

CITY OF SASKATOON COUNCIL POLICY

NUMBER
C09-043

POLICY TITLE <i>Development Incentives</i>	ADOPTED BY <i>City Council</i>	EFFECTIVE DATE <i>August 26, 2026</i>
		REVISED DATE
ORIGIN/AUTHORITY <i>Approved by City Council – Item 10.3.1 – Report from Community Services – July 29, 2026; and Item 8.4.2 – Proposed Amendments to City Council Policy No. C03-003, Reserves for Future Expenditures and Bylaw No. 6774, The Capital Reserve Bylaw, 1993 – August 26, 2026; Report by Planning, Development and Community Services Committee Report – Item 9.3.1 – June 10, 2026.</i>	CITY FILE NO. <i>CK 0421-C09-043</i>	PAGE NUMBER <i>1 of 14</i>

1. PURPOSE

- 1.1 To encourage infill development in the Established Neighbourhoods, by providing tax-based and grant-based incentives to owners of eligible properties;
- 1.2 To promote a diversity of housing options and to increase the availability of suitable and affordable housing units for very low, low- and moderate-income households across the city;
- 1.3 To attract financial support from other levels of government and the private sector by fostering alignment and collaboration; and,
- 1.4 To support city-wide development and long-term preservation of affordable rental units within the Saskatoon housing market.

2. DEFINITIONS

- 2.1 Affordable Housing – housing units that are affordable to households with gross annual incomes at or below the Saskatchewan Household Income

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Maximums while spending no more than 30 percent of their income on housing or set at the maximum funding available under the shelter benefit.

2.2 Completion of the Approved Project –

- a) for the purposes of projects that receive only the Affordable Housing Incentives, as described in subsection 4.1(f);
- b) for the purposes of projects that receive only the Established Neighbourhood Incentives, as described in subsection 5.1(g); and,
- c) for the purposes of projects which receive both an Affordable Housing Incentive and an Established Neighbourhood Incentive, as described in subsection 4.1(f).

2.3 Development Charges – one-time charges on developers to fund infrastructure like roads, sewers, and parks that are necessitated by new growth. Both Servicing Agreement Fees and Development Levies are considered “Development Charges”.

2.4 Heritage Impact Statement - a study that evaluates the impact a development may have on a heritage resource or resources. A Heritage Impact Statement may be required as outlined in Zoning Bylaw No. 9990. Developments can include alterations, additions, partial demolitions, demolitions, relocations or new construction.

2.5 Incremental Property Taxes – the amount of property tax payable in a given year on the increase in assessed value of the property as a result of new construction.

2.6 Market Housing – housing units that are rented or priced based on prevailing private market conditions.

2.7 Mixed Market – residential developments that contain both Market and Affordable Housing units.

2.8 Mixed Use – combines residential use with one or more complementary land uses within a single building or site.

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2.9 School Tax - School Tax as defined in *The Education Property Tax Act*.

3. GENERAL ELIGIBILITY

Applicants for any incentive offered under this Policy must meet the following eligibility requirements:

- 3.1 Requests for City of Saskatoon financial support must be made via application to the Community Services Division in the form established by the Division for that purpose;
- 3.2 The City of Saskatoon will only offer financial incentives to projects located within the city limits;
- 3.3 Projects assisted under this Policy may be eligible for support through other incentive policies or programs not identified in this Policy;
- 3.4 Properties that are under an Order to Remedy with the City of Saskatoon or that are in tax arrears are not eligible for support under this Policy. Exceptions to this provision may be granted at the discretion of the General Manager, Community Services Division;
- 3.5 Property tax will be assessed each year of the program. Properties that are deemed to be in arrears by the City of Saskatoon will be terminated from this program; and
- 3.6 Approved applicants will be required to enter into a written agreement with the City in a form satisfactory to the City Solicitor. The City may require an interest be registered on title to the subject property to ensure compliance with the terms of the agreement.

4. AFFORDABLE HOUSING INCENTIVES PROGRAM

4.1 Eligibility and Requirements

- a) Eligible projects must support Affordable Housing.

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- b) Applicants must be registered corporations in the Province of Saskatchewan.
- c) Construction of new dwellings eligible to receive financial assistance under this section are required to obtain underwritten new home warranty coverage from a recognized third-party warranty provider. This is a condition upon which the funding is provided or the land is sold.
- d) Projects must contain a minimum of five or more affordable dwelling units to be eligible for an Affordable Housing Incentive.
- e) A project may include more than one site in different locations of the city.
- f) Completion of the Approved Project is achieved when all requirements stipulated in the written agreement are met, including, but not limited to, the following:
 - i) all building permits in relation to the Approved Project have been fully and properly closed, as determined by the City's Building Standards Department;
 - ii) an inspection to ensure compliance with the City's Zoning Bylaw has been completed;
 - iii) there is no unrepaired damage to municipal infrastructure as a result of construction;
 - iv) the site is fully landscaped and free of construction debris; and,
 - v) any conditions relating to financial audits have been met.
- g) The deadline for Completion of the Approved Project shall be:
 - i) For projects in which all units are affordable, no greater than five years following the incentive approval. If multiple

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incentives are approved, the most recent date of approval shall be used. Extensions may be granted, at the discretion of the General Manager, Community Services Division, for up to two additional years.

- ii) For mixed-market projects which receive an Affordable Housing Incentive and an Established Neighbourhood Incentive, no greater than three years following the incentive approval. If multiple incentives are approved, the most recent date of approval shall be used. Extensions may be granted, at the discretion of the General Manager, Community Services Division, for up to two additional years.

If an approved mixed-market project receives an extension but fails to meet the minimum affordable unit requirement, the 5-year tax abatement shall be deemed to have commenced after the initial three calendar years, and the property owner shall not benefit retroactively for any portion of the abatement period that has already elapsed.

- h) Applicants must commit to a defined affordability term and comply with all affordability monitoring and reporting requirements as specified by the City.

4.2 Affordable Housing Incentives

- a) Affordable Housing Grant:
 - i) Financial assistance may be provided by the City for Affordable Housing projects in the form of a grant.
 - ii) Grants may be offered in conjunction with any tax abatement offered through this Policy or on its own.
 - iii) Administration will report to City Council on proposed grants, either through its annual Housing Strategy Update Report, or through other reporting to Council. Reporting will include, but is not limited to:

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- i. eligibility and evaluation criteria. Eligibility and evaluation criteria will be based on housing needs and priorities.
 - ii. how funds can be utilized.
 - iii. funding source.
 - iv. maximum grant amount.
- iv) The City will not provide funding for ongoing operational costs, including tenant services, utilities, staffing, or regulatory compliance related to maintaining safe and affordable housing. Approved grant programs may support capital-related expenses including but not limited to the repair, replacement or improvement of capital assets.
- v) Grant payments will normally be made upon Completion of the Approved Project. Payment through predetermined project milestones or via progress payments may also be considered to enable Affordable Housing providers access to the funds prior to Completion of the Approved Project. The milestones or progress payment schedule will be negotiated and confirmed within the funding agreement.
- vi) Grant Hold Backs
 - i. The City will hold back, at minimum, payment of 10 percent of the total grant approved by City Council until the Completion of the Approved Project.
 - ii. The City may, at its discretion, reduce the hold back to a minimum of 5 percent of the total approved grant if the City determines that only a minor portion of the requirements to achieve Completion of the Approved Project remain to be completed.

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b) Affordable Housing Property Tax Abatement:

- i) For projects eligible for an Affordable Housing Property Tax Abatement, the affordable units must be in the form of rental or cooperative housing and must maintain this type of tenure for the term of the agreement.
- ii) Projects that contain all Affordable Housing units will be eligible to receive a five-year property tax abatement equal to 100 percent of the incremental tax increase.
- iii) For Mixed Market developments:
 - i. Mixed Market developments located within the City Centre and Corridor Growth Areas of Established Neighbourhoods, as identified in Appendix A, that include a minimum of five affordable dwelling units and designate at least 15 percent of the total units as Affordable Housing, will be eligible for a five-year property tax abatement equal to 100 percent of the incremental property taxes on the entire development.
 - ii. All other Mixed Market development will be eligible for a tax abatement equal to 100 percent of the incremental tax increase pro-rated by the percentage of units that are Affordable Housing in the project.

The pro-rated calculation for Mixed Market developments will be done using the ratio of Affordable Housing units to the overall development of the project (e.g., 10 Affordable Housing units in a 50 unit Mixed Market project will result in the applicant receiving an abatement equal to 20 percent of the incremental tax increase over five years).

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- iv) Spaces that provide services that directly support tenants in the Affordable Housing units, including but not limited to community rooms, on-site support services, offices and gathering spaces may be eligible to be included in the tax abatement ratio calculation.
- v) Tax abatements for Affordable Housing development may be combined with other tax abatement incentives offered under this Policy.
- vi) Property tax abatements, if approved, will begin the calendar year following project Completion of the Approved Project and will continue for five years.
- c) Waiving Offsite Development Charges for Affordable Housing:
 - i) City Council, at its discretion, may waive the payment of offsite Development Charges payable as the result of the development of Affordable Housing.
 - ii) Eligible housing projects must meet all eligibility criteria for Affordable Housing projects as defined in this Policy.
 - iii) The payment of offsite Development Charges may be waived by resolution of City Council for the portion of the site that provides for Affordable Housing units as well as any services within the project that directly support tenants in the Affordable Housing units.
 - iv) The value of the offsite Development Charges is payable if Affordable Housing units become market units within a timeline as specified by Council (e.g., through sale).

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5. ESTABLISHED NEIGHBOURHOOD INCENTIVES

5.1 Eligibility and Requirements

- a) Eligible properties in this section must be for new construction:
 - i) on a site with no existing structures;
 - ii) on a site containing a principal building that will be demolished for the purpose of redevelopment;
 - iii) that involves the conversion of an existing structure from a non-residential use to a residential use; or,
 - iv) that involves the expansion of an existing structure.
- b) Projects that involve expanding an existing structure will only be eligible for a tax abatement on the incremental property tax on the addition to the building.
- c) Projects that include Mixed Use developments that contain both market housing and commercial development may receive the abatement for both the residential and commercial components.
- d) All surface parking facilities are excluded.
- e) Municipal Heritage Properties, buildings listed in Schedule A of Demolition Permit Bylaw No. 6770, and those included on the Saskatoon Register of Historic Places are only eligible for an incentive under Section 5.1(a)(iii and iv). A Heritage Impact Statement will be required as part of the application process. Exceptions to this provision may be granted at the discretion of the General Manager, Community Services Division.
- f) There shall be no minimum vacancy requirement for eligible properties to qualify for incentives under this program.
- g) Completion of the Approved Project is determined as follows:

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- i) all building permits in relation to the Approved Project have been fully and properly closed, as determined by the City's Building Standards Department; or
- ii) any Development-related City Tax increase can be applied to the Property, as determined by the City's Assessment and Taxation Department;

whichever is earlier.

- h) The tax abatement start date will be specified at the time of City Council's application approval and must commence no later than the next January 1st that follows three years from the approval date. The tax abatement period will commence to run at the latest from the tax abatement start date regardless of whether there has been completion of the Approved Project.
- i) Tax abatements approved under this section may be combined with other tax abatement incentives offered under this Policy.

5.2 Tax Abatement Incentives - City Centre and Corridor Growth Stream

- a) Eligible properties in this section must be located within the City Centre or Corridor Growth Areas within the Established Neighbourhoods (see Appendix A). For sites which are located on the Corridor Growth Boundary, the incentive may be permitted on both sides of the street. University of Saskatchewan owned land is excluded.
- b) Projects must include new residential development of five or more dwelling units, including Mixed Use projects within all eligibility areas, or, commercial development, including office, within the City Centre only.
- c) Projects that would incur an incremental property tax increase upon completion are eligible for a tax abatement of up to 100 percent of incremental property taxes in year one, 80 percent in year two, 70

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percent in year three, 60 percent in year four, and 50 percent in year five.

5.3 Tax Abatement Incentives – Established Neighbourhoods Stream

- a) Eligible properties in this section must be located within the Established Neighbourhoods (see Appendix A). University of Saskatchewan owned land is excluded.
- b) Properties in the Established Neighbourhoods along Arterial and Collector Roadways (see Appendix A).
 - i) Projects must include new residential development of 15 or more dwelling units, including Mixed Use projects.
 - ii) Projects that would incur an incremental property tax increase upon completion are eligible for a tax abatement of up to 80 percent of incremental property taxes in year one, 70 percent in year two, 60 percent in year three, 50 percent in year four, and 40 percent in year five.
- c) Properties in the Established Neighbourhoods not located along Arterial and Collector Roadways (see Appendix A).
 - i) Projects must include new residential development of 20 or more dwelling units, including Mixed Use projects.
 - ii) Projects that would incur an incremental property tax increase upon completion are eligible for a tax abatement of up to 80 percent of incremental property taxes in year one, 60 percent in year two, 40 percent in year three, and 20 percent in year four.

5.4 Grant Incentives

- a) Projects eligible for an incentive under Section 5.2 and 5.3 of this Policy and that do not incur an incremental property tax increase upon completion may be eligible for a grant equal to no more than

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one year's worth of existing taxes post-construction, up to a maximum of \$250,000. Each property is eligible to receive the grant only once. Grants are based on 100% of only the Municipal and Library property tax portions, and not the School Tax portion. In order to be eligible for grant assistance, Completion of the Approved Project must occur within three years of the grant approval by the General Manager, Community Services Division. Projects that involve expanding an existing structure are not eligible for a grant.

Exceptions to this provision may be granted at the discretion of the General Manager, Community Services Division for projects that incur an incremental property tax increase upon completion where the total five year tax abatement value is less than one year's worth of existing taxes post-construction.

6. RESPONSIBILITIES

6.1 General Manager, Community Services Division

- a) Receive and review all applications for incentives under this Policy;
- b) Approve financial assistance for projects under Section 5.4;
- c) Submit any necessary reports to City Council; and
- d) Market the incentive programs as required.

6.2 Corporate Revenue

- a) Administer all approved applications for tax abatements through redirection of Incremental Property Taxes; and
- b) Request an exemption or abatement from the Province of Saskatchewan for eligible projects exceeding \$25,000 per year in School Tax.

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6.3 City Council

- a) Approve/reject recommendations for financial assistance that include a tax abatement and waiving of offsite Development Charges;
- b) Approve/reject recommendations for proposed grant programs under the Affordable Housing program; and
- c) Review and approve amendments to this Policy.

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Appendix A

Map of Eligibility Areas

