

### Housing Accelerator Fund – Permitting Four Storeys Within the Transit Development Area

#### 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 four storey, multiple-unit dwellings (MUD) within 800 metres of planned bus rapid transit stations.

#### RECOMMENDATION

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.

#### 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 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.”

#### 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 of 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 the 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.

## **OFFICIAL COMMUNITY PLAN**

The OCP provides guidance on where medium-density development should occur. The approach for implementing as-of-right permission for MUDs has been based on this policy direction.

Section G.3.1 (2) (l) of [Bylaw No. 9700, Official Community Plan Bylaw, 2020 \(OCP Bylaw\)](#) states that “medium and low density multiple-unit dwellings are appropriate in neighbourhood locations, provided they are:

- “(A) located with satisfactory access to neighbourhood entry points and collector or arterial streets;
- (B) located with satisfactory access to public transit, parks, and other public amenities;
- (C) situated such that residential zoning districts of varying density provide a compatible gradation within the neighbourhood; and
- (D) in the case of medium density multiple-unit dwellings, generally located within Community Focal Points and within the Corridor Growth Area.”

## **PROPOSED ZONING BYLAW AMENDMENTS**

The proposed amendments will permit four storey MUDs within 800 metres of a planned bus rapid transit station. To enable this, amendments to [Bylaw No. 8770, Zoning Bylaw, 2009](#) (Zoning Bylaw) are required. Supporting amendments to the OCP Bylaw are being brought forward in a separate report.

Administration is proposing the Zoning Bylaw be amended to permit four-storey, multiple-unit residential development within the Transit Development Area on sites that are zoned residential, institutional and in all commercial districts except all B3 and B4 Districts. Administration has not included areas which would not be appropriate for residential development such as parks, cemeteries and lands which are currently in use for agricultural research purposes or industrial areas.

### Proposed Development Standards

Development standards will be based on the OCP Land Use Designation as follows:

<b>OCP Land Use Designation</b>	<b>Proposed Development Standards</b>
Station Mixed-Use and Corridor Mixed-Use	Proposed regulations generally align with the CM1 – Corridor Mixed-Use 1 District with a minimum site width of 15 metres and a maximum permitted height of 22 metres or six storeys.
Corridor Residential	Proposed regulations generally align with the CR2 – Corridor Residential 2 District with a minimum site width of 15 metres and a maximum permitted height of 15 metres or four storeys. Measures to mitigate massing will be required for sites abutting a low-density residential use.

For all other sites within the Transit Development Area, MUDs will be permitted where:

- the site is located on an arterial or collector street,
- has a minimum site width of 21 metres,
- maximum permitted height of 15 metres or four storeys, and
- measures to mitigate massing will be required for sites located abutting a low-density residential use.

More information about the proposed Zoning Bylaw amendments is provided (see Appendix 1).

### Direction for zoning districts which do not permit MUDs as-of-right

Administration recognizes there may be pressures and rationale to develop MUDs in areas where they will not be permitted as-of-right as a result of this proposed amendment. In this case, an approval process such as a rezoning is required. An approach is being developed to provide guidance in the case where a MUD may be proposed which does not have as-of-right permission.

### Design Guidelines

The [Corridor Transformation Plan](#) contains design guidelines intended to provide guidance for development with built environment design components that is useful not only for development within the Corridor Growth Area, but also within the Transit Development Area. While guidelines provide overall guidance for development, they are not regulations and are not required (see Appendix 2).

## **IMPLICATIONS**

City Council may choose not to approve the proposed amendments. This will impact the advancement of the Action Plan and may impact funding available to the City that is contingent on the implementation of HAF initiatives. This option will also reduce certainty and maintain known barriers for housing development in areas, particularly the Corridor Growth Area, where the City has been working towards this development approach for a number of years.

## **COMMUNICATIONS AND ENGAGEMENT**

Feedback received from the public can be found on the Engage Page ([saskatoon.ca/HAF](https://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 can be found in Appendix 3.

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 Development Standards
2. Design Guidelines
3. Feedback Received

**REPORT APPROVAL**

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SP/2024/PD/MPC/Housing Accelerator Fund – Permitting Four Storeys Within the Transit Development Area/gs