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**From:** Web NoReply  
**Sent:** Monday, May 6, 2024 1:09 PM  
**To:** City Council  
**Subject:** Email - Communication - Nicole Burgess - Housing Accelerator Fund – Incentives - CK 750-4 x 1860-1  
**Attachments:** Letter to PDCS on HAF Incentive Package.pdf  
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Submitted on Monday, May 6, 2024 - 12:54

Submitted by user: [REDACTED]

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, May 06, 2024

**To:** His Worship the Mayor and Members of City Council

**First Name:** Nicole

**Last Name:** Burgess

**Phonetic spelling of first and/or last name:** [REDACTED]

**Phone Number :** [REDACTED]

**Email:** [ceo@saskatoonhomebuilders.com](mailto:ceo@saskatoonhomebuilders.com)

**I live outside of Saskatoon:** No

**Saskatoon Address and Ward:**

**Address:** 17-102 Cope Cres.

**Ward:** Ward 7

**Name of the organization or agency you are representing (if applicable):** Saskatoon & Region Home Builders' Association

**What do you wish to do ?:** Submit Comments

**What meeting do you wish to speak/submit comments ? (if known):: PS&CS May 8-24**

**What agenda item do you wish to comment on ? : 7.2.3 Housing Accelerator Fund – Incentives [GPC2023-0503]**

**Comments:**

please see letter attached

**Attachments:**

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



May 6, 2024

Committee on Planning, Development and Community Services  
222 3<sup>rd</sup> Avenue North  
Saskatoon SK S7K 0J5

**Subject: 7.2.3 Housing Accelerator Fund – Incentives [GPC2023-0503]**

I am writing on behalf of the Saskatoon & Region Home Builders' Association (SRHBA) to share some comments and insights on the proposed Housing Accelerator Fund (HAF) Incentives report.

The Housing Accelerator Fund presents a once-in-a-generation opportunity to effectively and meaningfully address our housing challenges by incentivizing new market-rate housing and fostering transformative changes within municipalities control. The \$41.325 million allocated to Saskatoon under HAF presents a unique opportunity to significantly impact housing supply and affordability in our city, if utilized correctly. However, the current proposal, based on our estimation is unlikely to achieve this outcome. Furthermore, we feel the consultation process with housing developers has been lacking, which we feel is crucial for informing such significant recommendations.

At the March 6th PD&CS meeting, the *Housing Accelerator Fund Budget Adjustments* report was introduced. It proposed several allocation strategies for HAF incentives, focusing primarily on increasing budget limits and modifying policy timelines for funding distribution. Furthermore, it detailed housing targets that included the development of 930 multi-family units within transit corridors and 10 'missing middle' units, with 445 designated as "affordable housing" according to provincial SHIM affordability benchmarks. The report further outlined approved uses for HAF funding, emphasizing construction, repair, and acquisition of affordable housing sites. Despite these permitted applications, the proposed incentive package focuses specifically on new construction.

Its important to understand that in today's economic climate, significant capital investments are required for new construction projects, encompassing costs such as land, construction materials, government taxes and fees, and labour—all of which are at all-time highs. Under these conditions, providing new 'affordable housing' becomes incredibly challenging and capital-intensive. Based on our analyses and discussions with housing providers (both private and not-for-profit), the proposed funding model is simply insufficient for any new project by itself. With maximum allowable rents estimated in some cases to be capped around \$500 below current market rate, as per SHIM limits, the feasibility of constructing new affordable housing projects is highly questionable without additional upfront and ongoing subsidies from various government levels. Simply put, it doesn't pencil out.

We find that the report raises more questions than it answers, with critical information, such as the duration of required affordable rent levels to access the fund, missing. This detail is vital as it significantly impacts the feasibility of this approach. For instance, even the 10-year period typical of most affordable housing programs is challenging for many providers to maintain, let alone a longer duration, which we understand is under consideration.



Moreover, the incentives report lacks clarity regarding the initiative involving the potential sale, lease, or discounting of city-owned lands. This oversight is concerning given the City Council's directive emphasizing the need for the city to have "skin in the game" and avoid using HAF funding merely to bolster its own finances, which seems to be the case based on the section *Incentives for Housing Development on City-owned Land*.

In conclusion, it's important for this committee to recognize that constructing new affordable housing under current economic conditions is extremely challenging without substantial additional subsidies (both upfront and ongoing). With a projected need for 24,000 additional housing units by 2030 to match population growth—and considering that 8,000 of these units need to support low-income earners—achieving affordability will require innovative strategies beyond new construction. For example, renovating existing rental properties for affordable housing and encouraging new market-rate supply to facilitate movement through the housing continuum could be a more effective approach. Furthermore, increasing access to homeownership opportunities can also be a measure to alleviate pressure on the rental market, while also supporting citizens in building equity, generational wealth, and housing stability.

We propose that administration be directed to devise a more effective application of the HAF funds, directly informed by industry input. We are eager to discuss these matters further with administration and industry partners to develop strategies that best leverage HAF proceeds to increase the overall housing supply and create affordable options for everyone in Saskatoon.

Sincerely,

Nicole Burgess, BA, CAE  
Chief Executive Officer  
Saskatoon & Region Home Builders' Association