

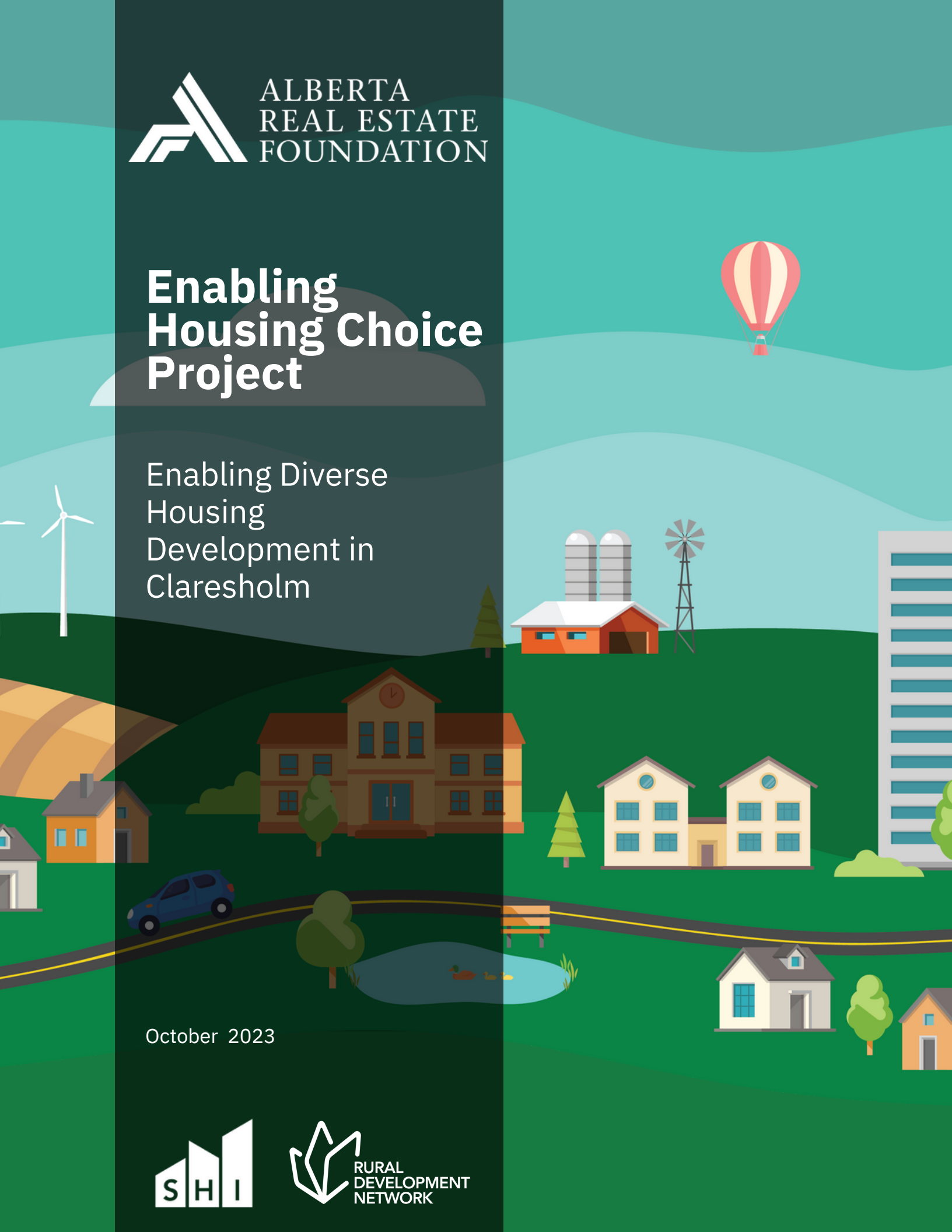


ALBERTA
REAL ESTATE
FOUNDATION

Enabling Housing Choice Project

Enabling Diverse
Housing
Development in
Claresholm

October 2023





LAND ACKNOWLEDGEMENT

We, the Rural Development Network (RDN) and the Enabling Housing Choice (EHC) project acknowledge that the Town of Claresholm, Alberta, Canada is located on Treaty 7 territory, signed in 1877. This territory is the shared traditional and ancestral home of the Blackfoot Confederacy, consisting of the Piikani, Amksapi Piikani, Siksika, and Kainai Nations, as well as the Tsuu'tina and the Îethka Nakoda Nations, which includes the Chinikii, Bears Paw, and Good Stoney First Nations. We also acknowledge that this territory is home to the Métis Nation of Alberta, Region III.

We acknowledge that we are all treaty people with a shared unity that is tied to the land. Through our work we take part in that responsibility and with our treaty connections. We stand in alliance with all treaty people and take ownership in all that we do, with a mind toward reconciliation now and in our ongoing endeavors.

Furthermore, we acknowledge the ancestors of all Treaty 7 Nations who have lived on this land and their descendants who will continue to live here. We appreciate and honour the traditional Knowledge Keepers and Elders who are with us today and those who have gone before us.

RDN is committed to supporting the implementation of the Truth and Reconciliation Commission of Canada's Calls to Action, and believes in the need for meaningful engagement and consent with Indigenous peoples in the community. As this project specifically touches on development and planning concepts which are built on a colonial system of governance and land use management, we also recognize that we have more work to unpack the systems in which we are upholding and working within.

It is our sincere hope that the findings provided in this report will serve to address Claresholm's diverse housing needs and provide greater housing security and inclusion for both Indigenous and non-Indigenous peoples in the community and surrounding area



PROJECT ACKNOWLEDGEMENTS

Thank you to the Alberta Real Estate Foundation for their funding and support of this project. We would also like to express our appreciation to the Town of Claresholm in their efforts to help tackle housing diversity and choice in Albertan communities through participation in the Enabling Housing Choice project.

Furthermore, we would like to express our appreciation and gratitude to all the individuals from the Town of Claresholm who participated in the internal interview process for this project. Your willingness to share your valuable insights, experiences, and perspectives has been instrumental in shaping the recommendations provided in this report.

Lastly, we extend our gratitude to all the external interview participants from the local housing industry in Claresholm and surrounding area. We greatly appreciate the time and effort you dedicated to sharing your insights, identifying key challenges, highlighting opportunities, and suggesting ways to advance Claresholm's diverse housing goals. Your expertise and contributions have played a vital role in shaping the understanding of the current housing landscape and guiding us towards meaningful solutions. Your generosity and willingness to collaborate have been instrumental in our goal to create a more affordable, inclusive and complete community in Claresholm.

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EXECUTIVE SUMMARY

INTRODUCTION

On the behalf of the Rural Development Network (RDN), the Sustainable Housing Initiative (SHI) partnered with the Town of Claresholm to prepare Enabling Diverse Housing Development in Claresholm, which offers recommendations for diversifying housing choice and development in the community.

The Enabling Housing Choice Project aims to provide insight on how Albertan municipalities can support growth in their communities¹ and help provide more housing options and choices to their residents through local policy changes and capacity building strategies.

SHI and the Town of Claresholm's partnership will support the project's goals in constructing meaningful policy change while contributing to the creation of an Enabling Housing Choice Guidebook. Furthermore, it is intended to assist the Town of Claresholm in determining municipal tools and areas of opportunity for enabling diverse housing development that meets the needs of Claresholm's residents.

PURPOSE

The purpose of *Enabling Diverse Housing Development in Claresholm* is to investigate and analyze the current barriers to diverse housing development in the Town of Claresholm, while also identifying municipal tools, incentive policies, and areas of opportunity that can be leveraged to enable more diverse housing options. By examining the existing landscape, the report seeks to provide actionable recommendations and strategies that the municipality can implement to foster a more inclusive and sustainable housing environment, accommodating the diverse needs of its residents.

It is crucial to acknowledge that our research, coupled with insights gathered from our community engagement efforts, underscores the Town of Claresholm's commendable progress in enhancing the availability of diverse and affordable housing options within the community. This report stands as a testament to the Town's ongoing commitment to addressing housing needs. By offering substantial recommendations, we aim to fortify Claresholm's existing achievements and stimulate constructive dialogues about how the Town can sustain and expand its efforts to foster housing choice and diversity.

Furthermore, this report is intended to support and advance objectives and policy directions outlined in the following documents:

- Town of Claresholm *Municipal Development Plan* (2010)
- Town of Claresholm *2022-2026 Strategic Plan* (2022)
- Town of Claresholm *Affordable Housing Strategy* (2023)
- Town of Claresholm *Needs and Demand Analysis* (2023)

PROJECT SCOPE

The scope of *Enabling Diverse Housing Development in Claresholm* consisted of the following main elements:

- Researching best practices and reviewing Town of Claresholm statutory plans, strategies and relevant guiding documents.
- Understanding the context that characterizes Claresholm's current housing landscape through a review of published housing related data.
- Gathering locally informed opinions on Claresholm's housing situation through conducting interviews with subject matter experts and housing stakeholders. Interview participants included members of Town Administration, planning consultants, and local developers and home builders.
- Identifying the various opportunities and challenges associated with diverse housing development within Claresholm's housing landscape
- Making recommendations on municipal tools and approaches that will have the highest potential to encourage diverse housing development in Claresholm.

METHODOLOGY

The methodology used to obtain the overall findings for *Enabling Diverse Housing Development in Claresholm* consisted of the following:

- **Interviews:** The key actor interview process consisted of conducting 4 interviews with developers, home-builders and staff from the Town of Claresholm to gain a variety of insights and opinions on the current state of Claresholm's housing landscape. The interviews were conducted from June 21 to August 2, 2023.
- **Focus Groups:** The focus group process consisted of hosting discussions with 6 local landowners/developers, 3 Town staff and the Community Development Committee from the Town of Claresholm. Two focus groups were conducted separately on July 13 and August 21, 2023.
- **Key Topics/Themes of the Interview and Focus Group Process:** The following key topics and themes were discussed throughout the course of the interview process:
 - Barriers/challenges for developing diverse housing types in Claresholm
 - What municipal tools the Town can utilize to encourage diverse housing development
 - How the Town can further incentivize diverse housing development while strengthening partnerships with the development industry.

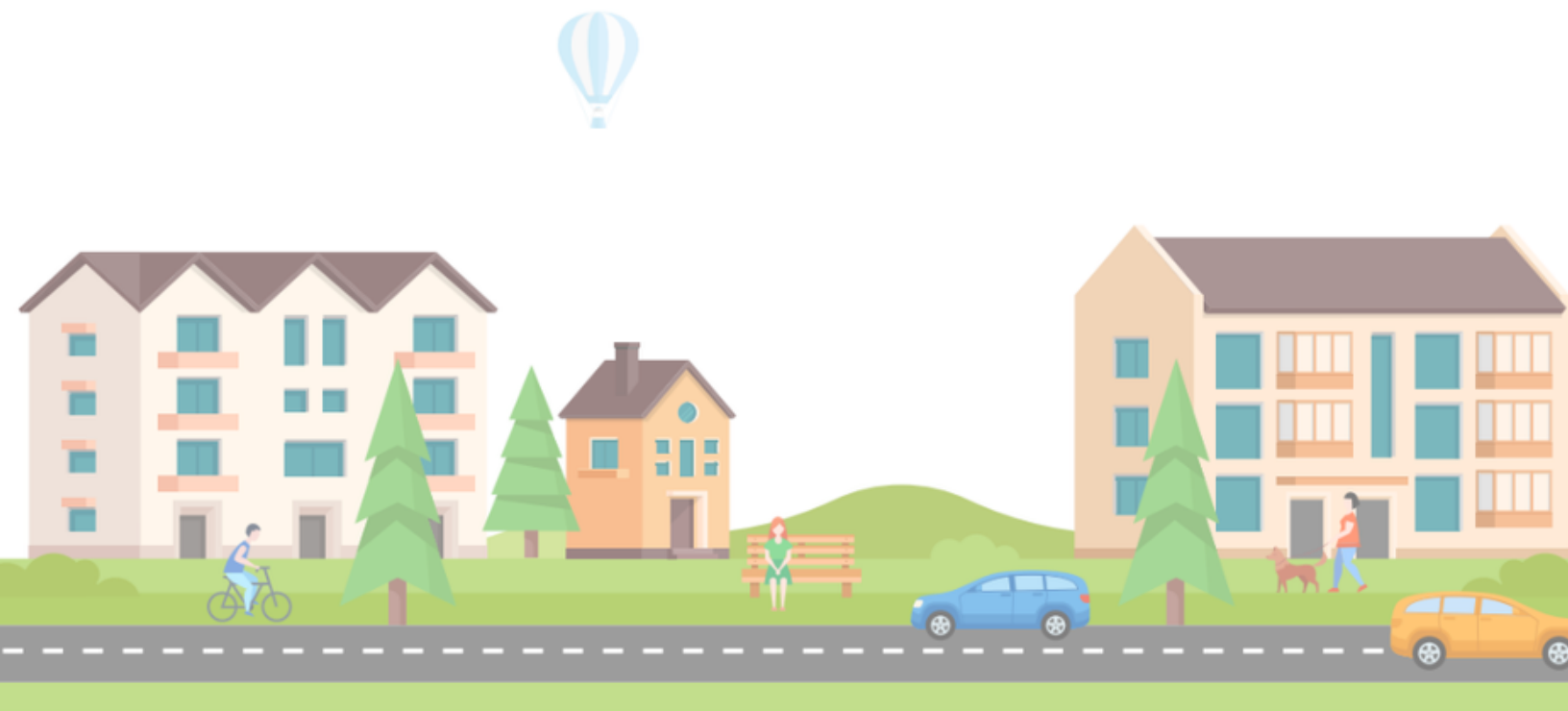
REPORT OVERVIEW

Section 1 provides an overview of the importance of housing diversity for Claresholm, while highlighting key areas of housing needs in the community.

Section 2 provides a comprehensive exploration of potential development incentive policies the Town of Claresholm can adopt to encourage the development of diverse housing. The primary focus of this section is to provide incentive examples that address key areas of housing need within Claresholm, while outlining novel avenues for incentivizing developers to undertake housing projects within Claresholm.

Section 3 presents the report's key recommendations for enabling diverse and affordable housing development in Claresholm. It consists of primary tools and approaches that the Town can utilize to address the lack of diverse housing availability. The section also outlines areas of opportunity and additional approaches the Town can explore to take action on diverse housing needs in Claresholm.

Section 4 outlines next steps of the project as the Enabling Housing Choice team will continue to monitor progress and key milestones related to diverse housing development in Claresholm.



SECTION 1: THE IMPORTANCE OF HOUSING DIVERSITY FOR CLARESHOLM

INTRODUCTION

This section aims to emphasize the value of housing diversity for Claresholm while sharing viewpoints from community engagement participants. It underscores how diverse housing options are crucial for the town and offers insights into why various participants believe such housing is necessary. By showcasing these perspectives, we can better understand the significance of housing diversity in meeting the town's needs and aspirations.

Furthermore, this section includes findings from Claresholm's recent *Needs and Demand Analysis* (2023) to provide statistical evidence for housing needs in Claresholm, while also facilitating a comparison between these empirical findings and the community's own perceptions regarding the types of housing that are in demand. This multi-faceted approach ensures that this report is well-grounded in both quantitative data and the lived experiences of the local residents, guiding informed decisions and strategies to address Claresholm's housing needs effectively.

It is important to remember that the Needs and Demand Analysis is done using quantitative data obtained from Statistics Canada, Alberta Regional Dashboard, and Alberta Health. Data is critical to confirming the anecdotal evidence gathered by community members and can help refine conclusions on what type of housing is most needed in Claresholm.

1.1 IMPORTANCE OF HOUSING DIVERSITY

Housing diversity refers to the range of housing types and forms in a community. A diverse community has various different dwelling types and sizes – which may be achieved by flexible zoning that promotes a variety of building forms. By providing greater housing choice, communities can meet the housing needs of increasingly diverse residents and household types (such as young families, professionals, retirees, people with disabilities). The importance of housing diversity for a town like Claresholm, or any community for that matter, is significant and can have various positive impacts on the residents and the town as a whole. Such impacts include:

- **Social and Economic Diversity:** Housing diversity attracts a broader range of residents with varying income levels, backgrounds, and lifestyles. This fosters a more diverse and inclusive community, creating a vibrant social fabric and supporting local businesses with a broader customer base.

- **Population Growth and Retention:** Offering a diverse range of housing options can attract new residents to Claresholm and encourage existing residents to stay. Young professionals, families, retirees, and individuals with different housing needs can all find suitable accommodations, helping to sustain or increase the Town's population.
- **Attracting a Skilled Workforce:** If Claresholm aims to attract businesses and industries, a diverse housing market is crucial. Potential employees will be more likely to consider moving to the town if there are housing options that cater to their preferences and needs.
- **Aging Population and Accessibility:** As populations age, the need for accessible and age-friendly housing becomes more important. Housing diversity can include designs that accommodate people with mobility challenges, ensuring that older residents can continue to live comfortably in their community.
- **Community Stability:** A mix of housing types can contribute to community stability. If the town's housing market is solely reliant on one type of housing, fluctuations in that market can have a disproportionate impact. A diverse market can mitigate these effects by spreading risk across different housing sectors.

What We Heard:

- When asked about the importance and meaning of housing diversity in Claresholm, participants provided the following comments:
 - “Housing diversity means having housing that is suitable for a wide array of demographics in rural communities.”
 - “If you have something on your shelves of inventory that appeals to all, that means you hit a larger target market. Claresholm has a smaller population, but with technology and advancements, there’s no reason for small towns to not have the diversity that larger towns have.”
 - “Housing diversity means anything from low income, or multi-unit housing all the way up to acreage homes scale. Economic diversity is key for having different types of housing.”
 - “By having more affordable and more diversity of housing, we can attract younger people and keep people who graduate from highschool instead of them (to urban centers) moving away for school.”
 - “Most areas and towns are always looking for diversity and maybe it’s not modular anymore, but it may be something simple, smaller and more affordable and covering the whole gamut.”

Findings From The Needs and Demand Analysis:

- While house prices are historically lower in Claresholm than most of Alberta, they are increasing steadily and have the potential to price people out of the market. Increasing housing options would help mitigate this concern while also attracting residents from higher cost housing markets such as Lethbridge or Calgary.
- Based on population trends, there is a demand for a wide range of housing options for current and future residents.

1.2 HOUSING NEEDS IN CLARESHOLM

While the recently updated Needs and Demand Analysis provides a statistical analysis of Claresholm's overall housing needs, the EHC team gauged community engagement participant's perspectives on the need for diverse housing in Claresholm. The following areas of need were considered to be the most important by participants.

1.2.1 INCREASED RENTAL HOUSING OPTIONS

During the engagement process, participants consistently emphasized the urgent need for increased rental housing options in Claresholm. Participants noted that a shortage of rental properties is affecting both newcomers seeking temporary accommodations and long-term residents in search of more flexible living arrangements. The participants underscored how additional rental housing would not only address housing scarcity but also support the town's economic growth by attracting a diverse workforce. Their insights emphasized the tangible impact that an enhanced rental housing market could have on Claresholm's overall livability and community vitality.

What We Heard:

- “There are people wanting to leave the city (i.e. Calgary, Lethbridge), and it would be nice to have rental houses - but the rental supply is drying up.”
- “This [housing needs] assessment will be critical for demonstrating the Town’s overall housing type needs, while also demonstrating the low-vacancy rates that can help justify the need for more rental-units developments in Claresholm.”
- “There needs to be a wider range of rental and purchase price points for people to be able to afford housing. For example, some of the only rental choices people have in Claresholm is to rent a duplex for \$1650 a month, which is not affordable for many in the community.”

Findings From The Needs and Demand Analysis:

- The rental vacancies in Claresholm show wide fluctuations that presumably mirror the small number of rental units
- Rental vacancy rates are extremely low and are exacerbated by a lack of supply. This can prevent new residents from moving into the community, especially young families, and cause housing instability for current residents. However, a low supply also presents an opportunity for developers and landowners looking to create rental housing in Claresholm.
- The overwhelming majority of homeowners live in single detached houses, while renters are mostly split between single detached houses and low rise apartments.
- There are large fluctuations in the purpose built rental vacancy rates between years, but it has been dropping down to zero vacancy and causing issues for new residents and longtime tenants.

Important Note: At the time of this report, there is a 26-unit town house project under construction in the northeast of Claresholm located on Tamarack Road. This project may provide townhouse units for rental, however it is undetermined at this time.

Additionally, the Town has approved rezoning to allow for three 50-unit apartment buildings that will be available for rent on Westlynn Drive. Construction is expected to begin early 2024.



1.2.2 HOUSING FOR SENIORS

Community engagement participants also underscored the urgent requirement for additional housing options tailored to Claresholm's senior population. Participants expressed concerns about the limited availability of suitable housing for seniors, emphasizing the need for age-friendly accommodations that promote independence and community engagement. With the town's aging demographic in mind, participants stressed the importance of expanding housing options that cater to the unique needs of seniors, ensuring their comfort and well-being while fostering a sense of belonging within the community.

What We Heard:

- “There is definitely a place to do better on seniors housing due to the hospital. And there are many people in the area that are past retirement age, and they may want to be near a hospital. Some seniors would like to buy, but producing senior rentals is better as they may not be there that long.”
- “Claresholm is a farming community with older people that like their homes being detached, so they don’t like apartments etc. A lot have moved into retirement homes but don’t like them because they prefer the independent home-feel. Claresholm is missing the mark on these smaller-style homes.”
- “There are possibly too many 3 and 4 bedroom homes that seniors are still in. If smaller, 2-bedroom homes are built, seniors may downsize.”

Findings From The Needs and Demand Analysis:

- The gaps across the housing continuum are mainly ensuring that there is adequate supply of smaller housing units as residents get older, and support for young families.
- The senior segment of Claresholm will continue to grow, and the town will have to ensure it has an adequate number of supported living and independent living units to retain this segment of the population.
- Overall, the main potential concern appears to be ensuring that there is an appropriate supply of smaller, more affordable homes for small families, singles, and downsizing seniors.

Note: At the time of this report, the Porcupine Hills Lodge, which is an assisted living complex, has issued a RFP for 32 units (4-plexes) on 5th Street East in Claresholm.

1.2.3 HOUSING FOR NEWCOMERS

Throughout the community engagement process, participants were vocal about the need for greater housing diversity to accommodate the growing immigrant workforce population as well as newcomers to Claresholm. As the town continues to evolve and welcome newcomers seeking employment opportunities, it has become increasingly apparent that the existing housing options are insufficient to meet the diverse needs of this demographic. Participants stressed the importance of providing affordable, suitable and adequate housing options to ensure that newcomers feel welcome and can contribute effectively to the town's economic growth. Addressing this housing diversity gap will not only benefit the immigrant workforce, but also contribute to the town's overall prosperity and inclusivity.

What We Heard

- “Who are the people that are moving mostly into Claresholm? It’s immigrants and a lot of these people are minimum wage earners, and they would rather have affordability than a backyard.”
- “Housing types appear to predominantly cater to seniors in Claresholm. Housing should start catering to young families and immigrants. If Claresholm prioritizes affordable and appropriate housing for young families, this would make a large difference for the community.”
- “We don’t need more housing entirely for the people we have, we also want to attract new people to Claresholm.”

Findings From The Housing Needs Assessment:

- There is a steady level of mobility into the town, meaning more people are moving into the community than leaving. However, a lack of housing supply can potentially dissuade potential residents from seeing the Town as an option to move to. On the other hand, people moving into the community provides an incentive for more housing development and growth.
- There is a high number of single-detached homes relative to the population, especially for homeowners. This may present an opportunity for smaller, lower cost housing alternatives.

1.2.4 AFFORDABLE HOUSING

Claresholm's recent *Affordable Housing Strategy (2023)* and *Needs and Demand Analysis (2023)* have shed light on the pressing need for more affordable housing in the community. The reports emphasize the demand for housing solutions that encompass both below-market units and housing options at the lower end of the market, including both rentals and properties for purchase.

However, community engagement efforts have unveiled a diverse range of opinions on this subject. Some residents believe that Claresholm already offers sufficient affordable housing options, while others maintain that improvements are necessary. Furthermore, the feedback underlines a critical challenge — establishing a precise and community-specific definition of "affordable housing" that aligns with Claresholm's unique context. Clarity in this regard is pivotal to effectively address the community's evolving housing needs and to develop targeted solutions that cater to a wide range of residents.

What We Heard

- “There are some concerns with the findings that were brought back regarding affordable and seniors housing, as the report says Claresholm has none. However, Claresholm does have a fair bit of it, so the findings from that report were misrepresented. Claresholm does have affordable and low income housing and the recently built duplexes are called ‘affordable housing’ and so it was a miss on that part.”
- “Further clarification is needed on what counts as ‘affordable housing’ as the duplex developments were not considered as part of the affordable housing inventory in Claresholm.”
- “Affordable housing is like chasing a cat in a bag. 30% of their income isn’t going to get them much. There’s a lot of people in Town that won’t be able to afford that anyways. I don’t think it’s a good measurement.”
- “There are 46 rental units (duplexes) that have been built within the last 2 years. Part of the funding conditions from CMHC is that they stay as rental units for 10 years (that applies to 80 percent of them) and there is a waiting list for the units. They are among the higher priced places to live in the community. They are rent-controlled housing but not necessarily affordable according to the CMHC definition.”
- “There needs to be a wider range of rental and purchase price points for people to be able to afford housing. For example, some of the only rental choices people have in Claresholm is to rent a duplex for \$1650 a month, which is not affordable for many in the community.”

Findings From The Housing Needs Assessment:

- The biggest issue seems to be affordability, with 41.8% of renters and 16.4% of homeowners paying more than 30% of their incomes on housing.
- Lastly, unaffordability is most prominent amongst households in Claresholm. One person households seem to be the most affected, with 87.5% of non-subsidized renters paying too much for rent.
- Unaffordability is the most prominent issue for local residents, with one person households being the most affected regardless of status as a non-subsidized tenant, subsidized tenant, homeowner with a mortgage, or homeowner without a mortgage.

1.3 ADDRESSING CLARESHOLM'S HOUSING NEEDS

Overall, the majority of findings from Claresholm's *Needs and Demand Analysis (2023)* correlate with the perspectives obtained from our community engagement process. It is important to note however that findings related to affordable housing needs produced more significant discrepancies between the housing data and community perspectives.

These comparisons suggest that the community's perceptions of Claresholm's housing needs are generally supported by quantitative data and support the recommendation that further action is required to address these needs. Recognizing the pressing need for diverse housing development in Claresholm, the subsequent sections of this report delve into a comprehensive analysis of current development incentives, land use regulations and municipal initiatives related to housing development in the community. Through a thorough examination of these factors, this report aims to provide an understanding of Claresholm's existing housing landscape and identify areas for improvement.

Furthermore, the recommendations provided in the following sections of this report are grounded in rigorous research, and are enriched by the comprehensive insights gathered through our extensive community engagement efforts. Collaborative discussions with developers, homebuilders, internal staff and the Community Development Committee from the Town of Claresholm have provided a multifaceted perspective on the challenges and opportunities related to housing development. This synthesis of input from key stakeholders has been instrumental in shaping recommendations that are not only practical but also tailored to the unique dynamics of Claresholm. By leveraging these collective insights, the proposed recommendations seek to enable a planning environment that fosters diverse housing development, while aligning with the aspirations of both the community and local stakeholders.

SECTION 2: POLICY INCENTIVES RECOMMENDATIONS

INTRODUCTION

This section delves into a comprehensive exploration of potential development policy incentives that the Town of Claresholm can consider to help bolster the development of diverse housing types in the community. Some recommendations align closely with key strategies highlighted in Claresholm's recent *Affordable Housing Strategy* (2023), reflecting a concerted effort to address affordable housing needs within Claresholm. By identifying potential areas of opportunity for additional incentives, this endeavor aims to chart a strategic course that will not only attract developers but also contribute to the Town's overall prosperity and continued progress.

It is also important to acknowledge that the Town of Claresholm took a significant step forward in incentivizing housing development with the adoption of the *Residential Tax Refund Bylaw* in 2022. This incentive, designed to stimulate residential development, boasts potential for attracting developers and homebuilders to Claresholm. However, it is equally important to recognize that the full impact of this incentive has not yet been realized, given its recent implementation. As such, it would be premature to propose recommendations for its enhancement without a comprehensive evaluation of its effectiveness in stimulating housing development within the town.

Furthermore, this section contains key insights and perspectives obtained from our engagement process with internal and external participants. It should be noted that these perspectives outlined in this section are not necessarily endorsed by the Town of Claresholm, nor are they deemed to reflect the views of the Town administration.

2.1 EXPLORING POLICY INCENTIVES FOR CLARESHOLM

This section outlines additional areas of opportunity the Town of Claresholm could explore to adopt policy incentives that encourage the development of diverse housing types in the community.

2.1.1 RECOMMENDED ACTION: CREATE A SECONDARY SUITE DEVELOPMENT POLICY INCENTIVE

Description: The purpose of this policy incentive is to encourage developers, homebuilders and property owners to facilitate the creation of secondary suites within residential properties in Claresholm. Secondary suite development incentives vary by location and can take many forms. Examples of secondary suite incentives can include:

- **Reduced Permit Fees & Expedited Permit Processes**
- **Reducing Parking Requirements For Secondary Suites**
- **Tax Deferral, Rebate or Refund Incentives**
- **Secondary Suite Grant Programs**

Benefits:

- Secondary suites can provide additional affordable and low end of market housing options within a community, helping to address housing shortages and affordability challenges.
- These incentives promote housing diversity by allowing homeowners to generate rental income from their properties, making it financially feasible for them to remain in their homes or invest in upgrades. This, in turn, can contribute to neighborhood stability and diversity.
- Secondary suites can ease the demand for housing in tight markets, potentially reducing rent increases and making housing more accessible to a broader range of individuals and families.



Important Considerations:

- The Town should consider the overall impact of any incentives on municipal revenue and budget.
- Consider whether the incentive applies to new construction only, or includes upgrading existing suites to bring them up to code.
- The Town should consider establishing eligibility criteria for property owners, builders or developers who want to participate in the incentive program. Factors that could be considered consist of the following:
 - Compliance with existing Land Use Bylaw regulations and building codes
 - Setting a minimum size for secondary suites to ensure they meet livable standards
 - Prioritizing applications in locations that have limited availability of affordable rental housing.
- Conduct public engagement to gather input and address concerns while creating transparency and building support for the incentives.

What Other Municipalities Are Doing:

The Town of Okotoks established a Secondary Suite and Accessory Dwelling Unit Grant Program in 2023 to provide financial assistance for the development of secondary suites or accessory dwelling units that meet Safety Codes requirements. This program offers grants of up to \$5000 or \$10,000 depending on the type of project, on a first-come first-served basis, subject to funding availability.

What We Heard

- “Incentives for secondary suites (i.e. the \$30,000 development incentive for building a secondary suite in Banff) should be added. This could encourage people to upgrade their home to allow for more density and more affordable rental opportunities in Claresholm.”
- One participant noted that in certain instances, parking requirements have hindered housing development projects in Claresholm. Parking restrictions need to be changed so they’re not so restrictive while granting more flexibility for diverse housing developments.

Alignment With Claresholm’s Affordable Housing Strategy:

- **Reduce/Eliminate Parking Requirements As an Incentive:**
 - Reduce or eliminate parking requirements for Secondary Suites one space per bedroom requirement in the land use bylaw. Secondary suites are commonly used as a form of lower-cost market housing and are often used by students, seniors, people with disabilities, and young families with children. Legislation that each bedroom is being utilized by someone who requires their own parking space leads to excessive costs and wasted land

2.1.2 RECOMMENDED ACTION: CREATE AN AFFORDABLE HOUSING DEVELOPMENT POLICY INCENTIVE

Description: Affordable housing policy incentives can spur the creation of new affordable housing units, helping to meet the needs of individuals and families who struggle to find suitable and affordable homes.

Incentives such as density bonuses, reduced building setbacks, reduced parking requirements, reduced permitting fees, tax exemptions or deferrals, and infrastructure cost sharing can help reduce the costs of developing new housing and, therefore, improve the affordability of that housing.

Additionally, if municipalities allocate dedicated funds towards the construction of affordable housing, these funds can be used in the form of grants to assist private developers or non-profit housing providers in constructing affordable housing units in a community.

Lastly, municipally-owned land can also be used as leverage to encourage developers, builders or non-profit housing providers to construct affordable housing. The Town could potentially donate, sell or lease municipally-owned land parcels at minimal prices to lower the overall costs of affordable housing development and attract potential development partners.

Benefits

- The primary benefit is spurring the development of affordable housing units in Claresholm. Incentives can motivate builders or non-profit affordable housing providers to construct affordable housing, which can help lower-income individuals and families find suitable places to live.
- Affordable housing incentives can promote socio-economic diversity within communities. When affordable housing is available in various neighbourhoods, it can help reduce concentrations of poverty and create more inclusive, mixed-income communities.
- Enabling the development of affordable housing will provide Claresholm with increased housing options for low-income earners while reducing the likelihood of people searching for housing outside the community.

Important Considerations

- The Town should research and establish a cohesive definition of what is considered affordable housing in Claresholm.
- The Town should establish clear affordable housing targets.
- The Town should establish clear eligibility criteria for builders and non-profit affordable housing providers to access incentives. Criteria could include whether projects address Claresholm's affordable housing targets, or if the development will remain affordable for a certain duration (i.e. 20 years).
- The Town should consider establishing an affordable housing reserve fund. This fund can be used to leverage additional provincial or federal funding sources that can be specifically used towards providing monetary incentives/grants to developers, builders and non-profit housing providers seeking to build affordable housing.
- The Town should consider acquiring vacant land parcels that can be used to leverage/incentivize developers or non-profit housing providers by donating, selling or leasing the land at a minimal price.

- The Town should explore opportunities for partnerships with private developers, non-profit organizations, and community groups to leverage resources and expertise in reaching its affordable housing goals.
- The Town should involve the community in the policy development process. This would consist of gathering input from residents, stakeholders, housing advocates, and developers to ensure that the policy aligns with local needs and values.

What Other Municipalities Are Doing:

- The City of Lethbridge’s Affordable and Social Housing Capital Grant provides financial support to non-profit and for-profit organizations for eligible projects that involve purchasing, constructing, renovating or retrofitting affordable and social housing units in their community.
- The Town of Okotoks’ Below Market Housing Incentive Grant Program offers a financial incentive to facilitate development of below market housing units in Okotoks aimed at addressing waitlist demands and improving the ability of people employed in Okotoks to also reside in Okotoks.

- **Note:** Capital grants for affordable housing are often explored and implemented by larger urban centres and cities in Alberta. By taking positive action on affordable housing incentive policies, the Town of Claresholm would be at the forefront of smaller, rural municipalities seeking to provide solutions for affordable housing provision in their communities.

What We Heard

- A participant suggested that Claresholm should consider acquiring the parcel of land near the school and bringing in appropriate infrastructure to create a new subdivision that is affordable and suitable for young families and immigrants.
- Another participant similarly suggested that the Town could provide land for housing development at a reduced cost.
 - **Note:** While the participant’s suggestion was primarily directed towards encouraging residential development in general, the Town could explore this as an option for attracting developers, builders and non-profit housing providers to construct affordable housing units.
- One internal participant noted that P3 partnerships are important for creating opportunities between developers, non-profit housing agencies and the Town in order to collaboratively achieve new housing developments.

Alignment With Claresholm's Affordable Housing Strategy:

- **Section 2.22 - Objective 3:** Ensure Affordable Housing is Financially Viable - which outlines the following strategy:
 - Encourage development partners to create housing projects and increase affordable supply, through town incentives and assistance.
- **Section 2.2.3 Objective 2:** Open up Land For Affordable Housing - which outlines the following strategy:
 - Identify and dedicate land for affordable housing.

2.2 ADVERTISING AND PROMOTING HOUSING DEVELOPMENT INCENTIVES

Advertising and promoting development incentives to developers, builders, and property owners in Claresholm holds crucial importance for the Town's growth, economic vitality, and long-term sustainability. Effectively communicating these incentives can lead to a range of positive outcomes:

- **Attracting Investment:** Clear and compelling promotion of development incentives can attract developers, builders, and property owners to consider Claresholm as a viable and attractive location for their projects. This can stimulate increased investment in the community, leading to the creation of new developments, job opportunities, and economic growth.
- **Enhancing Competitiveness:** Effective promotion of incentives can set Claresholm apart from other communities and regions competing for the same investment and development projects. By showcasing the unique benefits and opportunities the town offers, Claresholm can position itself as a preferred destination for developers and builders.
- **Encouraging Collaboration:** Promoting development incentives can foster collaboration between the Town's municipal government, local businesses, and property owners. When stakeholders are aware of the incentives available, they may be more willing to work together to realize mutually beneficial projects that contribute to the community's development and prosperity.

2.3 EXPLORING FURTHER POLICY INCENTIVE APPROACHES

The following policy incentives have been implemented by other rural municipalities throughout Western Canada. The intent of outlining these incentives is to provide an initial starting point for exploring alternative incentive approaches that enable housing development in Claresholm.

- Mayerthorpe Subdivision Tax Refund Program (Alberta)
Purpose: To encourage the creation of new lots within Mayerthorpe through a one-year, 75% tax refund
- Drumheller Multi-Unit Residential Rental Incentive Program (Alberta)
Purpose: To incentivize the development of affordable multi-unit residential rental dwellings through a 4-year property tax abatement.
- Vermillion Community Improvement and Infill Program (Alberta)
Purpose: To encourage the demolition of an old residential dwelling and subsequent construction of a new residential dwelling within existing residential districts through a one-year tax cancellation incentive.
- Martensville Development Incentive Program (Saskatchewan)
Purpose: To provide tax abatement incentives on vacant lots to encourage residential, commercial and industrial land development.
- Dauphin Housing Incentive Program (Manitoba)
Purpose: To encourage the creation of new residential dwellings to address Dauphin's housing shortage, the City provides an incentive of \$1,000 per new dwelling unit created (house, apartment, basement suite etc.)



SECTION 3: MUNICIPAL TOOLS & AREAS OF OPPORTUNITY RECOMMENDATIONS

INTRODUCTION

This section outlines recommended changes to Claresholm's existing *Land Use Bylaw* (2017), in light of the responses from the community survey, developers, realtors, home builders and community stakeholders. It also provides recommendations for other initiatives to encourage increased housing diversity and choice in Claresholm.

The intention of these recommendations is to initiate and promote discussion among community stakeholders - town administration, developers, planners, businesses and residents. They are suggestions that may help to reduce development barriers, increase housing supply and encourage housing diversity in Claresholm. The most important consideration with these suggestions is that they be used as a platform for discussion about the status quo, whether the community feels the status quo should be changed, to what degree it should be changed, and then how to facilitate that change.

The first part of this section will outline suggested amendments to the current *Land Use Bylaw* (2017) to enhance and enable diverse housing development in the Town. The following parts will outline other areas of opportunity that can be explored to facilitate diversity and inclusion in the Town.

3.1 CLARESHOLM LAND USE BYLAW AMENDMENTS

the following amendments to the *Land Use Bylaw* (2017), are recommended for consideration by the Town to help diversify the types of housing that may be built, increase density in a way that will not adversely affect existing neighborhoods, and shorten the process for development permit approvals.

Note: Important considerations and mitigation measures related to these recommendations are provided in Section 3.1.3, page 31.

3.1.1 RECOMMENDED ACTION: INCREASE HOUSING DIVERSITY AND DENSITY IN RESIDENTIAL DISTRICTS

Claresholm's current *Land Use Bylaw* (2017) regulates the type of housing and uses that may be built in residential districts. It has been identified that diversifying the types of housing that may be built in the various residential districts will help increase housing choice and potentially influence affordability of housing in the town.

What We Heard

- A participant suggested that Claresholm should look at other Land Use Bylaws from other municipalities for ideas for innovations - what did they do for success and growth? The Town of Okotoks and High River were suggested as good examples to look towards.

The following *Land Use Bylaw* (2017) amendments are recommended for consideration to enhance housing options in the community.

Objective 1: Increase housing diversity in residential districts of the Land Use Bylaw

Important Note:

- The following tables categorize residential dwelling types that are listed uses within Claresholm's current Land Use Bylaw. The tables also provide unlisted uses to help prompt discussions about what additional uses can be added to certain residential districts.
- Development Officer Discretionary Uses have been combined with Discretionary Uses for the purposes of visual representation. Please refer to **Section 3.1.3, page 31** for important considerations regarding Development Officer Discretionary Uses.
- Secondary suites as a discretionary use are further discussed in **Section 3.1.2** and have not been included in the tables below.

Current Uses in the Single-Detached Residential District (R-1):

Permitted Uses	Discretionary Uses	Unlisted Uses:
Single Detached Dwelling	Modular Home	Apartment
	Moved-In Dwelling	Duplex
	Semi-Detached Dwelling	Rowhouse Dwelling or Townhouse
		Manufactured Home
		Multi-Unit Dwelling

Current Uses in the Duplex Residential District (R-2):

Permitted Uses	Discretionary Uses	Unlisted Uses:
Duplex	Modular Home	Apartment
Semi-Detached Dwelling	Single-Detached Dwelling	Moved-In Dwelling
		Rowhouse Dwelling or Townhouse
		Manufactured Home
		Multi-Unit Dwelling

Current Uses in the Country Residential District (R-3):

Permitted Uses	Discretionary Uses	Unlisted Uses:
Single-Detached Dwelling	Modular Home	Apartment
	Semi-Detached Dwelling	Multi-Unit Dwelling
	Manufactured Home	Moved-In Dwelling
		Rowhouse Dwelling or Townhouse
		Apartment

Current Uses in the Multiple Residential District (R-4):

Permitted Uses	Discretionary Uses	Unlisted Uses:
Duplex	Rowhouse Dwelling or Townhouse	Apartment
Multi-Unit Dwelling	Assisted Living	Manufactured Home
Semi-Detached Dwelling	Senior Citizen Housing	Modular Dwelling
		Moved-In Dwelling
		Single-Detached Dwelling

Current Uses in the Apartments District (R-5):

Permitted Uses	Discretionary Uses	Unlisted Uses:
Apartment	Multi-Unit Dwelling	Manufactured Home
	Rowhouse Dwelling or Townhouse	Modular Dwelling
		Moved-In Dwelling
		Single-Detached Dwelling
		Semi-Detached Dwelling

RECOMMENDED ACTIONS:

- Define **RTM Dwellings** in the Land Use Bylaw and list them as a use, as provided below. (It has been noted that Ready-to-Move (RTM) dwellings are not a listed use in the current Land Use Bylaw.)
- Diversify the types of housing and uses to the **Single Detached Residential - R1 District** by adding the following dwelling types as **permitted** uses:
 - **Duplex**
 - **Modular Home**
 - **Moved-In Dwelling**
 - **RTM**
 - **Semi-Detached Dwelling**
- In the **Single Detached Residential - R1 District**, diversify the types of housing by adding the following dwelling types as **discretionary** uses:
 - **Rowhouse Dwelling or Townhouse**

- Amalgamate the **Duplex Residential - R2 District**, the **Multiple Residential - R4 District** to a singular **Medium Density Residential District**.

Diversify the types of housing in this **Medium Density Residential District** by adding the following dwelling types as **permitted** uses:

- **Duplex**
 - **Multi-Unit Dwelling**
 - **Rowhouse Dwelling or Townhouse**
 - **Semi-Detached Dwelling**
- For the proposed **Medium Density Residential District**, diversify the types of housing by adding the following dwelling types as **discretionary** uses:
 - **Apartments ≤ 3 Storeys**

Note: Details related to balancing and distributing density within the proposed Medium Density District will need to be discussed and prepared by the Town Administration and Town Planner.

- Diversify the types of housing and uses to the **Country Residential - R3 District** by adding the following dwelling types as **permitted** uses:
 - **Manufactured Home**
 - **Modular Home**
 - **Moved-In Dwelling**
 - **RTM**

Note: Semi-Detached Dwelling is not included in the proposed permitted uses list as it must occupy two separate lots. Under this definition, Semi-Detached Dwellings would be inapplicable to larger country residential lots.



- Diversify the types of housing and uses to the **Apartments - R5 District** by adding the following dwelling types as **permitted** uses:
 - **Multi-Unit Dwelling**
 - **Rowhouse Dwelling** or **Townhouse**

Note: Manufactured housing typically refers to dwellings that are built wholly or partially off site and then moved onto a lot (see full definition in the Land Use Bylaw). While the term ‘manufactured dwelling’ typically brings up images of a decrepit ‘mobile home’ or ‘trailer’, the design and construction of manufactured homes has progressed to the point that they can fit very well into the housing design of existing neighborhoods.

Benefits:

- Adding attached housing types as a discretionary use in the **Single Detached Residential - R1 District** and as a permitted use in the proposed Medium Density District increases the range of housing types that may be built in a residential district.

Note: ‘Attached’ housing has been referred to as the ‘missing middle’ of housing - these housing types fall between single family homes and low or mid-rise apartment buildings and;

- Combining the **R2 and R4 Districts** into a **Medium Density District** will help simplify processes because it eliminates the need to rezone a parcel to accommodate a proposed use that may be suitable for the district but is currently not listed as permitted or discretionary.
- Making uses permitted rather than discretionary reduces the length of the permit approval process. Typically a permitted use application will be processed within 2 to 3 weeks of submission. A discretionary use must be decided upon by MPC, which takes 4 - 6 weeks depending on how often MPC meets. In addition, a discretionary use permit may be appealed, which can add several weeks to the process;
- These housing types can add to housing diversity and inclusion for newcomers in the community, in both the rental and home ownership areas;

- These housing types may help expand the supply of less expensive housing and/or affordable housing, in both the rental and home ownership areas;
- Adding these uses can help to increase density in the neighborhood incrementally. For example, building duplexes on infill lots will the change density, but most likely the change will occur over a long period of time; this makes the changes less dramatic and potentially more acceptable to neighbors;
- The increase in density can potentially be achieved in the neighborhood without the need to update or build additional infrastructure to support it;
- Attached housing and manufactured homes can be more cost-effective to build than single-family homes; this housing is often considered more attainable/affordable in terms of cost to build and cost to rent or purchase;

What We Heard

- A participant suggested that the Town of Claresholm should consider having a more flexible approach to zoning and being more open to diverse/different housing types in the community. The participant suggested “allowing duplexes and multifamily dwellings in single family zoning. Prairie Shores residential development is a mix of housing densities - if it was all one zoning, it would reduce costs and time to develop”.
- One participant rhetorically asked if Claresholm can support multifamily housing that provides more of a community. They suggested this may help incentivise older people to downsize and that this could even attract people that are retiring in Calgary to come to Claresholm.
- “As a builder, revenue models have to make sense, and housing units need to be sold or rented at a reasonable price. Encouraging higher density housing types in rural municipalities is the key to this because a builder can still provide quality product while reducing the overall cost per door.”



Alignment With Claresholm’s Affordable Housing Strategy:

Objective 2: Modify Residential Zoning Requirements

- Modify R1 Zoning to allow for duplexes in new neighborhoods or infill projects as a permitted use rather than discretionary
- Modify R2 Zoning to allow for 3-4plexes or townhouses as a permitted use

Objective 2: Increase housing density in residential districts of the Land Use Bylaw

- In the **Single Detached Residential - R1 District**, the **Duplex Residential - R2 District**, and the **Country Residential - RA District** of the Land Use Bylaw, Secondary Suites are listed as a discretionary use.
- **Secondary Suite Definition:** Means a development of an accessory dwelling unit containing cooking facilities, a food preparation area, sleeping area, and sanitary facilities, which are physically separate from and subordinate to those of the principal dwelling within the structure or on the same title and that has a separate entrance. A secondary suite may be a basement or garage suite within the principal dwelling, or a garage or garden suite within an accessory building. A secondary suite does NOT include a boarding house, duplex, semi-detached dwelling, multi-unit dwelling, rowhouse dwelling or townhouse, manufactured home park, or apartment (p. 21. *Claresholm Land Use Bylaw, 2017*)

Furthermore, “a secondary suite shall be restricted to a title occupied by a single dwelling unit either a Single detached dwelling, Modular home or Moved-in dwelling but, not including a Manufactured home as defined by this bylaw” (Schedule 15, *Claresholm Land Use Bylaw, 2017*).

RECOMMENDED ACTIONS:

- Add density and diversity to existing residential areas by making **secondary suites a permitted** use in the **Single Detached Residential - R1 District**, the proposed **Medium Density Residential District** and the **Country Residential - R3 District** of the Land Use Bylaw.

- Expand the range of housing types that are eligible to accommodate a **secondary suite**. These could include:
 - **Duplex**
 - **Semi-Detached Dwelling**
 - **Rowhouse or Townhouse Dwelling**

Benefits:

- Increases density and diversity in these residential districts without significantly altering the existing built environment or the neighborhood;
- Reduces the length of the permit approval process. Typically a permitted use application will be processed within 2 to 3 weeks of submission. However, a discretionary use must be decided upon by MPC, which takes 4 to 6 weeks depending on how often MPC meets. In addition, a discretionary use permit may be appealed, which can add several weeks to the process;
- Provides additional rental options for single people, couples and seniors.
- May potentially provide additional rental options for low and moderate-income households;
- Adds housing to the neighborhood, often without the need to update or build additional infrastructure to support it;
- Provides revenue for the homeowner and increases property value;
- Provides additional property tax revenue for the Town.

What We Heard

- “Claresholm’s vacancy rate is next to zero so we have needs for rental, small and transitional housing and aging in place.”
- “When looking at the current availability of housing and the different types of places on the market, everything was more or less the same - you can either get a small townhouse or a house that is large enough in size for a family of 4 - but there is nothing in terms of 1-2 bedroom types. That’s what Claresholm needs in terms of diversity.”

3.1.2 RECOMMENDED ACTION: ENABLE ADDITIONAL RESIDENTIAL DEVELOPMENT IN COMMERCIAL AND INDUSTRIAL DISTRICTS

The current standard in the Land Use Bylaw is to regulate residential development in commercial and industrial areas. Through the community engagement process, it has been identified that commercial areas in the Town may benefit from limited residential development, which may help to diversify housing and potentially influence housing affordability in the town.

The following Land Use Bylaw amendments are recommended for consideration by the town to enhance housing options in the community.

Objective 1: Increase housing diversity in commercial and industrial districts

Current Definitions: Mixed-use Residential means a development of vertically integrated residential that is part of a commercial office building within a commercial land use designated district. Typical uses include ground floor commercial, second floor commercial/office or residential dwelling units, and/or third floor (or to the maximum height allowed in the district) residential dwelling units.

Current Uses in Commercial and Industrial Districts:

- In the **Retail Commercial - C1** and the **Neighbourhood Commercial - C3 Districts** of the Land Use Bylaw, **Mixed Use Residential** is listed as a **discretionary use and development officer discretionary use**, respectively.
- In the **Industrial - I1**, and **Service Industrial - I2 Districts** of the Land Use Bylaw, **Mixed-Use Residential** is not listed as a use.

RECOMMENDED ACTIONS:

- Enable additional residential development in industrial districts by making **Mixed Use Residential** a discretionary use in the **Industrial - I1**, and **Service Industrial - I2 Districts** of the Land Use Bylaw
- Amend the definition of **Mixed-Use Residential** to include vertically integrated residential uses that are compatible with additional commercial uses that are not just office spaces. For example:
 - **Restaurants**
 - **Retail**
 - **Entertainment**

Benefits:

- Increases the range of commercial uses that can accommodate mixed-use residential development in the community;
- Housing can be added to an existing development, in some instances without the need to update or build additional infrastructure to support it (see building code discussion in **Section 3.1.3**);
- Adds to housing diversity and inclusion for newcomers in the community, in both the rental and home ownership areas;
- Increases the ability for businesses to house new workers. This can take different forms: temporary housing for a worker until they are able to rent or purchase; long-term housing for a worker who doesn't need more than what the unit offers.
- Expands the housing supply; may contribute to the supply of less expensive and/or affordable housing.

What We Heard

- A participant suggested that Claresholm should look at mixed use development to tackle both housing and economic development opportunities simultaneously

3.1.3 IMPORTANT CONSIDERATIONS AND MITIGATION MEASURES

It is important to discuss the recommended changes and benefits listed above in terms of additional considerations and impacts to existing residential neighborhoods and commercial areas. Mitigating measures have been suggested, but should be discussed further by Town Administration and Council, the planning consultants, and other stakeholders.

- The EHC Team recommends that the Town of Claresholm consider removing the list of Development Officer Discretionary Uses from the Land Use Bylaw districts. It is suggested that, if these housing types are varied or unique enough to be considered 'discretionary', then they should be decided upon by a majority agreement of the five Municipal Planning Commission (MPC) members, rather than one Development Officer.

- Building code regulations may require unexpected and expensive construction costs for the homeowner or business owner. (i.e. fire code requires fire-rated walls between home and suite).

Suggested Measure: Ensure that residents who are taking advantage of these changes understand the importance of following code requirements and what the costs of those requirements are.

- Additional parking may be needed where density is increased, which may add to parking issues in the area.

Note: Claresholm’s recent Affordable Housing Strategy (2023) recommends providing greater flexibility for parking requirements for affordable housing and secondary suite developments. It is the EHC team’s recommendation to consider this when new affordable housing or secondary suite developments are proposed.

Suggested Measure: Review and revise parking requirements as necessary in the Land Use Bylaw to ensure they meet the needs of both the landowner and residents in the surrounding area.

- Adding density to residential areas and adding dwellings to commercial areas over many years may have a cumulative effect that creates a need to upgrade infrastructure (water, sewer, etc);

Suggested Measure: Refer to *Claresholm’s Infrastructure Master Plan* and update it as needed if further infrastructure upgrades are required to accommodate increased density.

- Increased density in residential areas and adding dwellings to commercial areas could create pushback from surrounding neighbors or businesses from the increase in people and cars in the area.

Suggested Measure: Engage residents, Council and community stakeholders to discuss the benefits and implications of this change;

- Making a use permitted instead of discretionary can have far-reaching effects on the community. Permitted applications are approved by the Development Officer rather than MPC, which speeds up the permitting process. While this can have a positive effect on how quickly a use may be built, it also removes the ability for neighbors to speak against an application or appeal a decision that may have a negative impact on them.

Suggested Measure: Engage residents, Council and community stakeholders to discuss the benefits and implications of this change; ensure that everyone understands the pros and cons of this matter.

- The above recommended changes to the residential, commercial and industrial districts may impact other areas of the Land Use Bylaw that are not discussed above. It is important to have a thorough discussion about how these recommendations will impact the entire bylaw and not just the sections being changed.

Suggested Measure: Engage residents, Council and community stakeholders to discuss the benefits and implications of this change;

3.2 REPURPOSE EXISTING VACANT BUILDINGS AND SITES INTO RESIDENTIAL USE

Vacant buildings and sites, both residential and commercial, can be a valuable resource to provide additional housing in a rural community. Many rural communities have a few vacant buildings that could be repurposed as housing. A common example of this is repurposing a local motel into residential apartments.

3.2.1 RECOMMENDED ACTIONS: To facilitate upgrading vacant residential or repurposing vacant retail or commercial buildings, it is recommended that the Town consider the following:

- Utilize the Community Development Committee to facilitate this initiative;
- Prepare an inventory of vacant properties and buildings with notable characteristics and features that have potential for conversion to dwellings;

Example: [Converting a school to affordable housing in Lunenburg, NS](#)

What We Heard

- A participant suggested that Claresholm should consider acquiring the parcel of land near the school and bringing in appropriate infrastructure to create a new subdivision that is affordable and suitable for young families and immigrants.
- A participant suggested that Claresholm should explore what developed areas of the town can be rezoned to accommodate residential uses

3.3 FACILITATE CONTINUAL COMMUNITY ENGAGEMENT

To achieve the goal of increasing housing diversity and choice in Claresholm, the Town will benefit from early and continual engagement with community members. All residents - landowners, renters, young and old, couples with and without childrens, businesses, home-builders, developers - have important information to contribute about determining how to increase housing choice and diversity in Claresholm. Without a doubt, having a diverse group of people involved in talking about housing diversity will inevitably lead to further discussions about affordable housing opportunities in the community.

3.3.1 RECOMMENDED ACTIONS: ESTABLISH COMMUNITY ENGAGEMENT COMMITTEE

To facilitate continual community engagement in Claresholm, it is recommended that the Town consider the following:

- Set up an ad hoc steering committee to facilitate this initiative; suggested members include community leaders, seniors, young people, couples, realtors, developers, home-builders, Town employees, business owners and anyone else who has something to say about housing;
- Prepare a mandate and/or guidelines for the steering committee that outlines its objectives and goals; this mandate will be updated by the committee as needed;
- Committee tasks could include, but are not limited to, the following:
 - Spread the word about the changes that are happening in the community to help reduce perceived negative impacts or pushback.

Benefits:

- Engaging residents and stakeholders early in the process and having them review and take ownership of suggested changes to policy and bylaws about diverse or affordable housing will help to reduce negative reactions and pushback from the community;
- Having community members spread the work about the benefits and implication of the changes should help increase 'buy in' by the community.

What We Heard

- Several participants mentioned the importance of engaging younger demographics (young singles, couples, families) to understand their housing needs in the community.
- A participant mentioned that there is generally an overall community hesitancy to newcomers, new businesses and new ideas/approaches. "It is important to understand that the pace of cultural change is slow in Claresholm, and that this can impact overall acceptance of new developments, whether housing or commercial".

3.4 CONTINUE WITH EDUCATION, PROMOTION AND MARKETING OF THE TOWN

This section will go over additional initiatives that will add to Claresholm’s promotion and marketing campaigns for the community.

3.4.1 RECOMMENDED ACTIONS: CREATE A MARKETING CAMPAIGN

It is recommended that a strategic marketing campaign be prepared to further spotlight the Town's compelling development potential, take advantage of growth opportunities, and promote Claresholm as an ideal location for housing development. By integrating these elements into the campaign, Claresholm can effectively showcase its commitment to fostering sustainable and diverse growth and attracting prospective developers, builders, and property owners.

This initiative is intended to emphasize not only the Town's unique charm and community spirit but also its forward-thinking approach to rural planning and investment. The campaign can spotlight Claresholm's current and future development incentives, vacant land parcels,

What We Heard

- “It’s not just housing, its services and everything that comes with attracting people to Town. But how do we attract and keep young people here if they want to go to Calgary because they can get better housing and more choice? How do we advertise that there are choices for them here? That ties into economic development and provision of services to help with that.”



3.4.2 RECOMMENDED ACTION: PROVIDE READILY AVAILABLE INFORMATION ABOUT THE TOWN

To further promote the Town, provide local information about residential development opportunities and initiatives. It is recommended that this information be in both digital and print formats, to engage all age-groups and demographics.

Suggestions for informational packages include the following:

Residential Infill:

- **Example:** Edmonton Infill Brochure: Although this is a brochure for a large city, the concepts are transferable to rural areas

Mixed Use:

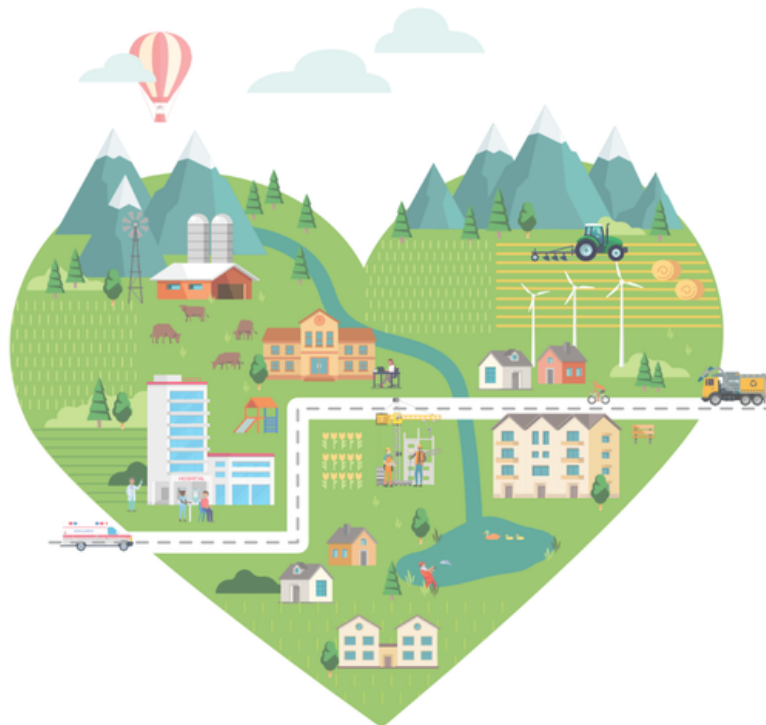
- Commercial/residential development; pros and cons
- Where this is applicable in Claresholm

Secondary Suite:

- Definition; process
- Where is this applicable in Claresholm?

Claresholm As A Great Place To Live:

- Market and advertise available vacant lots and buildings that may be repurposed.



3.5 FACILITATE HOUSING PARTNERSHIPS AND COLLABORATION

Through the interviews and discussions from Claresholm stakeholders, there were several comments about creating partnerships between the Town, developers and/or home builders and the community. This section will provide suggestions to connect developers and community members in creating partnerships to help the Town move forward with initiatives that meet the diverse housing needs of the community.

3.5.1 RECOMMENDED ACTION: CONTINUE FOSTERING DEVELOPER/BUILDER RELATIONSHIPS AND PARTNERSHIPS

As provided in **Sections 3.3** and **3.4**, and continuing with the community engagement theme, it is recommended that the Town consider the following:

- Utilize the Community Development Committee to facilitate this initiative;
- It is recommended to add community members to the committee, such as community leaders, seniors, young people, couples, realtors, developers, home-builders, Town employees, business owners and anyone else who has something to say about housing
- Prepare a mandate and/or guidelines for the committee that outlines the project objectives and goals; this mandate will be updated by the committee as needed;
- Committee tasks could include, but are not limited to, the following:
 - Research and prepare a plan to form partnerships between developers and other stakeholders, as listed above; include seniors in these partnerships;
 - Educate developers and community members about development incentives, issues and opportunities;
 - If feasible, facilitate the creation of a housing cooperative between developers and local stakeholders. These documents are available on the RDN website:
 - “Paths for Housing Co-ops: Guidebook”
 - “Step by Step Guide to Developing Affordable Housing”

What We Heard

- A participant stated that a major barrier for a developer in the community is understanding who to speak to regarding development-related inquiries, as well as getting definite answers to development-related questions. Lack of communication and uncertainty can significantly impact a developer’s decision-making process and create uncertainty within development timelines
- “Any help from the Town in terms of incentives from the Government of Alberta or other areas of incentives that we don’t know about, that would be great. It comes at no cost to the Town if the provincial and federal government can do something, and knowing that and sharing that with developers is a big tool. Don’t just say “start it and we’ll figure it out as we go”, but instead provide opportunities and tools along the way.”
- Another developer mentioned that they are open to the idea of exploring partnerships with the Town of Claresholm to help increase the likelihood of obtaining CMHC’s Rental Construction Financing Initiative (RCFI) funding. It is also important for the Town to help support CMHC applications where possible to help achieve low-cost loans and financing for housing projects.
- Another participant noted that the biggest approach to enabling diverse housing development is understanding the need. What does the Town see as the need? Is it from an economic standpoint that they need development, is it a need for housing?



3.6 ADDRESS LEGISLATION AND REGULATIONS THAT AFFECT RESIDENTIAL DEVELOPMENT

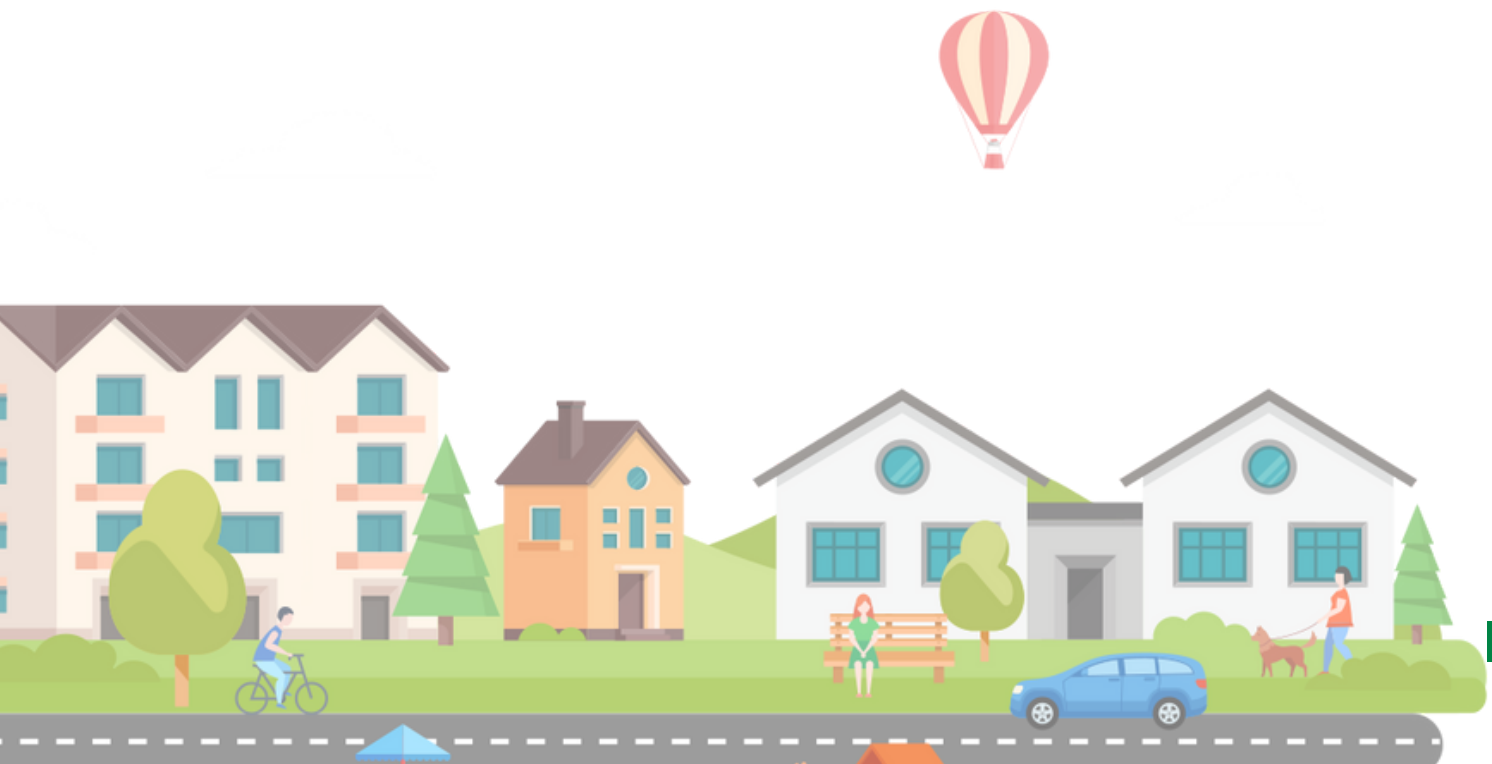
Throughout the stakeholder engagement process in Claresholm, several interviewees commented that existing regulations and codes can have a detrimental impact on their ability to build housing quickly, efficiently and affordably.

The Alberta Municipal Government Act and the Alberta New Home Warranty Program regulate and impact municipal housing development. These 2 statutes are provincially regulated, and so are not in the realm of a municipality to change directly. However, municipalities have the ability to lobby the government to affect change. This section will summarize how this legislation regulates and affects municipal housing development and provide suggestions for the Town to address recommendations for change.

3.6.1 RECOMMENDED ACTION: ADDRESS MUNICIPAL HOUSING DEVELOPMENT ISSUES WITH THE ALBERTA NEW HOME WARRANTY PROGRAM ISSUES AND THE ALBERTA MUNICIPAL GOVERNMENT ACT (MGA)

The Alberta New Home Warranty Program came into effect on February 1, 2014. The program is part of the New Home Buyer Protection Act, most recently updated December 15, 2022.

This legislation makes home warranty coverage mandatory for new homes in Alberta. It requires builders to provide home warranty coverage on all new residential homes, including condos, manufactured homes and recreational properties; it does not apply to renovated homes. All new homes, built after February 1, 2014, must have the following minimum warranty coverage: one year on labour and materials, two years on delivery and distribution systems, five years for building envelope, and ten years for major structural components.



The intention of the program was (and is) to provide home owners with peace of mind, first, that their home had been built properly, and second, that their investment was protected. Whether this goal has been achieved is up for debate and requires further discussion.

In the case of small rural home-building companies, the Warranty has had a detrimental effect. By requiring that these small companies put money aside for ten years for warranty purposes makes it difficult for them to continue building homes because that money is no longer available to cover ongoing expenses. Larger home-building companies (operating primarily in larger urban areas) can more readily manage these warranty requirements.

In addition, rural areas typically have only a few home-builders, mostly small family-run companies that only build a couple of houses per year. The Warranty makes it much more difficult for them to continue operating if a portion of their finances is unusable. As a result, many of these small rural home-building companies have switched from home construction to home renovation. This switch has resulted in fewer new homes being built in rural areas.

Suggested Measure: Collaborate with other municipalities to prepare resolution(s) to lobby the Alberta government to review the *Alberta New Home Warranty Program*. The intent of the review is to determine the effectiveness of the legislation and whether changes are needed to improve it.

The *Alberta Municipal Government Act (MGA)* provides direction regarding how municipalities must operate. It empowers municipalities to shape their community and plan for growth, and regulates how they are funded and how they should govern.

The *Alberta MGA* does not provide for or regulate any type of diverse or affordable housing development.

In the interviews and focus group discussions, a few people commented about the need for additional provincial government assistance regarding the provision of affordable housing. A good starting point would be for the MGA to provide guidelines and regulations that will encourage developers to build affordable (and diverse) housing in municipalities.

Examples of where this type of regulation has been enacted are in the *BC Local Government Act* and the *Ontario Planning Act*. Both provide information and regulations in their municipal governing legislation that outline how affordable housing is to be provided through municipal policy and bylaws.

These documents could be valuable resources for the Alberta government to enact legislation that will address both diversity in housing and affordable housing.

Suggested Measure: Collaborate with other municipalities to prepare a resolution(s) to lobby the Alberta government to review the *Alberta Municipal Government Act*, with the intention of adding affordable, attainable, and diverse housing requirements to the legislation. This will give municipalities another tool to address affordable housing issues in the province.

Suggested Measure: Continuing with the community engagement theme, the EHC Team suggests that Claresholm set up a steering committee or task force to review the *Alberta New Home Warranty Program* and the *Alberta Municipal Government Act (MGA)*.

Considerations:

- This task force to address the *New Home Warranty Program* and the *Municipal Government Act* could be combined with the steering committee in **Section 3.5**;
- The committee should be composed of community stakeholders, such as, but not limited to: home-builders, developers, community leaders, seniors, realtors, young people, couples, and business owners;
- It could also include Council members and Town Administration;
- It will review the *Alberta New Home Warranty Program* and the *MGA*, identify the key issues that affect the Town, and then prepare recommendations to address the issues for Council to consider;
- The task force and Town would benefit from collaborating with other like-minded municipalities to prepare resolutions that address the issues identified by the task force, and present them at the annual *Rural Municipalities Association (RMA)* and the *Alberta Municipalities Association (MA)* conference.



3.6.3 RECOMMENDED ACTION: ADDRESS BUILDING CODE ISSUES

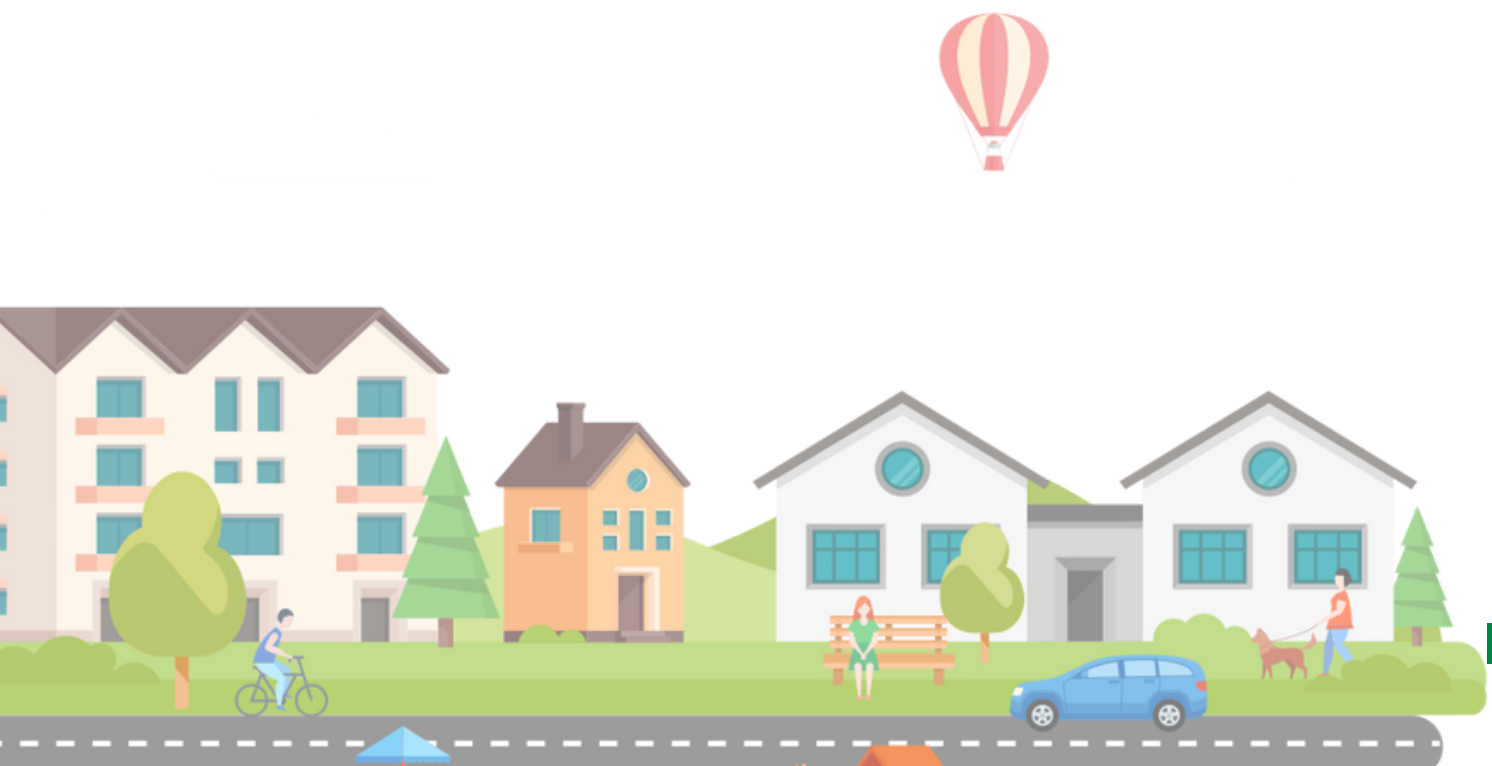
A third regulation that interviewees felt inhibited housing development were the Alberta Safety Codes regulations - aka building, plumbing, gas, and electrical codes and regulations.

It is important to state that Provincial Safety Codes provide important safeguards that ensure buildings are properly built and safe for habitation. At the same time, it is understandable that builders are frustrated by excessive or obsolete standards and codes that can add to their already high costs and hinder innovative construction ideas. However, it is noted that municipalities are not directly involved in home inspections and enforcing safety codes.

Suggested Measure: The EHC Team suggests that the Town redirect home-builders who have issues with building or safety regulations to the *Alberta Safety Codes Council*.

What We Heard

- One participant mentioned that while this is primarily a barrier imposed by the provincial government and is difficult to relax or amend, there are instances in which building and safety codes have made it challenging to accommodate proposed residential developments in Claresholm.



SECTION 4: NEXT STEPS

This report on Enabling Diverse Housing Development in Claresholm was initiated in response to the need for research about local housing challenges and barriers in the Town and an agreement with the Enabling Housing Choice (EHC) team to provide recommendations to facilitate the development of more diversity in housing options in the Town.

FACILITATE CONTINUOUS DISCUSSION

As stated previously, the purpose of providing these recommendations is to help facilitate discussion among community stakeholders - Town Administration, residents, home-builders, local businesses and others - to review, analyze and disseminate the suggestions in a way that will work best for the Town. It is expected that the recommendations will be implemented over a period of time, as funds become available, and as the community learns how to move forward in addressing its diverse housing needs.

MONITOR AND TRACK PROGRESS

Following the completion of this report, the EHC project team will develop a progress tracker to report on project milestones and achievements with respect to the report's recommendations. In addition, the project team will check in with Claresholm Administration on a regular basis to keep track of progress and provide feedback or insights, as needed.

GUIDEBOOK FOR DIVERSIFYING HOUSING DEVELOPMENT IN RURAL COMMUNITIES

One of the final outcomes from this research project is the preparation of a **Guidebook for Diversifying Housing Development in Rural Communities**. The Guidebook will outline strategic planning tools and suggestions for accomplishing housing diversity goals in rural communities. The EHC team anticipates that the Guidebook will be ready for release in spring 2024.

FINAL WORDS

Pursuing the goal of diversifying housing in Claresholm will be a complex and ongoing endeavor. It will require collaboration and commitment among numerous stakeholders. The Town of Claresholm will have a pivotal role in being active and dedicated to diversifying housing in the community. In collaboration with other community stakeholders - residents, home-builders, local businesses - the Town will be able to address its housing needs and provide a positive example for other communities facing similar challenges.

With perseverance and collaboration, Claresholm can pave the way for a more inclusive community, where all residents have access to diverse and affordable housing.



RESOURCES

[Alberta New Home Warranty Program \(2023\)](#)

[City of Dauphin \(2022\) \\$1,000 Per Unit Housing Incentive Program](#)

[City of Martensville \(2020\). Development Incentive Program](#)

[City of Lethbridge \(2021\). Affordable and Social Housing Capital Project Grant](#)

[District of Lunenburg \(2023\). Municipality Negotiating with NEST on the sale of the Former Centre School Property.](#)

[Government of Alberta \(2023\). Municipal Government Act \(MGA\)](#)

[Government of British Columbia \(2023\). Local Government Act](#)

[Government of Ontario \(2023\). Ontario Planning Act](#)

[Rural Development Network \(2021\) Paths For Housing Co-Ops Guidebook](#)

[Sustainable Housing Initiative \(2023\). Claresholm's Affordable Housing Strategy.](#)

[Sustainable Housing Initiative \(2023\). Town of Claresholm Needs and Demand Analysis.](#)

[Sustainable Housing Initiative \(2023\). Claresholm What We Heard Report](#)

[Sustainable Housing Initiative \(2023\) Step-By-Step Guide to Developing Affordable Housing](#)

[Town of Claresholm \(2010\). Municipal Development Plan \(Bylaw 1551\).](#)

[Town of Claresholm \(2017\). Land Use Bylaw \(Bylaw 1625\).](#)

[Town of Claresholm \(2021\) Infrastructure Master Plan](#)

[Town of Claresholm \(2022\) Residential Tax Refund \(Bylaw 1741\).](#)

[Town of Claresholm \(2022\). 2022-2026 Strategic Plan](#)

[Town of Drumheller \(2023\). Multi-Unit Residential Rental Incentive Policy](#)

[Town of High River \(2021\). Land Use Bylaw](#)

[Town of Mayerthorpe\(2017\). Subdivision Tax Refund Program \(X-003\)](#)

[Town of Okotoks \(2021\). Below Market Housing Incentive Grant Program Policy](#)

[Town of Okotoks \(2023\). Secondary Suite and Accessory Dwelling Unit Grant Program](#)

[Town of Vermillion \(2018\). Community Improvement and Infill Program](#)

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