

Update on Affordable Housing Deferred Land Payment Pilot Program – Parcel C – Aspen Ridge

ISSUE

Further to the close of the sale and subsequent build on Aspen Ridge Parcel C, Plan 102201769 (ISC Parcel No. 203167425) by National Affordable Housing Corporation (NAHC), this report provides an update on project and the effectiveness of the deferred payment pilot program.

BACKGROUND

Parcel C in Aspen Ridge (Appendix 1) was released to market in 2018 and received little interest due to elevated supply of multi-unit inventory in northeast Saskatoon at the time.

In May of 2021, the Standing Policy Committee (SPC) on Finance approved a pilot program for deferred payment of the land cost for the multi-unit project on Parcel C. As part of the sale agreement, the NAHC committed that a minimum of eight of the proposed 52 units (as approved under CMHC affordable housing insurance flexibilities) would have heavily discounted rents and be designated to low-income tenants with additional housing vulnerabilities that put them at risk of future homelessness. The NAHC proposal was for four units to be allocated to individuals with intellectual disabilities and four units allocated to individuals with mental health challenges. Eligible tenants must also be below provincially established Saskatchewan Household Income Maximum low-income limits.

At its meeting on [May 10, 2021](#), when considering a report of the Chief Financial Officer regarding the Affordable Housing Deferred Land Payment Pilot Program for Aspen Ridge Parcel C, the Standing Policy Committee on Finance resolved, in part:

- “4. That the Administration report back to the appropriate Standing Policy Committee on the effectiveness of the program and potential inclusion in the City of Saskatoon Housing Business Plan.”

CURRENT STATUS

After approval of the deferred land sale pilot program by SPC on Finance Committee, NAHC proceeded to have further discussions with CMHC regarding financing for the project. In these discussions with CMHC underwriters, it became apparent that significant policy changes would be required which caused significant delays to the project start. Faced with this unexpected complication, NAHC decided to close on the property, pay Saskatoon Land the entire land price and have the parcel transferred into their name as per a typical land sale transaction.

While the 30% deferred land payment did not take place as originally planned, NAHC proceeded with the project as agreed (Appendix 2) and completed 56 dwelling units with 17 of the units being designated as affordable. Furthermore, NAHC made 8 of the 17 units available to 10 tenants with intellectual disabilities and other overlapping complexities. The project was also certified Net Zero ready (NZEr).

DISCUSSION/ANALYSIS

Use of this pilot program to demonstrate meaningful financial support from the City of Saskatoon (City) to unlock CMHC funding for affordable housing providers was not successful due to concerns with CMHC policy requirements in place at the time and tight construction timelines.

NAHC was not able to proceed with the original payment deferral plan because they ran into problems with time sensitive CMHC financing approvals and it was not viable to wait for the necessary policy changes to be approved. There was also uncertainty because required approvals were not a guaranteed outcome. To meet seasonal construction timelines NAHC needed to find another way to proceed and was ultimately able to work with FCM's Green Municipal Fund to fill funding gaps at the time.

While there are no current plans to offer a similar program, Administration is currently in the final stages of developing an Affordable Housing Strategy for City Council review and approval. The strategy will include a variety of mechanisms for the City to continue to provide support for affordable housing projects in our community.

FINANCIAL IMPLICATIONS

The originally agreed sale price of \$1,967,000 was deposited in the Aspen Ridge Neighbourhood Land Development Fund

APPENDICES

1. Location of Parcel C
2. Aspen Heights Finished Project Photos

REPORT APPROVAL

Written by: Frank Long, Director of Saskatoon Land
Reviewed by: Lesley Anderson, Director of Planning and Development
Approved by: Clae Hack, Chief Financial Officer