

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"> a. Project improves neighbourhood by renovating or removing rundown buildings; and/or b. developing a vacant or brownfield site. 	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"> a. Landlord is committed to obtaining Crime Free Multi Housing certification for the project, and/or b. incorporates CPTED principles into design 	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"> a. Homelessness, b. Large Family housing (3 bedrooms or more) c. Accommodation for students d. Aboriginal housing 	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.