

# Status Report on the Ten-Year Housing Business Plan 2013 - 2022

## ISSUE

The purpose of this report is to provide the 2019 annual status report on the Housing Business Plan 2013 – 2022 and a recommendation resulting from the midterm review of this plan.

## RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that if a Neighbourhood Land Development Fund dividend is declared and allocated to the Affordable Housing Reserve, \$270,000 of the \$400,000 allocated for 2020 be used for capital grants to support the creation of affordable rental housing for low-income households.

## BACKGROUND

The City of Saskatoon (City) adopted its first comprehensive Housing Business Plan in 2008, in response to rapidly rising housing costs.

City Council, at its June 24, 2013 meeting, approved the Housing Business Plan 2013 – 2022. The Business Plan identifies the City's role in housing and the priorities and strategies for addressing attainable housing in Saskatoon.

City Council, at its November 27, 2018 Business Plan and Budget Review meeting, set a target of 200 new attainable units for 2019 and allocated \$400,000 from the Neighbourhood Land Development Fund (Fund) for the Affordable Housing Reserve to be used in 2019.

## DISCUSSION/ANALYSIS

### City's Incentives Supported the Creation of 142 New Attainable Housing Units in 2018

In 2018, the City's housing incentives supported the creation of 142 new units, which is under the 250-unit target set by City Council. This was primarily due to less demand on the affordable ownership side of the housing spectrum as the condo market softens. The City is on track to achieve its 2019 target of 200 units across the attainable housing continuum.

A complete listing of all projects supported between 2013 to 2019 period, including the number and types of units, location, amount of City support, construction status and a financial summary can be found in Appendix 1.

### Affordability Challenges Remain for those with Lower Incomes

The supply crisis that resulted in adoption of the City's first comprehensive Housing Business Plan in 2008 has now been addressed. The indicators to support this include higher vacancy rates and stable prices in both the rental and homeownership markets.

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Affordability challenges remain for those with lower incomes, including minimum wage earners, people with disabilities and seniors on fixed incomes. These groups can be at risk of being homeless or inadequately housed. Appendix 2 outlines the affordability challenges faced by those with lower incomes.

Although the vacancy rate remains higher, there is still an elevated need for affordable rental in Saskatoon. Homelessness continues to be an issue in Saskatoon with 475 individuals being identified as homeless (including 14 children) in 2018's Point-In-Time Homelessness Count. This was 25 more than the last count in 2015. The City's Capital Grant Program continues to offer funding to increase the supply of affordable rental units where regular market forces are not supplying units to meet the needs in the community.

### Challenges for Moderate Income Earners Remain

Although prices have stabilized as the condo market softens due to increased supply, moderate income earners are still challenged to purchase a home (see Appendix 3). As the demand has softened on the affordable ownership side, the City's Mortgage Flexibilities Support Program continues to assist those who are unable to qualify for mortgages for homes at the average price point.

### The Provincial and Federal Agreement in Housing

On April 18, 2019, the Province of Saskatchewan and Government of Canada reached a 10-year housing agreement to protect, renew and expand social and community housing across the province. The deal was reached under the National Housing Strategy, a ten-year, \$40 billion plan that will result in up to 100,000 new housing units and the renovation of 300,000 existing housing units. Both governments will invest \$225 million into the agreement and will prioritize a rights-based approach to housing for the most vulnerable. The province is currently working on creating new programming based on this new agreement. The Administration will determine how to best utilize these programs once they are finalized over the coming year.

### Recommended Funding Priorities for 2020

The Neighbourhood Land Development Fund helps to fund affordable housing projects through the 10% Capital Grant Program and is integral in assisting affordable rental projects for those in the greatest need. These projects target the most vulnerable people in the city and those who are at greatest risk of being homeless.

Saskatoon Land has not yet declared a new dividend from the Fund for 2020 or 2021. At such time as the dividend is declared, the funds can then be allocated to specific uses. The Affordable Housing Program is requesting an allocation of \$400,000 in both 2020 and 2021. It is recommended that if a Neighbourhood Land Development Fund dividend is declared and allocated to the Affordable Housing reserve, that for 2020 \$270,000 of the \$400,000 be used to support capital grants for affordable rental or alternative ownership housing that serve low-income households as defined in Section 2.2 of the Innovative Housing Incentives Policy (Council Policy C09-002). The remaining \$130,000 will be used to support the five-year contract with the Saskatoon Housing Initiatives Partnership for the implementation of Saskatoon's Homelessness

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Action Plan. Additional funding of the City's attainable housing program comes from operating budget allocations.

### **FINANCIAL IMPLICATIONS**

The recommendation in this report specifies how the \$400,000 allocated to the Affordable Housing Reserve for use in 2020 will be utilized.

### **NEXT STEPS**

Subject to the declaration of dividends from the Fund for 2020 being declared, the 2020 targets for the Attainable Housing Program will be communicated to stakeholders.

### **APPENDICES**

1. Summary of Housing Projects Supported and Financial Statement
2. Affordability Challenges for Low-Income Households
3. Housing for Moderate Income Earners

### **Report Approval**

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