

Housing Accelerator Fund – Permitting Up to Four Units in all Residential Zoning Districts

APPLICATION SUMMARY

In 2023, City Council approved the Housing Action Plan (Action Plan) for the City of Saskatoon’s (City) application to the Government of Canada’s Housing Accelerator Fund. Several amendments to policies and regulations are required to implement the initiatives outlined in the Action Plan. This report includes amendments to [Bylaw No. 8770, Zoning Bylaw, 2009](#) (Zoning Bylaw), to permit as-of-right four dwelling units on a site in all residential zoning districts.

RECOMMENDATION

1. That a copy of this report be submitted to City Council recommending that at the time of the public hearing City Council consider Administration’s recommendation that the proposed amendments to Bylaw No. 8770, Zoning Bylaw, 2009, as outlined in this report, be approved; and
2. That City Council instruct the City Solicitor to prepare any necessary consequential amendments to Bylaw 9958, Building Bylaw, 2024.

BACKGROUND

Housing Accelerator Fund (HAF)

The HAF is an incentive program provided by the Government of Canada that supports local governments in boosting housing supply by requiring them to undertake transformational initiatives, specifically:

- Encouraging Missing Middle Housing – Missing middle housing is defined as the gap between single family homes and mid-rise apartment buildings and consists of buildings up to four storeys; and
- Ending Exclusionary Zoning – Exclusionary zoning is a type of regulation that excludes or does not permit certain types of housing.

City Council, at its Regular Business [meeting](#) held on November 22, 2023, resolved:

“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.”

Official Community Plan (OCP)

The Zoning Bylaw amendments proposed in this report support the City’s goal of accommodating 50% of long-term growth as infill, and implement OCP policies which:

- Support infill growth, including facilitating and promoting the development or redevelopment of infill sites by addressing regulatory barriers; and,

- Promote the intensification of developed urban areas to minimize the urban footprint.

The OCP also recognizes that neighbourhood infill is intended to complement the existing development in established neighbourhoods, while gradually increasing residential density and providing additional housing options to current and future residents.

INCREASING HOUSING SUPPLY

The initiatives in the Action Plan are a generational shift in what housing looks like in Saskatoon. They will make it easier to build various types of homes by expanding the types of housing in our communities. As noted in the OCP, a variety of housing choices provides options for residents, contributes to the long-term stability of neighbourhoods and creates a varied built form.

Growth Monitoring Report

The [Growth Monitoring Report](#) provides information on how the city is growing. In 2022, half of the city's housing stock was one-unit dwellings, with over 80% occurring in greenfield areas. Demand for residential land is estimated on assumptions of population growth, household size and density of development. Demand can also be influenced by interest rates, general strength of the economy and affordability.

In 2023, Saskatoon grew by an estimated 12,500 to 15,300 people. Based on the 2021 Census and an average household size of 2.4 persons per household, 5,875 dwellings would have been required to match the growth experienced in the city. According to CMHC, there were 2,444 housing starts in 2023 with 2,032 completions.

The current and projected residential servicing over the next three years will accommodate approximately 25,140 residential units or 60,336 people. Of these, 21,335 units are existing inventory and 3,805 would be from newly serviced lots.

According to the [CMHC Rental Market Report – January 2024](#):

- The purpose-built rental apartment vacancy rate fell from 3.4% in 2022 to 2% in 2023. In the north, northeast and southeast zones of the city, the vacancy rates fell below 1%;
- Rent costs increased 9% from October 2022 to October 2023, with the average two-bedroom rent being \$1,360; and
- Available units for low-income families remain scarce, with only 5% of rental stock affordable to families in the lowest income quartile.

According to the [CMHC Housing Market Outlook Report – Spring 2024](#), Saskatoon is predicted to have stable housing market growth supported by employment growth, a surge in housing demand from younger families and changes to government policy, such as those proposed through the Housing Accelerator Fund.

Changes to regulations, such as OCP and the Zoning Bylaw, are intended to provide for increased housing development and additional housing types to meet the needs of more people.

Corridor Planning

The City has already started the process of densifying certain areas through its [Corridor Planning Program](#), which looks at how to transform Saskatoon’s major transportation corridors into livable places. The initiatives included in the City’s Action Plan are an expansion of this direction.

PROPOSED AMENDMENTS

The proposed amendments will permit as-of-right four dwelling units on a site in residential zoning districts and in the M1 (Local Institutional Service District) zoning district. To enable these forms of development, amendments to Bylaw No. 8770, Zoning Bylaw, 2009 are required. Supporting amendments to Bylaw No. 9700, The Official Community Plan are being brought forward in a separate report.

The proposed amendments are:

1. Amend the names and purpose statements of the low-density residential zoning districts to align the names and purpose statements with permitting the development of multiple-unit dwellings (MUDs) up to four units on a site “as-of-right”.
2. Amend the definition for “dwelling, semi-detached”. Information about the proposed definition is provided (see Appendix 1).
3. Add the following uses to specific zoning districts:
 - Semi-detached dwellings and two-unit dwellings as permitted uses in:
 - R1 – Large Lot One-Unit Residential District
 - R1A – One Unit Residential District
 - R1B – Small Lot One-Unit Residential District
 - MUDs up to four units as permitted uses in:
 - R1 – Large Lot One-Unit Residential District
 - R1A – One Unit Residential District
 - R1B – Small Lot One-Unit Residential District
 - R2 – One and Two-Unit Residential District
 - R2A – Low Density Residential Infill District (currently multiple-unit dwellings (MUDs) containing up to four units are a discretionary use in this zoning district)
 - M1 – Local Institutional Service District

Information about the proposed development standards for MUDs up to four units is provided (see Appendix 2). Note that landscaping requirements will not apply to MUDs up to four units for consistency with one-unit, semi-detached and two-unit dwellings which do not require landscaping; and

4. Additional amendments are required for clarity and consistency.

Regulating and Guiding Building Form

Section 5.44 of the Zoning Bylaw (Primary Dwellings in Established Neighbourhoods) includes regulations used to ensure building form is compatible with existing development patterns in the established neighbourhoods. The established neighbourhoods are defined in Appendix B of the Zoning Bylaw as neighbourhoods within Circle Drive and Sutherland, Forest Grove and Montgomery Place. These regulations apply to primary dwellings (one-unit, semi-detached and two-unit dwellings) and do not apply to an MUD (whether three or four units, or more). Under current regulations, if an MUD is desired, a rezoning to an MUD district is required. Stakeholders in the building and development industry have noted these regulations limit the potential forms of development that can be built.

The City also has [design guidelines](#) to assist in the design of primary dwellings in established neighbourhoods to ensure projects are compatible with Saskatoon's older residential areas. As guidelines they are not a requirement and adherence to these guidelines is not required as part of the City's review for new development.

Administration is proposing the regulations for Primary Dwellings in Established Neighbourhoods be applied to MUDs up to four units within the established neighbourhoods except on sites within the Corridor Growth Area (CGA) and on corner sites in the Transit Development Area (TDA). These same sites within the CGA and on corner sites in the TDA will also have provision for increased permitted height and site coverage. This approach is to ensure development of MUDs up to four units is compatible with existing development patterns in the established neighbourhoods, while allowing for greater height and building massing in the CGA and on corner sites.

A map of the established neighbourhoods showing the applicability of these regulations and revised height and site coverage regulations is provided (see Appendix 3).

Based on direction in the Action Plan, Administration will review and potentially update these regulations and design guidelines beginning in mid-2024. This is anticipated to be completed by mid-2025.

Bylaw No. 9958, The Building Bylaw, 2024

The proposed Zoning Bylaw amendments will require a consequential amendment to the [Bylaw No. 9958, The Building Bylaw, 2024](#). The definition for ground oriented dwelling unit will be amended to align with the HAF zoning amendments.

IMPACT OF THE PROPOSED AMENDMENTS

In addition to the currently permitted forms of residential development (one-unit, semi-detached and two-unit dwellings), this amendment will allow for a single residential building which may accommodate three or four dwelling units in all low-density residential neighbourhoods. This could be in a variety of configurations including but not limited to row housing (townhouses), stacked homes (two units on top, two units on the bottom) or

front to back (two units facing the front yard and two units facing the back yard). Examples of development that can occur under the current regulations and the proposed regulations is provided (see Appendix 4). The Zoning Bylaw does not regulate the configuration of the units.

The proposed amendments will allow a greater variety of building forms while retaining a similar residential density to what is currently permitted. The proposed minimum site width in all low-density zoning districts for MUDs up to four units is 15 metres. For comparison, existing regulations in the R2 – One and Two-Unit Residential District allow for up to three dwelling units on a 7.5 metre wide site (e.g., a one-unit dwelling plus a secondary suite and a garden/garage suite) or six dwelling units on two similarly-developed neighbouring 7.5 metre wide sites (total of 15 metres in site width).

Uptake for this new form of development is expected to occur gradually across the city. Development will depend on many factors including economic feasibility, infrastructure capacity, market demand and availability of materials. In cities that already allow four residential units on a site, for example Kelowna and Toronto, the change in their neighbourhoods has been incremental.

IMPLICATIONS

City Council may choose not to approve the proposed amendments. Should this occur, this may impact funding available to the City that is contingent on the implementation of HAF initiatives as set out in the approved Action Plan. This would also maintain known barriers for housing development and impede a gradual increase in density which supports the City's existing goals for infill development.

COMMUNICATIONS AND ENGAGEMENT

Feedback received from the public can be found on the Engage Page (saskatoon.ca/HAF). An overview of the methods used to inform the public about the proposed amendments, as well as technical feedback from internal divisions are included (see Appendix 5).

As noted in previous reports, due to the constrained timelines of these amendments, an abbreviated approach to engagement was undertaken and feedback received has been considered in the proposed amendments.

Communications will be developed to share information about changes to all affected stakeholders.

PUBLIC NOTICE

Public notice is required for consideration of this matter, pursuant to Section 11(a) of Council Policy No. C01-021, Public Notice.

Once this application has been considered by the Municipal Planning Commission, it will be advertised in accordance with Council Policy No. C01-021, Public Notice and a date

for a public hearing will be set. A notice will be placed in The StarPhoenix a minimum of two weeks prior to the public hearing.

APPENDICES

1. Proposed Definitions
2. Proposed Development Standards
3. Established Neighbourhoods – Section 5.44 of the Zoning Bylaw (Primary Dwellings in Established Neighbourhoods)
4. Examples of Four Unit Development in the Established Neighbourhoods
5. Feedback Received

REPORT APPROVAL

Written by: Lee Smith, Senior Planner
Chantel Riou, Senior Planner
Christine Gutmann, Senior Project Planner

Reviewed by: Chris Schulz, Planning Project Services Manager
Melissa Austin, Neighbourhood Planning Manager
Brent McAdam, Senior Planner
Lesley Anderson, Director of Planning and Development

Approved by: Lynne Lacroix, General Manager, Community Services

SP/2024/PD/MPC/Housing Accelerator Fund – Permitting Up to Four Units in all Residential Zoning Districts/sk