

APPROVAL REPORT

Innovative Housing Incentives – Additional Tax Abatement for National Affordable Housing Corporation, Aspen Heights

ISSUE

National Affordable Housing Corporation (NAHC) has requested a five-year incremental tax abatement under the Attainable Housing Program for an additional nine affordable rental units at their Aspen Heights project located at 345 Feheregyhazi Boulevard, in Aspen Ridge.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. A five-year incremental tax abatement for the additional affordable housing units at 345 Feheregyhazi Boulevard, developed by the National Affordable Housing Corporation (NAHC), be approved; and
2. That 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 amended agreement under the Corporate Seal.

BACKGROUND

In 2021, the NAHC applied for funding under the Innovative Housing Incentives program for a capital grant and tax abatement for their development at Feheregyhazi Boulevard and Fast Crescent, now known as 345 Feheregyhazi Boulevard. The Aspen Heights project was evaluated under the Innovative Housing Incentive Program and was eligible for funding.

City Council, at its Regular Business [meeting](#) on June 28, 2021, approved the following:

“That funding of 10% of the total capital cost of the construction of eight affordable rental units at Feheregyhazi Boulevard and Fast Crescent by the National Affordable Housing Corporation, estimated at \$160,000, be approved and that a five-year incremental tax abatement be approved, estimated to be \$44,130;”

The tax abatement approved in the above noted report was for eight units of affordable supportive rental housing, including six two-bedroom units and two three-bedroom units. Five of the six two-bedroom units feature full barrier-free design and NAHC partnered with Inclusion Saskatchewan and the Canadian Mental Health Association on these units.

DISCUSSION/ANALYSIS

In November 2022, NAHC requested a five-year incremental tax abatement for nine additional supportive affordable rental units at 345 Feheregyhazi Boulevard. Of the nine rental units, seven are two-bedroom units and two are three-bedroom units.

Innovative Housing Incentives – Additional Tax Abatement for National Affordable Housing Corporation, Aspen Heights

The requested support for nine affordable rental units qualifies for a five-year incremental tax abatement under Council [Policy No. C09-002](#), Innovative Housing Incentives. If this request is supported, the total number of affordable supportive rental units at this development would total 17 out of the 56 total units or thirty percent of the entire development. Of the 17 units, five units will be accessible.

Estimated Incremental Property Tax Abatement

According to the Corporate Financial Services Division, the incremental increase in property taxes (municipal, library, and education portions) for the additional nine units is estimated to be \$10,461. Based on the 2022 tax year; the incentive amount over five years would total approximately \$52,305, which includes \$33,530 in municipal and library taxes and \$18,775 in education property taxes. The calculations are based on 2022 tax rates and will change with any annual mill rate adjustments. The abatement will be based on the actual assessment value determined upon final inspection of the completed project.

The project began construction in July 2021 and will be fully completed in February 2023.

Administration Recommendation

After review of this application, Administration has concluded this request is consistent with Council Policy C09-002, Innovative Housing Incentives. Administration is recommending that City Council approve a five-year incremental property tax abatement for the nine additional units, commencing in the taxation year following completion of the project.

FINANCIAL IMPLICATIONS

The incremental property tax abatement for the project at 345 Feheregyhazi Boulevard is forgone revenue and will not require funding from the Affordable Housing Reserve. The City, including municipal and library, will forgo an estimated total of \$61,500 of tax revenue over five years for the eligible project. The province will forego the education tax, estimated at \$34,935, over five years.

| | Original Approval (8 units) | Additional units (9 units) | Total (17 units) |
|---------------|--------------------------------|-------------------------------|---------------------|
| Municipal Tax | \$ 5,071 | \$ 6,080 | \$11,151 |
| Library Tax | \$ 523 | \$ 626 | \$ 1,149 |
| Education Tax | \$ 3,232 | \$ 3,755 | \$ 6,987 |
| 1 Year Total | \$ 8,826 | \$10,461 | \$19,287 |
| 5 Year Total | \$44,130 | \$52,305 | \$96,435 |

NEXT STEPS

The property tax abatement, if approved, will begin the calendar year following project completion and will continue for five years. The project completion date is estimated as February 2023.

APPENDICES

1. Current Photos, Aspen Heights, 345 Feheregyhazi Boulevard

Report Approval

Written by: Blaire Prima, Senior Planner
Sarah King, Housing Analyst

Reviewed by: Melissa Austin, Neighbourhood Planning Manager
Lesley Anderson, Director of Planning and Development

Approved by: Lynne Lacroix, General Manager, Community Services

SP/2023/PD/PDCS/Innovative Housing Incentives – Additional Tax Abatement for National Affordable Housing Corporation, Aspen Heights Project/kp