:** the rate(s) charged for affordable and transitional housing units that is less than average market rent for similar accommodation in the community and reflects the target household’s ability to pay.

**Rental Costs:** include rent and payments for utilities (water, fuel, and electricity) where they are paid separately from rent (CMHC).

**Special Needs Housing:** stable, supportive housing for those in need of ongoing support or services.

**Subsidized Housing:** housing provided on a rent-geared-to-income basis with government subsidies covering a proportion of the costs.

**Transitional Housing:** short-term housing that is safe and secure and enables families and individuals to achieve a higher level of sustainable independence.

