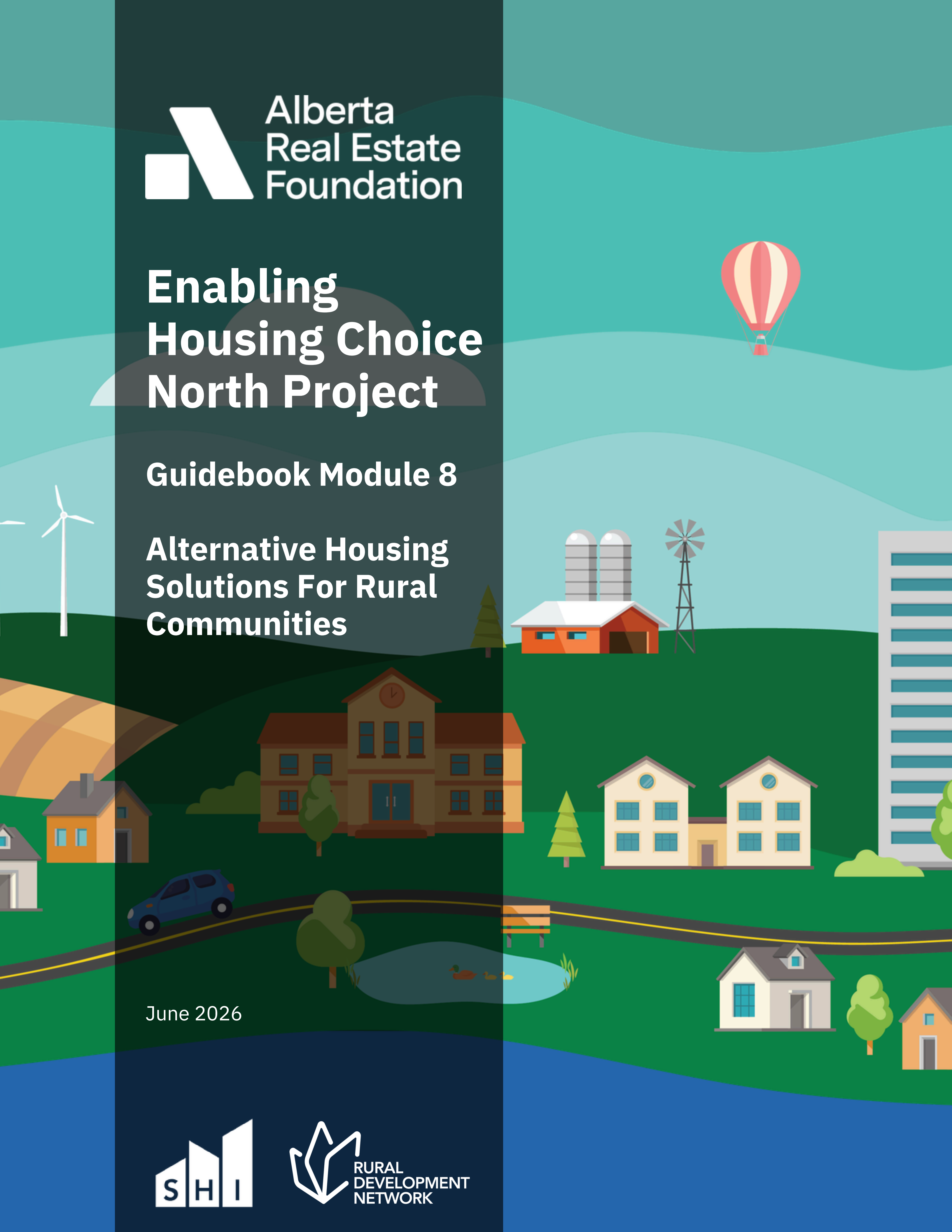


Alberta Real Estate Foundation

Enabling Housing Choice North Project

Guidebook Module 8

Alternative Housing Solutions For Rural Communities

June 2026

SHI

RURAL DEVELOPMENT NETWORK

LAND ACKNOWLEDGMENT

The Enabling Housing Choice (EHC) team wants to acknowledge our connection with the ancestral peoples who have been on this land for millennia.

RDN's physical office is located on lands traditionally known as amiskwachiwaskahikan (A Miss Gwa Che Wuss Sky Gun) - aka Beaver Hills House, or Edmonton, the historical land of Treaty 6 Territory, which is also within the Metis Nation District 9.

We acknowledge and confirm our commitment and responsibility to foster better relationships with Indigenous peoples, and to improve our own understanding of the unique and diverse cultures of local First Nations, Inuit and Metis people. We make this acknowledgement as an act of reconciliation and gratitude to those whose territory we gather on.

RDN is committed to connecting our programming to the recommendations of the Truth and Reconciliation Commission, the Missing and Murdered Indigenous Women and Girls Report, and the United Nations Declaration on the Rights of Indigenous Peoples as benchmarks for our reconciliation journey.

It is our sincere hope that the information provided in this guide will help communities address their own unique and diverse housing needs, and provide greater housing security and inclusion for both Indigenous and non-Indigenous peoples, both in the community and the surrounding area.

PROJECT ACKNOWLEDGMENTS

First, the Enabling Housing Choice (EHC) team wants to thank the Alberta Real Estate Foundation (AREF) for their funding and support in this research project.

We also want to acknowledge the 4 northern Alberta communities that participated in this research: (alphabetically) Big Lakes County, Town of Fairview, Lac Cardinal Country and the Town of Peace River. These communities embraced the EHC team's mandate and research process, enabling them to collect practical and compelling information about current housing issues, barriers and opportunities in their community.

Finally, we want to express our gratitude to the housing stakeholders who participated in the various community engagement exercises that were conducted for this project. We appreciate the time and effort you dedicated to sharing your insights, identifying challenges, highlighting opportunities, and suggesting ways to improve housing diversity in your community. Your contributions have played a vital role in shaping the understanding of the current housing landscape and guiding the research towards meaningful solutions. Your generosity and willingness to collaborate have been instrumental in our goal to facilitate a more inclusive and diverse housing environment, both in your community and across Alberta.

WHAT THIS MODULE EXPLORES

MODULE 8: ALTERNATIVE HOUSING SOLUTIONS

INTRODUCTION

This module looks at a range of alternative housing options that can help address challenges around housing supply, rental availability, and affordability. It covers key housing solutions like modular housing, co-operative housing, community land trusts, accessory dwelling units, and tiny homes, focusing on how these housing types and approaches can create more flexible, accessible, and cost-effective places to live.

PURPOSE

The purpose of this module is to provide municipalities and organisations with an overview of alternative housing approaches, helping them understand how they work and what they offer. It aims to give a clear, practical overview of each option so they can better evaluate how these solutions might be used to expand housing choice, improve affordability, and support different community needs.

1.1 MODULAR HOUSING SOLUTIONS:

Modular housing serves as practical alternative solution by providing faster, more cost-effective construction compared to traditional building methods. Its flexibility allows for a range of housing types—including affordable, rental, and seniors housing units.

WHAT IS MODULAR HOUSING?

A modular home is a type of **prefabricated house** built in sections in a climate-controlled factory and then transported to a building site for assembly by a builder on a permanent foundation. Unlike mobile homes, modular homes must meet the same building codes as traditional, site-built homes and are not intended to be moved once assembled. This method of construction can result in a **faster build time** and **lower costs** due to factory efficiencies. These homes are often called factory-built, system-built or prefab (short for prefabricated) homes.

TERM	DEFINITION
Modular Housing	Factory-built housing assembled on-site from prefabricated sections.
Prefabricated Housing	Broad term describing building components produced off-site.
Manufactured Home	A fully constructed home transported to site on a chassis.
Panelized Construction	Walls or building systems manufactured off-site and assembled locally.

WHY MODULAR HOUSING?

Modular housing is a strong option for rural communities because it addresses some of the biggest barriers to building new homes in smaller or more remote areas.

Efficiency: One of the main **advantages is speed**. Because modular homes are built in a factory and then transported to site, construction timelines are much shorter and less affected by weather delays—something that can be a major issue in rural and northern regions with short building seasons. This makes it easier to get housing in place quickly when there's an urgent need.

Labour Availability: It can also help **deal with labour shortages**. Rural communities often struggle to attract and retain skilled tradespeople, which can slow down or increase the cost of traditional construction. Modular housing shifts much of that work to controlled factory settings, reducing the need for large on-site crews and making projects more predictable.

Cost Effective: Cost is another important factor. While modular housing isn't always cheaper upfront in every case, it tends to offer more **consistent pricing** and fewer unexpected overruns. Bulk production and standardized designs can also help stretch limited housing budgets further, especially for rental or affordable housing projects.

Flexible: Modular homes are also flexible in how they're used. They can be designed for a range of needs, from single-family homes to multi-unit rentals, seniors housing, or staff accommodations. This adaptability is especially valuable in rural communities where housing needs can shift over time but resources to respond are limited.

FURTHER RESOURCES ON MODULAR HOUSING:

- 10 Basic Facts You Should Know About Modular Homes
- What is Modular Construction?
- Modular Building Systems: Overview and Benefits

1.2 TOOLS FOR MUNICIPALITIES TO ENABLE MODULAR HOUSING

Municipalities play a key role in enabling modular housing. The following tools can help local governments support and streamline modular housing development in rural communities.

Zoning & Land Use: Review and update zoning bylaws to permit modular housing. Consider pre-zoning land for residential use and reducing minimum lot sizes to accommodate smaller modular units.

Streamlined Permitting: Create fast-track permitting processes for pre-approved modular designs. Standardized plans can reduce review times and lower costs for builders and homeowners.

Land & Infrastructure: Identify and prepare municipally-owned land for modular developments. Invest in servicing (water, sewer, roads) to make sites development-ready.

Financial Incentives: Offer property tax incentives, waive development charges, or provide grants to offset costs. Partner with provincial/federal programs to stack funding sources.

Partnerships & Procurement: Establish bulk procurement agreements with modular manufacturers. Partner with Indigenous communities, non-profits, and housing authorities to coordinate demand and reduce per-unit costs.

2.1 CO-OP HOUSING SOLUTIONS

Co-op housing can help address rural housing challenges by providing **affordable, community-owned** options that keep costs lower for residents. This model fosters long-term stability, encourages local involvement in housing decisions, and can help meet the demand for rental and accessible housing in the region.

WHAT IS CO-OP HOUSING?

Co-op housing is a form of residential ownership where **members buy shares** in the housing cooperative corporation, not a specific unit, and then pay a monthly fee to cover the costs of the building and land. Each co-op is a legal association, and members are called shareholders who have a voice in the co-op's governance and democratically make decisions, often through an elected board of directors. Co-op members purchase shares in the corporation that owns the entire property. The share includes the ability to lease or purchase a specific unit.

TYPES OF CO-OP HOUSING

Non-Profit Co-op	A co-op where members pay below-market housing charges. Often receives government subsidies to keep units affordable for low- and moderate-income households.
Market Co-op	Members pay housing charges based on actual operating costs without government subsidy. Typically more affordable than ownership but not income-tested.
Equity Co-op	Members purchase shares at market value and can sell them at market rate when they leave. Functions similarly to condo ownership but with shared governance.
Continuing Co-op	A co-op that has reached the end of its government operating agreement and now operates independently, setting its own housing charges and policies.
Limited Equity Co-op	Members buy shares at a controlled price and resale value is capped, preserving long-term affordability while allowing modest equity building.
Student Co-op	A housing co-op specifically for post-secondary students, offering affordable shared living with democratic self-governance.

WHY CO-OP HOUSING?

Co-op housing is a strong option for rural communities because it addresses affordability, community stability, and local control over housing decisions.

Affordability: Co-ops operate on a not-for-profit basis, meaning housing charges reflect actual costs rather than market rents. This keeps monthly costs lower and more predictable for members, making housing accessible to low- and moderate-income households without relying solely on government subsidies.

Community Stability: Because co-op members have secure, long-term tenure and a stake in their community, turnover is lower. This creates stable neighbourhoods where residents invest in local relationships, services, and civic life—something especially valuable in small rural towns facing population decline.

Democratic Control: Members collectively govern their housing through elected boards and shared decision-making. This means housing priorities reflect local needs rather than distant investors or landlords, giving communities direct control over their living conditions.

Flexible Models: Co-ops can be structured in many ways—non-profit, limited equity, market, or continuing—to suit different community needs. They can serve families, seniors, students, or mixed demographics, and can incorporate rental subsidies or equity-building depending on local priorities.

EXAMPLES OF CO-OP HOUSING:

- Sangudo Opportunity Development Co-op
- Linden Housing Co-op
- Community Economic-Development Investment Funds (CEDIFs) | Nova Scotia Securities Commission

2.2 TOOLS FOR MUNICIPALITIES TO ENABLE CO-OP HOUSING

Municipalities can actively support co-operative housing development through **policy**, **land**, and **financial** tools. The following strategies can help local municipalities create conditions for co-ops to form and thrive.

Zoning & Land Use: Amend zoning bylaws to permit co-operative housing as a distinct use class. Allow higher density, mixed-use, and clustered housing forms that suit co-op governance and shared amenity models.

Land Access & Disposition: Make municipally-owned land available to co-op groups through long-term leases or below-market sales. Community land trusts can hold title to keep housing permanently affordable.

Financial Support: Waive or reduce development charges, offer property tax exemptions during start-up, or provide seed grants for feasibility studies and organizational development costs.

Technical Assistance: Provide planning staff support, template bylaws, and governance guides to help emerging co-op groups navigate incorporation, development approvals, and construction management.

Partnerships & Coordination: Connect co-op groups with provincial/federal funding programs (e.g., Co-op Housing Development Program), non-profit developers, and existing co-op federations for mentorship and shared resources.

FURTHER RESOURCES ON CO-OP HOUSING:

- Alberta Community & Co-Operative Association
- Federal Co-operative Housing Development Program
- Co-op Housing Development Program
- Canadian Co-operative Investment Fund

3.1 FAST-TRACK HOUSING SOLUTIONS

Fast-track housing could help rural municipalities quickly increase their housing supply by **streamlining approvals** and **accelerating construction timelines**. This approach can rapidly address shortages, reduce wait times for rentals and affordable units, and respond efficiently to the community's urgent housing needs.

WHAT IS FAST-TRACK HOUSING?

Fast-track housing refers to a streamlined development process, either through **expedited permit approvals** or a project delivery method where construction of a new house is accelerated. In this instance, the focus is on projects that will use pre-approved designs or that meet specific criteria outlined in a community's Land Use Bylaw, with the intention of building housing faster and more affordably.

To make this work efficiently, the community/municipality will typically use a **pre-approved set of designs** that can be approved by municipal staff more quickly. These designs could include both multi-unit attached and single detached housing types, as well as 'below-market' housing or seniors housing.

For example, the federal government has developed the **Housing Design Catalogue**, which could be used as a guide to develop fast-track housing types in a municipality. The municipality could also work with a modular home company (i.e. **ATCO**) to develop housing that would address specific community needs.

EXAMPLES OF FAST-TRACK HOUSING:

There are not a large number of Albertan municipalities using pre-approved designs to facilitate fast-track housing. Here are a couple of examples:

- Infill Fast-Track Housing - Kelowna
- Housing Accelerator Fund | City of Edmonton - an accelerated permitting process for housing is in the development stages
- Modular – Anhart Construction - a developer that installs modular tiny homes

WHY FAST-TRACK HOUSING?

Fast-track housing helps rural municipalities respond to urgent housing needs by cutting through **lengthy approval processes** and **accelerating construction** timelines, getting people into homes faster.

Speed: By using pre-approved designs and streamlined permitting, fast-track housing can reduce approval timelines from months to weeks. This is critical in communities facing immediate housing pressures from economic growth, natural disasters, or workforce expansion.

Predictability: Pre-approved designs and standardized processes give developers and builders **certainty** about what will be approved. This reduces risk, lowers soft costs, and makes it easier to attract investment in smaller markets where margins are already tight.

Affordability: Faster approvals and standardized designs reduce carrying costs, professional fees, and delays that add to the final price. These savings can be passed on to buyers or renters, helping deliver more affordable units.

Scalability: Once a fast-track framework is in place, it can be reused across multiple projects and sites. Municipalities can respond to changing demand without restarting the planning process each time, making it easier to scale housing delivery over time.

3.2 MUNICIPAL TOOLS TO ENABLE FAST-TRACK HOUSING

The following tools can help local governments **support** and **streamline fast-track housing** development in rural communities.

Pre-Approved Designs: Develop a catalogue of pre-approved housing designs that meet local building codes and zoning requirements. This eliminates lengthy design review processes and gives builders certainty about what will be approved.

Streamlined Permitting: Create an expedited permitting pathway for projects using pre-approved designs. Reduce review times from months to days by establishing clear criteria that staff can approve administratively.

Land & Infrastructure: Identify and prepare municipally-owned land for fast-track developments. Pre-service sites with water, sewer, and roads so construction can begin immediately upon approval.

Financial Incentives: Waive or reduce development charges, offer property tax incentives, or provide grants for fast-track projects. Stack with provincial/federal funding programs to maximize affordability.

Partnerships & Procurement: Partner with developers, modular manufacturers, and housing authorities to coordinate demand. Bulk procurement and standardized designs can significantly reduce per-unit costs.

4.1. ACCESSORY DWELLING UNIT (ADU) SOLUTIONS:

Accessory dwelling units **(ADUs)** provide **flexible** and **cost-effective** housing options for rural communities by allowing homeowners to add small, independent living spaces on existing properties. ADUs can increase rental and affordable housing availability, support multi-generational living, and make efficient use of existing land and infrastructure.

WHAT ARE ACCESSORY DWELLING UNITS?

An accessory dwelling unit (ADU) is a **secondary, self-contained living space** on the same property as the primary home (typically a single-detached dwelling). It is also known as a secondary suite, granny suite, garage suite, in-law suite, basement suite, and more. These units will have a private entrance, and will include their own kitchen, bathroom, living area, etc. They can be internal (basement suite), attached to the main house (granny suite), above the garage (garage suite) or completely detached (backyard suite). ADUs **provide flexibility** for homeowners, serving purposes such as housing for family members, generating rental income, or creating a home office. They cannot be sold separately from the primary residence.

As recommended to most partner communities in the *Enabling Housing Choice North* project, one of the quickest ways to increase the number and affordability of housing in a small community is to **add Accessory Dwelling Units as a permitted use**. In addition, developing an **incentive** for residents to install these ADUs could help meet the housing needs for specific residents, such as students who need short-term accommodation, elderly parents who are not ready to move into care homes, or single people who do not need a great deal of space.

EXAMPLES OF FUNDING & INCENTIVES FOR ADUs

- CMHC Refinance - Encouraging Gentle Densification
- Accessory Dwelling Units: Case Studies and Best Practices
- Secondary Suite Development Incentive Program Policy No: 237-AD-24
- Secondary Suites and Accessory Dwelling Unit Grant Program

WHY ADUs?

Accessory Dwelling Units (ADUs) offer rural municipalities a practical, low-risk way to increase housing supply by enabling homeowners to add additional residential units on existing properties — without major infrastructure investment.

Affordable Housing Supply: ADUs create new rental units at a fraction of the cost of new construction. Homeowners can offer below-market rent while generating income, addressing housing shortages without requiring large municipal investments or new subdivisions.

Aging in Place & Family Support: ADUs allow seniors to live independently on family properties, reducing demand on long-term care facilities. They also support multi-generational living arrangements common in rural communities, keeping families together while maintaining privacy.

Workforce Retention: Rural communities often struggle to attract and retain workers due to limited housing options. ADUs provide flexible, affordable accommodation for seasonal workers, healthcare staff, teachers, and other essential employees without requiring large-scale development.

Efficient Land & Infrastructure Use: ADUs make use of existing lots, roads, water, and sewer connections. This means municipalities can increase density gradually without the significant capital costs of extending infrastructure to new subdivisions — ideal for communities with limited budgets.

4.2 MUNICIPAL TOOLS TO ENABLE ADU DEVELOPMENT

Municipalities play a key role in enabling ADU development. The following tools can help local governments **support** and **streamline ADU construction** in rural communities.

Zoning & Bylaw Reform: Permit ADUs as-of-right in all residential zones. Remove barriers such as minimum lot sizes, owner-occupancy requirements, and parking mandates that discourage ADU construction in rural areas.

Pre-Approved Designs: Offer a catalogue of pre-approved ADU designs suited to local lot sizes and building codes. This reduces design costs for homeowners and speeds up the permitting process significantly.

Streamlined Permitting: Create a fast-track permitting pathway specifically for ADUs. Establish clear criteria so staff can approve applications administratively, reducing timelines from months to weeks.

Financial Incentives: Offer grants, forgivable loans, or waive development charges for ADU construction. Consider property tax deferrals or reduced fees for homeowners who commit to renting at affordable rates.

Infrastructure & Servicing Support: Assist homeowners with servicing connections (water, sewer, electrical) through bulk procurement or municipal coordination. Provide guidance on septic and well requirements for rural properties.

5.1 TINY HOME DWELLING SOLUTIONS:

Tiny homes offer a potential alternative housing solution for rural communities by providing more **affordable** and **flexible** housing options for residents facing limited availability and rising costs. Their smaller footprint suits rural and lakeside environments, allows for more sustainable development, and can help municipalities address housing shortages without having to build extensive new infrastructure.

WHAT ARE TINY HOMES?

Tiny homes are small, efficient dwellings, **typically under 500 square feet** 46 (sq m), that are designed to promote a minimalist lifestyle. While size is the primary factor, the definition also encompasses the intention of living simply, with many tiny homes being mobile (built on wheels) or using space-saving designs like lofts.

For tiny homes to be **relevant** and **suitable** for rural communities, this definition will need to be amended to ensure that the dwelling meets the requirements of the National Building Code and Land Use Bylaw. For example, **minimum floor areas** in new residential development in a Land Use Bylaw are typically **900** to **1000 square feet** (84 to 93 sq m). In addition, since tiny homes are typically intended to be mobile, consideration will need to be given to where in the community they would be most useful, or whether mobility of the home would have to be not allowed.

EXAMPLES OF TINY HOME DEVELOPMENT & COMPANIES

- Canada Tiny Home News - information and resources around tiny home development
- Rohe Homes - tiny home developer
- Bluegrass Meadows Micro Village - a tiny home village built in BC
- Modular – Anhart Construction - tiny home developer
- The First Tiny House strata in Canada is approved in Okotoks - tiny home community still under construction
- Veteran Villages - Homes For Heroes Foundation - tiny home development specifically designed for veterans

WHY TINY HOMES?

Tiny homes offer rural municipalities a flexible, lower-cost housing option that can address affordability challenges, support diverse populations, and make efficient use of available land — all while maintaining the character of smaller communities.

Lower Cost of Entry: Tiny homes can be built or purchased for significantly less than conventional housing, making homeownership achievable for low-income residents, young families, and individuals on fixed incomes — without requiring large municipal subsidies.

Flexible & Scalable Development: Tiny home communities can be developed incrementally — starting with a few units and expanding as demand grows. This phased approach reduces financial risk for municipalities and allows communities to test the model before committing to larger investments.

Support for Vulnerable Populations: Tiny homes have proven effective for housing veterans, seniors, and individuals experiencing homelessness. Purpose-built tiny home villages can provide stable, dignified housing with wraparound supports — a model already succeeding across Canada.

Minimal Infrastructure Impact: Tiny homes have smaller footprints and lower servicing demands than conventional housing. They can be placed on underutilized lots, infill sites, or clustered in villages — reducing the need for costly road, water, and sewer extensions in rural areas.

5.2 MUNICIPAL TOOLS TO ENABLE TINY HOME DEVELOPMENT

Municipalities are essential in facilitating the development of tiny homes. The following tools can assist local governments in supporting and simplifying tiny home construction within rural communities.

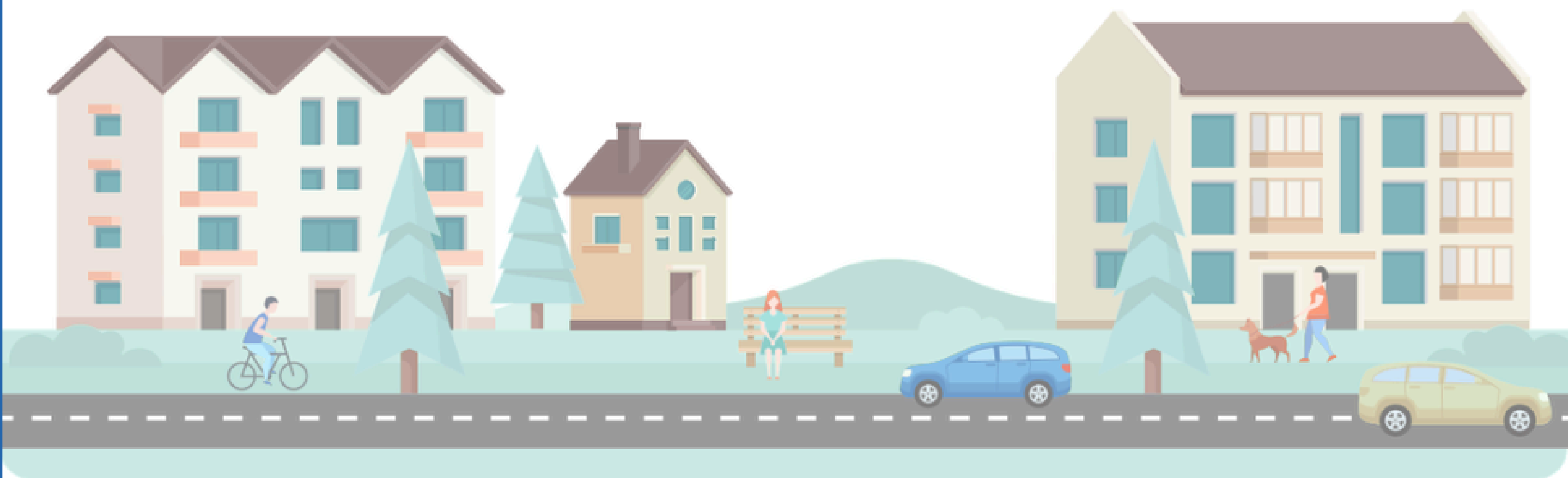
Zoning & Bylaw Reform: Amend land use bylaws to permit tiny homes on foundations in residential zones. Address minimum dwelling size requirements, reduce minimum lot sizes, and allow tiny home communities or clusters as a permitted use.

Pre-Approved Designs: Offer a catalogue of pre-approved tiny home designs that meet the National Building Code. This reduces design costs and speeds up permitting for homeowners and developers alike.

Streamlined Permitting: Create a fast-track permitting pathway for tiny homes that meet pre-approved specifications. Establish clear criteria so staff can approve applications administratively within weeks.

Financial Incentives: Offer grants, forgivable loans, or waive development charges for tiny home construction.

Land & Servicing Support: Identify and designate municipal land suitable for tiny home villages. Coordinate bulk servicing connections (water, sewer, electrical) and provide guidance on off-grid options for rural properties.



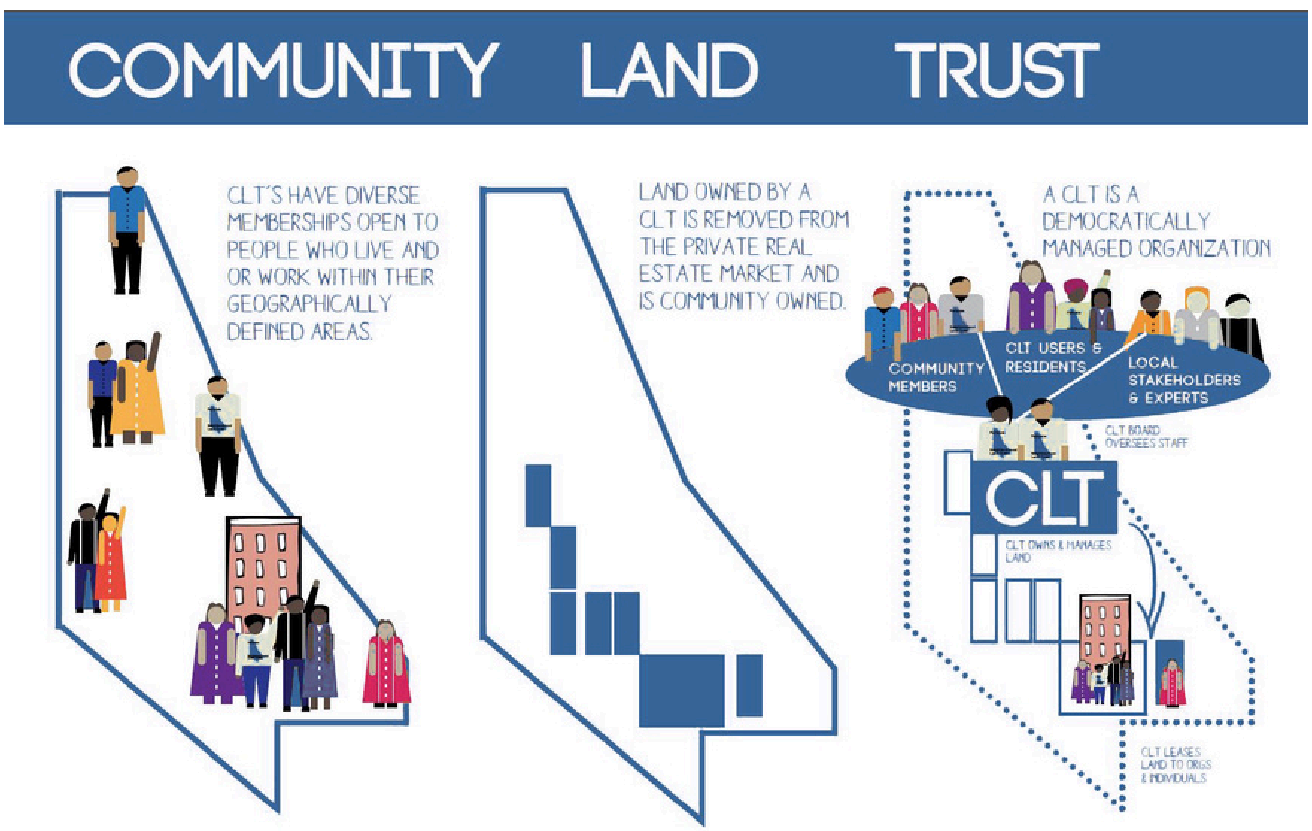
6.1 LAND TRUST SOLUTIONS:

Land trusts could be a strong option for many municipalities because they help keep housing affordable over the long term by **reducing the cost of land** and **limiting price increases** over time. They also allow the community to have more control over how land is used, helping balance new housing needs with protecting local land and supporting sustainable growth.

WHAT ARE LAND TRUSTS?

A land trust is a **legal, non-profit entity** that holds land for the benefit of the land's owner or for a specific purpose. Community land trusts are incorporated organizations created to acquire and hold land in trust for community use, such as affordable housing. Land trusts are **typically membership-based organizations**. They're governed by a board of directors, which is made up of community members and non-profit organizations with a stake in their community.

It may be helpful for a community to **set up a housing authority** to research and gather interest in this housing model. It could provide local investment opportunities so that appropriate and affordable housing is developed that truly meets the needs of the community.



WHY LAND TRUSTS?

Community Land Trusts (CLTs) provide rural municipalities with a valuable model for establishing permanently affordable housing. This is achieved by decoupling land ownership from home ownership, helping to guarantee long-term affordability without the need for continual subsidies.

Permanent Affordability: Unlike market housing, CLT homes remain affordable in perpetuity. Resale restrictions ensure that housing stays within reach of future buyers, protecting the community\'s investment across generations without repeated government spending.

Community Control & Stability: Land trusts are governed by community members, giving residents a direct voice in local housing decisions. This democratic structure builds social cohesion and ensures development reflects local priorities rather than external market pressures.

Leveraging Underused Land: CLTs can acquire vacant, tax-delinquent, or donated land and convert it into productive community assets. Municipalities can transfer surplus land to a CLT at below-market cost, catalyzing affordable housing without large capital outlays.

Supporting Multiple Housing Types: Land trusts can support a range of housing forms — from single-family homes and duplexes to co-ops and tiny home villages. This flexibility allows communities to tailor solutions to local needs while maintaining long-term affordability.

FURTHER RESOURCES ON COMMUNITY LAND TRUSTS:

- CLT Funding Sources - Canadian Network of Community Land Trusts
- Affordable Housing Innovation Fund

6.2 MUNICIPAL TOOLS TO ENABLE LAND TRUSTS

The following tools help local governments and municipalities create the conditions for CLTs to succeed in rural communities.

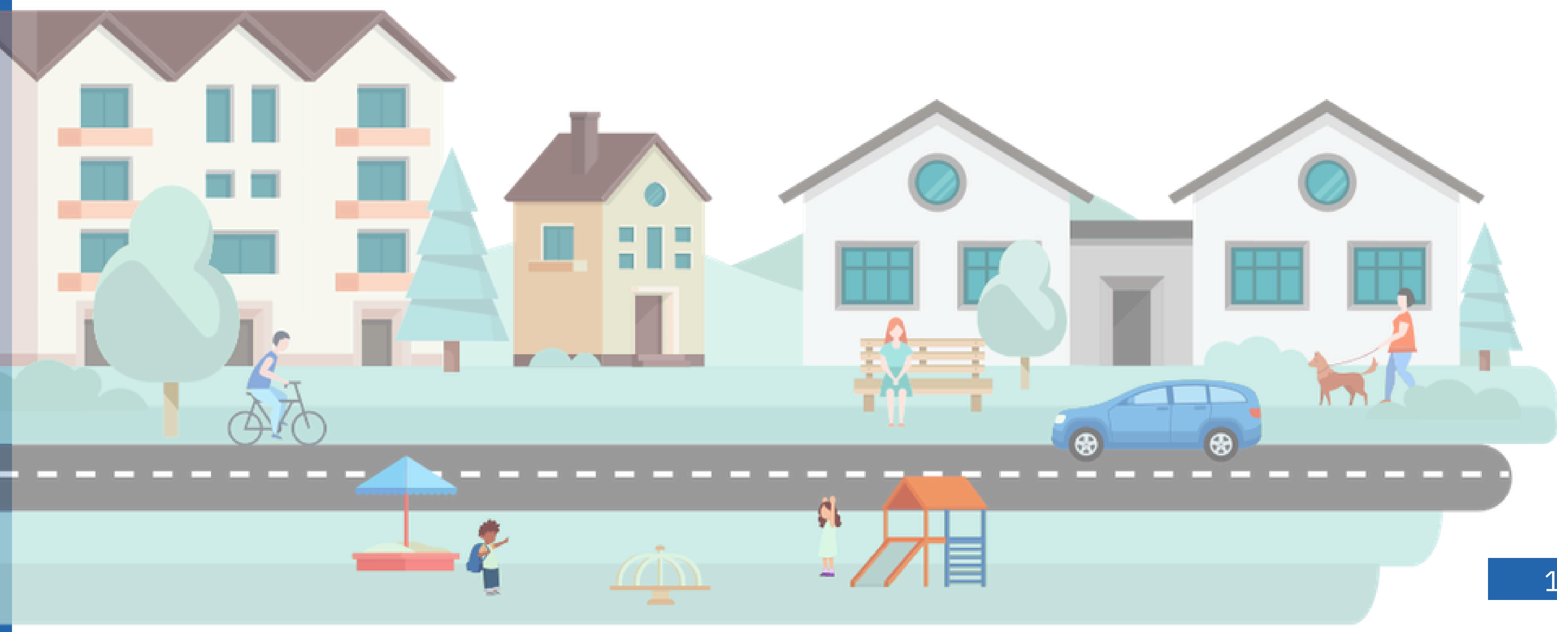
Land Donation & Transfer: Transfer surplus municipal land to a CLT at below-market value or no cost. Identify tax-delinquent, vacant, or underused parcels suitable for affordable housing development.

Seed Funding & Start-Up Grants: Provide initial capital grants to help establish a local CLT, covering incorporation, governance setup, and first land acquisitions. Partner with provincial and federal programs for matched funding.

Zoning & Planning Support: Designate CLT-friendly zones in the municipal land use bylaw. Allow flexible land uses on CLT-held parcels, including mixed housing types, shared amenities, and community gardens.

Tax Exemptions & Fee Waivers: Offer property tax exemptions or reductions for CLT-owned land. Waive development charges, permit fees, and servicing levies to reduce project costs.

Capacity Building & Technical Assistance: Provide staff support, legal guidance, and planning expertise to help community groups form and operate a CLT. Facilitate connections with housing funders and experienced CLT networks.



7.1 BELOW-MARKET HOUSING SOLUTIONS

Below-market housing is critical to ensure that essential workers, young families, and seniors can continue to live and contribute to the community as housing costs rise. It is recommended that the Town of Fairview explore opportunities to help increase access to affordable rental and homeownership options in the community.

WHAT IS BELOW-MARKET HOUSING?

Below-market housing refers to homes that are **sold** or **rented** at **prices below the typical market rate**, making them more affordable to individuals and families with moderate or lower incomes. These homes are often supported through public policies, nonprofit partnerships, or incentives to developers to help reduce housing costs. The goal is to expand access to **stable, quality housing** for people who might otherwise be priced out of the market.

Establishing a **housing authority** or **corporation** could be beneficial for rural municipalities, as it would research and gauge interest in helping provide more below-market housing in their community. Furthermore. These would allow for having a clear, local body responsible for getting affordable housing projects off the ground and keeping them on track. It would also give the community more direct control over how below-market rental and ownership options are planned and delivered.

HOW TO SET UP A HOUSING AUTHORITY IN A RURAL COMMUNITY

1. Assess Need & Build Support: Conduct a local housing needs assessment and engage council, community groups, and residents to build a case for a dedicated housing body.

2. Choose a Structure: Decide whether to form a municipal housing authority (public body under provincial legislation) or a housing corporation (nonprofit with municipal representation on the board).

3. Establish Governance: Draft bylaws, appoint a board with community and council representation, and define the mandate (e.g. rental management, land acquisition, new development).

4. Secure Funding: Identify start-up capital through municipal reserves, provincial housing programs, federal grants (e.g. CMHC), and partnerships with nonprofits or developers.

5. Acquire & Develop: Use surplus municipal land, tax-sale properties, or donated parcels to begin building or acquiring below-market units.

6. Operate & Grow: Manage tenancies, reinvest rental revenue, and expand the portfolio over time as capacity and funding allow.

WHY BELOW-MARKET HOUSING?

Below-market housing ensures that essential workers, young families, and seniors can remain in their communities as housing costs rise. By offering homes at **prices below typical market rates**, municipalities can maintain diverse, stable populations and support local economic vitality.

Workforce Retention: When housing costs outpace local wages, essential workers leave. Below-market options keep teachers, healthcare workers, and tradespeople in the community, sustaining services that everyone depends on.

Economic Stability: Affordable housing reduces household financial stress, freeing income for local spending. This strengthens small businesses and creates a more resilient local economy less vulnerable to market downturns.

Community Diversity: Below-market housing supports a mix of ages, incomes, and household types. This diversity strengthens social networks, supports local schools, and creates vibrant, inclusive neighbourhoods.

Long-Term Municipal Savings: Investing in below-market housing reduces downstream costs associated with homelessness, emergency services, and social supports. Prevention is far more cost-effective than crisis response.

A CLOSER LOOK: ATTAINABLE HOMES CALGARY

Attainable Homes Calgary (AHC) is a non-profit, wholly-owned subsidiary of the **City of Calgary** that enables moderate-income residents to become homeowners with a **down payment of only $2,000**.

The program provides an interest-free loan for the remainder of a **5% down payment** and offers homes at below-market prices, in exchange for a shared appreciation agreement where the owner keeps a larger percentage of the home's profit (**up to 75%**) the longer they live there. To qualify, applicants must meet specific income and asset limits, complete a homeownership education course, and commit to using the property as their sole primary residence.

7.2 MUNICIPAL TOOLS TO ENABLE BELOW-MARKET HOUSING

The following tools help local governments create conditions for below-market housing development in rural communities.

Inclusionary Zoning & Density Bonuses: Require or incentivize developers to include a percentage of below-market units in new projects. Offer density bonuses, reduced setbacks, or expedited approvals in exchange for affordable units.

Municipal Land & Housing Reserve Fund: Dedicate a portion of municipal reserves or levy revenues to a housing fund. Use proceeds to acquire land, subsidize construction, or provide down-payment assistance for qualifying buyers.

Tax Incentives & Fee Waivers: Offer property tax deferrals, reductions, or exemptions for below-market rental properties. Waive or reduce development permits, building fees, and off-site levies for qualifying projects.

Partnerships with Nonprofits & Developers: Enter joint ventures with housing nonprofits, co-ops, or private builders to deliver below-market units. Provide land, infrastructure, or fast-track approvals as the municipal contribution.

Rent Supplement & Secondary Suite Programs: Fund rent supplement programs to bridge the gap between market rents and what tenants can afford. Offer grants or forgivable loans to homeowners who create legal secondary suites rented at below-market rates.

FURTHER RESOURCES ON BELOW-MARKET HOUSING PROGRAMS IN ALBERTA

- Canmore Community Housing’s Vital Homes Program
- Lethbridge Housing Authority

Alberta Real Estate Foundation

SHI

RURAL DEVELOPMENT NETWORK

Email: info@ruraldevelopment.ca
Website: ruraldevelopment.ca/resources