
Revision - Innovative Housing Incentives – Sasknative Rentals Inc. – Accessible Units – Various Addresses

Recommendation

1. That funding of 10% of the total capital cost of the development of six affordable rental units at 115 Brown Crescent, 119 Brown Crescent, and 1006 Avenue O South, to a maximum of \$140,000, be approved subject to approval of this project under the Provincial Rental Development Program; and
2. That the City Solicitor be requested to amend the existing incentive agreement as outlined in this report, 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 recommend a revision of the financial incentives agreement and project scope with Sasknative Rentals Inc. for the provision of accessible rental housing for low-income families.

Report Highlights

1. Sasknative Rentals Inc. has re-evaluated the feasibility of their project at 820 Avenue S North.
2. Sasknative Rentals Inc. has requested a modification of the previously approved capital funding agreement for their aforementioned affordable housing projects

Strategic Goal(s)

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

Background

On May 7, 2018, the Standing Policy Committee on Planning, Development and Community Services approved 10% capital funding to a maximum of \$200,000 to Sasknative Rentals Inc. for the construction of eight affordable rental units at 115 Brown Crescent, 119 Brown Crescent, 820 Avenue S North, and 1006 Avenue O South. Each of the proposed homes were to contain three bedrooms and be rented to low-income families requiring accessible housing. This has been identified as a "hard to house" population that often struggles to find appropriate and affordable housing.

Report

Revaluation of Project Feasibility and Scope

On January 4, 2019, Administration was contacted by the applicant requesting amendments of the approved funding agreement.

The requested amendments consist of the following changes to the agreement:

1. Of the four duplexes approved for funding, Sasknative Rentals Inc. will not pursue construction of the duplex on the lot located at 820 Avenue S North due to lot size constraints. Since the May 2018 meeting of the Standing Policy Committee on Planning, Development and Community Services, the applicant has determined that instead of a standard 50 feet of frontage, the lot measures 48 feet. This loss in frontage makes it extremely difficult to design a barrier-free building without contravening the bylaw on frontage.
2. Based on assessments of tenant needs, the proponent has determined that of the three duplexes still to be constructed, only one will retain the original design. One duplex will contain two three-bedroom units, while the remaining two duplexes will now each contain a two-bedroom unit and a three-bedroom unit.

Existing Capital Grant Approval from the City and Proposed Amendment

The original application for financial assistance from Sasknative Rentals Inc. was evaluated by the Administration using the capital grant evaluation matrix. The application achieved ten points, which qualified the project for a 10% capital grant. The requested revision does not change this evaluation.

The total estimated project costs of the proposed revision are estimated to be \$1.75 million. A 10% capital grant amounts to \$175,000. However, City Council previously approved the Innovative Housing Incentives Policy C09-002, which limits the value of capital grants to \$25,000 for three-bedroom units and \$20,000 for two-bedroom units. Therefore, the maximum amount that can be awarded for this project is \$140,000.

Sasknative Rentals Inc. has approximately \$390,000 to contribute to the project and is working to secure funding from the Saskatchewan Housing Corporation, under their Rental Development Program, of approximately \$1,120,000. The remaining balance of approximately \$90,000 will be financed through mortgages on the properties.

Options to the Recommendation

City Council could choose to not provide financial incentives for this project; however, choosing this option would represent a departure from Innovative Housing Incentives Policy C09-002. In this case, further direction would then be required.

Public and/or Stakeholder Involvement

Public consultation is not required for this project.

Communication Plan

Sasknative Rentals Inc. will plan a sod-turning event in conjunction with all funding partners when construction is about to commence. The City of Saskatoon's contribution to this project will be acknowledged at that time.

Financial Implications

The funding source for the capital grant of \$140,000 is the Affordable Housing Reserve. Since this project was already approved in 2018 for \$200,000, the remaining \$60,000 will be reallocated to 2019 capital grants. There is approximately \$443,949 remaining for capital grants in 2019, which includes the additional reallocation of \$60,000 for this project.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

The homes are scheduled to be ready for occupancy by December 31, 2019.

Public Notice

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

Attachment

1. Letter from Sasknative Rentals Inc.

Report Approval

Written by: Kostas Karachalios, Planner, Planning and Development

Reviewed by: Lesley Anderson, Director of Planning and Development

Approved by: Lynne Lacroix, Acting General Manager, Community Services Department

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