



Housing Business Plan 2013 – 2022



Photo courtesy of Innovative Residential

City of Saskatoon

Housing Business Plan
2013 to 2022



May 2013

Table of Contents

PART A. The City's Role in Housing

Background	1
Housing and the City of Saskatoon's Strategic Plan.....	1
The City's Role in Housing and the Housing Continuum.....	2

PART B. Partnerships with Other Levels of Government

The Government of Canada.....	3
The Province of Saskatchewan.....	4
The Alignment of the City's Housing Programs with other Government Programs.....	6

PART C. Partnerships with Other Sectors

Non-Profit Housing Providers.....	7
Financial Institutions.....	7
Land Developers.....	7
Private Builders.....	8
Private Homeowners.....	8
Non-traditional Providers.....	8

PART D. Housing Targets 2013-22

Housing Targets.....	9
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PART E. Core Strategies

Core Strategies.....	10
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PART F. Priorities

Priority 1 – Creating Attainable Housing in all Areas.....	11
Priority 2 – Accessible Barrier-Free Housing.....	11
Priority 3 – Neighbourhood Revitalization.....	12
Priority 4 – Safe and Adequate Housing	12
Priority 5 – Housing that Meets Identified Needs.....	12
Priority 6 – Innovative and Energy-efficient Housing.....	12

PART G. Business Functions

Policy Development	14
Financial Incentives to Meet Housing Targets	16
Community Based Support	20
Research and Monitoring	23
Education and Awareness	24

PART H. Financing the Housing Business Plan

Past Funding for the Housing Business Plan (2008-2012).....	25
Funding the Housing Business Plan (2013 – 2022)	25

PART I. Appendices

Appendix 1: The Housing Situation in Saskatoon - Key Issues.....	26
Appendix 2: The Housing Continuum.....	30
Appendix 3: Definitions.....	31
Appendix 4: Maintaining the Condition of Existing Housing.....	33

PART A: The City of Saskatoon's Role in Housing

Background

The City of Saskatoon (City) adopted its first comprehensive Housing Business Plan in 2008 in response to rapidly rising housing costs and supply shortages in both the ownership and rental markets. City Council set the ambitious target of creating 500 new affordable housing units annually or 2,500 units over the five-year period from 2008 to 2012. By the end of 2012 the target was achieved with a total of 2,534 units counted during the five-year period.

The new units are spread across the affordable housing continuum and include shelter spaces, transitional units, affordable rental, affordable ownership, purpose built (market) rental, and entry level ownership units.

The City partnered with all sectors to achieve these results including other levels of government, non-profit housing providers, private builders, land developers, financial institutions, investors, individual homeowners, as well as non-traditional housing providers such as faith groups. In total, the City has worked with 32 partner organizations in achieving its housing targets since 2008.

Housing and The City of Saskatoon's Strategic Plan 2013 to 2022

The City's Strategic Plan provides direction and guides the city's growth over the ten-year period from 2013 to 2022. Housing is an important part of the Strategic Plan which includes goals, priorities and drivers related to the supply of affordable housing.

Strategic Goal – Quality of Life

- **Strategies for the Long Term (2013 to 2022)**
“To increase the supply and range of affordable housing options.”
“Ensure that policies encourage a mix of housing types across the city (i.e. ownership vs. rental).”
- **Priority for Next Four Years**
Implement the City's Housing Business Plan.
- **Success Drivers**
Creating a sufficient supply of Appropriate and Affordable Housing.

The 2013 to 2022 Housing Business Plan is a key part of the City's larger Strategic Plan. The Housing Business Plan will build on the City's successes from 2008 to 2012 and will continue to utilize many of the incentives and programs developed during this five-year period.

This business plan seeks to define where the City can be most effective in serving the community to meet the increasing need for more affordable, purpose-built rental, and entry-level housing. Recent shortages of these types of housing have been perpetuated by rapidly rising housing prices that have more than doubled since 2006. More information on the rising cost of housing in Saskatoon and affordability issues is summarized in Appendix 1.

The City's Role in Housing and the Housing Continuum

Housing can be described on a continuum. At one end are those individuals and families experiencing absolute homelessness. At the other end are those individuals and families who are able to meet their housing needs without assistance. In the middle is a range of low- and moderate-income households, many of which are living paycheck to paycheck and find it difficult to secure adequate housing. See Appendix 2 for a complete description of the housing continuum.

Housing is not a municipal core service or role. However, the City understands that permanent, affordable, appropriate, safe, and secure housing is the necessary foundation for building healthy, well-educated, creative, and economically viable communities.

Municipal Role

The City, working with other levels of government, the private sector, and community organizations has chosen to focus its available resources and efforts to meet needs across the housing continuum – broadly described as “attainable housing” and made up of affordable rental, affordable ownership, purpose-built rental and entry-level housing.

Definitions of attainable, affordable, purpose-built rental and entry-level housing are found in Appendix 3.

The focus of the Housing Business Plan is to encourage and support an environment where the market is more likely to supply housing that is attainable, inclusive, innovative, and integrated into all neighbourhoods. The City will support housing which may be outside the conventional market, as well as working in a collaborative manner to ensure a range of suitable attainable housing is made available across the community in a wide range of locations.

Finally, the City also plays a role in monitoring the condition of existing housing to ensure that homes throughout Saskatoon meet minimum health and safety standards. Further information on the City's monitoring and safety inspection programs is found in Appendix 4.

Part B: Partnerships with Other Levels of Government

The Government of Canada

Homelessness Partnering Strategy (HPS)

Saskatoon partners directly with the Government of Canada on the HPS. The HPS provides funding to prevent and reduce homelessness by helping establish the structures and supports needed to move homeless and at-risk individuals towards self-sufficiency and full participation in Canadian society. A total of 108 shelter and transitional units received federal HPS funding between 2008 and 2012 with further projects expected to be approved early in 2013.



The Government of Canada provided land and funding for these youth transitional homes built by EGADZ in the Avalon neighbourhood

The City has a representative on the Saskatoon HPS Community Advisory Board and contributes funding through the Innovative Housing Incentives Program to any HPS supported initiatives that result in new housing units.

The 2013 federal budget has renewed funding for the HPS to the end of March 2019.

Investment in Affordable Housing (IAH)

The Federal Government also provides affordable housing funding to the Government of Saskatchewan in support of housing programs as described in the next section. This funding was also renewed to the end of March 2019.

Canada Mortgage and Housing Corporation (CMHC)

The CMHC is a federal crown corporation that is an important partner in the City's Housing Business Plan. In addition to providing mortgage loan insurance for the Mortgage Flexibilities Support Program (MFSP) and the Equity Building Program, CMHC provides seed and proposal development funding to affordable housing providers. The City also relies on CMHC for housing market research and training workshops for those working in the housing sector.

The Province of Saskatchewan (Province)

The Province plays the lead role in ensuring that the housing needs of all Saskatchewan residents are met and is the City's key partner in achieving its housing targets.

The Saskatchewan Plan for Growth (Growth Plan) was released by the Premier of Saskatchewan on October 16, 2012, and sets the road map for the Province's population growth to 1.2 million by the year 2020. This growth will include an estimated 60,000 additional individuals in the workforce and a 50 percent increase in the Saskatchewan Immigrant Nominee Program (SINP) from 4,000 to 6,000 individuals annually.

The Growth Plan identifies housing as key infrastructure required for growth and the plan promises an investment of \$344 million to add 12,600 new housing units by 2016. The housing targets in the Growth Plan will be achieved through the continued implementation of A Strong Foundation – The Housing Strategy for Saskatchewan 2011 – 2019 (Provincial Housing Strategy). Key objectives of the Provincial Housing Strategy include the following:

1. Increasing the housing supply;
2. Improving housing affordability;
3. Supporting individuals and families in the greatest housing need;
4. Enhancing strategic planning for housing; and
5. Collaborating with stakeholders and communicating best practices.

The Provincial Housing Strategy includes initiatives aimed at meeting the above objectives and the projected population growth by the year 2020. The City partners with the Province under the following initiatives from the Provincial Housing Strategy:

1. Rental Development Program: a capital funding grant that contributes up to 70 percent of the cost of new affordable rental units;
2. Secondary Suite Program: a grant to homeowners to pay up to 50 percent of the cost of new secondary suites to a maximum of \$30,000;
3. Rental Construction Incentive (RCI): a matching grant to participating municipalities of up to \$5,000 per new purpose-built rental housing unit.
4. Affordable Home Ownership Program (AHOP): a matching grant to participating municipalities of up to \$5,000 per affordable ownership home constructed.

5. **Head Start on a Home (Head Start):** an incentive for developers to construct entry-level house across the Province.



The Province provided funding to KC Charities Inc. to build this 75 unit affordable housing project for seniors in Pleasant Hill Village.

The City has existing agreements under the RCI and AHOP programs to create 1,000 new rental units and at least 400 new affordable ownership units from 2011 to 2015.

The Province partners directly with Saskatoon housing providers, homeowners, and builders under the Rental Development, Secondary Suite and HeadStart programs. The City provides additional incentives to leverage these provincial programs with the result of creating additional units in Saskatoon.

On March 22, 2013, the Government of Canada's budget was tabled. It renewed funding for affordable housing at current levels from 2014 to 2019. This funding is delivered through the provinces, who match it with their own funding, in support of the programs above. With federal support in place, the Province will now be able to determine what levels of funding will be available under its programs in the 2014 to 2019 period.



Sod Turning Ceremony: Don Atchison, Mayor of Saskatoon; Kelly Block, MP – Saskatoon-Rosetown-Biggar; Jennifer Campeau, MLA – Saskatoon Fairview; Ken Bayly, Chair of Westgate Heights Attainable Housing Inc.

Alignment of the City's Housing Programs and Other Government Programs

The City's housing programs work in conjunction with housing programs from the other levels of government. Most projects require support from more than one level of government in order to be successful. The table below shows how the programs align, as well as known funding commitments from the senior levels of government:

Client Group	City Program	Other Government Program	Other Government level of support for Saskatoon
Transitional and Shelter Housing (affordable rental)	Innovative Housing Incentive (capital grant and 5 year. tax abatement)	Homeless Partnering Strategy (Federal)	\$1.1 million annually to 2014
Affordable Rental	Innovative Housing Incentive (capital grant and 5 year. tax abatement)	Rental Development Program (Provincial)	\$2 million for 2013 for hard-to-house individuals
Secondary Suites (affordable rental)	Permit Rebate Program (25 percent rebate for legalizing existing suites)	Secondary Suite Program (Provincial)	up to \$30,000 per unit (no specific allocation for Saskatoon)
Purpose Built Rental	New Rental Construction Land Cost Rebate Program (5 year. Tax abatement)	Rental Construction Incentive (RCI)	\$1 million annually to 2011 to 2015
Affordable Ownership	Mortgage Flexibilities Support Program (5 percent down payment)	Affordable Home Ownership Program (AHOP)	\$400,000 annually to 2011 to 2015
Entry-Level Ownership	Land pre-designation and Equity Building Programs	Head Start on a Home	Low interest construction financing (no specific allocation for Saskatoon)

Part C: Partnerships With Other Sectors

Achieving the City's housing targets requires a commitment from all sectors of the economy to contribute to the growing need for more affordable housing units. Most projects require the participation of two or more sectors to be successful. The City will continue working with the following sectors to find housing solutions and build partnerships to achieve the housing targets.

Non-Profit Housing Providers



Low income singles housing built by Cress Housing Corporation.

Saskatoon is fortunate to have a high number of non-profit housing providers compared to other similar Canadian cities. These groups have been serving the needs of low-income residents over the past several years. These organizations' primary mission is the provision of affordable housing and most build new projects as organizational capacity increases.

Financial Institutions

Banks, credit unions, brokers, and mortgage loan insurance providers make mortgage financing available to low-and- moderate income households who purchase homes under the MFSP and the Equity Building Program. Financial institutions also provide financing to many of the non-profit affordable housing providers and private builders.

Land Developers

The City's Land Branch, as well as private developers create serviced parcels that are suitable for residential construction. These developers have had difficulty keeping up with the demand for build-ready sites in recent years, and could easily sell all lots for higher priced market housing. The success of the City's housing program relies on the willingness of developers to make sites available for low-priced attainable housing.



Affordable Ownership Housing built by Innovative Residential Inc. on land purchased from Dundee Developments in the Hampton Village neighbourhood.

Private Homeowners

Private homeowners who rent out secondary suites fill an important housing need and often target students and other renters with limited income. Secondary suites provide new units in developed areas that are often conveniently located near post secondary institutions and in areas with few apartment buildings.

Private Builders

Every housing project needs a builder, and with those services in high demand, builders are often drawn towards market housing with higher profit margins. Saskatoon is fortunate to have a number of private builders who choose to focus on the lower end of the housing market.



Affordable rental housing by private builder, Stewart Property Holding, Caswell Hill neighbourhood

Non-traditional Providers (Faith-based, Service Clubs, and Community Groups)

Faith-based and community groups that do not have housing as a primary mandate have traditionally provided low-cost housing for seniors. However, some of these groups are now building affordable housing for other segments including families and hard-to-house individuals. These non-traditional housing providers sometimes have surplus land in prime locations that they are willing to make available for housing projects.



Affordable rental housing built by Westgate Alliance Church, Pacific Heights neighbourhood

Part D: Housing Targets 2013 to 2022

On July 16, 2007, City Council established a target of 500 affordable, purpose-built rental, and entry-level dwelling units annually. If no changes are made to this target, the ten years covered by this business plan will result in a minimum of 5,000 new attainable units.

This target can be further broken down into the following annual housing types:

Housing Type	Number of Units
Affordable Rental and Transitional Housing	70 *
Secondary Suites	30
Purpose Built Rental	200
Affordable Ownership	100
Entry-level Ownership	100
Total	500

*Affordable rental and transitional housing is heavily subsidized by other levels of government with some projects requiring grants covering as much as 70 percent of the capital cost. The number of affordable rental and transitional units achieved is highly dependent on the targets set by the other levels of government and the funding available for Saskatoon.

Saskatoon's recent population projection indicates that up to 60,000 dwellings will be needed over the next 20 years. An average of 3,000 units will be completed per year of which 17 percent will be attainable.

The targets for the specific types of attainable housing will be reviewed and revised annually based on the projected need for the various types of housing.



Affordable ownership housing. These completely renovated units were re-located from McNab Park to Camponi Place.

Part E: Core Strategies

In order to achieve the goals and targets outlined in the previous section, the City will carry out the following strategies:

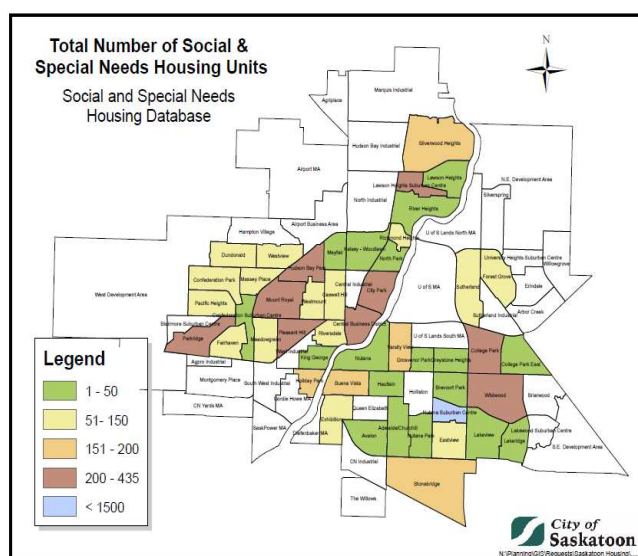
1. Implement policy improvements which will provide as many practical, effective housing solutions as possible, and reduce impediments and approval timeframes to encourage more attainable housing;
2. Offer a wide range of housing incentive plans to reduce financial barriers associated with providing a range of housing choices, in a variety of locations, and to support innovative and downtown housing;
3. Engage all sectors of the economy to provide the widest range of attainable housing possible. This means partnering with various levels of government, community-based organizations, financial institutions, and the private sector to take action to address affordable housing needs;
4. Participate in research and monitoring functions in order to provide current and relevant information on housing conditions and trends; and
5. Support education and awareness programs to inform the public about housing issues, such as renter's rights, and community safety.

Part F: Priorities

In reaching the targets described above, the following priorities have been adopted to guide the City and housing providers in developing the best possible housing projects for Saskatoon:

Priority 1 – Creating Attainable Housing in All Neighbourhoods

The City's Official Community Plan Bylaw No. 8769 states that all residential development should provide a mix of housing types reflective of the city's population profile and that supportive housing forms and tenures will be facilitated in all areas of the city. Neighbourhoods are to be planned to meet a variety of household types and incomes.



The mix of housing choices in some Saskatoon neighbourhoods has become somewhat limited. Certain neighbourhoods have housing stock that is primarily high-end (expensive) while other neighbourhoods have concentrations of lower-priced housing. Additionally, there is not always a balance between housing forms (attached and detached) or housing tenures (rental and ownership) in a number of Saskatoon neighbourhoods. This creates unbalanced neighbourhoods and limits individual housing choices.

A priority of this plan will be to ensure that housing projects supported by the City will be in a variety of neighbourhoods, including both new and existing neighbourhoods. Priority will be given to housing projects that bring the specific types of attainable housing to areas that lack it.

Priority 2 – Accessible (Barrier-free) Housing

Those requiring accessible (barrier-free) housing often have difficulties securing attainable housing that meets their needs, especially when modifications need to be made to meet specific needs. When the economy is strong and skilled workers are in high demand, builders tend to focus efforts on those whose needs can be met with standard features.

Accessible units have been included in most rental projects that the City supports and is a requirement of the National Building Code for most rental projects. A priority of the Housing Business Plan is to ensure that accessible units are available in affordable and

entry level projects as well. The builders of these projects have been willing to construct these units if pre-ordered prior to construction; however, this has resulted in few accessible units. A priority of the Housing Business Plan is to ensure that accessible show homes are included in all affordable and entry-level ownership projects, giving those in the market for a barrier-free unit the same opportunity to view what is available before buying.

Priority 3 – Neighbourhood Revitalization

The Housing Business Plan seeks to work in conjunction with other City initiatives such as Local Area Planning, Neighbourhood Safety, and the Vacant Lot and Adaptive Reuse Strategy to ensure affordable housing projects contribute to the long-term vitality of neighbourhoods.

All proposals for funding received by the City are carefully reviewed to ensure that the housing provided is in an appropriate location and will be a long-term benefit to neighbourhood as well as the city as a whole.

Priority 4 – Safe and Adequate Housing

The City works to ensure that housing meets minimum standard living conditions in accordance with Safe Communities and Neighbourhoods (SCAN), and encourages the improvement of housing stock, particularly in those areas of the city where overcrowding and deteriorating housing stock are an issue. The City's Crime Free Multi-Housing Program works with landlords and residents to prevent crime and foster a safe environment in apartment buildings.

Many of the housing projects supported by the City include additional supports such as: drug and alcohol free buildings, mentoring programs, cultural supports, mental health case workers, and parenting programs.

Priority 5 – Housing That Meets Identified Needs

When the first comprehensive Housing Business Plan was adopted in 2008, the top priority was simply to increase the number of attainable housing units. Housing providers determined the market segments (e.g. seniors, families, New Canadians etc.) and the City provided funding in support of what was proposed. Remarkably, projects were submitted for twelve market segments that spanned the housing continuum from shelters to entry-level ownership housing.

However, research studies and informal feedback indicates that some segments of the market are being underserved by the housing units created. These include: Aboriginal homebuyers, New Canadians (rental and ownership), large families, single individuals, as well as those needing barrier free housing (addressed above). A priority of the Housing Business Plan is ensure that units are being created for all segments of the market.

Priority 6 – Innovative and Energy-efficient Housing

New technological innovations, which contribute to the affordability of housing, continue to become available in the housing market. These include new materials, advances in energy-efficiency, and new construction methods such as modular building. A priority of the Housing Business Plan is to ensure that new technologies are incorporated into attainable housing, so the units created remain affordable and functional over the long term.

Encouraging the development of innovative housing tenures is also a priority of the Housing Business Plan, particularly models that bridge the gap between rental and ownership including cooperative housing, co-housing, rent-to-own, life lease, and land trust models.

Part G: Business Functions

Stemming from the core strategies and housing priorities identified above, a wide range of business functions have been established to achieve the goals of the Housing Business Plan:

Policy Development

This function is intended to reduce impediments and encourage a greater supply and equal distribution of the various types of attainable housing in Saskatoon through changes in policy.

A. Pre-designation of Land (City-developed Neighbourhoods)

The City has land pre-designation programs for entry-level, affordable ownership, and purpose-built rental housing designed to ensure that these types of housing are included within all new neighbourhoods.

Under these programs, the City takes the lead in identifying suitable locations for the needed types of housing within new neighbourhoods and infill locations where the City owns land. These pre-designated sites are then offered to land developers through a Request for Proposal (RFP) process. The land is sold at a fixed price to the developer whose proposal best meets the specified criteria for the site.



Habitat for Humanity is Building Affordable ownership housing on this pre-designated site in Lakewood.

The requirements for a particular site are based on the supply of land, the expected need for the various types of housing, the availability of incentives to support these projects, and what sites the private developers are making available (see below). The initiative of pre-designating sites is particularly useful in times when there is a low inventory of available sites from both the City and privately-owned sources. This program has been very successful in attracting new, entry level, affordable and rental projects.

B. Pre-designation of Land (Privately Developed Neighbourhoods)

Private developers create approximately half of the new residential sites that become available in Saskatoon each year, and play an important role in creating neighbourhoods that include a variety of housing forms and price points. Two of

the major private developers in Saskatoon have agreed to work with the City in providing sites for attainable housing.

The City's Planning and Development Branch, Land Branch, and private developers meet annually to review the upcoming need for attainable housing sites and what sites the different parties can make available. Private developers prefer to sell sites directly to builders that they have established business relationships with rather than using an RFP process.

C. Zoning for Entry-level Housing and Affordable Housing

In 2009, a new zoning district was established for affordable and entry-level housing as a result of the Housing Business Plan. The RMTN1 zoning district permits townhouse construction at densities up to 25 units per acre which significantly reduces the land cost per unit. The higher densities are achieved through higher maximum site coverage (40 percent) and a greater maximum height which allows for three storey construction and the provision of stacked townhouses where one unit is built above another.

The RMTN1 zoning district is now being successfully applied in new neighbourhoods (City-developed and privately-developed) early on in the planning process according to the projected need for entry-level and affordable housing. Zoning Bylaw No. 8770 will be continually reviewed to ensure that an adequate supply of appropriately zoned land is available to support new attainable housing.

D. Bonuses to Encourage Inclusionary Housing Development

The Housing Business Plan calls for the development of bonus provisions in Zoning Bylaw No. 8770 to encourage the inclusion of affordable housing within major residential developments, such as neighbourhoods, large scale redevelopments, and large condo conversions.

Examples of bonuses include the provision for more allowable floor space and a reduction in required parking or amenity space in exchange for the creation of affordable residential units. The City currently offers bonuses for the provision of accessible housing.

Provisions were adopted in 2009 for small car parking spaces, tandem parking spaces, reduced parking requirements for small suites, and reduced visitor parking. These relaxed parking requirements have the potential of saving 5 to 10 percent of land space covered by parking on any given site allowing a small number of extra units to be built. This is reducing the cost of building affordable and entry-level, multi-family housing.

The potential for additional bonuses for affordable housing will be considered in the Integrated Growth Plan implementation expected at the end of 2015. In the interim, the Planning and Development Branch will utilize Rezoning by Agreement provisions to provide flexible development standards for attainable housing.

E. Providing Disposable Land to Affordable Housing Providers

The City's Sale of Serviced City-Owned Lots Policy No. C09-033 provides the direct sale of land to non-profit corporations for the purpose of providing affordable housing. The Land Branch notifies affordable housing providers when disposable lands suitable for affordable housing become available through the Saskatoon Housing Initiatives Partnership (SHIP).

F. Priority Review for Affordable Housing Development

A priority process for reviewing Building and Development Permit Applications for attainable housing is in place. All departments that review permit applications move affordable Housing Permit Applications to the front of the queue saving time for affordable housing providers. The standard review process still applies.

The priority review process has the greatest benefit in times when permit application volumes are high and when there is a backlog of applications awaiting review.

G. Waiver of Off-site Levies on Affordable Housing Projects

The collection of off-site levies has been cited as a deterrent to the redevelopment of older properties in Saskatoon, many of which are suitable sites for affordable housing (rental or ownership). City Council has a set of criteria for waiving off-site levies for specific affordable housing and neighbourhood revitalization projects in Saskatoon.

Financial Incentives to Meet Housing Targets

This function is intended to provide financial incentive programs with the purpose of influencing the marketplace to achieve the goals of the City's Housing Business Plan.

H. Innovative Housing Incentive Program

A new points system has been developed to achieve various targets within the Housing Business Plan. The Innovative Housing Incentive Program is the City's main incentive program for affordable and special needs housing. The program offers a capital grant of up to 10 percent of the total capital cost of affordable housing projects. Housing created under this incentive must be provided to

households within incomes below the Saskatchewan Household Income Maximums (SHIMs) described in Appendix 2.

The program offers a base level of municipal support equal to three percent of the total capital costs. The capital grant can be increased to a maximum of up to 10 percent (15 percent with land differential cost incentive) of the total capital cost of affordable housing projects. Grants are calculated on a points system with extra points assigned for each housing priority addressed within the City's Housing Business Plan as described in the table on the following page:

Housing Business Plan Priority	Criteria	Amount of Grant (percentage of total capital cost)
Base Grant	Projects must serve households below provincial SHIMs	3 percent
Leveraging Funding from Senior Levels of Government	Secured funding from federal or provincial government under an eligible grant program	2 percent
Significant Private Partnership	There is a significant donation (at least 10 percent in-kind or donation) from a private donor, faith group or service club.	1 percent
Accessible Housing	At least 5 percent of units meet barrier free standards	1 percent
Neighbourhood Revitalization	<ul style="list-style-type: none"> a. Project improves neighbourhood by renovating or removing rundown buildings; and/or b. developing a vacant or brownfield site. 	1 percent
Mixed Tenure Development	Project has a mix of affordable/market units or a mix of rental/ownership	1 percent
Safe and Secure Housing	<ul style="list-style-type: none"> a. Landlord is committed to obtaining Crime Free Multi Housing certification for the project, and/or b. incorporates CPTED principles into design 	1 percent
Supportive Housing	The proposal includes ongoing supports for the residents to assist them in staying housed such as drug and alcohol free, cultural supports, elements of Housing First.	1 percent
Meets specific identified Housing Need	Project meets an identified housing need from a recent study such as: <ul style="list-style-type: none"> a. Homelessness, b. Large Family housing (3 bedrooms or more) c. Accommodation for students d. Aboriginal housing 	2 percent
Innovative Housing	Project uses innovative design, construction technique, materials or energy saving features.	1 percent
Innovative Tenure	Innovative Housing tenures such as Rent to Own, Life Lease, Land Trust, Sweat Equity, Co-op Housing or Co-Housing	1 percent

Grants are subject to the following maximums:

	<u>10 percent</u>
1) three or more bedroom unit	\$25,000
2) two bedroom unit	\$20,000
3) one bedroom unit	\$17,000
4) residential care homes and shelters (per bedroom)	\$10,000
5) renovations of market apartments (per unit)	\$12,000

I. Land Differential Cost Incentive

Proposals to build affordable rental housing in areas with a low concentration of this type of affordable housing may qualify for an additional grant of up to five percent of the total capital cost to offset the higher cost of land.

J. Land Cost Reduction Program

During periods of rising land prices, affordable housing providers and builders have found it very difficult to find suitable, affordable sites for housing projects. As a result, many projects do not proceed beyond the idea stage. However, once a site is secured, the project gains momentum and successful completion is likely.

Additionally, non-profit housing providers have difficulty managing cash flow when constructing new units. Projects can take up to two years to complete and grants, including grants from the City, are not received until the project is complete.

The Land Cost Reduction Program pre-designates City-owned sites for affordable housing and sells these sites to affordable housing providers through an RFP process. The City may purchase sites for this program if suitable sites cannot be found in existing inventory. In lieu of providing an innovative housing incentive (capital grant), the City discounts the price of the land by a comparable amount assisting the non-profit provider with cash flow.

K. Five-Year Property Tax Abatement for Affordable Housing

The City provides a five-year incremental tax abatement for the construction of new, affordable rental, purpose built rental, and affordable ownership projects provided by non-profit organizations. The abated portion of the taxes is the increased taxes assessed as a result of the construction.

L. Equity Building Program

The City, in partnership with Affinity Credit Union, created the Equity Building Program to assist moderate income households in making the transition from renting to homeownership. The target group is households earning just above

the Maximum Income Limits (maximum \$80,000) who need minimal assistance to move into the ownership market. The program allows households to borrow a down payment to be used towards the purchase of an entry level home.

M. New Rental Construction Land Cost Rebate Program

During periods of particularly low vacancy in Saskatoon, the City provides a cash rebate of up to \$5,000 per unit for the construction of purpose-built, multiple-unit rental housing, as well as a five year incremental tax abatement.

The Saskatchewan Housing Corporation (SHC) shares the cost of this program through the provincial RCI. Funding for this program has been renewed and assistance is available for the creation of an average of 200 purpose built rental units per year until 2015. Purpose-built rental units must remain on the rental market (at fair market value) for a minimum of fifteen years.



Purpose built rental housing by Broadstreet Properties, Stonebridge neighbourhood

N. Incentives for Secondary Suites

Incentives for the construction and legalization of secondary suites are offered as a part of the Housing Business Plan. Building permit and plumbing permit fees for the construction of new secondary suites are refunded upon completion of the work. A portion (25 percent) of the fee for legalizing an existing suite is also refunded.



A secondary suite is being constructed in this new home in the Stonebridge neighbourhood.

O. Mortgage Flexibilities Support Program (MFSP)

The MFSP operates as partnership between the City, SHC, the CMHC, Genworth Financial Canada, and private home builders. The program assists low-and- moderate income households to purchase a home. Home buyers must have household incomes below the income limits for the program. Current income limits are \$59,000 for households without dependents and \$66,500 for households with dependents.

The homes are built by private builders who must price the homes below what comparable homes would sell for. The City screens the income of potential buyers to ensure that they are below the income limits and provides homeowner training. CMHC and Genworth Financial offer mortgage loan insurance.



Affordable Housing sold under the MFSP in Willowgrove, built by Jastek

The homebuyer receives a down-payment grant equal to five percent of the purchase price. The builder contributes up to three percent with the City and SHC contributing the balance. The City's portion of the down-payment grant is returned to the Affordable Housing Reserve over a few years through the re-direction of property taxes. This program has been very successful.

P. Contribution to the Operating Loss of the Saskatoon Housing Authority (SHA)

The City continues to contribute five percent towards the operating loss of the SHA on a group of affordable housing units built between 1962 and 1983. This commitment was agreed to by the City at the time these units were built. The City's contribution to the loss is approximately \$70,000 annually.

Community Based Support

The affordability and availability of housing is greatly affected by factors outside the jurisdiction of the City. This includes banking practices, provincial housing, community development programs, the actions of the Federal Government through policies, programs, agencies such as the CMHC, and the capacity of the community to take action on housing needs. For this reason, the City has entered into a number of partnerships.

Q. **Saskatoon Housing Initiatives Partnerships (SHIP)**

Often the technical expertise or capacity to develop housing business plans stands in the way of faith-based organizations, community groups, and smaller builders that would like to create affordable housing. City-funded development services offered by SHIP can help these groups move forward with the plans.

SHIP is a non-profit partnership with a mission to enhance the environment for affordable housing and offer support to non-traditional housing providers. The partnership includes individuals from the private, public, and non-profit sectors who participate to facilitate financing, provide technical assistance to housing projects, and build and support partnerships to make housing happen for low- and moderate-income and special needs households in Saskatoon.

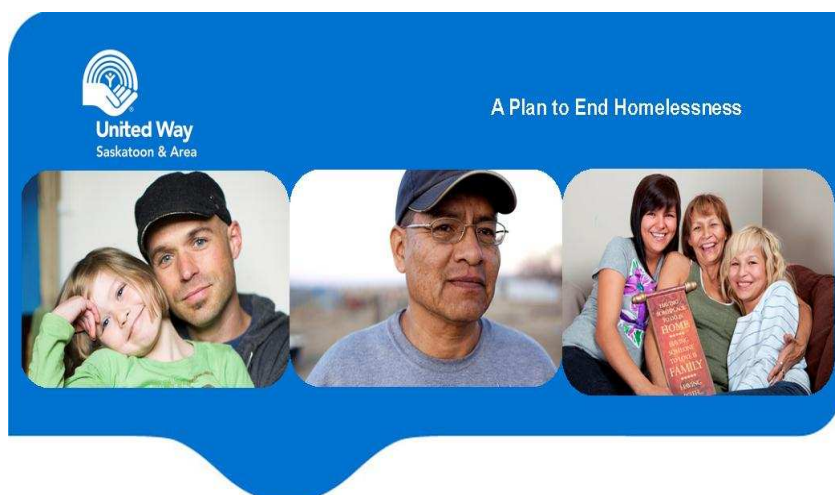
The City is represented on the SHIP board by one City Councillor and one member of the Administration. City Council has allocated funding for SHIP through a contract to provide this service for a period of five years ending in 2016.

R. **The Plan to End Homelessness Task Force**

The City is part of a community based task force that is working to develop and implement a plan to end homelessness in Saskatoon. The United Way of Saskatoon and Area is providing leadership by providing dedicated staff and funding to this initiative.

The task force is using the model supported by the Canadian Alliance to End Homelessness in developing Saskatoon's plan. It is anticipated that Saskatoon's

Plan to End Homelessness will be finalized by June 2013, with implementation to begin shortly afterwards.



The City's Housing Business Plan, with its emphasis on increasing the supply of attainable housing units, will play a key role in building the infrastructure that will enable people to remain housed over the long term.

S. **Builder-Sponsored Incentives**

A number of Saskatoon home builders offer down payment assistance programs and monthly assistance programs that make it easier for low and moderate income earners to qualify for a mortgage and purchase a home.

Down Payment Assistance Programs

Builder sponsored down-payment grants are typically three percent of the purchase price and are used in conjunction with the buyer's own resources or the City's MFSP to make up the minimum five percent down payment required to purchase a home.



Builder sponsored incentives are available on this affordable and entry level project built by Newrock Developments in the Stonebridge neighbourhood

Mortgage Assistance Programs

Builder sponsored monthly assistance programs provide homebuyers with a monthly subsidy that is applied directly to the buyer's mortgage. The amount can be as high as \$500 to \$600 per month in the first year, with the amount declining each year over a 5 to 10 year period. These programs are funded by the builder who deposits a lump sum into a trust account from which the monthly mortgage subsidy is drawn each month. These programs can reduce the income needed to qualify for a mortgage by as much as \$15,000.

Tax Sponsorship Program

Innovative Residential Inc. initiated a program in partnership with the City where a portion of the property tax will be prepaid for ten years on a declining basis for families without sufficient income to qualify under the MFSP. This builder-funded program allows buyers to qualify for the MFSP with up to \$7,500 less in household income.

The City welcomes these programs which often complement the programs that the City offers.

T. **Community Based Organizations**

There are many community-based organizations in Saskatoon that provide affordable housing or are involved in other aspects of affordable housing. The City partnered with 15 of these organizations from 2008 to 2012 and is confident these groups will take on new projects over the next ten-year period.

Research and Monitoring

This function within the plan, is intended to increase knowledge and disseminate data and policy research regarding housing in Saskatoon. Policy makers and program providers use this information to make work more effective. The City has participated in or supported the following reports on housing:

U. The Saskatoon Housing and Homelessness Plan (2011 to 2014)

The Government of Canada and the Homelessness Partnering Strategy Community Advisory Board released The Saskatoon Housing and Homelessness Plan (2011-2014) in October 2011. This report provides an update to the Saskatoon Community Plan on Homelessness and Housing (2007) and reports on progress made since 2007. The report documents an ongoing need for additional emergency, transitional, and affordable housing in Saskatoon but does not set specific targets for these categories. The report will guide funding decisions for federal funding under the Homelessness Partnering Strategy until 2014.

V. 2012 Homeless Count

The United Way of Saskatoon and Area conducted a count of homeless people on September 24, 2012. A total of 372 individuals were counted as homeless on that date and included 103 individuals who slept outside and 269 individuals who were in shelters or transitional housing. This study will be used as baseline information for measuring the effectiveness of the Ten Year Plan to End Homelessness. This was an increase of 43 percent over the 2008 count which used comparable counting methods.

W. Garden and Garage Suite Guidelines

The City, with funding assistance from the SHC, is currently conducting research on the architectural guidelines and development standards for garden and garage suites. This work is part of a larger study on infill development guidelines that will inform future amendments to Zoning Bylaw No. 8770.

While garden and garage suites are not currently permitted in Saskatoon, the City is investigating the feasibility of these suites as an attainable housing option.

Education and Awareness

The City plays a role in helping to increase awareness about housing issues in Saskatoon.

X. National Housing Day

National Housing Day is an annual event hosted by CMHC in which the City participates and sponsors. The event raises awareness of the need for affordable housing and focuses on current issues and the many support programs and resources that are available in the city.

Y. Housing Handbook

The City of Saskatoon publishes a Housing Handbook that includes information for renters, landlords, and first-time homebuyers. Approximately 10,000 copies are distributed annually by over seventy agencies in the city. The Housing Handbook is updated every second year.

PART H: Financing the Housing Business Plan

Past Funding for the Housing Business Plan (2008 to 2012)

The total amount of funding provided by the City for housing projects between January 1, 2008 and December 31, 2012, was \$14.8 million. The funding provided to implement the Housing Business Plan leveraged approximately \$20 of housing investment for every \$1 of financial assistance provided by the City.

Various funding sources were used in the first five years of the plan. The majority of funding was provided from revenues from the Neighbourhood Land Development Fund, which provided \$14 million. The Building Standards Reserve provided \$400,000, and starting in 2011, \$250,000 per year was provided for core funding from the mill rate (property taxes).

The cost of housing increased between 2008 and 2012 seeing the average cost of a new dwelling unit rising 12 percent during this time. The level of funding approved in 2008 could not have supported the development of over 2,500 attainable dwellings, and the City could not have reached its target without the introduction of new funding programs from the Province.

A wide range of new programs were introduced by the Province in 2011 which aligned well with the City's funding programs. This allowed the City to achieve the 2,500 unit target and extend its available funding to achieve 500 new housing units in 2013 as well.

Funding the Housing Business Plan (2013 to 2022)

The level of funding required to implement this plan is estimated at \$2 million per year presuming that the target remains at 500 units per year across the attainable housing continuum.

Looking ahead to the next 10 years, it is expected that the cost of housing prices will continue to rise. The CMHC is predicting a 1.5 percent increase in the price of a new home in 2013 and a 2.3 percent increase in 2014. The funding required to implement this housing business plan will increase by similar rates as well.

Appendix 1 – The Housing Situation in Saskatoon – Key Issues

1. A Rising Homeless Population

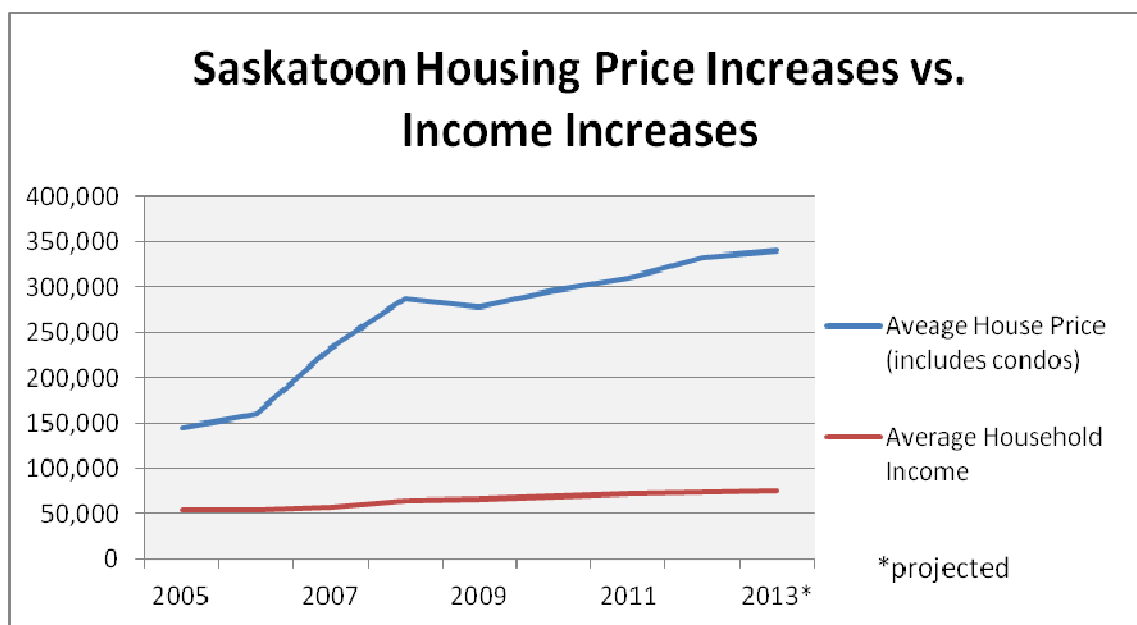
On September 24, 2012, a count of homeless people was conducted in Saskatoon by the United Way of Saskatoon and Area. A total of 372 were counted as homeless on that particular date, of which 103 individuals reported that they were sleeping outdoors. A count using similar methodology was conducted in 2008 and counted 261 homeless individuals, indicating that the homeless population is rising in Saskatoon.

2. Deficit of Transitional and Affordable Housing Units

In Saskatoon, the ability to afford decent and suitable housing continues to be problematic, especially among persons with special needs, mental illness, or addictions. Other groups that have difficulty accessing suitable housing include single-parent families, Aboriginal people, low-income seniors, and recent immigrants.

3. Sudden and Rapid Rise in Prices

Saskatoon has been experiencing greater demands for appropriately priced housing for the City's lowest income groups and most vulnerable population as a result of the discrepancy between increases in housing costs and increases in income.



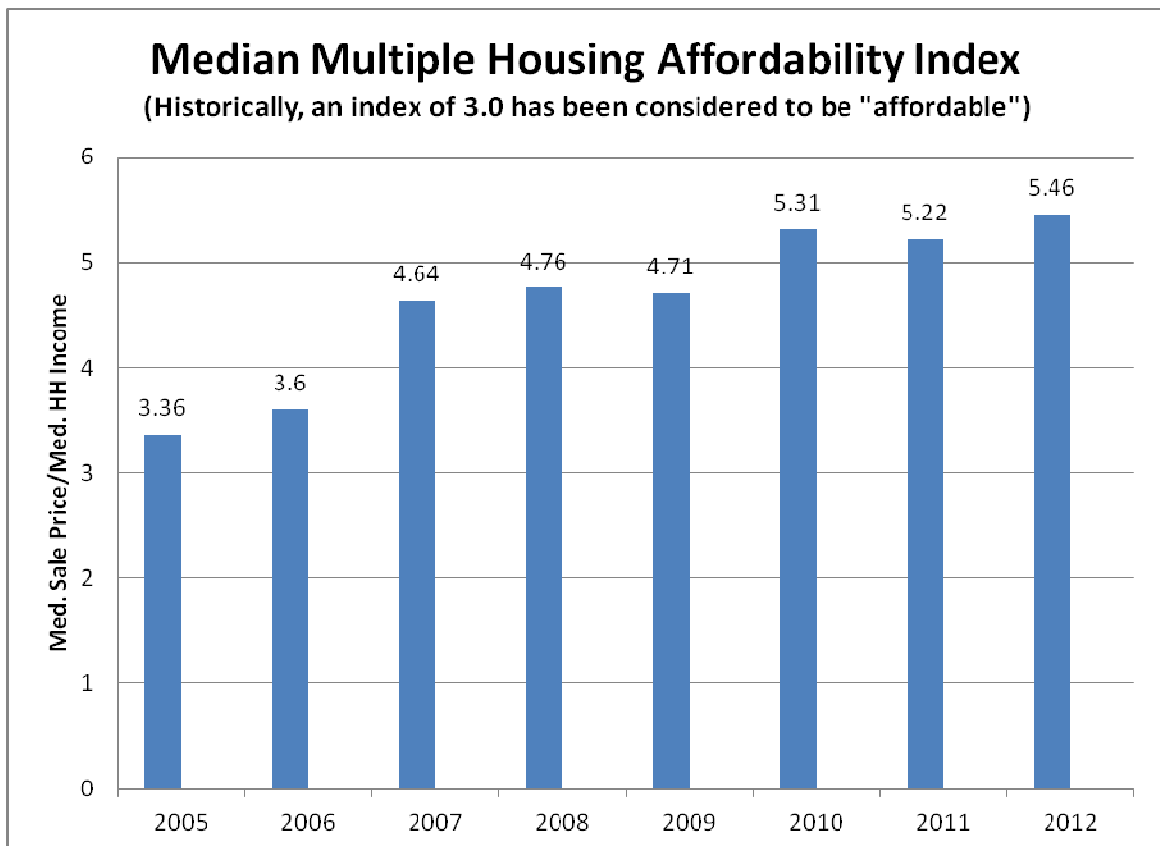
As the chart above illustrates, Saskatoon has been experiencing rapid price increases in the housing market since 2006. In 2012, the average price of a Saskatoon home rose by seven percent to \$331,867 and CMHC is predicting further price increases for 2013. In contrast, household incomes in Saskatoon have seen only modest annual increases in recent years as shown on the bottom line of the chart.

Prior to house prices escalating in August 2006, approximately \$48,000 in household income was required to purchase the average Saskatoon home. This figure has risen nearly \$80,000. With the average Saskatoon household income estimated to be around \$70,000, and the median household income estimated to be about \$59,500, it is evident that many Saskatoon households have been squeezed out of the ownership market.

4. Affordability

The median multiple is the ratio of the median price of a home to the median household income. Using medians instead of averages may provide a more accurate measure of affordability since averages can be skewed by a few very high and very low incomes and house prices. The median price of all MLS sales in Saskatoon in 2012 was approximately \$325,000 and the median household income was approximately \$59,500.

Traditionally, housing has been considered affordable if the median multiple is 3.0 or less. The chart below shows that Saskatoon's median multiple has been above 5.0 since 2010.



5. The Effect of Interest Rates and Mortgage Lending Rules on Affordability

Historically, low interest rates over the last few years have clearly helped many households purchase their first home. Five year mortgage rates have remained around 4 percent in recent years. Interest rates are unlikely to go any lower and may begin to rise in response to large debt loads and record spending on housing.

An increase of 1 percent on mortgage rates raises the monthly payment on the average Saskatoon home by \$250 per month. An additional \$9,000 in annual household income would be needed to carry this additional cost. Even modest increases in mortgage rates will make Saskatoon homes much less affordable.

6. Condition of Existing Dwellings

Typically, older neighbourhoods are those that contain housing in need of major repairs, and are often located in or near the centre of the city. An examination of changes in housing conditions among Saskatoon neighbourhoods has shown that increases in the number of dwellings needing significant improvement are no longer confined to pre-1970's housing. The Saskatoon Fire and Preventive Services Department has renewed its agreement with Saskatchewan Housing Corporation to continue inspections of existing homes (see Appendix 4).

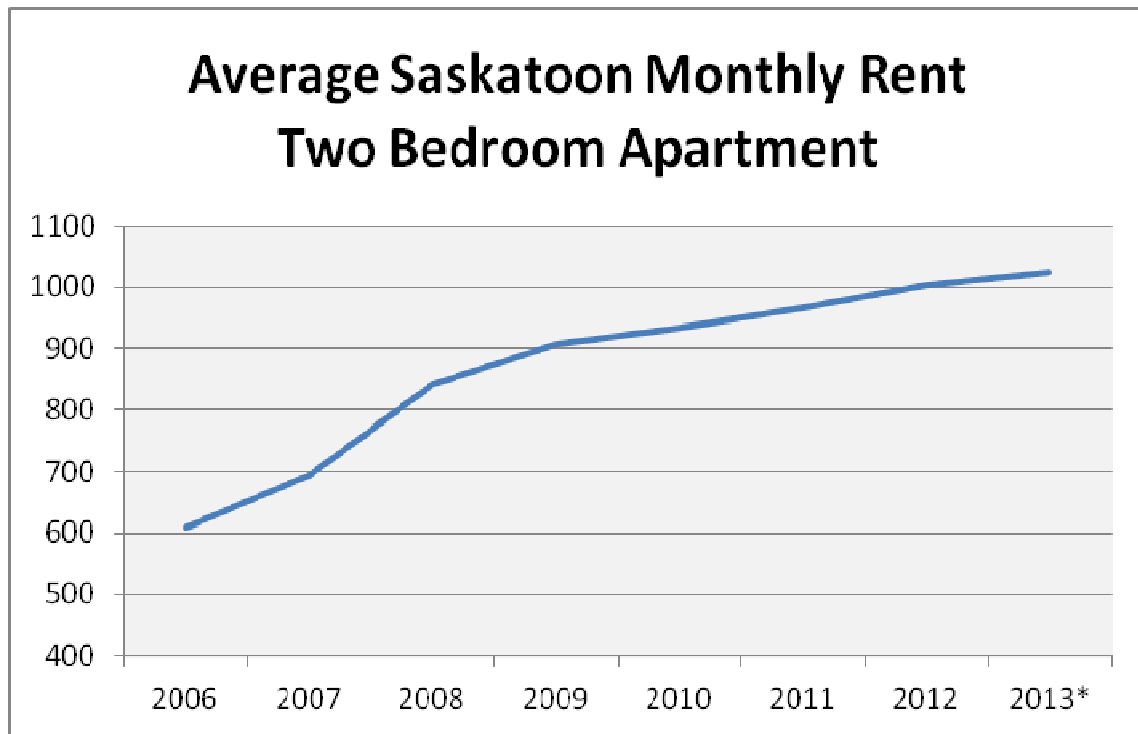
7. Availability of Builders and Contractors

This issue received a lot of attention in 2007 and 2008. Although the shortage has eased somewhat, construction costs have remained very high and construction timelines have lengthened. This situation has prompted some builders to use modular construction which significantly reduces the reliance on traditional local labour for affordable housing.

8. Rising Rental Rates

The chart on the following page shows that the cost of renting an average two-bedroom apartment has increased significantly since 2006, following a trend similar to the rising cost of homeownership. The same apartment that could be rented for \$609 in October 2006 rented for \$1,004 per month in October 2012 increasing 65 percent over six years. CMHC is predicting modest increases for 2013.

Household incomes have not kept pace with rent increases requiring many people to move to smaller units, share suites, or seek subsidized housing because they can no longer afford market rent.



9. Vacancy Rates for Rental Accommodations

The vacancy rate for rental apartments in Saskatoon has remained low over the past few years and was 2.6 percent in October 2012. CMHC is predicting vacancy rates to decline slightly to 2.4 percent in 2013. Vacancies rates below 3.0 percent generally indicate an inadequate supply of rental housing.

Appendix 2 – The Attainable Housing Continuum

The list below describes the Attainable Housing Continuum:

1. Social Housing (at risk of homelessness)
 - a) Shelters and crisis intervention housing;
 - b) Subsidized rent; and
 - c) Supported-living (disabilities and addictions).
2. Affordable Rental Housing (Low Income)
 - a) Capital grants and loans to landlords – public programs;
 - b) Publicly operated rental units;
 - c) Faith-based rental units;
 - d) Government rent supplement applied to market units; and
 - e) Land Trusts and Housing Co-ops (private or public capital support).
3. Market Rental (Low and Moderate Income)
 - a) Secondary suites;
 - b) Purpose-built rental units (protected from condo conversion); and
 - c) Investor owned condos, apartments, and detached homes.
4. Affordable Ownership Housing (Low and Moderate Income)
 - a) Volunteer sector (e.g. Habitat for Humanity) – equity earned through volunteer labour; and
 - b) Municipal down payment grants (MFSP).
5. Entry Level Housing (Moderate Income)
 - a) Land pre-designation program to ensure an adequate supply of entry-level homes in new neighbourhoods;
 - b) Government Construction Financing (Head Start on a Home); and
 - c) Equity Building Program.
6. Market Housing (Medium to High Income)
 - a) Variety of dwelling accommodation choice and price points (no assistance).

Individuals and families requiring emergency shelters, transitional housing, and social housing are served primarily by the Province through the Ministry of Social Services.

In the middle of the continuum are households who do not qualify for government support but who cannot afford what the conventional housing market is able or willing to offer. Municipal governments need to be involved in encouraging and supporting the supply of appropriate housing for this middle group.

Appendix 3 – Definitions

Attainable Housing: Attainable Housing is any housing that adequately meets the needs of a household and costs less than 30 percent of the household's gross monthly income. The initiatives in the City's Housing Business Plan are targeted at those income ranges for whom the open market is not providing sufficient attainable housing options.

Ownership housing can be considered attainable with monthly housing payments of up to 35 percent because ownership housing includes an equity component and part of the payment is building wealth for the household.

The City's Housing Business Plan includes initiatives to support the creation of four distinct types of attainable housing: Affordable Rental Housing, Purpose-Built Rental Housing, Affordable-Ownership Housing and Entry-Level Ownership Housing.

Affordable Rental Housing: Affordable Rental Housing refers to housing that is available at below market rents, usually because of a subsidy from government, a charitable organization, or private homebuilder.

To qualify for affordable rental housing, households must have income below the Saskatchewan Household Income Maximums (SHIMs) as defined by the SHC and the City. The SHIMs are based on the number of bedrooms required by the household. The current SHIMs (May 2013) are:

Saskatchewan Household Income Maximums (SHIMs):

Household Type	One-Bedroom or Bachelor	Two-Bedroom	Three-Bedroom	Four-Bedroom
Non-disabled	\$35,000	\$42,000	\$51,000	\$62,000
Disabled	\$40,250	\$48,300	\$58,600	\$71,300

The SHIMs are adjusted from time to time with changes to the cost of housing.

Affordable Ownership Housing: Affordable Ownership Housing is housing that is priced below similar units in the open market and made available with minimal assistance (usually a down payment grant) from a government, charity, or homebuilder to enable the household to qualify for a mortgage to purchase the home.

To qualify for affordable ownership housing, households must have income below the income limits for affordable ownership housing which currently (May 2013) are \$59,000 for households without dependents and \$66,500 for households with dependents. These limits are adjusted from time to time with changes to the cost of housing.

Purpose-built Rental Housing: Purpose-built rental housing is housing that will be in the rental market over the long term and is protected from becoming ownership housing

(condominiums). There are no limits on the amount of rent charged and no income screening.

Entry-level Ownership Housing: Entry-level homes are modest in size with basic features that are typical of what first time home-buyers would purchase. Entry-level homebuyers can afford to pay market prices; however, the market does not always create an adequate supply of entry-level homes particularly when the housing market is booming.

Direct financial support is not provided for entry-level housing; however, governments will sometimes provide financing (low-interest loans), land pre-designation, and other tools to ensure that adequate supplies of entry-level housing are being constructed.

Appendix 4 – Maintaining the Condition of Existing Housing Stock

The City has initiated a number of programs over the years aimed at ensuring various forms of accommodations meet minimum living conditions.

Saskatoon Fire and Protective Services, under Fire and Protective Services Bylaw No. 7990, performs annual inspections of all buildings, structures, and properties that, according to the National Building Code of Canada, 1995, are categorized as Assembly, Institutional, and Residential (four dwelling units or greater) for fire and life safety.

In addition, City Council passed the Property Maintenance and Nuisance Abatement Bylaw No. 8175 to provide the Fire and Protective Services Department with the mandate to undertake scheduled and complaint-driven inspections of all properties in all areas of the City. These inspections include the conditions of yards, properties, and the exterior of all buildings and structures including single family dwellings.

Saskatoon Fire and Protective Services regularly receive complaints about property and living conditions, fire, and life safety concerns within dwelling units and rental properties including multi-unit or apartment-style complexes. In accordance with the provisions of the Property Maintenance and Nuisance Abatement Bylaw No. 8175, a Fire Inspector will follow-up the complaint within the specified property, identify the deficiencies, and issue an order to remedy, as required.

Saskatoon Fire and Protective Services is beginning the seventh year of our Home First Program, a partnership with the Ministry of Social Services through the Rental Housing Supplement. Social Assistance clients renting a property and seeking an increase in rental income supplement are required to have an inspection by the Fire Department. Remedial action is requested of the landlord, if warranted, under the requirements of the Home First Program and the Property Maintenance and Nuisance Abatement Bylaw No. 8175. If the property meets the basic requirements, the individual or family qualifies for an increase in monthly income.

The agreement calls for up to 1,040 inspections annually with a fee of \$80 paid to the Fire Department. What makes this agreement unique is that these inspections are mostly in single-family rental properties that without this collaborative effort would not otherwise have occurred.