

City of Saskatoon – Mortgage Flexibilities Support Program

Guidelines for Modest Housing – updated September 2016

Housing projects approved under the Mortgage Flexibilities Support Program are to be modest housing with basic features, amenities and finishes. Builders should follow these guidelines when preparing a proposal for the Mortgage Flexibilities Support Program.

Housing Form:

1. **Multi-unit development:** Family Oriented. Townhouse or ground access preferred. Mix of 2 and 3 bedroom units is ideal. Some 1 bedroom units are acceptable.
2. **Modest Features:** Less features than what the market is providing. This is somewhat subjective. The development shouldn't include things such as: fire places, central air conditioning, hot tubs, expensive finishes, etc. This doesn't mean that these features are not allowed, but there should be less of these features than the norm in the area. When these features are included there would need to be a reason to justify their inclusion, such as architectural controls, economies of scale, etc.
3. **Modest Size:** 1200 ft² maximum for 3 bedrooms or 1100 ft² maximum for 2 bedrooms or 900 ft² for 1 bedrooms. This is finished area. A finished basement would need to be within these limits. Utility, laundry and storage rooms located above grade when there is no basement would not be considered finished area.
4. **Bathrooms:** No more than two bathrooms. A mix of units with one and two bathrooms is ideal.
5. **Parking and Storage:** Parking stalls should not exceed zoning requirement of 1.5 per unit plus 1 visitor stall per 8 units. This will mean some units have one stall and some have two stalls in a development. A single car garage or covered parking can be justified in affordable housing if required by development or architectural controls. A two car garage would be considered excessive for affordable housing.
6. **Accessibility:** The provision of some accessible units is encouraged.
7. **Energy Saving Features:** Homes should be built to Energy Star, Energuide 80 or equivalent standards to reduce monthly utility costs.

Pricing and Affordability:

1. Target Group: Homes must be attainable to households below the Maximum Income Limits which are currently set at \$78,400 (households with dependents) and \$70,900 (households without dependents). Units should be affordable by a range of household incomes below these limits. Most buyers under the MFSP have incomes in the \$55,000 to \$70,000 range.
2. Pricing: Homes must be priced below comparable units in the area. Typically, most households can spend no more than 4 times their income on a home. The maximum price that a buyer qualifying under the MFSP could afford is around \$300,000. A variety of units prices between \$220,000 and \$300,000 is ideal. Builder sponsored incentives can be used to offset prices above this range.
3. Land Cost: The land cost per unit should be below \$45,000. To achieve this site density must be at least 20 units per acre. A typical stacked townhouse project achieves 25 units per acre. At this density and with a land cost of \$1 million per acre, the land cost per unit is \$40,000.