Housing Needs of Low Income People Living in Rural Areas

#6620-49

Draft Case Study

Prepared by

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Brooks, Alberta Case Study
Draft Report

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1.0 Introduction

The Town of Brooks, Alberta is located approximately 200 kilometers east of Calgary, along the Trans Canada Highway. The area’s economy consists of a mix of agriculture, oil and gas industries and meat processing operations. Brooks is situated in close proximity to the fast-growing city of Medicine Hat, which is an hour’s drive west on the Trans Canada Highway. Other significant communities in the area include Bassano, Duchess, and Tilley. However, excluding the principal cities of Calgary and Medicine Hat, it is estimated that the trading area of Brooks is approximately 25,000\(^1\).

With respect to history, Brooks was incorporated as a village in 1910 when the Canadian Pacific Railway (CPR) brought an irrigation system into the parched landscape\(^2\). The topography of the area consists of rolling hills and plateaus and a lack of a substantial water supply. Thus, when the CPR provided water through an innovative irrigation system, the village of Brooks was able to flourish in such areas as agriculture and livestock raising. More recently, the economy of Brooks diversified with extensive expansion into oil and gas and meat processing. The structural shift of the economy resulted in significant population growth for the town. However, rapid growth has also brought with it associated problems such as a lack of affordable housing options for low income families and individuals. As a result of the population growth over the last few years, the town is considering seeking city status from the Province of Alberta. The decision to seek city status is also seen as a way of boosting Brook’s image within the surrounding area.

1.1 Population Growth

Population growth in Brooks has remained buoyant over the last decade with the town exceeding 10,000 for the first time in 1996, a 7% increase over 1991 (Table 1). According to the latest population indicators, strong growth was sustained in 2001 with the town reaching 11,604 (a 15% rise over 1996). For the 1996-2001 period, the growth rate for Brooks is among the highest in the country for centres with populations over 10,000. Furthermore, the growth rate is higher than nearby Calgary (14.4%) and is approximately 5% higher than Alberta’s average, and more than triple the growth rate of Canada. The structure of the population consists of more than 35% non-family households and those living alone (Table 1). This population structure may be indicative of the transitory nature in both the oil and gas and meat processing sectors which tend to attract younger male employees and immigrants who may be establishing themselves in Canada prior to sponsoring remaining family members.

Overall, population demographics for the Town of Brooks point to a younger community with a growing immigrant population. A great proportion of the population growth can be linked to the

\(^{1}\)Town of Brooks Community Profile 2001.

\(^{2}\)Ibid.
expansion of the meat processing industry which accounts for approximately 2500 jobs in the community. Growth in this sector has led to an increasing immigrant population (mainly for employment at Lakeside Packers). Much of the immigrant movement into the town can also be attributed to the aggressive recruitment efforts by Lakeside Packers which has conducted international searches for employees that have reached as far as the Sudan.

<table>
<thead>
<tr>
<th>Table 1: 1996 Population Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Population 2001</td>
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<tr>
<td>% Population Change 1996-2001</td>
</tr>
<tr>
<td>Total Population 1996</td>
</tr>
<tr>
<td>% Population Change 1991-1996</td>
</tr>
<tr>
<td>% 65 years +</td>
</tr>
<tr>
<td>% Lone Parent Families</td>
</tr>
<tr>
<td>% of Population Living Alone</td>
</tr>
<tr>
<td>% Multiple Family Households</td>
</tr>
<tr>
<td>% Non-Family Households</td>
</tr>
</tbody>
</table>


Population growth in Brooks has resulted in strategic planning issues for the town to deal with. Most notable is the housing situation facing low income persons and families. For many low income families, there are few affordable housing options. The problem is particularly acute for families seeking a limited number of three bedroom or larger units. Much of the housing shortage stems from low vacancy rates, inadequate supply, along with high average resale values. For many individuals and families, the alternative is commuting to nearby centers such as Medicine Hat in an effort to find affordable housing options (both rental and purchase). An interesting aspect of this population flow is that Lakeside Packers responded by transportation between Medicine Hat and Brooks in an effort to stabilize its workforce. As a reference, the 2001 population of Medicine Hat is 54,249 (an increase of 9.5% over 1996). With the relative size of Medicine Hat and its more diversified housing market (wider range of housing options, rents and purchase levels), many workers from Brooks find that they have a better chance of finding suitable housing in their price range. This has included subsidized housing options which are in limited supply in Brooks. In effect, many persons residing in assisted housing in Medicine Hat may be working in Brooks.

1.2 Changes in the Economy

With respect to general economic trends, Brooks has seen significant expansion and restructuring. This has included growth in the service sector (new hotels, retail expansion and food services). Most notable has been the recent addition of a number of full-service hotels with expenditures on
this construction activity exceeding $3 million. The recent growth can be attributed to the strength in the two major employment sectors in the community: oil and gas, and meat processing. In terms of oil and gas, the key players are EnCana Corporation (formerly PanCanadian), and TransCanada Pipeline Ltd. The impact of oil and gas on the town is immense with nearly 200 businesses in Brooks being directly related to this sector. This includes regional offices, equipment repair, dealers and other related functions. With ongoing exploration activities, the growth potential remains solid for continued expansion. Strength in this sector has also been a catalyst for attracting capital expansion in commercial, retail and residential sectors. This expansion is evident in the addition of numerous restaurants, bars and retail space in recent years. The food and beverage sectors have been a driving force behind continued commercial expansion in the town. Much of this expansion has been clustered around the junction of the Trans-Canada Highway and along Second Street West (the major commercial/retail street).

Lakeside Packers is the most prominent employer within the town, employing nearly 2500 workers in multiple shifts. However, there are significant differences between oil and gas and meat processing sectors which are critical to highlight. With respect to the wages paid to employees, oil and gas jobs tend to offer high comparative starting wages, while meat processing positions offer starting wages in the $10-12 range. When adding service sector jobs, the starting wages are lower (most likely in the $6-8 dollar range).

The wage differential across these sectors has created a distinct gap between those in the oil and gas sector with those in either low paying service or meat processing jobs. This has in turn, contributed to the problems facing low income households seeking affordable shelter options. As noted, Lakeside Packers has implemented a shuttle service to drive workers from nearby Medicine Hat into Brooks (more than a one hour commute in each direction). This is the result of many workers being unable to find affordable housing in Brooks. The shuttle has also worked to stem the high transition of employees at the plant who were unable to secure adequate and affordable housing within the community. In an anecdotal comment, it was suggested that “Brooks is Medicine Hat’s largest employer.” It should also be noted that in speaking to a number of informants, many of the estimated 700-800 people who commute daily between Brooks and Medicine Hat do so for other reasons, including nearby family and better housing in the mid to high price ranges.

In terms of construction activity for the year 2000, the Town of Brooks completed a number of significant capital expansions. This included $5 million in the commercial/retail sector, $4 million for infrastructure, and $1.5 million in tourism and recreation. In total, $11.3 million worth of capital projects was started or completed in 2000.

Building permit activity has also been quite significant over the last few years with $16 million spent in 1999. Residential permits in 1999 accounted for $4.8 million and were down significantly

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3Brooks Online Volume 6 Issue 245 (Thursday, February 7, 2002).
more than 1997, when expenditures reached $12 million for residential expansion\(^4\).

The agriculture sector is also ingrained in the economy as the region contains:

- 200,000 acres of irrigated farmland
- 600,000 acres of cultivated dryland farming
- 600,000 acres of rangeland

Much of the farmland is dependant on the demand generated by the meat processing industry (ranching, feedlots etc.). Agribusiness functions are also prevalent within the town and contribute greatly to the overall economy of Brooks. According to the Government of Alberta’s Agriculture department, “Alberta is the largest beef producing province in Canada. The province leads the nation in cattle and calf inventories, accounting for just less than six million head at 41 per cent of the national total as of July 1, 2001.” It is important to note that market rates paid for cattle tend to display variation based on market conditions and as an example, the percent changes for Central Alberta Steer Calves, 500/600 lbs., rose 17.65% between 1999 and 2000 ($131.43-$154.53 per 100 lbs.)\(^5\).

For the most part, the community of Brooks has a fairly diversified economy but, given the volatility of the oil and gas sector as well as meat prices, economic downturns have been a part of the town’s history. In fact, in discussion with informants economic cycles were raised as a factor that limits the inventory of new housing. This was the result of the building industry being susceptible to market fluctuations. Furthermore, with the tight integration of the oil and gas and agricultural sectors into the local economy, downturns in market prices can have a ripple effect across a number of sectors.

In terms of employment sectors, the greatest concentration of workers is found in the mining industry (Table 2). This coincides with the strong presence of the oil and gas sector. This is followed by nearly 12% in the retail sector. It should be noted, that although these are the most current data (1996 Census), these figures are outdated, certainly with respect to the change in the workforce at Lakeside Packers which has added a substantial number of employees since this time. Furthermore, the retail sector has changed significantly when taking into account the extensive expansion of this sector over the last five years.


Table 2: 1996 Economic Profile - Key Employment Sectors

<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining industries</td>
<td>16.61</td>
</tr>
<tr>
<td>Retail trade industries</td>
<td>11.9</td>
</tr>
<tr>
<td>Construction industries</td>
<td>9.33</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>8.61</td>
</tr>
<tr>
<td>Income from government transfers</td>
<td>9.5</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 1996 Census of Canada

1.3 Social Development Issues

Social trends in Brooks, established over the last decade, include a substantial increase in the immigrant population. This can be directly attributed to the influx of workers into the Lakeside Packers operations. Much of this activity has been the result of the company’s national and international recruitment efforts. Many informants felt that the increase in the immigrant population has contributed to the social problems facing the community.

One of the most pressing problems facing immigrants is the shortage of affordable housing options. As a result, a number of immigrant social service agencies have opened including the Global Friendship Centre and Saamis Immigration Services. In discussion with key informants, it was noted that the volume of inquiries made by recent immigrants was mostly related to problems in the procurement of housing. Anecdotal comments were provided which included the possible discrimination in renting units to certain immigrant populations. It must be clarified that although discrimination amongst the immigrant population cannot be substantiated, it was a recurrent issue raised by informants representing many sectors.

It was felt that many of the problems facing immigrants stem from low wages and a lack of affordable rental options for newcomers. This has resulted in many families doubling and tripling up in order to not only save money but to secure shelter. Although many informants noted that crowding was a problem, none could provide a firm estimate, but nonetheless it was seen as worsening issue. To make matters worse, it was estimated that many immigrants have been waiting upwards of eight months to find adequate shelter. Comments from informants suggested that it is during this period of time that families are most likely to double and triple up in one unit. It was also noted that many of the recent immigrants will take up short term accommodation in Lakeside Packers temporary housing. Again, the most pressing concerns facing low income families and individuals are related to affordability and availability, as not only are rents for three bedroom units in the range of $800-$900, plus utilities, they are also in high demand due to limited supply (see section 3.0).

The Town recently opened the Brook’s Woman’s Shelter. The facility can accommodate 15 individuals in 5 bedrooms. According to the most recent statistics available, there were 541
people assisted between June 2000 and August 2001 (including those assisted through phone conversations with staff)⁶. It was noted that the frequency of use doubled from the same period a year prior. The increased use of the shelter was noted in discussions with informants who felt that financial issues and overcrowding in a number of dwellings has contributed to a rise in family violence.

In terms of educational attainment levels, some variations are worth noting. The most recent statistics indicated that 41% of the population has no highschool certificate while 22% obtained a trade or non-university certificate or diploma. In terms of university education, 14% indicated some post secondary training with 5.25% of the population having completed a university degree (Statistics Canada 1996). Given the substantive population change between 1996-2001, these levels may have also changed significantly.

1.4 Significant Community Issues

The most significant community issue in Brooks has been dealing with the lack of affordable housing options for low income households. This issue was expressed by all persons interviewed. As a response, the Town of Brooks have become an active in finding solutions. This has resulted in the Town offering a parcel of land to a newly the formed community based housing group called the Brooks Housing Society (BHS). The donated land is to be developed into a low income rental complex consisting of approximately 40 units. This development is anticipated to be a partnership between the three levels of government. The intention is to provide affordable housing options for the working poor. The BHS was successful in securing $86,000 from the Alberta Real Estate Board to develop an affordable housing strategy. At the present time, the agency has held two forums to come up with local solutions for addressing the needs of low income families and individuals. The workshops were funded under the AREA Affordable Housing Project (funded by the Alberta Real Estate Board). The objective of the workshops was to identify community needs and put forth recommendations for the BHS to consider in its development plans.

A second, and more controversial issue, was the rejection of a building permit by Lakeside Packers to develop a modular home park within town boundaries. It was strongly felt by informants that this decision has contributed, in some ways, to the social tension existing within the town. Vocal community opposition resulted in the application being rejected. Throughout the process, Lakeside Packers insisted that affordable housing was necessary for its workforce and the modular home park was envisioned as a viable option. Residents of many nearby neighbourhoods voiced strong opposition to the location of the modular home park being built in close proximity to established residential areas.

Given the severe affordable housing shortage within Brooks, Lakeside Packers was forced to establish temporary housing options for its workers onsite. This has resulted in the construction of

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⁶ Based on presentation material provided by key informant.
barrack style housing for new employees. This housing option can be used as a temporary shelter accommodation until permanent housing can be procured (approximately a few months stay is the allowable limit). Furthermore, they have also had to respond to the lack of housing in Brooks by implementing the aforementioned shuttle bus between the town and Medicine Hat.

Another related social development issue is the problem of a transient population. It was felt that both the oil and gas and the meat processing sectors have attracted an increased transient population. This is the result of people coming into Brooks prior to securing a position (in either sector) and those who come into work at Lakeside Packers but quit after a short period of time (the plant has a high turnover rate). Both of these situations have lead to some short term problems such as people being unable to find work or a place to sleep (even for those arriving with employment). Given that the town does not have any emergency shelters for the homeless, this situation has caused some social tension. Furthermore, it was noted that with the dominant male transient population, there has been an increase in noise and nuisance complaints.

The local RCMP stated that crime has been on the rise in the last few years. They also noted that the incident of crime was noticeable in the immigrant population, who according to the RCMP, maybe experiencing some level of “culture shock.” It was felt that sometimes, recent immigrants are unaware of the laws in Canada regarding many issues including violence against women (a crime that has been on the rise in Brooks—cross culturally). The rise in violence against women is certainly evident in the increase of usage at the Brooks Woman’s Shelter where assistance has doubled in two years (see again section 1.3). Furthermore, it was strongly felt that many problems in the town stem from overcrowding in housing. The RCMP noted that many of the dwellings are overcrowded and as such, domestic problems have resulted (again, many informants raised this issue but none were able to provide estimates).

2.0 Provincial Context

For the most part, Provincial involvement in the Town of Brooks is limited, including providing assisted housing options. The Support for Independence (SFI) is the Provincial welfare program and currently there are 98 families drawing support. A second program offered by the Province is the one-time transitional payment for persons experiencing difficulties in meeting their financial obligations. It was noted that these payments have increased from 65 in 1996 to 598 in 1999. The province also funds the Assured Income for the Severely Handicapped (AISH) and currently there is support for 81 individuals and families.

Under the Alberta SFI program shelter allowances vary considerably, with many informants feeling that the levels paid contributed to the problems facing low income individuals and families in Brooks. The maximum rates for shelter allowance are listed in Table 3 which clearly shows that the amounts are well below the average rents for Brooks (see section 3.1).
### Table 3: Alberta Shelter Allowance 2001 Rates

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Expected To Work</th>
<th>In Transition</th>
<th>Not Expected to Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Person (R&amp;B*)</td>
<td>$168.00</td>
<td>$168.00</td>
<td>$218.00</td>
</tr>
<tr>
<td>1 Person Not R&amp;B*</td>
<td>$168.00</td>
<td>$253.00</td>
<td>$303.00</td>
</tr>
<tr>
<td>2 Adults</td>
<td>$336.00</td>
<td>$336.00</td>
<td>$436.00</td>
</tr>
<tr>
<td>1 Adult and 1 Child</td>
<td>$428.00</td>
<td>$428.00</td>
<td>$482.00</td>
</tr>
<tr>
<td>3 Persons</td>
<td>$503.00</td>
<td>$503.00</td>
<td>$556.00</td>
</tr>
<tr>
<td>4 Persons</td>
<td>$524.00</td>
<td>$524.00</td>
<td>$578.00</td>
</tr>
<tr>
<td>5 Persons</td>
<td>$546.00</td>
<td>$546.00</td>
<td>$599.00</td>
</tr>
</tbody>
</table>

*denotes whether room and board accommodations are included within the allowance

In terms of the subsidized units within Brooks, there are some facilities. The largest provider is Newell Housing, which manages 41 units. Presently, there is a waiting list of 88 families. However, all of the units are multiple-bedroom and thus preference is given to families. This has resulted in limited choice for singles and couples with low incomes. It was also noted that there is a severe shortage of subsidized units for persons with disabilities and those with chronic health concerns.

In terms of the provision of seniors housing, there are approximately 110 units in the community. It was thought that the seniors market is presently able to meet the demand for the general seniors market. But there is a lack of extended care facilities and retirement communities and as a result, many seniors leave Brooks for larger towns containing more specialized housing options.

With respect to social housing and other support services, it was noted that Medicine Hat has a more developed social housing portfolio but the waiting list is in excess of 200, with many on the waiting list being from Brooks.

### 3.0 Housing Supply

The issue of housing in Brooks is seen as the single most pressing concern facing low income families and individuals. This is characterized by a lack of affordable housing options in both the rental and resale markets. From the interviews with key contacts, the themes that emerged highlighted the inability of workers from Lakeside Packers, especially those in which only one person was working, to find suitable housing. However, it was also noted that households earning higher salaries are also moving to nearby communities to find more affordable housing options. This includes homes in the $100,000-150,000+ range. With the resale market in mid range being
limited, many middle income households also face difficulties in trying to remain in Brooks. This has effectively pushed some middle income earners into nearby towns (Bassano, Duchess, and Tilley etc). This is related to both affordability and availability for units in the mid range.

Another gap in the town is in provision of third sector housing. At the moment, the town does not have any activity from third sector housing providers. It was felt that this is an area the needs to be pursued as market rental housing has not been able to meet the needs of a diverse income mix. The Brooks Housing Society (BHS) will be the first community based group to provide rental housing for low income households but more efforts will be needed to stabilize the rental sector. The BHS consists of community members who have successfully secured $86,000 in funding to study and develop a feasibility plan for the development of a 41 unit affordable apartment complex.

According to the 1996 Census, the owner/renter ratio was 63% owner and 37% renter with the average value of dwellings being approximately $120,000 (Table 5). Overall, the housing stock is in relatively good condition. Nevertheless, the 1996 Census data should be considered only as a basic indicator of the current housing market in Brooks given the substantial growth during the last five years.

### 3.1 Rental Housing Market

According to the 2001 CMHC rental survey, there are 628 rental units in the community, with an overall vacancy rate of 2.9%. Of the 628 units, 141 were one bedroom and 451 two bedrooms. Bachelor and three bedroom unit totals were suppressed due to lack of sufficient inventory. However, given that there are 628 total units and 592 one and two bedrooms, the remaining 36 are assumed to contain a mix of bachelor and three bedrooms. This certainly points to a very limited supply. It should be stressed that the CMHC survey only includes rental units in buildings containing 3+ units and therefore, many duplex and non-traditional rental units are not included. Furthermore, property owners who refuse to give information are also excluded and thus the numbers must be treated as accurate but susceptible to error. With respect to the lack of three bedroom units, this supports the claim of many informants, namely that there is a lack of sufficient inventory of larger accommodations for families with children.

Rents in the community averaged $400 for Bachelor, $484 for one bedroom and $533 for two bedrooms. The Town of Brooks provided average rents for three bedrooms based on a survey of 63 units (includes properties with less than three units). As of October 2000, rents ranged from $550-859 with the average listed at $725 (plus utilities). Again, reviewing the SFI averages in Table 3, families on a fixed income or earning in the $6-12 per hour range, will be hard pressed to afford market rents for a three bedroom units.
3.2 New and Resale Market

As noted, the home ownership rate in the town is 63% with the average value of homes being $120,000. Overall, the housing stock is in good condition with the great proportion of the housing being constructed between 1946-1986. In fact, the most rapid period of growth was between 1971-1980 where 43% of housing stock was built. In terms of residential permit history, there has been some change, with overall activity down substantially from 1996 (Table 4). The most significant change in permit activity has been the severe decline in multiple construction which dropped from a high of 105 units in 1997, to three units in 2001. Construction of single family units has been somewhat more consistent with a peak of 64 units in 1998. Although the 43 housing starts for 2001 is not the strongest of the last six years, it represents a positive rebound over year end 2000 (+38.7%).

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<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>47</td>
<td>56</td>
<td>64</td>
<td>46</td>
<td>31</td>
<td>43</td>
</tr>
<tr>
<td>Duplexes</td>
<td>20</td>
<td>40</td>
<td>30</td>
<td>0</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Townhouses</td>
<td>17</td>
<td>45</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Apartments</td>
<td>32</td>
<td>20</td>
<td>29</td>
<td>11</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Mobile</td>
<td>24</td>
<td>15</td>
<td>52</td>
<td>14</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>140</td>
<td>176</td>
<td>175</td>
<td>74</td>
<td>60</td>
<td>61</td>
</tr>
</tbody>
</table>

*2001 number available to July 1, 2001.

The composition of the housing stock consists of 56% single detached units that are listed as being in good condition with only 6.4% requiring major repairs. In discussion with the Brooks Real Estate Board, dollar volume for sales was up 31% for year end 2001 (with total sales reaching 45 million). In terms of the number of sales, 2001 numbers reached 168 which is up 30% from the previous year’s total of 129. The average selling price for both new and resale combined was up slightly in 2001 at $138,041 (compared to $132,785 in 2000). Market strength remains centred in the new home market where prices rose 13% to $157,824. This is compared to a 3% increase in the resale market ($135,368). In comparison to Brooks, nearby Bassano’s average selling price for 2001, was $78,500 (for 12 sales). Many informants pointed to the price differential being reflective of the variation between Brooks and the surrounding communities, and one of the main reasons people move to nearby towns.
Table 5: 1996 Housing Stock Profile

<table>
<thead>
<tr>
<th>% Homeowners</th>
<th>62.98</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Renters</td>
<td>36.89</td>
</tr>
<tr>
<td>Average Value of Owned Dwelling ($)</td>
<td>119406</td>
</tr>
<tr>
<td>Average Gross Rent ($)</td>
<td>558</td>
</tr>
<tr>
<td>% Built Prior to 1946</td>
<td>6.69</td>
</tr>
<tr>
<td>% Built Between 1991 and 1996</td>
<td>7.24</td>
</tr>
<tr>
<td>% in Need of Major Repairs</td>
<td>6.42</td>
</tr>
<tr>
<td>% in Need of Minor Repairs</td>
<td>28.55</td>
</tr>
<tr>
<td>% Single Detached Dwellings</td>
<td>56.15</td>
</tr>
<tr>
<td>% Apartments in Units of fewer than 5 storeys</td>
<td>16.39</td>
</tr>
<tr>
<td>% Movable Dwellings</td>
<td>7.24</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 1996 Census of Canada

Overall, the housing market in Brooks is quite active with considerable growth occurring in the last few decades. However, the volume of growth in the multiple construction market has been limited and thus, the supply of rental units has not been able to keep pace with demand generated by rapid population growth. High average prices have also contributed to the many problems facing low income families who have been unable to secure housing (either rental or ownership).

In discussion with informants, the housing market is characterized by two themes, those who can afford to live and work in Brooks and those how cannot. Furthermore, it was felt that those most susceptible to housing problems were families in which only one person worked (in either the service sector or at Lakeside Packers). The lack of social housing options was seen as a major hurdle as there are relatively few suites available in Brooks.

When asked to describe the local rental market, many felt that there was housing available but not at the price necessary to make it affordable. There are no real “non-traditional housing options” and rooming houses and such are not prevalent. There were some anecdotal comments that some persons have had to sleep in cars and in the park but at the moment, there is no evidence to support these claims. It was noted that the use of hotels, as temporary accommodation occurs infrequently. Furthermore, the most likely residents are oil and gas sector employees, who are in town for an extended period of time. The demand for this type of accommodation may be related to the inclusion of extensive suites in the town’s two newest hotels.

In terms of the overall availability of home ownership, similar themes were raised, the high cost in
Brooks limits those who can buy and this is an issue for a range of wage earners. The result has been that many have turned to nearby communities to find housing options in a number of price ranges.

Access to home ownership is also limited due to the high transitory nature of the main employment sectors. Many households face problems in securing mortgages because standard bank practices require steady employment for two years prior to granting mortgage approval. This has been interpreted by many as harsh but in reality this type of practice occurs in most major towns and cities.

The response by local government has been to suggest policy changes to facilitate housing activity. This has includes changing the zoning of certain areas of the town to accommodate multiple family construction (duplexes and row houses). The Town has also been an active player in the newly formed housing community based agency who are seeking to build 40 units. The Town responded by donating a parcel of land. The Town is also reviewing other possible means to encourage the development of affordable housing by reducing the associated costs of land development. This may include the waiving of off-site levy fees, servicing fees and development applications costs. These measures are expected to create a positive environment for the encouragement of affordable housing options.

In summary, the housing activity in Brooks is more consistent with a larger city than a town. The present limitations are that the affordability level is not consistent with the wages being paid to a number of workers. This situation is difficult to correct and it was seen as the single most pressing issue. It should be noted that Town Council and municipal staff have been proactive in trying to solve problems as they see further growth in the housing sector as being positive. Housing development is also being seen as a way to curb the loss of population (and tax loss as a result) of people moving to nearby towns.

3.3 The Construction Industry

The local construction industry has been active over the last few years. Although housing starts for both single family and multiple have declined, it was felt by informants that overall, the industry is healthy. It was noted that the key players with respect to home building are small operations who do not maintain an inventory. Therefore, housing is built on demand and workers are added as dictated by the market. This was further expanded by stating, with Calgary and Medicine Hat being in such close proximity, the ability of the market to adjust to meet increasing demands would be easily accommodated.

One of the most recurrent themes with respect to the construction industry was the inability of the market to absorb the costs of building new rental accommodations. It was felt that market rents in Brooks were too low to fund any significant new projects. One informant noted that there was a $200 gap between the cost of funding a new project and the rents which could reasonably be sustained. It was felt that until this gap is closed through a government program, the building
industry will not construct rental projects.

Interestingly, many pointed to the Multiple Urban Residential Building project (MURB) of the 1970s/80s. This project assisted in funding new construction by providing capital grants along with an accelerated capital loss component. This project was used extensively in Brooks to fund the construction of many apartment blocks. Furthermore, it was felt that this program (or similar) could be used to bridge the $200 gap.

A high concentration of activity in the construction sector, over the last few years, has been in the commercial sector. As noted, a number of hotels have been built as have numerous retail and restaurants. The industry has been able to respond positively to the demand in these sectors and it was felt that this momentum could easily be transferred to the multiple family construction or increased singles activity.

4.0 Low Income Households

As noted, the most likely candidate for being considered low income in the Town of Brooks is a household headed by a single wage earner, possibly working in the service or meat processing sectors. It was strongly felt that employment opportunities exist but the wage gap between sectors presents affordability problems. It was further stressed that problems associated with the wage gap could be solved by the addition of affordable housing. In terms of incidence of low income, there were 18.5% individuals and 7.8% families who were considered to be low income (about 10% of the total population) (see Table 6). However, one of the most crucial differences in the 1996 data was the variation between owners and renters. As noted in Table 6, just over 26% of renters are spending more than 30% of their income on shelter as compared to only 8.3% of owners. This split points to the fact that renters, earning less, are more likely to live in poverty, and be less likely to access housing that is affordable and suitable to the needs of their family. However, as noted, the 1996 data may be outdated for Brooks where significant growth has occurred. Therefore, 2001 data may point to an even more pronounced split between owners and renters.

<table>
<thead>
<tr>
<th>Table 6: 1996 Low Income Profile</th>
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<tbody>
<tr>
<td>% Renters Spend 30%+ for Rent</td>
</tr>
<tr>
<td>% Owners Spend 30%+ for Major Payments</td>
</tr>
<tr>
<td>% Individuals with Low Income</td>
</tr>
<tr>
<td>% Economic Families with Low Income</td>
</tr>
<tr>
<td>% Total Population with Low Income</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, 1996 Census of Canada

5.0 Strategies
Town Council has become increasingly active with respect to both developing and facilitating strategies for addressing housing issues. This has resulted in such initiatives as forming strategic partnerships, changing zoning to accommodate more multiple family construction, and increasing the political will related to housing concerns. For families and individuals, coping strategies have been related to becoming more resourceful in light of the housing shortage. To this point, informants indicated that a number of low income families and individuals have had to resort to staying with friends and family until suitable housing becomes available. This was particularly evident within the immigrant population who are not only trying to make ends meet, but are more often than not, sending money back home for family.

A positive addition to Brooks has been a new woman’s centre which recently opened. However, there still remains a lack of temporary housing options for the homeless. As such, informants noted that many have had to use temporary campgrounds (RV’s, tents etc) but this is limited to the summer months as living in this type of accommodation in the winter would not be practical or safe. A food bank has also recently opened, but no data was available on usage or frequency of visits.

In terms of other “non-traditional” strategies, some individuals coup by living place to place, yet there is no real evidence of a homeless population, nor are people taking up temporary residence in parks or streets.

As previously noted, the issue of mobility within Brooks and the surrounding region is becoming more problematic. This has included the movement of lower income individuals into Medicine Hat and other surrounding towns and villages. This is the direct result of lower income groups not having adequate access to suitable housing options. However, this is also an issue for middle class wage earners who are able to buy “more” house in other towns (bigger, more amenities etc.) for less money.

The services and supports available to persons of low income are limited in Brooks. At the moment, local churches and other social agencies are beginning to play a more prominent role but for the most part, there is not much assistance for those who need it most. With respect to this, the immigrant population has been served quite well with the addition of two immigrant centres. However, most of the actions of these centres appear related to assisting new arrivals find and deal with issues of discrimination in housing and to find affordable accommodations.

In terms of some creative measures to assist with the housing issue. Lakeside Packers has had to become more active. This has been accomplished by the use of the shuttle bus and in the provision of temporary housing. Their attempt at a more permanent housing option (modular homes) was soundly defeated by the community who saw the development as detrimental to their neighbourhoods.

The critical challenges facing low income families and individuals remains bridging the gap in
wages paid with the cost of housing. This will continue to be a tough obstacle to climb. But given the creativity of the local business and government, there appears to be some momentum building in creating more affordable housing options.

6.0 Analysis

There are two important strategies that are currently being pursued in the Town of Brooks. Most notable is the Brooks Housing Society. This community based group has formed to deal with the shortage of affordable housing. Their goal is to create upwards of 40 rental units that will be geared toward lower income working families. To date, a number of community consultations have been held and preliminary plans are being drafted. This initiative will hinge on the participation of all levels of government. Each potential partner will be expected to contribute significantly. Given that this project is only in the early stages, no detailed data are available. The strength of this community group is that it has been locally initiated and the suggestions and direction for the housing development have been based on extensive community consultation.

The second strategy is more directed at the leadership of the Brooks. It became apparent that Town Council and the Mayor are willing to actively participate in finding solutions to the affordable housing question. To date, they have been active in changing zoning, donating land and working with groups to creatively deal with issues.

6.1 Barriers to Addressing Need

Presently, the barriers to addressing need can be summarized as the inability of the local market to build affordable housing options. Given the economic prosperity of the area, the situation in Brooks is more about building homes as opposed to creating jobs. However, in the same breath, bridging the wage gap across various employment sectors is also a necessary component of creating a more sustainable economic environment. A second barrier is related to the lack of a community based group to work as both a builder of new housing units as well as a advocate for the working poor. It remains to be seen if the newly formed Brooks Housing Society will be able to assume this role. However, it must be stressed that the community has be extremely diligent in being able to define the housing needs of low income families. The objective now is to find a way to meet these needs.

The issues related to both a transient population and a significant commuter population will also weigh heavily in addressing housing needs. The transient population and the high turnover rates at Lakeside Packers will continue to result in the significant movement of low income wage. This high mobility will place pressure on the housing market. Furthermore, problems related to high mobility are heightened due to the fact the Brooks has no emergency housing for either transient persons or those who have become homeless. There has been some response to this crisis by local churches and volunteers but a formal solution is needed.
With respect to commuters, this will continue to draw resources out of the community (property taxes and household expenditures). Stemming the tide of commuters will be tough as according to informants, many families and individuals have established roots in other communities. But perhaps with more continued efforts to stabilize the housing market, potential commuters may be inclined to stay in Brooks.

6.2 What's Needed to Move Brooks Forward

The potential for continued growth in Brooks, both population and economic, is a distinct reality. Given the rapid changes over the last decade, growth will continue to be both positive and negative. Positive in a sense of the economic contribution to the local economy but negative if the continued wage differential in not closed and if the affordable housing problem is not resolved.

What is needed to move Brooks forward is a number of strategic initiatives including:

- The development of a Third Sector housing component to help bridge the gap between wages and market rents. Third sector Industry players must come forward with innovative plans and solutions to fund housing initiatives for the “working poor” and seniors.

- For construction of new affordable rental units, there must be access to government funding to bridge the market rent gap (i.e. the difference between the cost of building the units and the potential rent generated). Programs such as MURB where seen as critical to funding earlier rental expansion and are viewed as the best opportunity to fund future development. Perhaps the recently announced New Rental Incentive Program will have an impact in Brooks where market pressure could easily absorb new starts.

- Continued role of community based groups such as the Brooks Housing Society is essential. The community based organizations will be pivotal in the development of rental units and in an advocacy role for funding projects that are locally based and initiated.

- Development of stronger partnerships between the Town of Brooks and local industry. This includes working to find innovative housing solutions. The past attempt by Lakeside Packers to develop a modular home must be revisited in order to find affordable housing options that are acceptable.

- Stem the tide of commuters to nearby communities through more creative housing solutions. This will be the most difficult obstacle to overcome as many of the surrounding communities have more affordable housing but given that approximately 800 people commute, the potential for the Town’s coffers to benefit is immense.

- Continue to improve the lives of recent immigrants through the existing framework of service providers.
• Work to capitalize on the potential growth in the seniors retirement sector (both moderate and higher income).

• Continue to find ways to improve the lives of the “working poor” through better housing options.

• The development of emergency shelters for the increased transient population and those who have become homeless.

7.0 Conclusion

The Town of Brooks is much like a big city experiencing problems related to rapid urban growth. This has translated into an overheated housing market that has effectively pushed prices up and created affordability problems for low income wage earners. At the moment, it is the working poor of Brooks who are most in need of assistance. But it is also the middle class who have turned to nearby towns and villages for housing in the mid ranges.

The solution to the problems facing Brooks appear more about ensuring that the wages paid in various sectors are capable of securing affordable and suitable accommodation. At present, the wage gap between sectors has resulted in those at the lower end being unable to afford suitable housing. It is also important for the town to continue to expand its social housing commitment while also supporting and increased third sector housing component.

References


Alberta Real Estate Association (2001). Brooks Housing Action Workshop Agenda and Minutes (September and October).

