

### **Innovative Housing Incentives – Multiple Projects – K.C. Charities, The Lighthouse Supported Living and Central Urban Métis Federation Inc.**

#### **ISSUE**

To provide supportive rental housing for low-income individuals, three developers have requested financial assistance under the Innovative Housing Incentive Program to develop a total of 55 affordable rental units.

#### **RECOMMENDATION**

1. That funding of 7% of the total capital cost of the construction of 30 affordable rental units at 3002 and 3012 Louise Avenue, by K.C. Charities, estimated at \$339,574, be approved.
2. That funding of 10% of the total capital cost of the construction of 10 affordable rental units at 2942-2944 Cumberland Avenue South, by The Lighthouse Supported Living, estimated at \$47,200, be approved.
3. That funding of 7% of the total capital cost of the construction of 15 affordable rental units at 412 Avenue P South, by Central Urban Métis Federation Inc., estimated at \$178,437.49, be approved.
4. That a 5-year incremental tax abatement be approved for The Lighthouse Supported Living project, estimated to be \$4,952.40; and
5. That the City Solicitor be requested to prepare the necessary incentive agreements, and that His Worship the Mayor and the City Clerk be authorized to execute the agreements under the Corporate Seal.

#### **BACKGROUND**

At its November 26, 2018 Corporate Business Plan and Budget Review meeting, City Council approved a target of 200 attainable housing units, annually. This included 40 units targeted at low-income households; 30 of these units were allocated for affordable rental and renovation of existing attainable units. Funding of \$270,000 was allocated in 2020 to support the creation of affordable rental or ownership housing for low-income households. Additional carryover funds that were unspent and reallocated from 2019 have been transferred to the Affordable Housing Reserve.

#### **DISCUSSION/ANALYSIS**

##### Proposal from K.C. Charities

On June 1, 2020, the Planning and Development Division received an application from K.C. Charities for financial assistance for 30 affordable supportive rental units, as part of their 51-unit rental project at 3002 and 3012 Louise Avenue. Of the 30 affordable supportive rental units, 20 units are one-bedroom and 10 units are barrier free. This project will be built beside the existing Columbian Manor seniors housing complex.

K.C. Charities has designed this project as Net Zero Ready, which produces as much energy as it consumes. The building will also include solar panels and greywater heat recovery to reduce both energy use and heating costs.

### Capital Grant – K.C. Charities

The requested support for 30 affordable rental units qualifies for capital funding under Policy No. C09-002, Innovative Housing Incentives Policy (Innovative Housing Policy). The application for financial assistance from K.C. Charities has been evaluated by the Neighbourhood Planning Section, using the capital grant evaluation matrix, and has achieved the maximum 10 points for a full 10% capital grant. For the 30 affordable units, the estimated project cost is \$4.85 million.

In order to support multiple affordable housing projects requiring assistance, Administration has proposed to support the project with a 7% capital grant. This percentage is based on the City's remaining funding available and the equitable distribution of funding based on the per-unit costs of the projects that are seeking approval. A 7% capital grant equates to \$339,574. Comparatively, based on the number of the units of this project, this amount is equitable to other projects seeking approval in this report.

### Proposal from The Lighthouse Supported Living

On July 16, 2020, the Planning and Development Division received an application from The Lighthouse Supported Living (The Lighthouse) for financial assistance to develop a 10-bedroom duplex at 2942 and 2944 Cumberland Avenue South for low-income individuals. All rooms would be affordable rental.

The Lighthouse will provide up to a maximum of three barrier-free units and will provide access to supports and services through The Lighthouse's programs, including skills training.

### Capital Grant – The Lighthouse Supported Living

The 10 affordable rental units qualify for capital funding under the Innovative Housing Policy. The application for financial assistance from The Lighthouse has been evaluated by the Neighbourhood Planning Section, using the capital grant evaluation matrix and has achieved the maximum 10 points for a full 10% capital grant. The estimated project costs for the 10 affordable units is \$472,000. Administration supports a 10% capital grant, due to the number of units being supported and based on the per-unit cost associated with this project in comparison to the other projects seeking support in this report. A 10% capital grant equates to \$47,200.

### Proposal from Central Urban Métis Federation Inc.

On August 1, 2020, the Planning and Development Division received an application from Central Urban Métis Federation Inc. (CUMFI) for financial assistance to develop a 27-unit apartment building at 412 Avenue P South. The project will be developed on Parcel F in Pleasant Hill Village and includes 12 market rental units and 15 affordable supportive rentals for Métis Elders in Saskatoon. Of the 15 affordable rental units, 13 units are one-bedroom and two units are two-bedroom.

CUMFI will provide services that promote the health and wellbeing of residents through cultural and social inclusion and allow residents to age-in-place. The units will also feature universal design and be highly energy efficient, achieving roughly 41% – 55% energy savings.

### **Capital Grant – Central Urban Métis Federation Inc.**

The requested support for 15 affordable rental units qualifies for capital funding under the Innovative Housing Policy. The application for financial assistance from CUMFI has been evaluated by the Neighbourhood Planning Section, using the capital grant evaluation matrix, and has achieved the maximum 10 points for a full 10% capital grant. For the 15 affordable units, the estimated project cost is \$2.55 million.

In order to support multiple affordable housing projects requiring assistance, Administration has proposed to support the project with a 7% capital grant. This percentage is based on the City's remaining funding available and the equitable distribution of funding based on the per-unit costs of the projects that are seeking approval. A 7% capital grant equates to \$178,437.49. Based on the per-unit cost of construction, this number is equitable to the other projects seeking approval for support in this report.

### **FINANCIAL IMPLICATIONS**

The funding source for the three capital grants totalling \$565,211.49 is the Affordable Housing Reserve. There is \$633,737.50 available in the Affordable Housing Reserve for capital grants to be used toward affordable housing projects in 2020. If the grants for these projects are approved, there will be \$68,526.01 remaining to support further affordable housing projects in 2020. Administration has been approached regarding funding for other projects.

Due to the uniqueness of the K.C. Charities and CUMFI projects being mixed rental tenure, the affordable rental units do not qualify for an incremental tax abatement under the Innovative Housing Policy. The Lighthouse project does qualify for a five-year incremental tax abatement, estimated at \$990.48 per year or \$4,952.40 for five years.

Financial assistance for the affordable housing projects outlined above is conditional on meeting relevant zoning and building code requirements. All projects are currently finalizing details in this regard.

### **NEXT STEPS**

K.C. Charities' 51-unit supportive rental project at 3002 and 3012 Louise Avenue is scheduled to be complete and ready for occupancy by December 2021.

The Lighthouse's 10-unit affordable rental project at 2942 and 2944 Cumberland Avenue South is scheduled to be complete and ready for occupancy by September 2020.

CUMFI's 27-unit rental project at 412 Avenue P South is scheduled to be complete and ready for occupancy by October 2021.

**APPENDICES**

1. Innovative Housing Incentive Program – Capital Grant Matrix - K.C. Charities
2. Innovative Housing Incentive Program – Capital Grant Matrix - CUMFI
3. Innovative Housing Incentive Program – Capital Grant Matrix – The Lighthouse Supported Living
4. K.C. Charities - Rendering
5. CUMFI - Rendering
6. The Lighthouse Supported Living - Site and Floor Plan

**REPORT APPROVAL**

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