

Innovative Housing Incentives – Stewart Properties and Boys and Girls Club of Saskatoon

ISSUE

An application from Stewart Properties has been received, requesting financial assistance for 11 affordable rental units.

RECOMMENDATION

1. That funding of 10% of the total capital cost of the construction of 11 affordable rental units at 225 Avenue R South by Stewart Properties and Boys and Girls Club of Saskatoon, estimated at \$65,000 be approved; and
2. The City Solicitor be requested to prepare the necessary incentive agreement, and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

BACKGROUND

At its November 26, 2018 Business Plan and Budget Review meeting, City Council approved an annual target of 200 attainable housing units. This encompassed 40 units targeted at low-income households, including 30 units for affordable rental and renovation of existing attainable units.

In 2020, \$270,000 of funding was allocated to support the creation of affordable rental or ownership housing for low-income households. Additional unspent funds reallocated from 2019 have been transferred to the Affordable Housing Reserve, resulting in total available funding of \$914,473 for 2020. With the recent approval of the 2021 Operating Budget, there will be \$370,000 available for grants in 2021. The annual target for affordable housing units for 2021 is 200 units.

DISCUSSION/ANALYSIS

Proposal from Stewart Properties

On October 1, 2020, the Planning and Development Division received an application for financial assistance to develop an 11-unit apartment building for supportive youth housing from Stewart Properties, in partnership with the Boys and Girls Club of Saskatoon. Of the 11 affordable rental units, two units are three-bedroom, six units are two-bedroom and three units are one-bedroom. The project will be split into two components: an emergency shelter component and transitional units with supports for youth. The current plan involves six units designated for the youth shelter portion, with five units being used as transitional housing. The youth will be connected with various community supports. Current zoning of the site is Medium/High Density Multiple Unit Dwelling District (RM4) which would permit this use.

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Capital Grant

The 11 affordable rental units qualify for capital funding from the City under Policy No. C09-002, Innovative Housing Incentives Policy. Applications, for financial assistance, from Stewart Properties and Boys and Girls Club of Saskatoon have been evaluated by the Neighbourhood Planning Section, using the capital grant evaluation matrix and has achieved the maximum 10 points for a full 10% grant. A 10% capital grant equates to \$65,000.

FINANCIAL IMPLICATIONS

The funding source for the \$65,000 capital grant is the Affordable Housing Reserve. There is \$68,246.01 available in the Affordable Housing Reserve for capital grants to be used toward affordable housing projects in 2020. If this grant is approved, \$3,246.01 will remain from 2020 funding. This funding will be retained in the Reserve and combined with 2021 funding. There will be \$370,000 available for grants in 2021. Administration is aware of multiple projects being planned for 2021.

The project does not qualify for an incremental tax abatement as there is no expected increase in value.

NEXT STEPS

The project is scheduled to be completed and ready for occupancy by March 2021.

APPENDICES

1. Innovative Housing Incentive Program – Capital Grant Point System Evaluation
2. Aerial Site Image

REPORT APPROVAL

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