

Lasby, Mary

Subject: FW: Email - Communication - Karen Kobussen - Housing Accelerator Fund – Development of City-Owned Land - CK 750-4
Attachments: Strong Towns YXE Letter to SPCoF_March 6 .pdf

From: Web NoReply <web-noreply@Saskatoon.ca>

Sent: Monday, March 4, 2024 11:20 AM

To: City Council <City.Council@Saskatoon.ca>

Subject: Email - Communication - Karen Kobussen - Housing Accelerator Fund – Development of City-Owned Land - CK 750-4

--- Replies to this email will go to [REDACTED] ---

Submitted on Monday, March 4, 2024 - 11:14

Submitted by user: Anonymous

Submitted values are:

I have read and understand the above statements.: Yes

I do not want my comments placed on a public agenda. They will be shared with members of Council through their online repository.: No

I only want my comments shared with the Mayor or my Ward Councillor.: No

Date: Monday, March 04, 2024

To: His Worship the Mayor and Members of City Council

First Name: Karen

Last Name: Kobussen

Phonetic spelling of first and/or last name: KO-bus-sen

Email: [REDACTED]

I live outside of Saskatoon: No

Saskatoon Address and Ward:

Address: [REDACTED] Ave P N

Ward: Ward 4

Name of the organization or agency you are representing (if applicable): Strong Towns

What do you wish to do ?: Submit Comments

What meeting do you wish to speak/submit comments ? (if known):: SPC on Finance

What agenda item do you wish to comment on ?: 7.1.1 Housing Accelerator Fund – Development of City-Owned Land [F12024-0308]

Comments:

Please see comments from Strong Towns YXE

Attachments:

- [Strong Towns YXE Letter to SPCoF March 6 .pdf](#) 75.02 KB

Will you be submitting a video to be vetted prior to council meeting?: No



March 3, 2024

TO: Standing Policy Committee on Finance

RE: 7.1.1 Housing Accelerator Fund – Development of City-Owned Land [FI2024-0308]

Dear Councillors,

Strong Towns YXE is a dedicated group of local citizens who advocate in Key Priority Areas which include transparent municipal accounting, incremental housing, and removing parking minimums, among others, with the desire to ensure Saskatoon's growth leads to prosperity. Despite high economic and population growth, Saskatoon still does not seem to be a prosperous place, with daunting social challenges, financial pressure, and a significant lack of "missing-middle" housing options.

While the Housing Accelerator Funding has the potential to fill much needed housing gaps in our city, we first need to examine both housing service providers and industry capacity to build affordable housing, if we are to achieve the targets of HAF. We remind you that Saskatoon's Housing Needs Assessment is still underway (in research phase), and there are concerns around current infill zoning and bylaw restrictions which need to be resolved. We strongly believe that more thought and analysis can, and should, be given to address Saskatoon's housing crisis in order to understand it holistically, and take a proactive approach towards real solutions.

That is why, today, we urge you to consider Option 3 – Offer Properties for no cost. At minimum, we encourage you to not approve administration's recommendation of Option 1 – Sell properties for market value, while we wait for the housing needs assessment to be completed.

A core Strong Towns approach to our city's current financial pressures relies on the philosophy of "places for people". Even with potential future HAF funding, there is no certainty that any housing providers (private or not-for-profit) will purchase the land offered at full market value. In addition, capital investment, and operations may need to be subsidized. The risk to housing providers is that most are unable to purchase land upfront, finance construction, and then, support the operations of affordable housing projects. It is not financially feasible, unless other government subsidies or funding sources are available.

So, we ask "Does Saskatoon want to continue down the same path, putting profit over people? Or does our City want to be the catalyst for change that could solve our community's housing crisis?"

The Strong Towns YXE team has done the math, and we believe there is a way forward to achieve both: a stronger tax-base **and** housing, *even if the land was offered at NO COST.* By calculating tax per acre revenue on vacant city owned lots, we can clearly establish how revenue for the city can be recouped by accelerating development and calculate how much tax revenue the city will generate over time.



Case Study: The Shangri-La on 4th

The proposed site at Idylwyld and 25th Street (52 – 25th Street E), at 1.21 acres is currently assessed at \$646,800 with no improvements on it. We realize this may not reflect the “market value” of the land, however, for the city to consider the current sale value, and not the assessed value and tax revenue potential over time, is short-sighted.

By comparison, The Shangri-La on 4th sits on 0.736 acres, with a tax density of \$371,000 dollars per acre (\$273,000 actual per year). This building is a mix of both ownership and rental units, with prices in-line with current market sales and average rent costs. Based on the assessment of Shangri-La on 4th, at approximately \$2,904 in taxes/unit annually, we calculate the Idylwyld site would generate \$726,000 per year at maximum unit density, providing a positive return to the City on the assessed value after the first year following completion, and \$363,000 per year at the minimum density, generating a return in 2 years, following completion. Put another way, if Option 3, offering properties at no cost accelerates a maximum density project by just one year, the revenue implications are neutral. Conversely, Option 1, selling at market rate, might delay construction, leaving the land vacant and contributing nothing to the City’s tax-base. **Each year the land remains vacant is a year of property tax lost.**

This calculation, applied to all City owned sites and assets which have potential for redevelopment, will continue to show that long-term tax revenue far outweighs the up-front capital gain from market value pricing on land that may or may not sell without incentive.

Adopting Option 3 would mean further changes in policy to ensure a neutral impact on the Property Realized Reserve and the Dedicated Lands Reserve. We believe the effort to unlock Option 3 will be worth it in the long run. While we have focused on the bolstering of the city’s tax revenues, *the benefit of accelerated building is accelerated housing, providing badly needed affordable housing to Saskatoon’s citizens most in need of housing security.*

Strong Towns YXE urges the members of the Standing Policy Committee on Finance to consider whether we wish to be a city known as one who would simply generate profit off land sales, or, as a forward thinking and progressive City who puts people before profit and generates much needed tax revenue at the end of the day. Please either table this vote until further information can be provided or choose Option 3 – Offer Properties for No Cost.

Sincerely,

Karen Kobussen
Strong Towns YXE