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**Item No. 07**  
**Halifax Regional Council**  
**May 31, 2016**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed by Director

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Amanda Whitewood, Director of Finance & ICT/CFO

**DATE:** April 6, 2016

**SUBJECT:** Regina & Saskatoon Housing Development Incentives – Supplementary Report

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### **SUPPLEMENTARY INFORMATION REPORT**

#### **ORIGIN**

Motion, July 21, 2015, that Halifax Regional Council:

1. Direct staff to prepare the 2016-17 budgets using the current tax structure, without any specific changes for multi-unit properties;
2. Request a supplementary staff report on the tax credit for investment outlined on page 8 of the staff report dated June 30, 2015; and
3. Set a date for Committee of the Whole to discuss the assessment cap.

#### **LEGISLATIVE AUTHORITY**

##### **Halifax Regional Municipality Charter**

Statements of policy in planning strategy

229 (1) A municipal planning strategy may include statements of policy with respect to any or all of the following:

- (j) municipal investment for public and private development and the coordination of public programs relating to the economic, social and physical development of the Municipality;

Incentive or bonus zoning agreements

245A (1) Where a municipal planning strategy so provides, a land-use by-law may provide for incentive or bonus zoning agreements respecting the HRM by Design Downtown Plan Area and the Centre Plan Area.

##### **Nova Scotia Municipal Government Act**

Statement of Provincial Interest Regarding Housing “Planning documents must include housing policies addressing affordable housing, special-needs housing and rental accommodation”.

##### **Regional Municipal Planning Strategy**

Policy S-31 “Where Provincial strategies or programs are made in support of affordable housing, HRM may consider means to further or complement such strategies or programs through its programs, policies or regulations”; Policy S-32 “HRM may consider partnerships or financial support for housing

organizations”; Policy RC-3 “Consideration shall also to be given to incenting development in the Regional Centre, streamlining development approvals, density housing and the other applicable objectives and policies of this Plan.”

## **BACKGROUND**

This report responds to part 2. of the Halifax Regional Council motion. In the staff report dated June 30, 2015 the Tax Credit for Investment section (page 8), copied below, and provides an overview of the housing incentive programs offered by the Cities of Regina and Saskatoon:

*Tax Credit for Investment – In Regina, reduced taxes are provided to new home buyers for 5 years after their move-in. In Saskatoon, the city partners with local developers to provide a 5% down-payment for new homeowners. These programs have household income limits and tend to target modest (new) homes, which are often condos in denser, downtown areas. Programs such as these would require Legislative changes and extensive design work to be successful.*

This information report provides more-detailed information on the current Regina and Saskatoon housing programs, including costs and activity levels in recent years. However, this information report does not include analysis of the applicability of the Regina or Saskatoon programs to Halifax, e.g. the need or potential effectiveness of such programs in Halifax or the legal/legislative authority required to provide similar programs. This analysis would require a much more focused and in-depth review of the housing programs in Saskatchewan, in light of the economic, fiscal and legislative context of the Halifax region.

## **DISCUSSION**

Since 2013, the Halifax Regional Municipality has been part of the Housing & Homelessness Partnership where its role is to explore ways to positively impact affordable housing via programs, policies and regulations that the Municipality controls, as per the draft Regional Municipal Planning Strategy. The 2015 Housing Needs Assessment identified key housing gaps across the Municipality.

Similar to Halifax, neither the City of Regina nor Saskatoon owns or manages housing. However, through The Cities Act in Saskatchewan, they have greater discretion with respect to grants and taxation exemptions for development. Both cities work with residents, community groups, business and property owners and other stakeholders to develop housing goals and strategies for their respective cities.

### **City of Regina Programs**

The City of Regina has had housing incentives of various kinds since the 1980's, but they've significantly changed over the past eight years. In 2011, at the height of the energy boom in Alberta & Saskatchewan, Regina was experiencing significant increases in home prices and incredibly low apartment vacancy rates (less than 1%). As a result, housing incentives for both new rental units and new housing units were revised. And, again, over the past few years, as program results were evaluated and economic conditions changed, the program has evolved to focus more on rental supply (and less on homeownership) and affordable housing units. The program now includes incentives for secondary suites, often in the form of “lane way” housing in Regina. The City of Regina's current housing incentives are summarized below, with detailed information in Attachment 1, Regina's Housing Incentives Policy.

### **Capital Grants**

Capital grants apply for the creation of new dwelling units, only. Renovations of existing residential units are not eligible. Rental units must remain in the rental market for 15 years. Below Market rentals must maintain below market rents for five years.

Grants range from \$10,000 to \$25,000 per unit, based on up to four factors:

- ✓ Geographic Area,
- ✓ Proposed Tenure Type (rental or ownership),
- ✓ Size of Unit (number of bedrooms),
- ✓ Developer Status (Non-Profit or Private).

For example, for **rental** development, the grant can vary from \$25,000/unit (for a new unit with 3 or more bedrooms in an established neighbourhood) to \$10,000/unit (for a new unit with 1 or 2 bedrooms, built by a private developer, in a newly developed area). For **ownership**, the grant can vary from \$15,000/unit (for a new unit with 3 or more bedrooms) to \$10,000/unit (for a new unit with 1 or 2 bedrooms).

Over the past three years, 448 Capital Grants were approved for new units – 143 for rental and 305 for ownership – at a total cost of \$5.8 million.

### Tax Exemptions

Tax Exemptions also apply for the creation of new dwelling units, only. Renovations of existing residential units are not eligible. Affordable Housing units are confirmed, on an annual basis for five years, to be at or below the Maximum Rental Rates and rented to households that meet Maximum Income Thresholds (currently up to \$78,400, depending of family size).

Available Tax Exemptions vary, depending on three factors:

- ✓ Geographic Area,
- ✓ Proposed Tenure Type (rental or ownership),
- ✓ Target Income (Market or Affordable).

**Market ownership** is the most limited, now only available for new units in the City Centre area for 3 years at a 100% tax exemption level.

For new **Market rental or Below Market (rental or ownership)** units, tax exemptions are available throughout all areas of the City for 5 years at a 100% tax exemption level.

For new **Secondary Suites, Laneway and Garden Suites**, tax exemptions are available throughout all areas of the City for 5 years at a 25% tax exemption level.

Over the past three years, 1,727 units have qualified for the Tax Exemption program, with a projected \$6.5 million in tax revenue foregone. However, the City estimates that these new units will generate \$1.2 million in tax revenue annually, going forward.

### City of Saskatoon Programs

The strong interest in Housing by the City of Saskatoon initiated in 2008, with a significant number of requests from Council for new research and policy options. Between 2008 and 2012, almost \$15 million was investing in housing programs. The current suite of programs has mostly been in place since 2013. Most of the programs are targeted at affordable housing. Of the Housing incentive programs offered by the City, several operate in combination with provincial initiatives.

The City of Saskatoon's housing programs are summarized below, with detailed information in Attachment 2, Saskatoon's Housing Business Plan.

### **Mortgage Flexibilities Support Program**

The Mortgage Flexibilities Support Program provides a 5% down payment grant and mortgage insurance flexibilities to finance the purchase of a new home for households with low to moderate incomes up to \$78,400 (depending of family size).

Builders are encouraged to contribute up to 3% towards the cost of the down payment grants, with the City and Province of Saskatchewan each contributing 1%. This has been the standard funding formula since 2012. Over the past eight years, about 85 units per year have been developed under this program.

### **New Rental Construction Land Cost Rebate Program (in partnership with Sask. Housing Corp)**

The program was developed to encourage the construction of new market rentals. Incentives offered:

- Up to \$5,000 per unit capital grant,
- Five year incremental property tax abatement,

With program requirements:

- Multiunit construction,
- Units must remain on the rental market for 15 years.

Over 1,000 units have been approved for development through this program between 2013 and 2016.

### **Capital Funding & Property Tax Abatement**

Eligible affordable housing projects may receive funding assistance of:

- a cash grant of 10% of the total project costs, and
- a 5-year abatement of the incremental increase in property taxes (non-profits).

The 10% Capital Grant has specific maximum values per unit, depending on unit type, e.g. up to \$25,000 for units with three+ bedrooms; up to \$17,000 for one bedroom/bachelor units; and up to \$12,000 per unit for renovation of market apartments. With significant activity in the program, the City has paid out roughly \$4.5 million in Capital Grants to projects, from 2013 to 2015.

### **Land Pre-Designation Program**

- sites in new City-owned neighbourhoods, which can be provided at a low price, are identified and made available to housing providers for affordable ownership through an RFP process.  
*Note: Saskatoon is the only municipality that still operates a residential land banking program.*

### **New Zoning District for Entry-Level and Affordable Housing**

- a new zoning district, which includes provisions for higher density to reduce costs per unit, has been created specifically for entry-level and affordable housing.

### **Direct Sale of City-owned Land for Affordable Housing Projects**

- City-owned land may be sold directly to non-profit housing providers for specific affordable housing projects.

### **Priority Review of Approved Affordable Housing Projects**

- a priority review process is used on permit applications for affordable housing projects approved under most incentive programs.

### **Vacant Lot & Adaptive Re-Use Incentive Program**

- the program encourages development on existing vacant or brownfield sites, and the reuse of vacant buildings in established areas of the city, including the Downtown, by providing financial and/or tax based incentives to owners of eligible properties.

### Concluding Comments

Both cities have staff dedicated to the managing and reviewing their housing incentives programs, with incentives budgets in the range of \$2.0 to 2.5 million per year. Both cities actively monitor performance and adjust their programs, as required:

- ✓ Regina has refocused its program on below-market rental housing in the City Centre, to support its intensification objective of 10,000 new residents in that area;
- ✓ Saskatoon has met its purpose-built rental target (Land Cost Rebate Program) target of 1,000 units, with its 2016 approvals.

A few of the key differences between the housing incentives offered by Regina and Saskatoon:

- Regina has **different incentive levels for different areas** within the City to allow variation to match economic conditions/barriers; except for the New Zoning District program, Saskatoon incentives are relatively consistent city-wide;
- Regina's **tax exemptions** apply to the **entire assessment**; the Saskatoon exemptions apply the incremental value of the **new construction**.

A few "lessons learned" offered by Regina and Saskatoon staff:

- Regina staff has suggested that it is important to focus programs to specific areas and types of construction where there are economic gaps;
- Saskatoon staff has suggested that it is important to continuously monitor the local housing market and review the program annually and update the program offerings, as required. Both Saskatoon and Regina have updated their programs several times over the past five years.

### **FINANCIAL IMPLICATIONS**

There are no financial implications of this report.

### **COMMUNITY ENGAGEMENT**

No community engagement was required. Planning staff (overseeing the respective housing programs) of the City of Regina and the City of Saskatoon were consulted.

### **ATTACHMENTS**

Attachment 1 – City of Regina, Housing Incentives Policy, January 2016  
Attachment 2 – City of Saskatoon, Housing Business Plan, 2013 to 2022

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A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

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January 1, 2016



City of Regina

## Housing Incentives Policy

### 1. Purpose

The objectives of the incentives provided under this policy are:

- To support below market, affordable and accessible housing options.
- To stimulate below market and affordable rental housing development.
- To encourage housing development that makes efficient use of established City infrastructure and helps build vibrant, sustainable and inclusive neighbourhoods.
- To better aim the City's resources where there are gaps in the private market's ability to address housing needs, namely the needs of low-income households.
- To encourage diverse housing options including housing for distinct and special needs groups

### 2. Scope

Stakeholders involved with affordable, below market, accessible and rental housing including non-profit organizations, private developers and property owners.

### 3. Definitions

**Affordable Housing** – housing where the cost does not exceed 30 per cent of the household's gross income excluding costs for utilities, parking or other related expenses.

**Below Market Housing** - housing for individuals and families who are at or below the Maximum Income Thresholds. Below market rental developments are also defined as those that provide units that are at or below Maximum Rental Rates.

**Building Permit** – a building permit issued by the Building Standards Branch of the City of Regina.

**Condominium** – the land included in a condominium plan together with the buildings and units and the common property and common facilities belonging to them.

**City Assessor** – the City of Regina City Assessor or his or her designate.

**Dwelling Unit** – one or more rooms that may be used as a residence, each unit having sleeping, cooking and toilet facilities.

**Dwelling Unit, Detached** – a building that contains only one Dwelling Unit. Where a Secondary Suite is a Permitted Use in a zone, a detached Dwelling Unit may also contain a Secondary Suite subject to the regulations of *The Zoning Bylaw No. 9250* as amended from time to time.

**Dwelling Unit, Duplex** – a building divided horizontally into two Dwelling Units.

**Dwelling Unit, Semi-Detached** – a building divided vertically into two Dwelling Units. The configuration of the building can be either side to side Units or front to back Units.

**Dwelling Unit, Multi** – a building containing three or more Dwelling Units.

**Dwelling Unit, New** – a newly constructed Dwelling Unit within two years of issuance of a building permit.

**Dwelling Unit, Townhouse** – a building divided vertically by a common wall into three or more attached Dwelling Units each having a separate entrance at grade.

**Executive Director** – the Executive Director of the City Planning and Development Division, or his/her designate.

**Group Care Facility or Personal Care Home** – a supervised residential Dwelling Unit, licensed or approved under provincial statute, for the accommodation of persons, excluding staff, referred by hospitals, courts, government agencies or recognized social services agencies or health officials.

**Market Ownership Units** – Units constructed without requirements that purchasers meet Maximum Income Thresholds. These are Units offered in the open market to any buyer.

**Market Rental Units** – Units constructed without requirements for Maximum Rental Rates or Maximum Income Thresholds. These are Units offered in the open market to any tenant.

**Maximum Rental Rates** – as determined by the City of Regina calculated as 30 per cent of gross income using the provincial Saskatchewan Household Income Maximums (SHIM) for each unit size as determined by Saskatchewan Housing Corporation (SHC) and updated annually.

**Maximum Income Threshold (for Below Market/Affordable Rental Units)** – the maximum gross household income to determine eligibility for Affordable or Below Market Rental Units established by provincial Saskatchewan Household Income Maximums (SHIM) for each unit size by Saskatchewan Housing Corporation (SHC) and updated annually.

**Maximum Income Threshold (for Below Market/Affordable Ownership Units)** – the maximum gross household income to determine eligibility for Affordable or Below Market Ownership Units as determined by the City of Regina based on a percentage of median income, and with consideration of household net worth, to be updated annually.

**Non-profit Housing Provider** – a non-profit corporation incorporated pursuant to *The Non-profit Corporations Act, 1995*, whose primary mission is to deliver Affordable and Below Market Housing

**Occupancy Permit** – An Occupancy Permit issued by the City for the Unit or Units. May include a Temporary Occupancy Permit.

**Owner-Occupied Unit** – a Dwelling Unit where the registered owner of the property resides in the unit as their residence.

**Ownership Unit** – a dwelling constructed for intended sale to a purchaser as a principal place of residence including Condominium units.

**Private Sector Developer** – any developer or person that provides housing that does not fit within the definition of Non-profit Housing Provider

**Purpose-Built Rental Unit** – a rental unit that is designed and built for rental purposes and is not intended as an Ownership Unit. This includes semi-detached, duplex, tri-plex, four-plex, multi-unit and apartment buildings.

**Rental Unit** - a Dwelling Unit for rent or lease to a tenant as a principal place of residence.

**Secondary Rented Unit** – An Ownership Unit where the registered owner rents the Unit to a tenant or tenants who are not registered as owners on the property title. Secondary Rented Units are not Purpose-Built Rentals but intended as owner-occupied units or investor-owned properties and include condominiums and single family homes.

**Secondary Suite** – a subordinate, self-contained Dwelling Unit occupying no more than 40 percent of the total gross floor area of the building, including the area of the basement. A secondary suite may include a laneway Dwelling Unit or alternative secondary accessory Dwelling Unit as approved by Council.

#### 4. Transition Provisions

##### *Tax Incentives*

Applications for Tax Exemption will be considered under the following terms:

- a) For applications with a Building Permit issued after October 31, 2015 the exemption will be based on this policy.
- b) For applications with a Building Permit issued between November 1, 2013 and October 31, 2015, the exemption will be based on the 2014 Housing Incentives Policy approved September 22, 2014.
- c) As per the 2014 Housing Incentives Policy, applications for tax exemption grandfathered under the 2012 Housing Incentives Policy had until October 31, 2015 for completion and Occupancy Permit. After this date, no exemption shall be provided for grandfathered units issued a Building Permit on or before October 31, 2013.

##### *Capital Incentives*

All applications for capital incentives received and conditionally approved up to and including October 31, 2015, will be considered under the 2014 Housing Incentives Policy approved September 22, 2014. Applications for developments approved after October 31, 2015 will be considered under this policy.



## 5. Tax Exemption Program Areas

Program Areas for all housing incentives are provided in the map in **Appendix A** of this policy. Detailed maps of Areas 1 and 2 can be found in **Appendix D**. The percentages and terms of each tax exemption can be found in **Table 5.1** below and are summarized in **Appendix C**.

**Table 5.1 – Tax Exemption by Program Area**

Unit type	Area 1 – City Centre	Area 2 – Inner City & Established Neighbourhoods	Area 3 – Developed and New Areas
Market Rental Unit development	5 Years, 100%	5 Years, 100%	5 Years, 100% <sup>1</sup>
Market Ownership Unit development	3 years, 100% <sup>2</sup>	none	none
Below Market/Affordable Housing Rental development <i>(Unit must be eligible for capital grant)</i>	5 Years, 100%	5 Years, 100%	5 Years, 100%
Below Market/Affordable Ownership development <i>(Unit must be eligible for a capital grant)</i>	5 Years, 100%	5 Years, 100%	5 Years, 100%
Detached Dwelling Unit with a Secondary Suite	5 years, 25%	5 years, 25%	5 years, 25% <sup>1</sup>
Laneway or Garden Suite	5 years, 25% <sup>3</sup>	5 years, 25% <sup>3</sup>	5 years, 25% <sup>3</sup>

## 6. Eligibility and Requirements for Tax Exemptions

Amount of tax incentive (percentage) and period of time for tax incentive as per Program Areas are noted in **Table 5.1** and correspond to the areas in **Map 1, Appendix A**. Additional requirements are as follows:

### 6.1 General Eligibility

- a) Tax Incentives are available for the creation of New Dwelling Units exclusively. Developments may be new construction or conversion of an existing non-residential building for New Dwelling Units, or for expansion of existing residential construction that results in new residential units.

<sup>1</sup> Expires October 31, 2016; no exemptions will be offered for Building Permits issued after this date.

<sup>2</sup> Eligible market ownership developments must be a four-unit building or more.

<sup>3</sup> Council approved pilot projects for laneway suite, garden suite or alternative secondary accessory Dwelling Unit only. 25 per cent exemption on entire property represents approximate value of the suite.

- b) Eligible Rental Units must be Purpose Built Rental Units. Secondary Rented Units are not eligible for tax incentives in that an Ownership Unit (Condominium or House) rented to tenants as a Rental Unit is not eligible for incentives under this policy.
- c) Eligible Market Rental Units must be in a two-unit building or more in Areas 1 and 2 in an R2 zone or higher as defined in Zoning By-law No. 9250, and a four-unit building or more in Area 3.
- d) Tax exemptions for Market Rental Units and Secondary Suites in Area 3 will expire after October 31, 2016. Applications with a valid Development or Building Permit must be submitted on or before this date. Exemptions will not be offered for developments with Building Permits issued after this date. After this date, only Affordable Rental Units in Area 3 that qualify for a capital grant under Section 7 of this Policy to be eligible for a five year, 100 per cent exemption.
- e) With the exception of renovations to create a Secondary Suite pursuant to clause f), renovations of existing residential units will not be eligible for tax incentives.
- f) For tax exemptions for a Secondary Suite, the suite must be a new suite in a newly constructed Detached Dwelling Unit or the addition of a new Secondary Suite within an existing Detached Dwelling Unit (renovation must create a suite where one did not previously exist). A Laneway Dwelling Unit or alternative secondary accessory Dwelling Unit may qualify if approved by Council as part of a pilot project.
- g) Secondary Suites must be rented for the full term of the exemption and are subject to the same eligibility requirements as other Rental Units within the Housing Incentives Policy.
- h) A two-unit building in an R1 or R1A in Regina Zoning By-law No. 9250, as amended, is eligible for a 25 per cent Secondary Suite exemption regardless of whether both units are rented and may not qualify for 100 per cent exemption as a two-unit rental building since a Duplex and Semi-Detached building are not permitted in an R1 or R1A zone.
- i) Ownership Units must qualify for capital grants under Section 7 of this Policy in order to be eligible for a five year, 100 per cent tax exemption as Below Market/Affordable Ownership Units.
- j) Group Care Facilities or Personal Care Homes are not eligible for assistance under this policy.
- k) Incentives are not provided where a designated heritage building has been demolished.
- l) Ownership Units owned or held by Private Sector Developers are not eligible to receive tax exemptions unless the following conditions are met: 1) the Ownership Units must be sold to individuals and then the individuals are provided with the exemption; 2) the Ownership Units must be occupied by the individual or individuals listed on the certificate of title as the owners; and 3) the Unit must be the owner's primary residence.

- m) For a mixed-use, residential-commercial development, only the residential portion of the development is eligible based on the exemptions for residential Units outlined in **Table 5.1**.
- n) The City Assessor shall conclusively determine the portion of the development and individual residential Units to be exempted including calculation of any percentage or proportion and the determination of any use or cost.
- o) To be eligible, Units must comply with all applicable laws and policies.
- p) Properties that have taxes or other charges past due to the City of Regina are not eligible for support under this policy. Properties are not eligible if taxes or other charges are owed to the City of Regina by the applicant. Taxes and other charges must be paid during the construction phase. Also, local improvement charges and non-exempt portion of levies and other charges to tax accounts must be paid in the year due to remain in good standing.
- q) Where a development is also eligible for tax exemption under the City's Municipal Incentive for the Preservation of Heritage Properties (MIPPHP) program, the full benefit under both policies may be provided. Exemption under the Heritage Incentives Policy will be provided first unless otherwise approved by the Executive Director. MIPPHP is a separate policy document and must be applied for concurrent with application for Housing Incentives.
- r) Tax incentives provided under this policy may be eligible to stack programs and incentives through Provincial and Federal governments.
- s) Below Market/Affordable Housing Ownership and Rental Units in all Areas may be eligible for capital incentives under the Housing Incentives Policy as per Section 7.

## 6.2 Tax Exemption Application Requirements

- a) To be eligible, applications must be made while development is underway with a valid Development or Building Permit and will not be accepted retroactively once development is complete and Occupancy Permit has been issued. Relaxation of this requirement is at the discretion of the Executive Director.
- b) Developments of four units or more should consider the Development Design Criteria, **Appendix B** in this policy.

## 6.3 Tax Exemption and Reporting Requirements

- a) Dwelling Units must obtain a final Occupancy Permit before the tax exemption is applied. For a new Secondary Suite in an existing building, a Letter of Completion will serve the purpose of a final Occupancy Permit.
- b) The tax exemption for the development will begin on January 1 of the year following the approval of the application for tax incentives. The date for commencing the exemption for the development may be deferred for one year at the sole discretion of the Executive Director.

- c) Market Rental Units must remain rental for ten years and shall not be eligible for conversion to Condominiums during this time.
- d) For Rental Units, tax exemptions may be transferred to a new owner under the same terms and conditions as the approved exemption and subject to the new owner entering into an assignment agreement.
- e) For Ownership Units, tax incentives are non-transferable except in Area 1.
- f) Units or developments that cease to meet the eligibility criteria in this policy and the conditions of the exemption agreement for the development shall be fully taxable in the year in which the breach of conditions occurs and in all subsequent years. In addition, the tax exemption may be revoked for a Unit receiving a capital grant in any year in which the terms of the capital grant have not been met.

## 7. Capital Grant Incentives Program

A capital contribution may be provided from the Social Development Reserve for housing developments that meet the policy criteria as outlined below. Capital contributions described in this policy will be considered on a case-by-case basis.

Program areas for all housing incentives are provided in the map in **Appendix A** of this policy. Detailed maps of Areas 1 and 2 can be found in **Appendix D**. The amount of capital grant can be found in **Table 7.1** below and is summarized in **Appendix C**.

**Table 7.1 – Capital Grants by Program Area**

Unit Type	Area 1 – City Centre	Area 2 – Inner City & Established Neighbourhoods	Area 3 – New and Developed Area
Below Market/Affordable Housing <u>Rental</u> development <sup>1</sup>  <i>Maximum Rental Rate and Maximum Income Threshold qualifications apply.</i>	\$20,000 per unit  \$25,000 per unit for units with 3 Bedrooms or more	\$20,000 per unit  \$25,000 per unit for units with 3 Bedrooms or more	<u>Non-profits:</u> \$20,000 per unit  \$25,000 per unit for units with 3 Bedrooms or more  <u>Private developers:</u> \$10,000 per unit. \$15,000 per unit for 3 BR or more
Below Market/Affordable Housing <u>Ownership</u> development <sup>2 3</sup>  <i>Maximum Income Threshold qualifications apply.</i>	\$10,000 per unit  \$15,000 per unit for units with 3 Bedrooms or more	\$10,000 per unit  \$15,000 per unit for units with 3 Bedrooms or more	\$10,000 per unit  \$15,000 per unit for units with 3 Bedrooms or more

<sup>1</sup> Two-unit building minimum for non-profits; four-unit building minimum for Private Sector Developers.

<sup>2</sup> Grants for ownership units for Private Sector Developers will only be provided if funding remains.

<sup>3</sup> No unit minimum for non-profits; four-unit building minimum for Private Sector Developers.

## 8. Eligibility and Requirements for Capital Grants

### 8.1 General Eligibility

- a) Residential units in all Areas from the Map 1, **Appendix A** of this policy are eligible for capital incentives subject to the grant amount and requirements in **Table 7.1**
- b) Capital grants apply for the creation of new Dwelling Units exclusively. Renovations of existing residential units will not be eligible.
- c) Eligible Affordable/Below Market Housing Dwelling Units and building types include:
  - 1. For newly constructed Purpose Built Rental Units, see section 8. 1. d), 8.1 e) and 8. 1. h) for rental rate and income requirements and **Table 7.1** for grant amount and building unit minimums.
  - 2. For newly constructed Ownership Units, see section 8. 1. f), 8. 1. g) and 8. 1. h) for requirements and **Table 7.1** for grant amount and building unit minimums.
  - 3. Rental or Ownership Units created through the conversion of a non-residential building. See sections 8. 1. d), 8.1.e), 8. 1. f) 8.1. g) and 8.1 h) for requirements and **Table 7.1** for grant amount and building unit minimums.
- d) Eligible Below Market/Affordable Housing Purpose Built Rental developments are those that provide Dwelling Units to individuals or families whose income is at or below the Maximum Income Threshold requirements and offered at rental rates that are at or below the Maximum Rental Rate requirements for five years or more.
- e) Below Market/Affordable Housing Purpose Built Rental developments must be a two-unit building or more for Non-profit Housing Providers and a four-unit building or more for Private Sector Developers.
- f) Eligible Below Market/Affordable Housing Ownership Units are those sold to purchasers who are individuals or families who are at or below the Maximum Income Threshold and where the capital grant is transferred to the purchaser. The purchaser cannot currently own a residential property other than the property that is subject to the grant.
- g) For Below Market/Affordable Housing Ownership Units there is no Unit minimum for Non-profits Housing Providers and a four-unit building minimum for Private Sector Developers.
- h) Non-profits and Private Sector Developers are eligible. However, the following limits apply:
  - 1. Priority will be given to the Non-profit housing developments. Non-profit Housing Providers can apply for capital incentives up to a maximum of 80 grants total per calendar year (January-December). Relaxation of this requirement is at the discretion of the Executive Director.

2. Private Sector Developers can apply for capital incentives up to a maximum of 40 grants total per calendar year (January-December). Relaxation of this requirement is at the discretion of the Executive Director.
  - i) Group Care Facilities and Personal Care Homes are not eligible for capital incentives.
  - j) Secondary Rented Units are not eligible for capital incentives
  - k) Secondary Suites are not eligible for capital incentives including a laneway Dwelling Unit or alternative secondary accessory Dwelling Unit.
  - l) Capital incentives may be provided in addition to or in lieu of property, tax exemption or other in-kind assistance.
  - g) Where a person owes taxes or other charges to the City on any properties owned by that person, that person is not eligible to receive capital grant incentives under this Policy. In addition, where a person has received a capital grant incentive and has subsequently failed to pay taxes or other charges owing to the City, any tax exemptions that person is receiving shall be revoked.
  - m) Incentives are not provided where a designated heritage building has been demolished.
  - n) To be eligible, Units must comply with all applicable laws and policies.
  - o) Capital incentives may be used in conjunction with Provincial and Federal programs with the exception of the provincial Capital Rental Subsidy program and any future provincial programs that duplicate the City's capital grants program as determined by the Executive Director. At the discretion of the Executive Director, exception may be made for Non-profit Housing Providers who can ensure long-term affordability of Units.

## 8.2 Capital Grant Application Requirements:

- a) To be eligible, applications must be made while development is underway with a valid Development or Building Permit and will not be accepted retroactively once development is complete and Occupancy Permit has been issued. Relaxation of this requirement is at the discretion of the Executive Director.
- b) Projects of four units or more must address the Development and Design Criteria Scorecard, **Appendix B** in this policy to qualify for the Below Market/Affordable Capital Housing Incentives.
- c) Applications submitted by Non-profit Housing Organizations may be submitted any time between January 1 to October 31 to be considered that year and will be evaluated on a first-come, first serve basis.
- d) Applications submitted by Private Sector Developers must be submitted and deemed complete by Administration before November 1 to be considered for incentives that year. All Applications received will be evaluated and prioritized using the Development and Design Criteria Scorecard found in **Appendix B**.

- e) Prioritization of funding will be based on Scorecard results with Non-profits given prioritization for funding until October 31 of each year. Private Sector Developer applications will be considered and prioritized based on Development and Design Criteria Scorecard found in **Appendix B** starting November 1 of each year and based on available funding.

### 8.3 Disbursement and Reporting Requirements:

- a) Capital incentives will be awarded after a final Occupancy Permit is issued and the requirements for affordability are met. Temporary Occupancy Permits will only be considered for phased projects.
- b) Capital grants for all units in a development will be dispersed in one payment upon completion.
- c) For Below Market/Affordable Housing Rental Units, Maximum Rental Rates and Maximum Income Thresholds will be confirmed on an annual basis for five years through an affidavit stating that all units in the development are at or below the Maximum Rental Rates and rented to households that meet Maximum Income Thresholds as established by the City of Regina and updated annually. Maximum Income Thresholds must be confirmed for any new tenant.
- d) Below Market/Affordable Housing Rental Units must remain rental for a minimum of 15 years after the issuance of the Occupancy Permit and shall not be eligible for conversion to Condominiums during this time.
- e) For Below Market/Affordable Housing Ownership Units, affordability will be confirmed through affidavit stating that purchaser of the unit has a household income at or below the Maximum Income Threshold.
- f) Capital grants may be transferred to new owner where grant payment has not yet been issued provided a new owner enters into a new legal agreement with the City of Regina and meets all requirements of the capital grant.

## 9. Development and Design Criteria

Developments of four units or more including single buildings, planned group developments and multi-unit housing forms must complete a Score Card (**Appendix B**) and submit it with an application for Capital Incentives. Applications for Tax Exemption are asked to consider the Design and Development Criteria. Criteria in the Score Card are drawn from the Design and Development Criteria of the 2013 Housing Incentives Policy as well as relevant policies of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*. In addition, redeveloped school sites are subject to the "School Site Re-Use Guidelines" (Appendix B of the *OCP*).

Prioritization of funding will be based on Scorecard results with Non-profit Housing Providers receiving first priority until October 31 of each year. Should applications exceed allocated funds Scorecard criteria will be used to evaluate applications for existing funding. Applications may be denied at the discretion of the Executive Director.

For conversions of non-residential buildings, ground floor commercial development must be retained in multi-floor buildings. Renovation must also endeavour to preserve important historic features of the building. Relaxation of these requirements is at the discretion of the Executive Director based on substantial, undue hardship.

## **10. Roles & Responsibilities**

The Executive Director in his or her sole discretion conclusively determines compliance with the eligibility criteria for tax and capital incentives under this policy. The Executive Director is authorized to approve any capital contribution agreements entered into pursuant to this Policy.

The maximum yearly expenditure from the Social Development Reserve shall be two million five hundred thousand dollars.

Amendments to the Housing Incentives Policy made from time to time require approval by City Council.

## **11. Authority**

Subsection 262(4) of *The Cities Act* provides authority for City Council by bylaw to enter into an agreement subject to any terms and additions the Council may specify for the purposes of exempting land from taxation for a period of not more than five years.

## **12. Related Forms – Tax and Capital Incentives**

An application should be made by completing one of the following application forms:

*Housing Incentives Policy: Tax Incentives Application for Market Rental and Ownership*

*Housing Incentives Policy: Secondary/Laneway Suite*

*Housing Incentives Policy: Tax Incentives Application for Affordable Ownership Units*

*Housing Incentives Policy: Tax Incentives Application for Affordable Rental Units*

*Housing Incentives Policy: Capital Incentives Application*

## **13. Reference Material**

This policy supports objectives and policies established by Council through *Design Regina: The Official Community Plan Bylaw No.2013-48 (OCP)* including inner-city revitalization, growth management and economic development, below market and special needs housing, compatible infill, and cost effective, sustainable development.

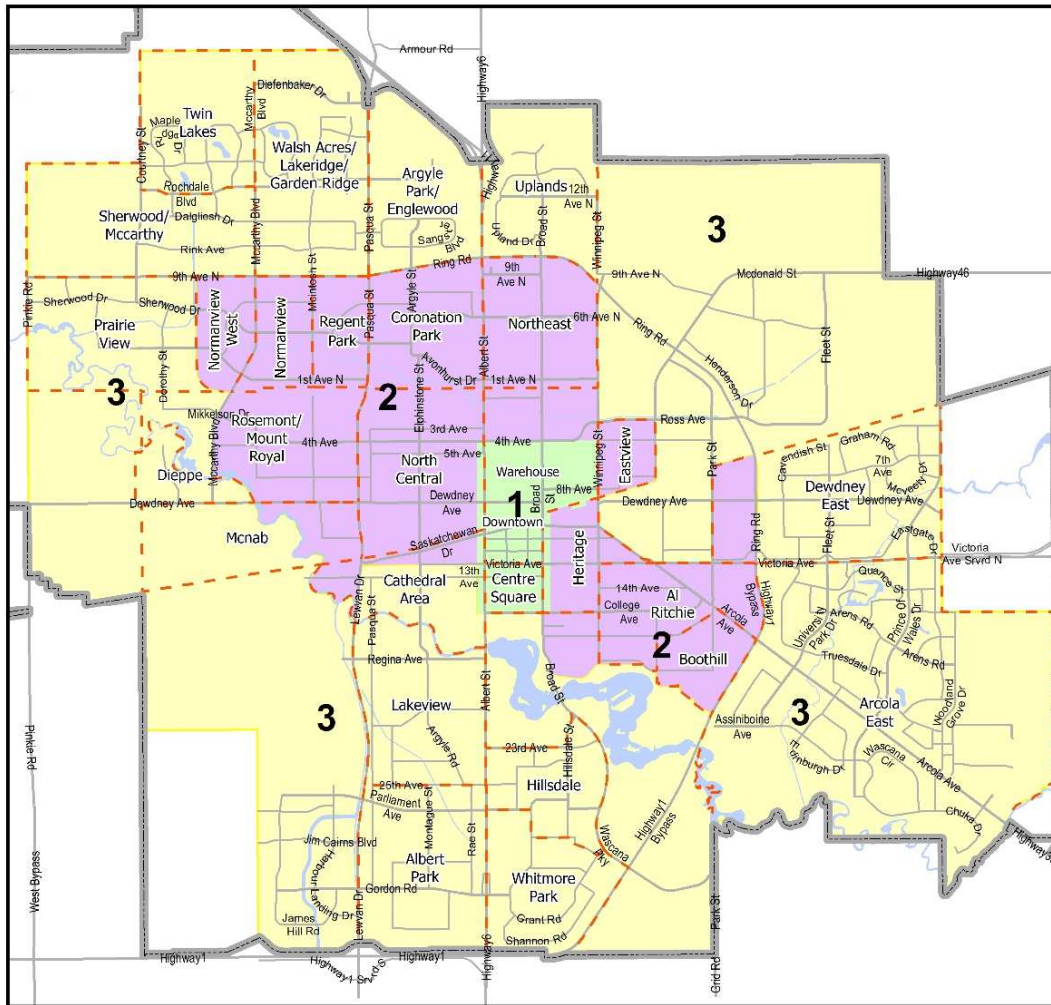
The City of Regina acknowledges a Consultant's Final Report, *The Comprehensive Housing Strategy*, submitted to the City of Regina in February 2013 and its recommendations regarding revisions to the Housing Incentives Policy.



Map 1 – Program Areas

Program areas identified on this map dictate eligibility for tax exemptions and capital grants. Detailed maps for Area 1 and Area 2 are included in **Appendix D**.

### Housing Incentives Program Areas



**Legend**

- City Limits
- Community Association Border

**Program Areas**

- 1 - City Centre
- 2 - Inner City & Established Neighbourhoods
- 3 - Developed & New Areas



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## APPENDIX B

### Score Card - Design and Development Criteria

Developments of **four units or more** including single buildings, planned group developments and multi-dwelling housing forms **must complete this Score Card and submit it with an application for Capital Incentives**. Criteria are drawn from the Design and Development Criteria of the *Housing Incentives Policy* (November 2013) as well as relevant policies of *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)*. In addition, redeveloped school sites are subject to the "School Site Re-Use Guidelines" (Appendix B of the OCP). Prioritization of funding will be based on Scorecard results with Non-profits Housing Providers receiving first priority until October 31 of each year. Should applications exceed allocated funds Scorecard criteria will be used to evaluate applications for existing funding. For each criteria, partial credit cannot be applied unless specified within the criteria. Applicants may be asked for further information or documentation to prove that they meet the requirements set out below. While the applicant is asked to fill out and submit this form with its application, the final evaluation and determination of the points for each category shall be conclusively determined by the Executive Director.

DEVELOPMENT FEATURES		POTENTIAL POINTS	EARNED POINTS <sup>1</sup>
<b>Housing Needs</b>	50% of units are either: 1) Modest housing (units equal to or less than 500 Square Feet) or 2) Large units for families (3 BR or more). 50% of units must be either unit type to receive points.	5	
	Needs based accommodation. 15 points are assessed for developments that target any of the following populations: Aboriginals, At-risk youth, persons with specific needs, or seniors.	15	
	Accessible, barrier free design principles (wheelchair accessible buildings, units and bathrooms) of 10% or more of units (5% is required for multi-unit rental as per <i>The Uniform Building and Accessibility Standards Regulations</i> )	10	
	Below Market Rental Housing development	10	
	On-site support service included (e.g.: counselling, day care) <sup>2</sup>	5	
<b>Building and Urban Design Elements</b>	<b>Street level activity/pedestrian comfort/safety:</b> two points if <u>one</u> of the following is met: a) porches or programmed amenity space (e.g. benches, play equipment, bike racks, etc.); b) there is interface with the street such as low or no fences; c) ground floor commercial development has been included or retained in mixed-use building	3	
	<b>Façade design:</b> Building design includes variation in massing, materials or colour and avoids use of blank walls that are visually prominent. <sup>3</sup>	3	
	<b>Open site design:</b> three points will be earned if either is met: a) there is continuity of the existing street and lane grid; b) the development's front facades do not turn back on adjacent houses, street or other buildings	3	

	<b>Active/weather-compatible amenity space and landscaping:</b> one point if either of the following is met: a) 15% or more amenity space (minimum of 10% required as per <i>Zoning Bylaw No. 9250</i> ) for 20 or more units (includes amenities for children, families, seniors, etc.); b) landscape improvements in excess of minimum requirements (significant addition or conservation of trees, hedges, bushes, shrubs)	1	
	Construction uses and skill development and training initiatives recognized by the Saskatchewan Apprenticeship and Trade Certification Commission or under a Ministry of Economy Labour Market Development Program	4	
<b>Parking Facilities</b>	Parking/vehicular access is by the rear lane. Where no rear lane exists, the any front yard parking is screened by the residential buildings or landscaping.	1	
	Enclosed or covered bicycle parking in excess of 10% of units (5% is required for multi-unit as per City of <i>Regina Zoning Bylaw No. 9250</i> )	1	
	On-site Car Share or Bicycle Share for tenants <sup>4</sup>	3	
<b>Adaptive Re-use/Infill</b>	Building Adaptive Re-use for conversion of a non-residential building to residential use	2	
	Infill on a previously developed vacant or brownfield site in an established residential or mixed-use neighbourhood.	5	
<b>Complete Neighbourhoods</b>	Access to nearby public transit (within 400 m of a transit stop) <sup>5 6</sup>	5	
	Access to nearby licensed child care (within 1000 m of licenced child care centre) <sup>6</sup>	5	
	Access to nearby employment opportunities or shopping facilities (within 1000 m of commercial district) <sup>6</sup>	5	
	Access to nearby green public space (within 500 m to a public park) <sup>6</sup>	2	
	Access to nearby leisure facilities (within 1000 m of a public leisure centre) <sup>6</sup>	2	
	Access to nearby schools (within 500 m of an elementary, secondary or high school) <sup>6</sup>	2	
<b>Sustainable Design</b>	On-site renewable energy generation	1	
	One point is earned for outdoor landscaping or irrigation systems that meet one of the following requirements: (a) an irrigation system that uses grey water (b) an irrigation system equivalent for water capture, storage and reuse; or (c) permeable pavement	1	
	LEED certified or LEED shadow building <sup>7</sup>	5	
	Green roof or passive solar design	1	
<b>TOTALS</b>		100	
<b>MINIMUM TO QUALIFY FOR CAPITAL INCENTIVES</b>		30	
<b>CITY EVALUATION</b>		completed by staff	

<sup>1</sup> Partial points are not permitted unless otherwise noted. In other words, in each category if the applicant meets that requirement they are assessed the full number of potential points for that item. So for example if the development targets Aboriginal residents the development would get the full 15 points. It is not necessary for the development to target all needs based accommodation listed in order to get the full 15 points.

<sup>2</sup> If unsure of whether a proposal satisfies the criteria contact Neighbourhood Planning staff.

<sup>3</sup> Administration may require that the Applicant provide a written brief describing how the façade has been designed to meet this criteria.

<sup>4</sup> For a car share, an agreement with Regina Care Share or equivalent is required; for a bike share program documents including a program description, membership requirements and other operational details are necessary to receive points.

<sup>5</sup> Project is eligible if the subject property is within 400m of a planned transit stop in an approved Concept Plan.

<sup>6</sup> Based on the travel distance of a pedestrian using existing sidewalks or public pathways.

<sup>7</sup> LEED certification or LEED shadow documentation required to confirm.

## APPENDIX C

### Summary of Housing Incentives by Area

#### Area 1 – Tax Exemption

Unit Type	Tax exemption
Market Rental Unit developments: <ul style="list-style-type: none"> <li>• 2-unit building minimum</li> <li>• Located in an R2 zone or higher</li> </ul>	5 years, 100%
Market Ownership Unit developments: <ul style="list-style-type: none"> <li>• 4-unit building minimum</li> </ul>	3 years, 100%
Laneway housing or garden suite <ul style="list-style-type: none"> <li>• Council approved pilot projects only</li> </ul>	5 years, 25%
Secondary Suite <ul style="list-style-type: none"> <li>• Secondary Suite added to a new or existing house</li> <li>• Includes a 2-unit rental in an R1 or R1A zone</li> </ul>	5 years, 25%
Affordable Housing rental developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify</li> </ul>	5 years, 100%
Affordable Housing ownership developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify</li> </ul>	5 years, 100%

#### Area 1 – Capital Grants

Unit Type	Capital Grant
Affordable rental developments <ul style="list-style-type: none"> <li>• 2-unit building minimum for Non-profit Housing Providers</li> <li>• 4-unit building minimum for Private Sector Developers</li> <li>• Units must be in an R2 zone or higher</li> <li>• Maximum Rental Rates and Income Thresholds apply</li> </ul>	\$20,000/unit  \$25,000 for 3 Bedrooms or more
Affordable ownership developments <ul style="list-style-type: none"> <li>• No unit minimum for non-profits</li> <li>• 4-unit building minimum for private developers</li> <li>• Maximum Income Thresholds apply</li> <li>• <i>Grants for Ownership Units for Private Sector Developers will only be provided if funding remains.</i></li> </ul>	\$10,000/unit  \$15,000 for 3 Bedrooms or more

## Area 2 – Tax Exemption

Unit Type	Tax exemption
Market Rental Unit development <ul style="list-style-type: none"> <li>• 2-unit building minimum</li> <li>• Unit must be in an R2 zone or higher</li> </ul>	5 years, 100%
Market Ownership Unit development	None
Laneway housing or garden suite <ul style="list-style-type: none"> <li>• Council approved pilot projects only</li> </ul>	5 years, 25%
Secondary Suite <ul style="list-style-type: none"> <li>• Suite added to a new or existing house</li> <li>• Includes a 2-unit rental in an R1 or R1A</li> </ul>	5 years, 25%
Below Market/Affordable Housing rental developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify</li> </ul>	5 years, 100%
Below Market/Affordable Housing ownership developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify</li> </ul>	5 years, 100%

## Area 2 – Capital Grants

Unit Type	Capital Grant
Below Market/Affordable Housing rental developments <ul style="list-style-type: none"> <li>• 2-unit building minimum for Non-profit Housing Providers</li> <li>• 4-unit building minimum for Private Sector Developers</li> <li>• Unit must be in an R2 zone or higher</li> <li>• Maximum Rental Rates and Income Thresholds apply</li> </ul>	\$20,000/unit  \$25,000 for 3 Bedrooms or more
Below market/Affordable ownership developments <ul style="list-style-type: none"> <li>• No unit minimum for Non-profit Housing Providers</li> <li>• 4-unit building minimum for Private Sector Developers</li> <li>• Maximum Income Thresholds apply</li> <li>• <i>Grants for ownership units for Private Sector Developers will only be provided if funding remains.</i></li> </ul>	\$10,000/unit  \$15,000 for 3 Bedrooms or more

### Area 3 – Tax Exemption

Unit Type	Tax exemption (new)
Market Rental Unit developments <ul style="list-style-type: none"> <li>• 4-unit building minimum</li> <li>• <i>Expires October 31, 2016. No exemptions for Building Permits issued after Oct 31, 2016.</i></li> </ul>	5 years, 100%
Market Ownership Unit developments	None
Laneway housing or garden suite <ul style="list-style-type: none"> <li>• Council approved pilot projects only</li> </ul>	5 years, 25%
Secondary Suite to a new or existing house <ul style="list-style-type: none"> <li>• Suite added to a new or existing house</li> <li>• Includes a 2-unit rental in an R1 or R1A</li> <li>• <i>Expires October 31, 2016. No exemptions for Building Permits issued after Oct 31, 2016.</i></li> </ul>	5 years, 25%
Below Market/Affordable Housing rental developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify.</li> </ul>	5 years, 100%
Below Market/Affordable Housing ownership developments <ul style="list-style-type: none"> <li>• Units must be eligible for capital grants to qualify.</li> </ul>	5 years, 100%

### Area 3 – Capital Grants

Unit Type	Capital Grant
Below Market/Affordable Housing rental developments <ul style="list-style-type: none"> <li>• 2-unit building minimum for Non-profit Housing Provider</li> <li>• 4-unit building minimum for Private Sector Developers</li> <li>• Units must be in an R2 zone or higher</li> <li>• Maximum Rental Rates and Income Thresholds apply</li> </ul>	\$20,000/unit; \$25,000 for 3 Bedrooms or more for Non-Profit Housing Provider;  \$10,000 for Private Sector Developers; \$15,000 for 3 Bedrooms or more
Below Market/Affordable Housing ownership developments <ul style="list-style-type: none"> <li>• No unit minimum for Non-profit Housing Providers</li> <li>• 4-unit building minimum for Private Sector Developers</li> <li>• Maximum Income Thresholds apply</li> <li>• <i>Grants for ownership units for Private Sector Developers will only be provided if funding remains.</i></li> </ul>	\$10,000/unit  \$15,000 for 3 Bedrooms or more

**Additional eligibility requirements:**

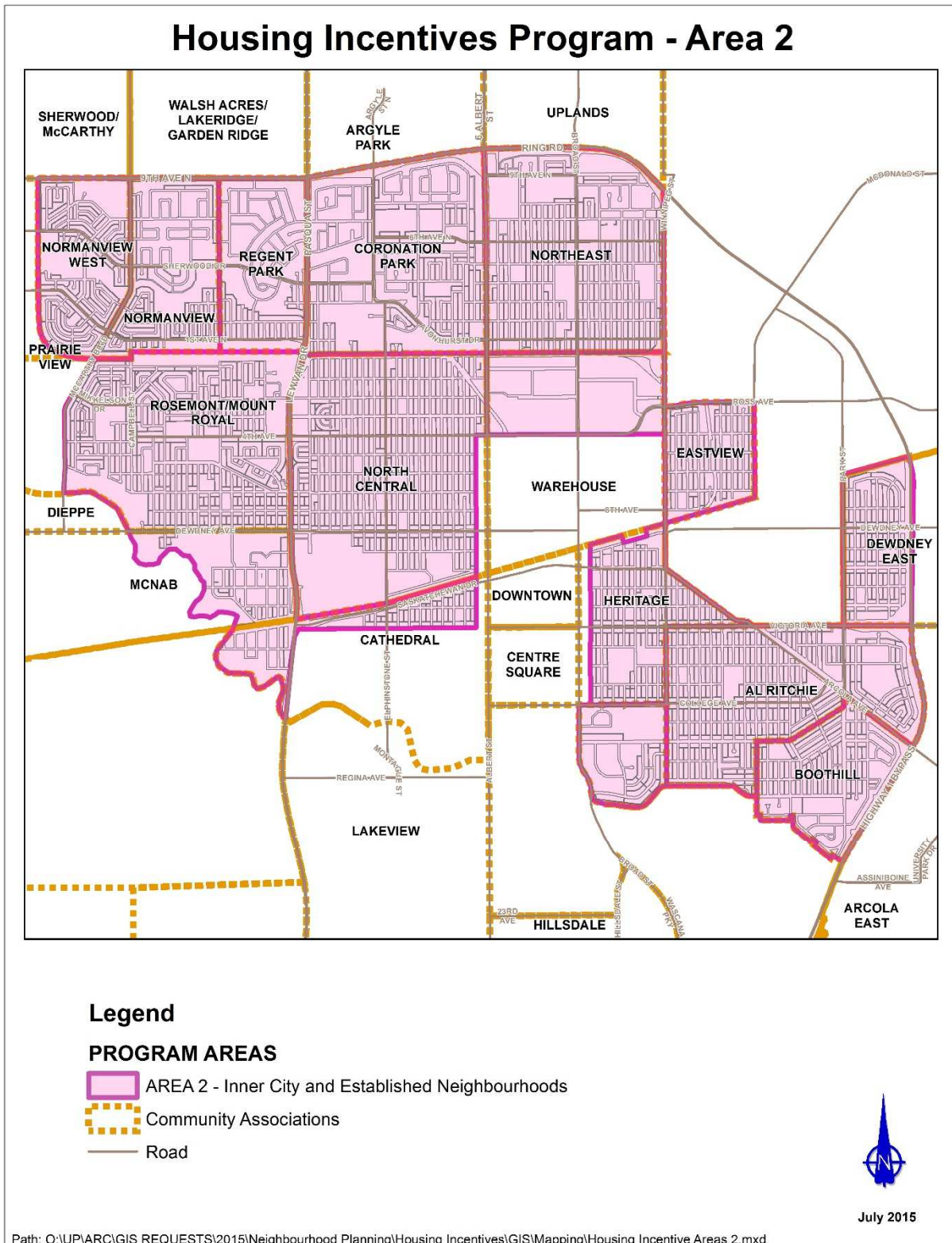
1. Non-profit Housing Providers will be limited to 80 grants per calendar year total (January-December). Private Sector Developers can apply for capital incentives up to a maximum of 40 grants per calendar year total (January-December). Relaxation of this requirement is at the discretion of the Executive Director.
2. All developments of four units or more are required to complete the Development and Design Criteria Scorecard in **Appendix B**. Prioritization of funding will be based on Scorecard results.
3. Priority will be given to the Non-profit Housing developments. Once funding has been allocated to eligible Non-profit Housing Providers, funds will be prioritized to Private Sector Developers after October 31. Prioritization of funding will be based on Scorecard results.
4. For Below Market/Affordable Housing Rental Units, Maximum Rental Rates and Maximum Income Threshold will be confirmed on an annual basis for five years. Maximum Income Threshold must be confirmed for any new tenant.
5. Market Rental Units shall not be eligible for conversion to Condominiums for ten years after the issuance of the Occupancy Permit
6. Below Market/Affordable Housing Rental Units will remain rental and shall not be eligible for conversion to Condominiums for 15 years after the issuance of the Occupancy Permit.
7. For Ownership Units, affordability will be confirmed through affidavit stating that purchaser of the unit has a household income at or below the Maximum Income Threshold.



Map 2 - Detailed map of Area 1



Map 3 - Detailed map of Area 2





# Housing Business Plan 2013 – 2022



Photo courtesy of Innovative Residential

**City of Saskatoon**

**Housing Business Plan  
2013 to 2022**



*City of*  
**Saskatoon**

Planning & Development Branch

**May 2013**

# Table of Contents

## **PART A. The City's Role in Housing**

Background.....	1
Housing and the City of Saskatoon's Strategic Plan.....	1
The City's Role in Housing and the Housing Continuum.....	2

## **PART B. Partnerships with Other Levels of Government**

The Government of Canada.....	3
The Province of Saskatchewan.....	4
The Alignment of the City's Housing Programs with other Government Programs.....	6

## **PART C. Partnerships with Other Sectors**

Non-Profit Housing Providers.....	7
Financial Institutions.....	7
Land Developers.....	7
Private Builders.....	8
Private Homeowners.....	8
Non-traditional Providers.....	8

## **PART D. Housing Targets 2013-22**

Housing Targets.....	9
----------------------	---

## **PART E. Core Strategies**

Core Strategies.....	10
----------------------	----

## **PART F. Priorities**

Priority 1 – Creating Attainable Housing in all Areas.....	11
Priority 2 – Accessible Barrier-Free Housing.....	11
Priority 3 – Neighbourhood Revitalization.....	12
Priority 4 – Safe and Adequate Housing .....	12
Priority 5 – Housing that Meets Identified Needs.....	12
Priority 6 – Innovative and Energy-efficient Housing.....	12

**PART G. Business Functions**

Policy Development ..... 14  
Financial Incentives to Meet Housing Targets ..... 16  
Community Based Support ..... 20  
Research and Monitoring ..... 23  
Education and Awareness ..... 24

**PART H. Financing the Housing Business Plan**

Past Funding for the Housing Business Plan (2008-2012)..... 25  
Funding the Housing Business Plan (2013 – 2022) ..... 25

**PART I. Appendices**

Appendix 1: The Housing Situation in Saskatoon - Key Issues..... 26  
Appendix 2: The Housing Continuum..... 30  
Appendix 3: Definitions..... 31  
Appendix 4: Maintaining the Condition of Existing Housing..... 33

## **PART A: The City of Saskatoon's Role in Housing**

### **Background**

The City of Saskatoon (City) adopted its first comprehensive Housing Business Plan in 2008 in response to rapidly rising housing costs and supply shortages in both the ownership and rental markets. City Council set the ambitious target of creating 500 new affordable housing units annually or 2,500 units over the five-year period from 2008 to 2012. By the end of 2012 the target was achieved with a total of 2,534 units counted during the five-year period.

The new units are spread across the affordable housing continuum and include shelter spaces, transitional units, affordable rental, affordable ownership, purpose built (market) rental, and entry level ownership units.

The City partnered with all sectors to achieve these results including other levels of government, non-profit housing providers, private builders, land developers, financial institutions, investors, individual homeowners, as well as non-traditional housing providers such as faith groups. In total, the City has worked with 32 partner organizations in achieving its housing targets since 2008.

### **Housing and The City of Saskatoon's Strategic Plan 2013 to 2022**

The City's Strategic Plan provides direction and guides the city's growth over the ten-year period from 2013 to 2022. Housing is an important part of the Strategic Plan which includes goals, priorities and drivers related to the supply of affordable housing.

#### **Strategic Goal – Quality of Life**

- **Strategies for the Long Term (2013 to 2022)**  
“To increase the supply and range of affordable housing options.”  
“Ensure that policies encourage a mix of housing types across the city (i.e. ownership vs. rental).”
- **Priority for Next Four Years**  
Implement the City's Housing Business Plan.
- **Success Drivers**  
Creating a sufficient supply of Appropriate and Affordable Housing.

The 2013 to 2022 Housing Business Plan is a key part of the City's larger Strategic Plan. The Housing Business Plan will build on the City's successes from 2008 to 2012 and will continue to utilize many of the incentives and programs developed during this five-year period.

This business plan seeks to define where the City can be most effective in serving the community to meet the increasing need for more affordable, purpose-built rental, and entry-level housing. Recent shortages of these types of housing have been perpetuated by rapidly rising housing prices that have more than doubled since 2006. More information on the rising cost of housing in Saskatoon and affordability issues is summarized in Appendix 1.

### **The City's Role in Housing and the Housing Continuum**

Housing can be described on a continuum. At one end are those individuals and families experiencing absolute homelessness. At the other end are those individuals and families who are able to meet their housing needs without assistance. In the middle is a range of low- and moderate-income households, many of which are living paycheque to paycheque and find it difficult to secure adequate housing. See Appendix 2 for a complete description of the housing continuum.

Housing is not a municipal core service or role. However, the City understands that permanent, affordable, appropriate, safe, and secure housing is the necessary foundation for building healthy, well-educated, creative, and economically viable communities.

#### **Municipal Role**

The City, working with other levels of government, the private sector, and community organizations has chosen to focus its available resources and efforts to meet needs across the housing continuum – broadly described as “attainable housing” and made up of affordable rental, affordable ownership, purpose-built rental and entry-level housing.

Definitions of attainable, affordable, purpose-built rental and entry-level housing are found in Appendix 3.

The focus of the Housing Business Plan is to encourage and support an environment where the market is more likely to supply housing that is attainable, inclusive, innovative, and integrated into all neighbourhoods. The City will support housing which may be outside the conventional market, as well as working in a collaborative manner to ensure a range of suitable attainable housing is made available across the community in a wide range of locations.

Finally, the City also plays a role in monitoring the condition of existing housing to ensure that homes throughout Saskatoon meet minimum health and safety standards. Further information on the City's monitoring and safety inspection programs is found in Appendix 4.



## **Part B: Partnerships with Other Levels of Government**

### **The Government of Canada**

#### **Homelessness Partnering Strategy (HPS)**

Saskatoon partners directly with the Government of Canada on the HPS. The HPS provides funding to prevent and reduce homelessness by helping establish the structures and supports needed to move homeless and at-risk individuals towards self-sufficiency and full participation in Canadian society. A total of 108 shelter and transitional units received federal HPS funding between 2008 and 2012 with further projects expected to be approved early in 2013.



The Government of Canada provided land and funding for these youth transitional homes built by EGADZ in the Avalon neighbourhood

The City has a representative on the Saskatoon HPS Community Advisory Board and contributes funding through the Innovative Housing Incentives Program to any HPS supported initiatives that result in new housing units.

The 2013 federal budget has renewed funding for the HPS to the end of March 2019.

#### **Investment in Affordable Housing (IAH)**

The Federal Government also provides affordable housing funding to the Government of Saskatchewan in support of housing programs as described in the next section. This funding was also renewed to the end of March 2019.

#### **Canada Mortgage and Housing Corporation (CMHC)**

The CMHC is a federal crown corporation that is an important partner in the City's Housing Business Plan. In addition to providing mortgage loan insurance for the Mortgage Flexibilities Support Program (MFSP) and the Equity Building Program, CMHC provides seed and proposal development funding to affordable housing providers. The City also relies on CMHC for housing market research and training workshops for those working in the housing sector.

## **The Province of Saskatchewan (Province)**

The Province plays the lead role in ensuring that the housing needs of all Saskatchewan residents are met and is the City's key partner in achieving its housing targets.

The Saskatchewan Plan for Growth (Growth Plan) was released by the Premier of Saskatchewan on October 16, 2012, and sets the road map for the Province's population growth to 1.2 million by the year 2020. This growth will include an estimated 60,000 additional individuals in the workforce and a 50 percent increase in the Saskatchewan Immigrant Nominee Program (SINP) from 4,000 to 6,000 individuals annually.

The Growth Plan identifies housing as key infrastructure required for growth and the plan promises an investment of \$344 million to add 12,600 new housing units by 2016. The housing targets in the Growth Plan will be achieved through the continued implementation of A Strong Foundation – The Housing Strategy for Saskatchewan 2011 – 2019 (Provincial Housing Strategy). Key objectives of the Provincial Housing Strategy include the following:

1. Increasing the housing supply;
2. Improving housing affordability;
3. Supporting individuals and families in the greatest housing need;
4. Enhancing strategic planning for housing; and
5. Collaborating with stakeholders and communicating best practices.

The Provincial Housing Strategy includes initiatives aimed at meeting the above objectives and the projected population growth by the year 2020. The City partners with the Province under the following initiatives from the Provincial Housing Strategy:

1. Rental Development Program: a capital funding grant that contributes up to 70 percent of the cost of new affordable rental units;
2. Secondary Suite Program: a grant to homeowners to pay up to 50 percent of the cost of new secondary suites to a maximum of \$30,000;
3. Rental Construction Incentive (RCI): a matching grant to participating municipalities of up to \$5,000 per new purpose-built rental housing unit.
4. Affordable Home Ownership Program (AHOP): a matching grant to participating municipalities of up to \$5,000 per affordable ownership home constructed.

- 5. **Head Start on a Home (Head Start):** an incentive for developers to construct entry-level house across the Province.



The Province provided funding to KC Charities Inc. to build this 75 unit affordable housing project for seniors in Pleasant Hill Village.

The City has existing agreements under the RCI and AHOP programs to create 1,000 new rental units and at least 400 new affordable ownership units from 2011 to 2015.

The Province partners directly with Saskatoon housing providers, homeowners, and builders under the Rental Development, Secondary Suite and HeadStart programs. The City provides additional incentives to leverage these provincial programs with the result of creating additional units in Saskatoon.

On March 22, 2013, the Government of Canada's budget was tabled. It renewed funding for affordable housing at current levels from 2014 to 2019. This funding is delivered through the provinces, who match it with their own funding, in support of the programs above. With federal support in place, the Province will now be able to determine what levels of funding will be available under its programs in the 2014 to 2019 period.



Sod Turning Ceremony: Don Atchison, Mayor of Saskatoon; Kelly Block, MP – Saskatoon-Rosetown-Biggan; Jennifer Campeau, MLA – Saskatoon Fairview; Ken Bayly, Chair of Westgate Heights Attainable Housing Inc.

### **Alignment of the City's Housing Programs and Other Government Programs**

The City's housing programs work in conjunction with housing programs from the other levels of government. Most projects require support from more than one level of government in order to be successful. The table below shows how the programs align, as well as known funding commitments from the senior levels of government:

<b>Client Group</b>	<b>City Program</b>	<b>Other Government Program</b>	<b>Other Government level of support for Saskatoon</b>
<b>Transitional and Shelter Housing (affordable rental)</b>	Innovative Housing Incentive (capital grant and 5 year. tax abatement)	Homeless Partnering Strategy (Federal)	\$1.1 million annually to 2014
<b>Affordable Rental</b>	Innovative Housing Incentive (capital grant and 5 year. tax abatement)	Rental Development Program (Provincial)	\$2 million for 2013 for hard-to-house individuals
<b>Secondary Suites (affordable rental)</b>	Permit Rebate Program (25 percent rebate for legalizing existing suites)	Secondary Suite Program (Provincial)	up to \$30,000 per unit (no specific allocation for Saskatoon)
<b>Purpose Built Rental</b>	New Rental Construction Land Cost Rebate Program (5 year. Tax abatement)	Rental Construction Incentive (RCI)	\$1 million annually to 2011 to 2015
<b>Affordable Ownership</b>	Mortgage Flexibilities Support Program (5 percent down payment)	Affordable Home Ownership Program (AHOP)	\$400,000 annually to 2011 to 2015
<b>Entry-Level Ownership</b>	Land pre-designation and Equity Building Programs	Head Start on a Home	Low interest construction financing (no specific allocation for Saskatoon)

## Part C: Partnerships With Other Sectors

Achieving the City's housing targets requires a commitment from all sectors of the economy to contribute to the growing need for more affordable housing units. Most projects require the participation of two or more sectors to be successful. The City will continue working with the following sectors to find housing solutions and build partnerships to achieve the housing targets.

### Non-Profit Housing Providers



Low income singles housing built by Cress Housing Corporation.

Saskatoon is fortunate to have a high number of non-profit housing providers compared to other similar Canadian cities. These groups have been serving the needs of low-income residents over the past several years. These organizations' primary mission is the provision of affordable housing and most build new projects as organizational capacity increases.

### Financial Institutions

Banks, credit unions, brokers, and mortgage loan insurance providers make mortgage financing available to low-and- moderate income households who purchase homes under the MFSP and the Equity Building Program. Financial institutions also provide financing to many of the non-profit affordable housing providers and private builders.

### Land Developers

The City's Land Branch, as well as private developers create serviced parcels that are suitable for residential construction. These developers have had difficulty keeping up with the demand for build-ready sites in recent years, and could easily sell all lots for higher priced market housing. The success of the City's housing program relies on the willingness of developers to make sites available for low-priced attainable housing.



Affordable Ownership Housing built by Innovative Residential Inc. on land purchased from Dundee Developments in the Hampton Village neighbourhood.

### **Private Homeowners**

Private homeowners who rent out secondary suites fill an important housing need and often target students and other renters with limited income. Secondary suites provide new units in developed areas that are often conveniently located near post secondary institutions and in areas with few apartment buildings.

### **Private Builders**

Every housing project needs a builder, and with those services in high demand, builders are often drawn towards market housing with higher profit margins. Saskatoon is fortunate to have a number of private builders who choose to focus on the lower end of the housing market.



Affordable rental housing by private builder, Stewart Property Holding, Caswell Hill neighbourhood

### **Non-traditional Providers (Faith-based, Service Clubs, and Community Groups)**

Faith-based and community groups that do not have housing as a primary mandate have traditionally provided low-cost housing for seniors. However, some of these groups are now building affordable housing for other segments including families and hard-to-house individuals. These non-traditional housing providers sometimes have surplus land in prime locations that they are willing to make available for housing projects.



Affordable rental housing built by Westgate Alliance Church, Pacific Heights neighbourhood

## Part D: Housing Targets 2013 to 2022

On July 16, 2007, City Council established a target of 500 affordable, purpose-built rental, and entry-level dwelling units annually. If no changes are made to this target, the ten years covered by this business plan will result in a minimum of 5,000 new attainable units.

This target can be further broken down into the following annual housing types:

Housing Type	Number of Units
Affordable Rental and Transitional Housing	70 *
Secondary Suites	30
Purpose Built Rental	200
Affordable Ownership	100
Entry-level Ownership	100
<b>Total</b>	<b>500</b>

\*Affordable rental and transitional housing is heavily subsidized by other levels of government with some projects requiring grants covering as much as 70 percent of the capital cost. The number of affordable rental and transitional units achieved is highly dependent on the targets set by the other levels of government and the funding available for Saskatoon.

Saskatoon’s recent population projection indicates that up to 60,000 dwellings will be needed over the next 20 years. An average of 3,000 units will be completed per year of which 17 percent will be attainable.

The targets for the specific types of attainable housing will be reviewed and revised annually based on the projected need for the various types of housing.



Affordable ownership housing. These completely renovated units were re-located from McNab Park to Camponi Place.

## **Part E: Core Strategies**

In order to achieve the goals and targets outlined in the previous section, the City will carry out the following strategies:

1. Implement policy improvements which will provide as many practical, effective housing solutions as possible, and reduce impediments and approval timeframes to encourage more attainable housing;
2. Offer a wide range of housing incentive plans to reduce financial barriers associated with providing a range of housing choices, in a variety of locations, and to support innovative and downtown housing;
3. Engage all sectors of the economy to provide the widest range of attainable housing possible. This means partnering with various levels of government, community-based organizations, financial institutions, and the private sector to take action to address affordable housing needs;
4. Participate in research and monitoring functions in order to provide current and relevant information on housing conditions and trends; and
5. Support education and awareness programs to inform the public about housing issues, such as renter's rights, and community safety.

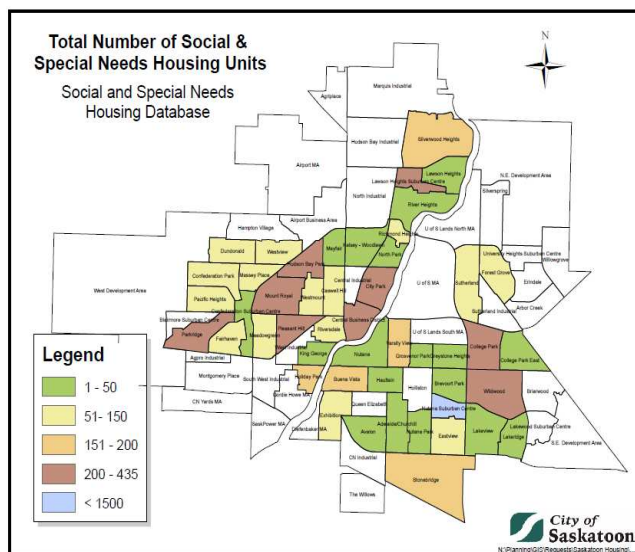


## Part F: Priorities

In reaching the targets described above, the following priorities have been adopted to guide the City and housing providers in developing the best possible housing projects for Saskatoon:

### **Priority 1 – Creating Attainable Housing in All Neighbourhoods**

The City’s Official Community Plan Bylaw No. 8769 states that all residential development should provide a mix of housing types reflective of the city’s population profile and that supportive housing forms and tenures will be facilitated in all areas of the city. Neighbourhoods are to be planned to meet a variety of household types and incomes.



The mix of housing choices in some Saskatoon neighbourhoods has become somewhat limited. Certain neighbourhoods have housing stock that is primarily high-end (expensive) while other neighbourhoods have concentrations of lower-priced housing. Additionally, there is not always a balance between housing forms (attached and detached) or housing tenures (rental and ownership) in a number of Saskatoon neighbourhoods. This creates unbalanced neighbourhoods and limits individual housing choices

A priority of this plan will be to ensure that housing projects supported by the City will be in a variety of neighbourhoods, including both new and existing neighbourhoods. Priority will be given to housing projects that bring the specific types of attainable housing to areas that lack it.

### **Priority 2 – Accessible (Barrier-free) Housing**

Those requiring accessible (barrier-free) housing often have difficulties securing attainable housing that meets their needs, especially when modifications need to be made to meet specific needs. When the economy is strong and skilled workers are in high demand, builders tend to focus efforts on those whose needs can be met with standard features.

Accessible units have been included in most rental projects that the City supports and is a requirement of the National Building Code for most rental projects. A priority of the Housing Business Plan is to ensure that accessible units are available in affordable and

entry level projects as well. The builders of these projects have been willing to construct these units if pre-ordered prior to construction; however, this has resulted in few accessible units. A priority of the Housing Business Plan is to ensure that accessible show homes are included in all affordable and entry-level ownership projects, giving those in the market for a barrier-free unit the same opportunity to view what is available before buying.

### **Priority 3 – Neighbourhood Revitalization**

The Housing Business Plan seeks to work in conjunction with other City initiatives such as Local Area Planning, Neighbourhood Safety, and the Vacant Lot and Adaptive Reuse Strategy to ensure affordable housing projects contribute to the long-term vitality of neighbourhoods.

All proposals for funding received by the City are carefully reviewed to ensure that the housing provided is in an appropriate location and will be a long-term benefit to neighbourhood as well as the city as a whole.

### **Priority 4 – Safe and Adequate Housing**

The City works to ensure that housing meets minimum standard living conditions in accordance with Safe Communities and Neighbourhoods (SCAN), and encourages the improvement of housing stock, particularly in those areas of the city where overcrowding and deteriorating housing stock are an issue. The City's Crime Free Multi-Housing Program works with landlords and residents to prevent crime and foster a safe environment in apartment buildings.

Many of the housing projects supported by the City include additional supports such as: drug and alcohol free buildings, mentoring programs, cultural supports, mental health case workers, and parenting programs.

### **Priority 5 – Housing That Meets Identified Needs**

When the first comprehensive Housing Business Plan was adopted in 2008, the top priority was simply to increase the number of attainable housing units. Housing providers determined the market segments (e.g. seniors, families, New Canadians etc.) and the City provided funding in support of what was proposed. Remarkably, projects were submitted for twelve market segments that spanned the housing continuum from shelters to entry-level ownership housing.

However, research studies and informal feedback indicates that some segments of the market are being underserved by the housing units created. These include: Aboriginal homebuyers, New Canadians (rental and ownership), large families, single individuals, as well as those needing barrier free housing (addressed above). A priority of the Housing Business Plan is ensure that units are being created for all segments of the market.

### **Priority 6 – Innovative and Energy-efficient Housing**

New technological innovations, which contribute to the affordability of housing, continue to become available in the housing market. These include new materials, advances in energy-efficiency, and new construction methods such as modular building. A priority of the Housing Business Plan is to ensure that new technologies are incorporated into attainable housing, so the units created remain affordable and functional over the long term.

Encouraging the development of innovative housing tenures is also a priority of the Housing Business Plan, particularly models that bridge the gap between rental and ownership including cooperative housing, co-housing, rent-to-own, life lease, and land trust models.

## Part G: Business Functions

Stemming from the core strategies and housing priorities identified above, a wide range of business functions have been established to achieve the goals of the Housing Business Plan:

### Policy Development

This function is intended to reduce impediments and encourage a greater supply and equal distribution of the various types of attainable housing in Saskatoon through changes in policy.

#### **A. Pre-designation of Land (City-developed Neighbourhoods)**

The City has land pre-designation programs for entry-level, affordable ownership, and purpose-built rental housing designed to ensure that these types of housing are included within all new neighbourhoods.

Under these programs, the City takes the lead in identifying suitable locations for the needed types of housing within new neighbourhoods and infill locations where the City owns land. These pre-designated sites are then offered to land developers through a Request for Proposal (RFP) process. The land is sold at a fixed price to the developer whose proposal best meets the specified criteria for the site.



Habitat for Humanity is Building Affordable ownership housing on this pre-designated site in Lakewood.

The requirements for a particular site are based on the supply of land, the expected need for the various types of housing, the availability of incentives to support these projects, and what sites the private developers are making available (see below). The initiative of pre-designating sites is particularly useful in times when there is a low inventory of available sites from both the City and privately-owned sources. This program has been very successful in attracting new, entry level, affordable and rental projects.

#### **B. Pre-designation of Land (Privately Developed Neighbourhoods)**

Private developers create approximately half of the new residential sites that become available in Saskatoon each year, and play an important role in creating neighbourhoods that include a variety of housing forms and price points. Two of

the major private developers in Saskatoon have agreed to work with the City in providing sites for attainable housing.

The City's Planning and Development Branch, Land Branch, and private developers meet annually to review the upcoming need for attainable housing sites and what sites the different parties can make available. Private developers prefer to sell sites directly to builders that they have established business relationships with rather than using an RFP process.

### **C. Zoning for Entry-level Housing and Affordable Housing**

In 2009, a new zoning district was established for affordable and entry-level housing as a result of the Housing Business Plan. The RMTN1 zoning district permits townhouse construction at densities up to 25 units per acre which significantly reduces the land cost per unit. The higher densities are achieved through higher maximum site coverage (40 percent) and a greater maximum height which allows for three storey construction and the provision of stacked townhouses where one unit is built above another.

The RMTN1 zoning district is now being successfully applied in new neighbourhoods (City-developed and privately-developed) early on in the planning process according to the projected need for entry-level and affordable housing. Zoning Bylaw No. 8770 will be continually reviewed to ensure that an adequate supply of appropriately zoned land is available to support new attainable housing.

### **D. Bonuses to Encourage Inclusionary Housing Development**

The Housing Business Plan calls for the development of bonus provisions in Zoning Bylaw No. 8770 to encourage the inclusion of affordable housing within major residential developments, such as neighbourhoods, large scale redevelopments, and large condo conversions.

Examples of bonuses include the provision for more allowable floor space and a reduction in required parking or amenity space in exchange for the creation of affordable residential units. The City currently offers bonuses for the provision of accessible housing.

Provisions were adopted in 2009 for small car parking spaces, tandem parking spaces, reduced parking requirements for small suites, and reduced visitor parking. These relaxed parking requirements have the potential of saving 5 to 10 percent of land space covered by parking on any given site allowing a small number of extra units to be built. This is reducing the cost of building affordable and entry-level, multi-family housing.

The potential for additional bonuses for affordable housing will be considered in the Integrated Growth Plan implementation expected at the end of 2015. In the interim, the Planning and Development Branch will utilize Rezoning by Agreement provisions to provide flexible development standards for attainable housing.

#### **E. Providing Disposable Land to Affordable Housing Providers**

The City's Sale of Serviced City-Owned Lots Policy No. C09-033 provides the direct sale of land to non-profit corporations for the purpose of providing affordable housing. The Land Branch notifies affordable housing providers when disposable lands suitable for affordable housing become available through the Saskatoon Housing Initiatives Partnership (SHIP).

#### **F. Priority Review for Affordable Housing Development**

A priority process for reviewing Building and Development Permit Applications for attainable housing is in place. All departments that review permit applications move affordable Housing Permit Applications to the front of the queue saving time for affordable housing providers. The standard review process still applies.

The priority review process has the greatest benefit in times when permit application volumes are high and when there is a backlog of applications awaiting review.

#### **G. Waiver of Off-site Levies on Affordable Housing Projects**

The collection of off-site levies has been cited as a deterrent to the redevelopment of older properties in Saskatoon, many of which are suitable sites for affordable housing (rental or ownership). City Council has a set of criteria for waiving off-site levies for specific affordable housing and neighbourhood revitalization projects in Saskatoon.

### **Financial Incentives to Meet Housing Targets**

This function is intended to provide financial incentive programs with the purpose of influencing the marketplace to achieve the goals of the City's Housing Business Plan.

#### **H. Innovative Housing Incentive Program**

A new points system has been developed to achieve various targets within the Housing Business Plan. The Innovative Housing Incentive Program is the City's main incentive program for affordable and special needs housing. The program offers a capital grant of up to 10 percent of the total capital cost of affordable housing projects. Housing created under this incentive must be provided to

households within incomes below the Saskatchewan Household Income Maximums (SHIMs) described in Appendix 2.

The program offers a base level of municipal support equal to three percent of the total capital costs. The capital grant can be increased to a maximum of up to 10 percent (15 percent with land differential cost incentive) of the total capital cost of affordable housing projects. Grants are calculated on a points system with extra points assigned for each housing priority addressed within the City's Housing Business Plan as described in the table on the following page:

Housing Business Plan Priority	Criteria	Amount of Grant (percentage of total capital cost)
Base Grant	Projects must serve households below provincial SHIMs	3 percent
Leveraging Funding from Senior Levels of Government	Secured funding from federal or provincial government under an eligible grant program	2 percent
Significant Private Partnership	There is a significant donation (at least 10 percent in-kind or donation) from a private donor, faith group or service club.	1 percent
Accessible Housing	At least 5 percent of units meet barrier free standards	1 percent
Neighbourhood Revitalization	<ul style="list-style-type: none"> <li>a. Project improves neighbourhood by renovating or removing rundown buildings; and/or</li> <li>b. developing a vacant or brownfield site.</li> </ul>	1 percent
Mixed Tenure Development	Project has a mix of affordable/market units or a mix of rental/ownership	1 percent
Safe and Secure Housing	<ul style="list-style-type: none"> <li>a. Landlord is committed to obtaining Crime Free Multi Housing certification for the project, and/or</li> <li>b. incorporates CPTED principles into design</li> </ul>	1 percent
Supportive Housing	The proposal includes ongoing supports for the residents to assist them in staying housed such as drug and alcohol free, cultural supports, elements of Housing First.	1 percent
Meets specific identified Housing Need	Project meets an identified housing need from a recent study such as: <ul style="list-style-type: none"> <li>a. Homelessness,</li> <li>b. Large Family housing (3 bedrooms or more)</li> <li>c. Accommodation for students</li> <li>d. Aboriginal housing</li> </ul>	2 percent
Innovative Housing	Project uses innovative design, construction technique, materials or energy saving features.	1 percent
Innovative Tenure	Innovative Housing tenures such as Rent to Own, Life Lease, Land Trust, Sweat Equity, Co-op Housing or Co-Housing	1 percent

Grants are subject to the following maximums:

	<u>10 percent</u>
1) three or more bedroom unit	\$25,000
2) two bedroom unit	\$20,000
3) one bedroom unit	\$17,000
4) residential care homes and shelters (per bedroom)	\$10,000
5) renovations of market apartments (per unit)	\$12,000

#### **I. Land Differential Cost Incentive**

Proposals to build affordable rental housing in areas with a low concentration of this type of affordable housing may qualify for an additional grant of up to five percent of the total capital cost to offset the higher cost of land.

#### **J. Land Cost Reduction Program**

During periods of rising land prices, affordable housing providers and builders have found it very difficult to find suitable, affordable sites for housing projects. As a result, many projects do not proceed beyond the idea stage. However, once a site is secured, the project gains momentum and successful completion is likely.

Additionally, non-profit housing providers have difficulty managing cash flow when constructing new units. Projects can take up to two years to complete and grants, including grants from the City, are not received until the project is complete.

The Land Cost Reduction Program pre-designates City-owned sites for affordable housing and sells these sites to affordable housing providers through an RFP process. The City may purchase sites for this program if suitable sites cannot be found in existing inventory. In lieu of providing an innovative housing incentive (capital grant), the City discounts the price of the land by a comparable amount assisting the non-profit provider with cash flow.

#### **K. Five-Year Property Tax Abatement for Affordable Housing**

The City provides a five-year incremental tax abatement for the construction of new, affordable rental, purpose built rental, and affordable ownership projects provided by non-profit organizations. The abated portion of the taxes is the increased taxes assessed as a result of the construction.

#### **L. Equity Building Program**

The City, in partnership with Affinity Credit Union, created the Equity Building Program to assist moderate income households in making the transition from renting to homeownership. The target group is households earning just above



the Maximum Income Limits (maximum \$80,000) who need minimal assistance to move into the ownership market. The program allows households to borrow a down payment to be used towards the purchase of an entry level home.

### M. New Rental Construction Land Cost Rebate Program

During periods of particularly low vacancy in Saskatoon, the City provides a cash rebate of up to \$5,000 per unit for the construction of purpose-built, multiple-unit rental housing, as well as a five year incremental tax abatement.

The Saskatchewan Housing Corporation (SHC) shares the cost of this program through the provincial RCI. Funding for this program has been renewed and assistance is available for the creation of an average of 200 purpose built rental units per year until 2015. Purpose-built rental units must remain on the rental market (at fair market value) for a minimum of fifteen years.



Purpose built rental housing by Broadstreet Properties, Stonebridge neighbourhood

### N. Incentives for Secondary Suites

Incentives for the construction and legalization of secondary suites are offered as a part of the Housing Business Plan. Building permit and plumbing permit fees for the construction of new secondary suites are refunded upon completion of the work. A portion (25 percent) of the fee for legalizing an existing suite is also refunded.



A secondary suite is being constructed in this new home in the Stonebridge neighbourhood.

### O. **Mortgage Flexibilities Support Program (MFSP)**

The MFSP operates as partnership between the City, SHC, the CMHC, Genworth Financial Canada, and private home builders. The program assists low-and- moderate income households to purchase a home. Home buyers must have household incomes below the income limits for the program. Current income limits are \$59,000 for households without dependents and \$66,500 for households with dependents.

The homes are built by private builders who must price the homes below what comparable homes would sell for. The City screens the income of potential buyers to ensure that they are below the income limits and provides homeowner training. CMHC and Genworth Financial offer mortgage loan insurance.



Affordable Housing sold under the MFSP in Willowgrove, built by Jastek

The homebuyer receives a down-payment grant equal to five percent of the purchase price. The builder contributes up to three percent with the City and SHC contributing the balance. The City's portion of the down-payment grant is returned to the Affordable Housing Reserve over a few years through the re-direction of property taxes. This program has been very successful.

### P. **Contribution to the Operating Loss of the Saskatoon Housing Authority (SHA)**

The City continues to contribute five percent towards the operating loss of the SHA on a group of affordable housing units built between 1962 and 1983. This commitment was agreed to by the City at the time these units were built. The City's contribution to the loss is approximately \$70,000 annually.

### **Community Based Support**

The affordability and availability of housing is greatly affected by factors outside the jurisdiction of the City. This includes banking practices, provincial housing, community development programs, the actions of the Federal Government through policies, programs, agencies such as the CMHC, and the capacity of the community to take action on housing needs. For this reason, the City has entered into a number of partnerships.

## Q. **Saskatoon Housing Initiatives Partnerships (SHIP)**

Often the technical expertise or capacity to develop housing business plans stands in the way of faith-based organizations, community groups, and smaller builders that would like to create affordable housing. City-funded development services offered by SHIP can help these groups move forward with the plans.

SHIP is a non-profit partnership with a mission to enhance the environment for affordable housing and offer support to non-traditional housing providers. The partnership includes individuals from the private, public, and non-profit sectors who participate to facilitate financing, provide technical assistance to housing projects, and build and support partnerships to make housing happen for low- and moderate-income and special needs households in Saskatoon.

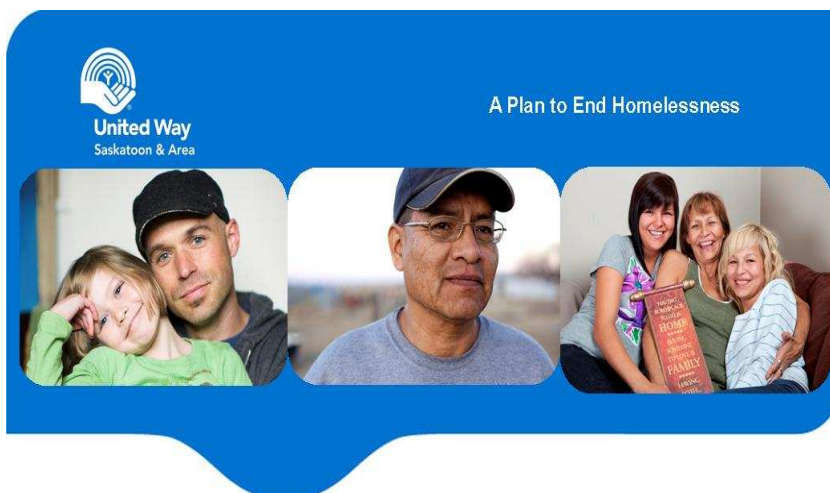
The City is represented on the SHIP board by one City Councillor and one member of the Administration. City Council has allocated funding for SHIP through a contract to provide this service for a period of five years ending in 2016.

## R. **The Plan to End Homelessness Task Force**

The City is part of a community based task force that is working to develop and implement a plan to end homelessness in Saskatoon. The United Way of Saskatoon and Area is providing leadership by providing dedicated staff and funding to this initiative.

The task force is using the model supported by the Canadian Alliance to End Homelessness in developing Saskatoon's plan. It is anticipated that Saskatoon's

Plan to End Homelessness will be finalized by June 2013, with implementation to begin shortly afterwards.



The City's Housing Business Plan, with its emphasis on increasing the supply of attainable housing units, will play a key role in building the infrastructure that will enable people to remain housed over the long term.

## S. **Builder-Sponsored Incentives**

A number of Saskatoon home builders offer down payment assistance programs and monthly assistance programs that make it easier for low and moderate income earners to qualify for a mortgage and purchase a home.

### Down Payment Assistance Programs

Builder sponsored down-payment grants are typically three percent of the purchase price and are used in conjunction with the buyer's own resources or the City's MFSP to make up the minimum five percent down payment required to purchase a home.



Builder sponsored incentives are available on this affordable and entry level project built by Newrock Developments in the Stonebridge neighbourhood

### Mortgage Assistance Programs

Builder sponsored monthly assistance programs provide homebuyers with a monthly subsidy that is applied directly to the buyer's mortgage. The amount can be as high as \$500 to \$600 per month in the first year, with the amount declining each year over a 5 to 10 year period. These programs are funded by the builder who deposits a lump sum into a trust account from which the monthly mortgage subsidy is drawn each month. These programs can reduce the income needed to qualify for a mortgage by as much as \$15,000.

### Tax Sponsorship Program

Innovative Residential Inc. initiated a program in partnership with the City where a portion of the property tax will be prepaid for ten years on a declining basis for families without sufficient income to qualify under the MFSP. This builder-funded program allows buyers to qualify for the MFSP with up to \$7,500 less in household income.

The City welcomes these programs which often complement the programs that the City offers.

## T. **Community Based Organizations**

There are many community-based organizations in Saskatoon that provide affordable housing or are involved in other aspects of affordable housing. The City partnered with 15 of these organizations from 2008 to 2012 and is confident these groups will take on new projects over the next ten-year period.

## **Research and Monitoring**

This function within the plan, is intended to increase knowledge and disseminate data and policy research regarding housing in Saskatoon. Policy makers and program providers use this information to make work more effective. The City has participated in or supported the following reports on housing:

### **U. The Saskatoon Housing and Homelessness Plan (2011 to 2014)**

The Government of Canada and the Homelessness Partnering Strategy Community Advisory Board released The Saskatoon Housing and Homelessness Plan (2011-2014) in October 2011. This report provides an update to the Saskatoon Community Plan on Homelessness and Housing (2007) and reports on progress made since 2007. The report documents an ongoing need for additional emergency, transitional, and affordable housing in Saskatoon but does not set specific targets for these categories. The report will guide funding decisions for federal funding under the Homelessness Partnering Strategy until 2014.

### **V. 2012 Homeless Count**

The United Way of Saskatoon and Area conducted a count of homeless people on September 24, 2012. A total of 372 individuals were counted as homeless on that date and included 103 individuals who slept outside and 269 individuals who were in shelters or transitional housing. This study will be used as baseline information for measuring the effectiveness of the Ten Year Plan to End Homelessness. This was an increase of 43 percent over the 2008 count which used comparable counting methods.

### **W. Garden and Garage Suite Guidelines**

The City, with funding assistance from the SHC, is currently conducting research on the architectural guidelines and development standards for garden and garage suites. This work is part of a larger study on infill development guidelines that will inform future amendments to Zoning Bylaw No. 8770.

While garden and garage suites are not currently permitted in Saskatoon, the City is investigating the feasibility of these suites as an attainable housing option.

## **Education and Awareness**

The City plays a role in helping to increase awareness about housing issues in Saskatoon.

### **X. National Housing Day**

National Housing Day is an annual event hosted by CMHC in which the City participates and sponsors. The event raises awareness of the need for affordable housing and focuses on current issues and the many support programs and resources that are available in the city.

### **Y. Housing Handbook**

The City of Saskatoon publishes a Housing Handbook that includes information for renters, landlords, and first-time homebuyers. Approximately 10,000 copies are distributed annually by over seventy agencies in the city. The Housing Handbook is updated every second year.

## **PART H: Financing the Housing Business Plan**

### **Past Funding for the Housing Business Plan (2008 to 2012)**

The total amount of funding provided by the City for housing projects between January 1, 2008 and December 31, 2012, was \$14.8 million. The funding provided to implement the Housing Business Plan leveraged approximately \$20 of housing investment for every \$1 of financial assistance provided by the City.

Various funding sources were used in the first five years of the plan. The majority of funding was provided from revenues from the Neighbourhood Land Development Fund, which provided \$14 million. The Building Standards Reserve provided \$400,000, and starting in 2011, \$250,000 per year was provided for core funding from the mill rate (property taxes).

The cost of housing increased between 2008 and 2012 seeing the average cost of a new dwelling unit rising 12 percent during this time. The level of funding approved in 2008 could not have supported the development of over 2,500 attainable dwellings, and the City could not have reached its target without the introduction of new funding programs from the Province.

A wide range of new programs were introduced by the Province in 2011 which aligned well with the City's funding programs. This allowed the City to achieve the 2,500 unit target and extend its available funding to achieve 500 new housing units in 2013 as well.

### **Funding the Housing Business Plan (2013 to 2022)**

The level of funding required to implement this plan is estimated at \$2 million per year presuming that the target remains at 500 units per year across the attainable housing continuum.

Looking ahead to the next 10 years, it is expected that the cost of housing prices will continue to rise. The CMHC is predicting a 1.5 percent increase in the price of a new home in 2013 and a 2.3 percent increase in 2014. The funding required to implement this housing business plan will increase by similar rates as well.

### Appendix 1 – The Housing Situation in Saskatoon – Key Issues

1. A Rising Homeless Population

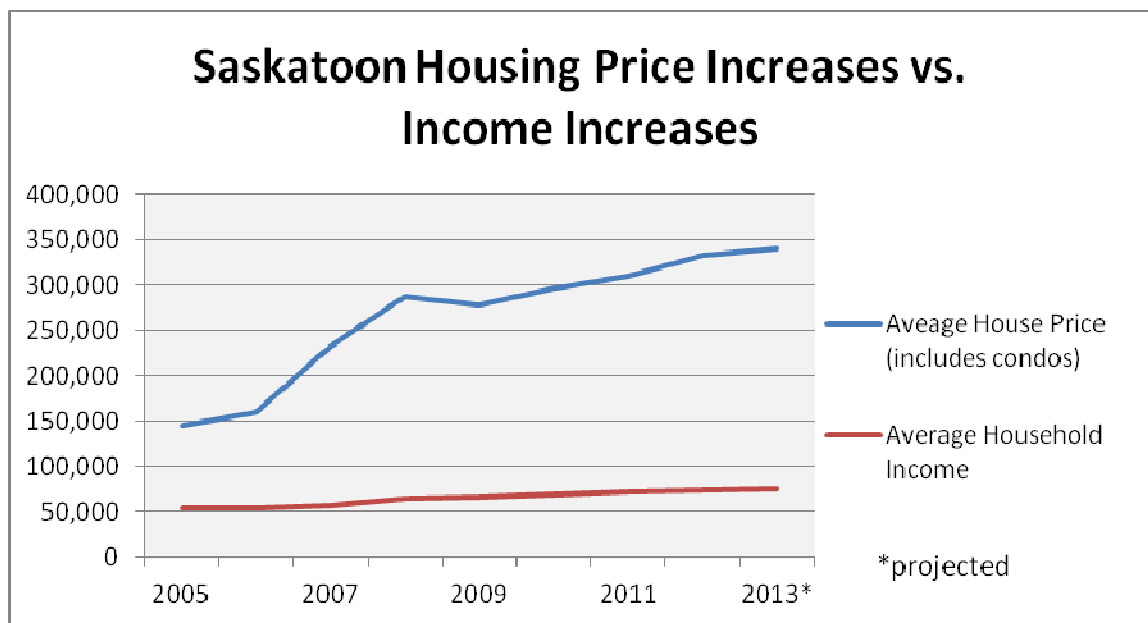
On September 24, 2012, a count of homeless people was conducted in Saskatoon by the United Way of Saskatoon and Area. A total of 372 were counted as homeless on that particular date, of which 103 individuals reported that they were sleeping outdoors. A count using similar methodology was conducted in 2008 and counted 261 homeless individuals, indicating that the homeless population is rising in Saskatoon.

2. Deficit of Transitional and Affordable Housing Units

In Saskatoon, the ability to afford decent and suitable housing continues to be problematic, especially among persons with special needs, mental illness, or addictions. Other groups that have difficulty accessing suitable housing include single-parent families, Aboriginal people, low-income seniors, and recent immigrants.

3. Sudden and Rapid Rise in Prices

Saskatoon has been experiencing greater demands for appropriately priced housing for the City’s lowest income groups and most vulnerable population as a result of the discrepancy between increases in housing costs and increases in income.



As the chart above illustrates, Saskatoon has been experiencing rapid price increases in the housing market since 2006. In 2012, the average price of a Saskatoon home rose by seven percent to \$331,867 and CMHC is predicting further price increases for 2013. In contrast, household incomes in Saskatoon have seen only modest annual increases in recent years as shown on the bottom line of the chart.

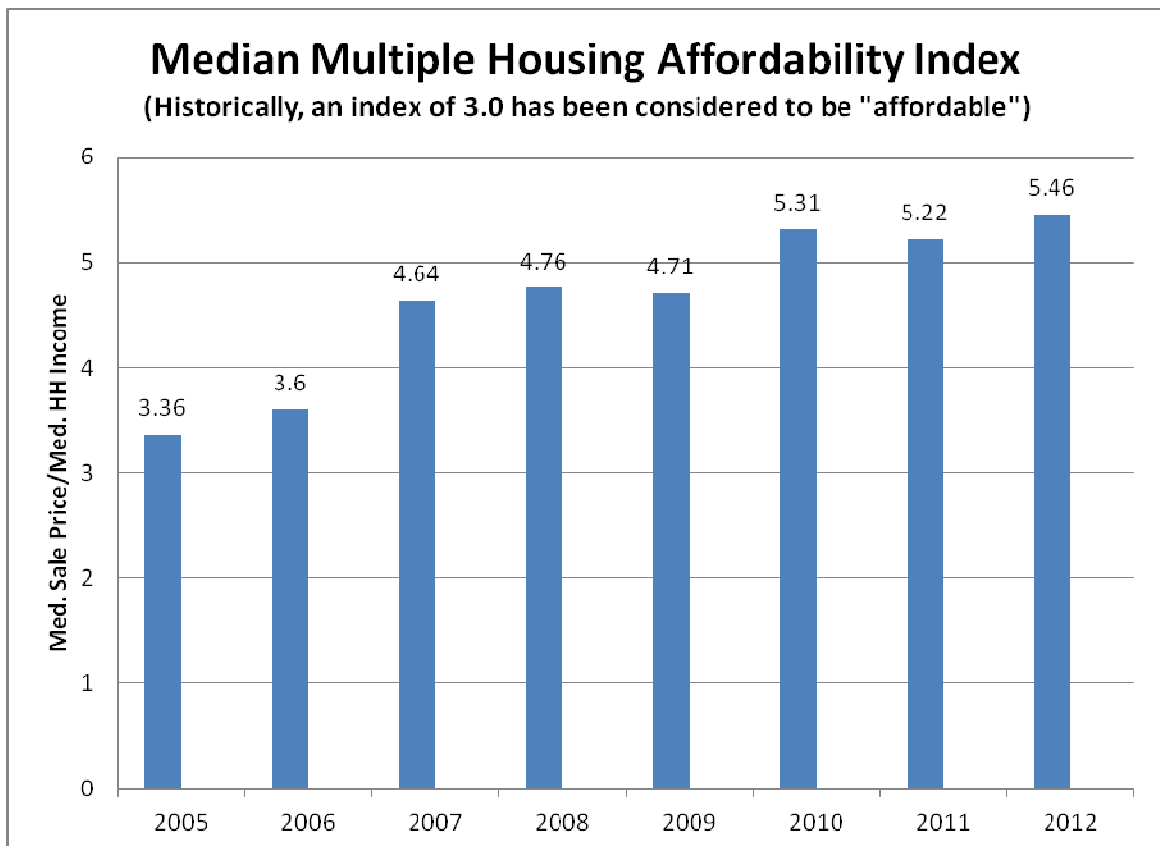


Prior to house prices escalating in August 2006, approximately \$48,000 in household income was required to purchase the average Saskatoon home. This figure has risen nearly \$80,000. With the average Saskatoon household income estimated to be around \$70,000, and the median household income estimated to be around \$59,500, it is evident that many Saskatoon households have been squeezed out of the ownership market.

4. Affordability

The median multiple is the ratio of the median price of a home to the median household income. Using medians instead of averages may provide a more accurate measure of affordability since averages can be skewed by a few very high and very low incomes and house prices. The median price of all MLS sales in Saskatoon in 2012 was approximately \$325,000 and the median household income was approximately \$59,500.

Traditionally, housing has been considered affordable if the median multiple is 3.0 or less. The chart below shows that Saskatoon’s median multiple has been above 5.0 since 2010.



5. The Effect of Interest Rates and Mortgage Lending Rules on Affordability

Historically, low interest rates over the last few years have clearly helped many households purchase their first home. Five year mortgage rates have remained around 4 percent in recent years. Interest rates are unlikely to go any lower and may begin to rise in response to large debt loads and record spending on housing.

An increase of 1 percent on mortgage rates raises the monthly payment on the average Saskatoon home by \$250 per month. An additional \$9,000 in annual household income would be needed to carry this additional cost. Even modest increases in mortgage rates will make Saskatoon homes much less affordable.

6. Condition of Existing Dwellings

Typically, older neighbourhoods are those that contain housing in need of major repairs, and are often located in or near the centre of the city. An examination of changes in housing conditions among Saskatoon neighbourhoods has shown that increases in the number of dwellings needing significant improvement are no longer confined to pre-1970's housing. The Saskatoon Fire and Preventive Services Department has renewed its agreement with Saskatchewan Housing Corporation to continue inspections of existing homes (see Appendix 4).

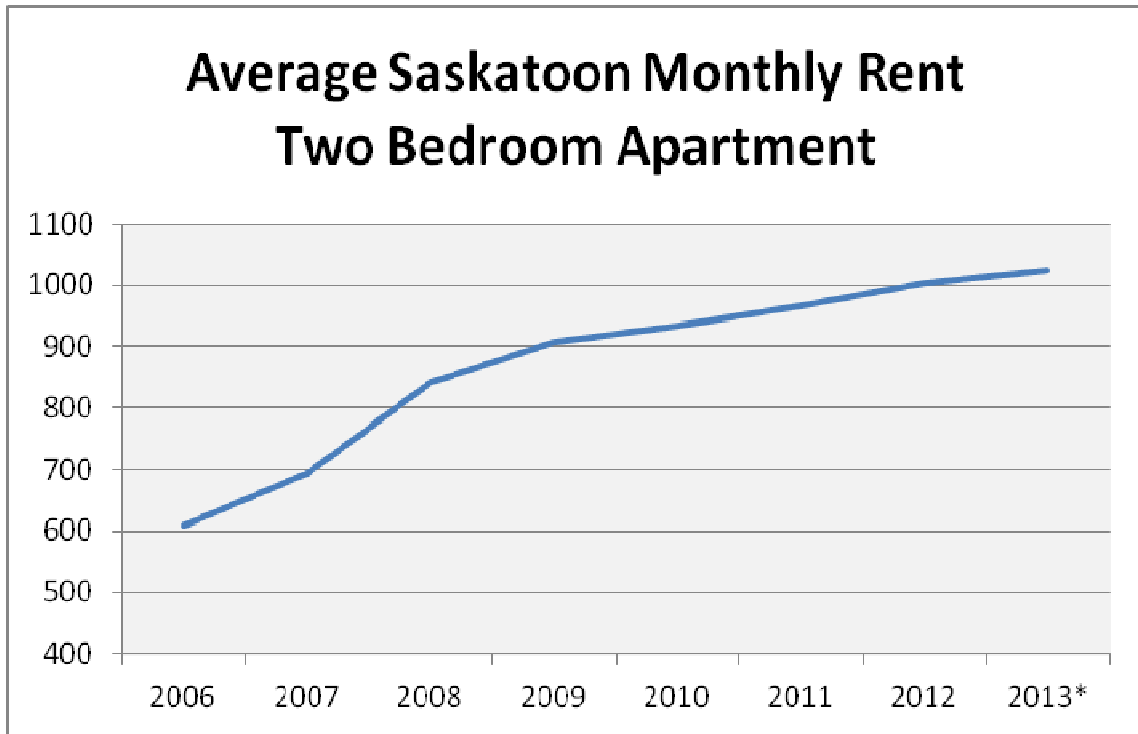
7. Availability of Builders and Contractors

This issue received a lot of attention in 2007 and 2008. Although the shortage has eased somewhat, construction costs have remained very high and construction timelines have lengthened. This situation has prompted some builders to use modular construction which significantly reduces the reliance on traditional local labour for affordable housing.

8. Rising Rental Rates

The chart on the following page shows that the cost of renting an average two-bedroom apartment has increased significantly since 2006, following a trend similar to the rising cost of homeownership. The same apartment that could be rented for \$609 in October 2006 rented for \$1,004 per month in October 2012 increasing 65 percent over six years. CMHC is predicting modest increases for 2013.

Household incomes have not kept pace with rent increases requiring many people to move to smaller units, share suites, or seek subsidized housing because they can no longer afford market rent.



9. Vacancy Rates for Rental Accommodations

The vacancy rate for rental apartments in Saskatoon has remained low over the past few years and was 2.6 percent in October 2012. CMHC is predicting vacancy rates to decline slightly to 2.4 percent in 2013. Vacancies rates below 3.0 percent generally indicate an inadequate supply of rental housing.

## Appendix 2 – The Attainable Housing Continuum

The list below describes the Attainable Housing Continuum:

1. Social Housing (at risk of homelessness)
  - a) Shelters and crisis intervention housing;
  - b) Subsidized rent; and
  - c) Supported-living (disabilities and addictions).
2. Affordable Rental Housing (Low Income)
  - a) Capital grants and loans to landlords – public programs;
  - b) Publicly operated rental units;
  - c) Faith-based rental units;
  - d) Government rent supplement applied to market units; and
  - e) Land Trusts and Housing Co-ops (private or public capital support).
3. Market Rental (Low and Moderate Income)
  - a) Secondary suites;
  - b) Purpose-built rental units (protected from condo conversion); and
  - c) Investor owned condos, apartments, and detached homes.
4. Affordable Ownership Housing (Low and Moderate Income)
  - a) Volunteer sector (e.g. Habitat for Humanity) – equity earned through volunteer labour; and
  - b) Municipal down payment grants (MFSP).
5. Entry Level Housing (Moderate Income)
  - a) Land pre-designation program to ensure an adequate supply of entry-level homes in new neighbourhoods;
  - b) Government Construction Financing (Head Start on a Home); and
  - c) Equity Building Program.
6. Market Housing (Medium to High Income)
  - a) Variety of dwelling accommodation choice and price points (no assistance).

Individuals and families requiring emergency shelters, transitional housing, and social housing are served primarily by the Province through the Ministry of Social Services.

In the middle of the continuum are households who do not qualify for government support but who cannot afford what the conventional housing market is able or willing to offer. Municipal governments need to be involved in encouraging and supporting the supply of appropriate housing for this middle group.

### Appendix 3 – Definitions

**Attainable Housing:** Attainable Housing is any housing that adequately meets the needs of a household and costs less than 30 percent of the household's gross monthly income. The initiatives in the City's Housing Business Plan are targeted at those income ranges for whom the open market is not providing sufficient attainable housing options.

Ownership housing can be considered attainable with monthly housing payments of up to 35 percent because ownership housing includes an equity component and part of the payment is building wealth for the household.

The City's Housing Business Plan includes initiatives to support the creation of four distinct types of attainable housing: Affordable Rental Housing, Purpose-Built Rental Housing, Affordable-Ownership Housing and Entry-Level Ownership Housing.

**Affordable Rental Housing:** Affordable Rental Housing refers to housing that is available at below market rents, usually because of a subsidy from government, a charitable organization, or private homebuilder.

To qualify for affordable rental housing, households must have income below the Saskatchewan Household Income Maximums (SHIMs) as defined by the SHC and the City. The SHIMs are based on the number of bedrooms required by the household. The current SHIMs (May 2013) are:

#### Saskatchewan Household Income Maximums (SHIMs):

Household Type	One-Bedroom or Bachelor	Two-Bedroom	Three-Bedroom	Four-Bedroom
Non-disabled	\$35,000	\$42,000	\$51,000	\$62,000
Disabled	\$40,250	\$48,300	\$58,600	\$71,300

The SHIMs are adjusted from time to time with changes to the cost of housing.

**Affordable Ownership Housing:** Affordable Ownership Housing is housing that is priced below similar units in the open market and made available with minimal assistance (usually a down payment grant) from a government, charity, or homebuilder to enable the household to qualify for a mortgage to purchase the home.

To qualify for affordable ownership housing, households must have income below the income limits for affordable ownership housing which currently (May 2013) are \$59,000 for households without dependents and \$66,500 for households with dependents. These limits are adjusted from time to time with changes to the cost of housing.

**Purpose-built Rental Housing:** Purpose-built rental housing is housing that will be in the rental market over the long term and is protected from becoming ownership housing

(condominiums). There are no limits on the amount of rent charged and no income screening.

Entry-level Ownership Housing: Entry-level homes are modest in size with basic features that are typical of what first time home-buyers would purchase. Entry-level homebuyers can afford to pay market prices; however, the market does not always create an adequate supply of entry-level homes particularly when the housing market is booming.

Direct financial support is not provided for entry-level housing; however, governments will sometimes provide financing (low-interest loans), land pre-designation, and other tools to ensure that adequate supplies of entry-level housing are being constructed.

## **Appendix 4 – Maintaining the Condition of Existing Housing Stock**

The City has initiated a number of programs over the years aimed at ensuring various forms of accommodations meet minimum living conditions.

Saskatoon Fire and Protective Services, under Fire and Protective Services Bylaw No. 7990, performs annual inspections of all buildings, structures, and properties that, according to the National Building Code of Canada, 1995, are categorized as Assembly, Institutional, and Residential (four dwelling units or greater) for fire and life safety.

In addition, City Council passed the Property Maintenance and Nuisance Abatement Bylaw No. 8175 to provide the Fire and Protective Services Department with the mandate to undertake scheduled and complaint-driven inspections of all properties in all areas of the City. These inspections include the conditions of yards, properties, and the exterior of all buildings and structures including single family dwellings.

Saskatoon Fire and Protective Services regularly receive complaints about property and living conditions, fire, and life safety concerns within dwelling units and rental properties including multi-unit or apartment-style complexes. In accordance with the provisions of the Property Maintenance and Nuisance Abatement Bylaw No. 8175, a Fire Inspector will follow-up the complaint within the specified property, identify the deficiencies, and issue an order to remedy, as required.

Saskatoon Fire and Protective Services is beginning the seventh year of our Home First Program, a partnership with the Ministry of Social Services through the Rental Housing Supplement. Social Assistance clients renting a property and seeking an increase in rental income supplement are required to have an inspection by the Fire Department. Remedial action is requested of the landlord, if warranted, under the requirements of the Home First Program and the Property Maintenance and Nuisance Abatement Bylaw No. 8175. If the property meets the basic requirements, the individual or family qualifies for an increase in monthly income.

The agreement calls for up to 1,040 inspections annually with a fee of \$80 paid to the Fire Department. What makes this agreement unique is that these inspections are mostly in single-family rental properties that without this collaborative effort would not otherwise have occurred.