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# Innovative Housing Incentives - Mortgage Flexibilities Support Program – Proposed Amendment to the Innovative Residential Investment Inc. 2017 Bundled Project

## Recommendation

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council:

1. That an additional site, located at the corner of Lewin Way and Lewin Crescent (address to be assigned), be added to the Innovative Residential Investment Inc. bundled project under the City of Saskatoon's Mortgage Flexibilities Support Program; and
2. That the City Solicitor be requested to prepare the necessary incentive and tax sponsorship agreements, and that His Worship the Mayor and the City Clerk be authorized to execute these agreements under the Corporate Seal.

## Topic and Purpose

The purpose of this report is to make additional units available at a townhouse site in the Stonebridge neighbourhood under the Mortgage Flexibilities Support Program.

## Report Highlights

1. Construction and marketing of the Innovative Residential Investment Inc. (Innovative Residential) bundled project is progressing on schedule.
2. Innovative Residential is proposing to add an additional site to their bundled project to provide home buyers with more choices.
3. Additional capacity is not being requested to support the additional site.

## Strategic Goal

This report supports the City of Saskatoon's (City) Strategic Goal of Quality of Life by increasing the supply and range of affordable housing options.

## Background

At its March 27, 2017 meeting, City Council designated 59 affordable housing units to be built under the Mortgage Flexibilities Support Program (MFSP) as a bundled project that included three sites, 720 Baltzan Boulevard, 250 Akhtar Bend, and 620 Cornish Road. These 59 units were in addition to 32 units designated under the MFSP in 2016 at these same sites. These three sites also included 91 entry-level units that have no financial assistance from the City, for a total of 182 units.

## **Report**

### Construction and Marketing for the Bundled Project is on Schedule

A number of the housing units in the Innovative Residential bundled project are now complete or have been pre-sold. It has been determined that there is a greater need under the MFSP for townhouse units in the Stonebridge neighbourhood.

### Innovative Residential is Proposing to Add an Additional Site to the Bundled Project

Innovative Residential has requested that an additional site be added to their bundled project under the MFSP to make additional townhouse units available in the Stonebridge neighbourhood. The new site is located at the corner of Lewin Way and Lewin Crescent (address to be determined) in the Stonebridge neighbourhood (see Attachment 1).

The new site includes a total of 38 stacked two- and three-bedroom townhouse units with surface parking. The two-bedroom units will sell for \$210,000 to \$219,000, and the three-bedroom units will sell for \$280,000 to \$299,000. The three-bedroom units do not include a garage, and therefore, are priced approximately \$10,000 lower than similar units with garages, providing buyers with a less expensive three-bedroom option.

### Additional Capacity is Not Required to Support the Additional Site

Innovative Residential is not requesting additional capacity under the MFSP to support this new site. The 59 units previously approved for the bundled project will now be split among four locations, totalling 220 units available to MFSP buyers, providing added choice in location, size, and style. Units not receiving MFSP support will be sold to entry-level buyers without assistance from the City.

Previously approved conditions for this bundled project will remain in place, including:

- 1) no more than 33 MFSP units will be sold in 2017;
- 2) no more than 50% of the units at any one site will be sold under the MFSP; and
- 3) no more than 60% of these 59 units will have three bedrooms.

Innovative Residential will contribute 3% toward the down payment grants, and the City will contribute 2%, as was previously agreed. The City's contribution of \$321,500, previously allocated for this bundled project, is still sufficient to support 59 units. Innovative Residential, in partnership with the National Affordable Housing Corporation, may provide tax sponsorships from their own resources to buyers who require assistance to qualify for a mortgage.

## **Options to the Recommendations**

City Council could choose to not approve the recommendations in this report. Further direction would then be required.

## **Public and/or Stakeholder Involvement**

Public or stakeholder involvement is not required.

**Financial Implications**

There are no added financial implications. The funding of \$321,500 previously allocated to this bundled project remains sufficient to support down payment grants for 59 units.

**Other Considerations/Implications**

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required as the builders are responsible for marketing MFSP projects.

**Due Date for Follow-up and/or Project Completion**

The housing projects are scheduled to be complete by December 31, 2018.

**Public Notice**

Public notice, pursuant to Section 3 of Public Notice Policy No. C01-021, is not required.

**Attachment**

1. Innovative Residential Bundled Housing Project: Additional Site and Townhouse Renderings

**Report Approval**

Written by: Daryl Sexsmith, Housing Analyst, Neighbourhood Planning  
Reviewed by: Lesley Anderson, Director of Planning and Development  
Approved by: Randy Grauer, General Manager, Community Services Department

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