

Housing Accelerator Fund

ISSUE

In late September 2023, the office of Minister Fraser, the Minister of Housing, Infrastructure and Communities for the Government of Canada, contacted the Mayor's Office regarding the City of Saskatoon's application to the Housing Accelerator Fund. Several discussions have occurred since that time. On October 16, 2023, the Mayor's Office received a letter from Minister Fraser requesting a number of additions to the City's application in order to be considered for funding.

This report is intended to provide City Council with information in relation to the additions being suggested by Minister Fraser, including the impacts and processes for each addition.

RECOMMENDATION

- 1) That Administration be directed to propose a zoning bylaw amendment that would permit "as-of-right" development for up to four residential units on a property in a residential zoning district with appropriate development standards including regulations, such as lot sizes and servicing capacity and report back to a Public Hearing in Q1 2024;
- 2) That Administration be directed to propose a zoning bylaw amendment that would permit four storey multiple-unit development within 800 metres of the bus rapid transit system corridors, with appropriate development standards, including servicing capacity and report back to a Public Hearing in Q2 2024;
- 3) That Administration be directed to propose a zoning bylaw amendment that removes parking requirements from areas that are within the defined Corridor Areas and report back to a Public Hearing in Q1 2024; and, that this motion be forwarded to the Standing Policy Committee on Planning, Development and Community Services, as part of the 'Options for Review of Minimum Parking Regulations' being considered at the December 6, 2023 meeting;
- 4) That Administration be directed to work with the University of Saskatchewan to increase density and create opportunities for student housing in the College Quarter; and,
- 5) That City Council approve the amendments to the Housing Action Plan, as outlined in this report.

BACKGROUND

City Council, at its Regular Business [meeting](#) on May 31, 2023, approved the [Housing Action Plan](#) for the City of Saskatoon's (City) application to the Housing Accelerator Fund (HAF). The Action Plan outlined 13 initiatives intended to create more housing supply at an accelerated pace and enhance certainty in the approvals and building process.

The report also provided [Housing Supply Growth Targets](#), including an estimated 1,385 additional units, which would be permitted as a result of HAF support. However, following negotiations with the Canada Mortgage and Housing Corporation (CMHC), prior to the City's application being submitted, this number was reduced to 1,155 additional units that would be permitted as a result of HAF support.

At this time, no formal feedback has been received on the status of the submitted initiatives.

Across the country negotiations have been underway with larger cities on their applications. These negotiations have been occurring through Minister Fraser's Office, to the relevant mayors of each city. Administrative staff in each city have been in a supporting role in the negotiations. This is an atypical approach in comparison to other Government of Canada funding approaches.

In Saskatoon, Administration has been collaborating closely with the Mayor's Office, to develop additional supporting information, review potential impacts and prepare options to consider.

DISCUSSION/ANALYSIS

Summary of Letter from Minister Fraser

As outlined in the letter from Minister Fraser (see Appendix 1), the request to the City is to pursue the following four actions. As noted above, there is not yet an indication if the remaining 13 initiatives, included in the City's HAF application, are considered approved. For discussion purposes, the four new actions are being considered as additions to the 13 initiatives. The approval of the City's application is expected to be contingent on pursuing these actions, as seen in requests to all other municipalities with approvals to date.

1. Legalize up to four units as-of-right city-wide.

City Response: An initiative in the City's HAF application is to remove barriers for accessory dwellings (secondary suites and garden or garage suites) including:

- allowing for two accessory dwellings units (both a secondary suite and a garden or garage suite) to be permitted on a site; and
- allowing for secondary suites in two-unit and semi-detached dwellings. Semi-detached dwellings are defined as "a dwelling unit on its own site, attached to another dwelling unit on its own site, with a common wall dividing the two dwelling units", whereas a two-unit dwelling is defined as "a detached building designed for or occupied as two dwelling units".

Currently, secondary suites are only permitted in one-unit dwellings and only one accessory dwelling is permitted on a site (either a secondary suite or a garden or garage suite). There may be servicing constraints to allowing up to three units on a site that will need to be managed; however, these would be expected to be managed over time as implementation and uptake is expected to be gradual.

The initiative also provides for potential amendments to allow secondary suites in dwelling groups.

In addition to the above noted changes and to support the request from Minister Fraser, zoning bylaw amendments to permit up to four units on a site would be proposed in residential zoning districts which currently do not permit this use. Other suitable residential uses, such as two-unit dwellings and semi-detached dwellings, may be included if they are not already permitted. Appropriate site development standards, including site width and site coverage would be developed.

It is not expected that this change will be substantially out of line with what is currently permitted. For example, a typical site width in the established neighbourhoods for a one-unit dwelling is 7.5 metres or for a two-unit dwelling is 15 metres. It is not uncommon for a site, which is 15 metres in width, to be subdivided into two sites that are 7.5 metres in width. This would allow for two new one-unit dwellings, each with a secondary suite (four units in total) on the original 15 metre wide site. Similarly, the R2A Low Density Residential Infill District allows for a multiple unit dwelling, up to four units, as a discretionary use on a site which is a minimum of 15 metres wide. It is expected that the proposed zoning changes would be in line with the typical standards currently in place (e.g. a site which can accommodate four units would only be permitted with a 15 metres site width).

As noted above, some areas of the city may be restricted by servicing constraints. Appropriate provisions will be proposed to reflect the requirement for servicing constraints to be considered prior to a development permit being issued.

The request to legalize up to four units on a site as-of-right has been reflected in all the municipalities that have received HAF approval to date, with the exception of Kelowna, which already allowed for four units on a site. Based on the information provided by other municipalities, this request is seen as non-negotiable to receive the funding.

In order to pursue this action and to gain HAF approval from the Minister, a motion from City Council to direct Administration on this action is required.

2. Legalize up to four storeys as-of-right within 800 metres of planned rapid transit.

City Response: Administration has been pursuing opportunities for residential intensification through implementation of the [Growth Plan](#). The Corridor Areas align with the City's proposed Bus Rapid Transit (BRT) routes and are typically about 250 metres on either side of the proposed route; the boundaries fluctuate depending on the context

of the specific area. Increasing densities in these areas is being pursued in a staged approach.

To support the development of the Corridor Areas, in July 2023, new Corridor Zoning Districts were approved. The four new zoning districts allow for multi-unit residential development on sites that did not previously allow this use. The new Corridor Zoning Districts include a range of building forms that accommodate a transition between lower density established neighbourhoods and higher density along the major transportation corridors. More specifically, the new zoning districts will allow for up to 27 metres in height (six storeys), in areas in proximity to key transit stations.

One of the initiatives outlined in the Housing Action Plan is to pro-actively rezone properties within the Corridor Areas to these new zoning districts. This process has begun with an opt-in approach with the expectation that over time all Corridor Areas will be rezoned to these new zoning districts. If all sites within the Corridor Areas are rezoned, this could result in over 4,000 sites being rezoned to allow for more residential development in priority areas of the city that have better access to transit and services, including areas where residential development previously may not have been permitted.

Further, the proposed approach for the third action listed in Minister Fraser's letter (reduce or eliminate parking requirements near rapid transit routes) is to remove parking requirements in the Corridor Areas. Moving forward with this recommendation will provide for more developable area as the space previously allocated to meeting the zoning bylaw parking requirements can now be allocated to providing additional homes.

Changing the Corridor boundaries to 800 metres, rather than the current 250 metres, may undermine the work that was completed through the Growth Plan and the commitment the City has made to its residents on how Saskatoon will develop into the future. However, development of new four storey multiple unit buildings is expected to be gradual and will also be impacted by servicing capacity. This request can be accommodated as follows:

- Bring forward a zoning bylaw amendment to permit four storey multiple-unit development within 800 metres of the BRT corridors as-of-right. Development standards, servicing constraints and other conditions would be brought forward with the proposed zoning bylaw amendment.

In order to pursue this action and to gain HAF approval from the Minister, a motion from City Council to direct Administration on this action is required.

3. Reduce or eliminate parking requirements near rapid transit bus routes.

City Response: A Decision Report was tabled at the Standing Policy Committee on Planning, Development and Community Services meeting on November 2, 2023, titled [Options for the Review of Minimum Parking Regulations](#). This report will be considered at the Standing Policy Committee on Planning, Development and Community Services meeting on December 6, 2023.

Four options are provided in the report, which outline approaches for the regulation of parking minimums. Reducing or eliminating parking requirements near BRT routes is not listed as an option specifically; however, reducing or eliminating parking requirements in these areas would be captured through all the options provided in the report, with the exception of Option 1 (reductions in parking requirements for affordable housing and ensure a standard and consistent approach with gradual reductions to overall minimum parking requirements).

To support moving this request forward and to demonstrate action on the requests from the Minister, City Council may direct Administration to pursue eliminating parking requirements in areas near the proposed BRT routes immediately.

In order to pursue this action and to gain HAF approval from the Minister, a motion from City Council to direct Administration on this action is required. If approved, a copy of this motion will also be shared with the Standing Policy Committee on Planning, Development and Community Services, at its December 6, 2023 meeting, in conjunction with the report titled “Options for the Review of Minimum Parking Regulations”.

4. Work to increase housing density within walking distance of post-secondary institutions.

City Response: The [University Sector Plan](#) was completed in 2021, and guides development for approximately 1,000 acres of undeveloped University of Saskatchewan (University) lands within the city. It is expected that this sector, once built out, would provide housing for an estimated 57,147 people (33,980 units). The University has recently created a Land Trust to advance their efforts. In this area the University is expected to pursue the creation of additional mixed use, multiple-unit dwelling areas close to campus, which will support both student and non-student housing. With the recent announcement of the new location for Saskatchewan Polytechnic, adjacent to the University campus, this development area will support both institutions.

Further, the [College Corridor Plan](#) (Corridor Plan) is near completion. Most of the land adjacent to the BRT routes in this Corridor Plan area is owned by the University. This Corridor Plan has great potential to allow increased density, including missing middle development near the University to coincide with the new BRT.

Working jointly with the University to advance their plans has been an on-going priority for the City and will support the goals of HAF. In the near term, the University wants to pursue new student housing development in the College Quarter. A specific joint focus on this goal can be outlined in response to the Minister.

In order to pursue this action and to gain HAF approval from the Minister, a motion from City Council to direct Administration on this action is required.

Amendments to the HAF Action Plan

The Action Plan will form part of the HAF Contribution Agreement with the Canada Mortgage and Housing Corporation. As such, the Housing Action Plan must be

amended to reflect the actions identified by the Minister. These amendments must be approved by City Council prior to the Housing Accelerator Fund Contribution Agreement being signed. The amendments to the Housing Action Plan are:

New Initiatives to the HAF Action Plan

- 1) Administration proposes a new initiative to encourage missing middle units. Two milestones would be included in this initiative:
 - a. The first milestone of this initiative would be to initiate the process to amend the Zoning Bylaw to permit four units as-of-right. This is anticipated to be completed by Q1 2024.
 - b. The second milestone would be to initiate the process to amend the Zoning Bylaw to allow for four storey multiple-unit development within 800 metres of the BRT corridors as-of-right. This is anticipated to be completed by Q2 2024.
- 2) Administration proposes a new initiative to work to increase housing density within walking distance of post-secondary institutions by partnering with the University of Saskatchewan to develop student housing in the College Quarter development area.

New Milestone Added to Existing Initiative

- 1) Administration proposes the addition of a milestone to *Initiative 4: Reduce Parking Requirements with a Focus on Affordable Housing Development* to remove parking requirements within the Corridor Areas by the end of Q1 2024.

FINANCIAL IMPLICATIONS

Should City Council not pursue the actions identified in Minister's Fraser's letter or the amendments to the Housing Action Plan, based on the experiences from other municipalities, it is expected the City would not be approved for HAF funding.

OTHER IMPLICATIONS

None are identified at this time. Additional policy, communications, and consultation activities will occur subject to final approvals of the City's application and signing of the contribution agreement.

NEXT STEPS

If the proposed motions and changes to the Housing Action Plan are approved at the November 22, 2023 City Council meeting, a formal response confirming the amendments will be provided to the Minister from the Mayor's Office. Following this, finalization of the contribution agreement and a formal public announcement will be planned.

Zoning Bylaw amendments will be brought forward as per the timelines indicated in this report. It is noted that the constrained timelines for this work will restrict Administration's ability to undertake comprehensive engagement on the proposed Zoning Bylaw amendments.

APPENDICES

1. Minister Fraser Letter to Mayor Clark - Saskatoon

REPORT APPROVAL

Written by: Christine Gutmann, Senior Project Planner
Reviewed by: Lesley Anderson, Director of Planning and Development
Approved by: Lynne Lacroix, General Manager, Community Services

SP/2023/PD/Council/Housing Accelerator Fund/jdw