



City of Weyburn

Housing Business Plan 2011

Prepared by



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EXECUTIVE SUMMARY

The City of Weyburn has contracted the services of the Canadian Home Builders' Association – Saskatchewan, Inc. to develop a Housing Business Plan for their community. Based on research conducted while preparing the Need & Demand Assessment completed for the City early in 2011, the Housing Business Plan represents another portion of the Housing Development Model for Weyburn. The Housing Development Model is comprised of all planning and research regarding residential development and can be amended to align with needs for the short and long-term development of the community.

The Housing Business Plan utilizes elements of the Need & Demand Assessment to base predictions for population growth, and labour and demographic changes within the community and recommends ongoing initiatives and planning efforts for City Councillors and Administrators. The mid-range population projections from the Need & Demand Assessment are used throughout the Plan to indicate the number of houses and recommend percentages of specific housing required. The target goal of 250 housing units per year includes both single and multi-family development and will accommodate population growth up to 22,000 by the year 2030.

The Housing Business Plan also indicates areas of opportunity based on the review of permit approval processes, infrastructure development, development cost charges and staffing. Finally, and most importantly, the Business Plan recommends a series of incentives that can be implemented to encourage the development of specific housing types along the continuum in order to meet current and future projections for demand.

The Housing Development Model serves as a template which proposes a series of recommendations for the community that may be adopted at their discretion. These options do not impose a responsibility for City Council and Administration to adopt any of the measures to consider in their planning efforts, or a requirement to adopt the Housing Business Plan and use it as a template for future research, planning and development.

The City of Weyburn's planning efforts will not end with the Housing Business Plan and the Canadian Home Builders' Association – Saskatchewan recommends that the municipality undertake ongoing efforts to keep the Business Plan current in order to best respond to future changes and growth in the City. Much of the specific planning for neighbourhood design, infrastructure development, lot size and combination of single and multi-family development will be at the discretion of City Planners and Administrators, and the Association will be available to assist with these future efforts as required.

THE HOUSING BUSINESS PLAN

A municipal Housing Business Plan is intended to provide a development model for residential development that is effective, efficient and sustainable. The document should guide current development as well as allow for future expansion. It should also allow City Council and Administration to direct resources to priority areas over the long term. For communities experiencing rapid population growth and demographic changes, the Housing Business Plan in conjunction with the Need & Demand Assessment serves as a template for long-term planning and the basis for future development plans.

A Housing Business Plan should complement the City's development efforts and the vision for the community, including their Official Community Plan. Within this plan, community stakeholders and administrators incorporate appropriate, safe and secure housing into their vision for a prosperous City. The Housing Development Model for Weyburn, which combines the Need & Demand Assessment, the Housing Business Plan and various supporting documents, expands on this vision and provides justification for the implementation of tools for the municipality to direct healthy residential development.

VISION & MISSION STATEMENTS

Similar to the Official Community Plan, the Housing Business Plan recommends a vision and mission statement specifically for housing development that aligns with the vision and mission for the community in all development aspects. The proposed statements are as follows:

Vision

“The City of Weyburn believes that our community can be the destination of choice for those seeking a strong, community-oriented, and stable urban center by encouraging economic growth and providing suitable and diverse residential development.”

Mission

“The City of Weyburn is committed to partnering with businesses, community stakeholders, housing providers, builders and developers to ensure that quality, suitable homes are available to all current residents of and newcomers to the community. In order to achieve a high quality of life in the community, the City will act to guide community growth to the benefit of today's residents and for future generations.”

RESIDENTIAL DEVELOPMENT

In order to take advantage of economic and population growth, municipalities will ensure increased efficiency through effective planning which identifies current or potential strengths and/or weaknesses, and subsequent implementation of programs that promote sustainable and healthy development.

Housing issues often arise in communities experiencing significant growth and these issues quickly become urgent because homes are a necessity. A Housing Business Plan that includes economic and demographic trends in the community allows for the assessment of potential demand and addresses issues that municipalities may encounter in the future. The Plan also recommends the adequate level of serviced land required for future development, within which the industry can provide the required and appropriate types of homes.

Bylaws, incentives, zoning and partnerships with various public and private sector stakeholders are available to the City of Weyburn to plan for future housing needs. As a municipality, the City has the opportunity to access support of provincial and federal partners and take the lead in setting its own growth policies. There are many other individuals and organizations involved in the housing industry that are essential contributors to residential development, which in turn promotes a healthy and sustainable community.

The following list of stakeholders and other agencies with which Weyburn can partner, also describes how they can effectively assist municipal policy makers and address the housing concerns in their community.

Provincial Government

The Government of Saskatchewan has various legislative, taxation and judicial powers directly related to the housing industry and over the years, they have increased their impact on residential development.¹ Through the Saskatchewan Housing Corporation (SHC), the government assists in financing, develops housing programs and have been involved in financing actual housing development.² The SHC is a valuable partner for municipalities when they seek to access funding and develop housing assistance programs within their community.

Federal Government

Through the Canada Mortgage and Housing Corporation (CMHC), the federal government assists with housing financing options for individuals accessing the private housing market, and also improves building standards and housing construction, and provides necessary statistics, analysis, and research to improve the state of Canada's housing industry.³ The federal government often collaborates with the provincial government to fund some housing projects and may at times offer direct funding to individuals and municipalities to increase supply of certain housing types.

Builders and Developers

While municipal, provincial, and federal governments constitute the public sector side of the housing industry, builders and developers comprise the private sector. Because these firms are directly involved in residential housing, they are important partners for a municipality planning its future housing developments. They buy land, subdivide it, assist in designing the buildings that will be constructed, arrange the financing for construction, subcontract tradespeople where necessary and market and sell the finished products.⁴

Builders and developers are the recipients of most housing programs that affect the supply of housing in a community. Financing from the provincial and federal government can be utilized by a municipality to allocate to builders and developers in various ways, including capital grants or interest-free or forgivable loans. The residential construction industry also contributes a significant amount to overall economic growth within a community, the province, and the nation as a whole. A healthy residential construction industry and growth in new housing provides a source of employment and also contributes to the prosperity of a city or region.

Financial Sector

The financial sector is vital to ensuring there is capital available to builders and developers to build communities, as well as to consumers for access to mortgages and loans. When a municipality provides a program or incentive to encourage building or to assist consumers with the purchase or rental of a home, financial and other similar professional partners are often able to administer the programs.

Community Organizations and Stakeholders

Municipal planners face a difficult task in directing new growth and development in the community and work within an environment of competing interests and priorities. Municipal budgets frequently fall short of required amounts to maintain adequate planning and operations departments; therefore, innovative ways of gathering information and overcoming barriers must involve the entire community. Organizations that leverage volunteer hours and bring together stakeholders interested in neighbourhood planning and housing program incentives assist government officials in numerous ways. Community support and engagement can present challenges, but the benefits of collaboration at the community level are identifiable at the implementation stage: neighbourhoods that are involved in planning are less likely to oppose new development ideas, affordable housing ventures and changes to zoning.

OVERVIEW OF TARGETS AND PRIORITIES

The City of Weyburn's growth plan should include a list of priorities from which progress can be monitored. Furthermore, a list of such priorities for the short-term can help alleviate some of the immediate pressures within the housing market. The list of targets and priorities is based on the findings from the Need & Demand Assessment and research conducted within the community and will be used to direct further recommendations that are expanded upon throughout the Housing Business Plan.

Targets for Residential Development

- **Provide serviced lot capacity to accommodate population growth to 22,000 by 2025 as based on mid-level projections from the Need & Demand Assessment.** At an estimated population density of 2.3 persons per household, this means an increase of 3,900 homes by 2025, or approximately 250 units per year. The City should maintain a 2 to 5 year supply of serviced lots to offset the time delay between servicing raw land and selling serviced lots.
- **Increase the number of purpose-built rentals and encourage secondary suite development to bring rental capacity up to a target vacancy rate of 2.5 percent** and maintain rental stock at 25 percent of overall housing stock. The vacancy rate in October 2010 was 0.7 percent. Purpose-built rental stock is currently 16 percent of total residential supply.
- **Implement programs and incentives to encourage the development of affordable and entry-level housing stock that is designated for specific household income thresholds.** Designated affordable housing should be available only to those with household incomes below \$52,000 annually. Housing available for entry-level homeowners, or those households earning below \$75,000 annually, should constitute approximately 15 percent new housing construction, or approximately 35 homes per year. (*See Appendix III*)
- **Establish and maintain relationships with builders and developers, as well as other housing stakeholders in order to incorporate input from the public and from businesses into future development plans.** With the long-term goal of developing local area plans with extensive community input, involve businesses and individuals in the residential planning process using a variety of tools to encourage participation.

PRIORITIES

The following list of priorities should direct the immediate policies and guidelines adopted by Weyburn City Council in order to initiate the process of healthy and sustainable development and begin to address issues of reduced affordability and insufficient diversity in housing supply.

Priorities for Implementation

- Increase serviced lot capacity, either through increased efforts by the municipality or through encouraging participation of private developers through the Request for Proposal process.
- Implement incentives to increase rental accommodation, as per recommendations proposed in the Housing Business Plan.
- Increase development of appropriate, entry-level housing to encourage homeownership and alleviate rental market pressures.
- Review funding and incentive programs for immediate adoption in order to capitalize on funding available through the Government of Saskatchewan.
- Continue to promote the renovation or replacement of older housing stock in built-up areas in order to ensure all houses comply with current building standards.

AREAS FOR REVIEW

The Housing Business Plan will also provide a series of recommendations intended to address mid and long-term planning. It will recommend processes for review and adaptation of policies and incentives, collaboration with builders, developers and community stakeholders and incorporating the public's input into future development planning. As Weyburn continues to grow and develop their infrastructure along the established guidelines of the vision and mission statements, these long-term planning structures will be useful in alleviating current concerns and offering solutions to future housing issues.

Areas for Review

- Review resource allocation and service capacity of the Building and Development Branch in order to increase staff and accommodate increased demand for permits and inspections
- Encourage the development of higher density and mixed-use residential development in the Central Business District and immediate surrounding area, through the use of Discretionary Use Zoning and Request for Proposal processes
- Establish criteria for purchasing City-owned lots. Consider implementing eligible contractor criteria for purchasing lots in order to reduce the incidence of poor quality home construction or misuse of City-owned serviced lots
- Establish a template for a five year plan for future lot servicing, infrastructure development and zoning. Focus on medium to high growth projections during planning in order to alleviate harmful shortages in the future. As development plans increase, monitor progress in order to update and expand on the Housing Business Plan for future growth.

TARGETED HOUSING DEVELOPMENT

Rental Housing

A well-supplied rental market is essential in order to attract a sufficient workforce. Additionally, new and well-built rental units located close to amenities increases the attraction of a community to young, new entrants to the workforce and students.

Weyburn should have approximately 8,100 housing units by 2025. A 75 percent – 25 percent ownership/rental split means that of these units, 6,075 should be available for ownership and 2,025 should be available for rental.

Table I compares the number of specific types of rental units available as a percentage of overall purpose-built rental stock available. **Table II** provides benchmarks to reach for rental housing construction based on medium-growth population projections. **Table III** provides a summary of the numbers and types of houses that should be constructed over the next fifteen years.

Table I

Type	Weyburn	Western Canada	Canada
Bachelor	2.5%	2.34%	3.05%
One Bedroom	32.3%	30.63%	28.67%
Two Bedrooms	56.1%	59.73%	61.54%
Three Bedrooms +	9.1%	5.69%	5.59%

Table II

Type	Proportion	Amount Needed over 15 years
Bachelor	4.6%	78
One Bedroom	38.1%	575
Two Bedrooms	50.2%	667
Three Bedrooms +	7.1%	83

Table III

Owned (Any Type)	Bachelor (Rental)	One Bedroom (Rental)	Two Bedrooms (Rental)	Three Bedrooms + (Rental)
2,513	82	560	662	83

In order to effectively increase supply, the City of Weyburn should:

- immediately implement incentives to encourage development of secondary suites in existing homes and renovation of existing suites to bring them up to code;
- in the short-term, establish incentives for builders to develop purpose-built rental units, close to the post-secondary campus and the downtown area, if possible;
- in the mid-term, examine incentives for landlords to renovate and update older rental units as most apartments available for rent are decades old;
- in the long-term, monitor demand for specific rental units, such as designated affordable, senior-oriented, student-specific housing, or housing that can accommodate larger families. This information can be collected through contact with housing providers, CMHC data rental market availability, and consulting wait-lists for designated affordable rentals.

Entry-level and Affordable Housing

As outlined in the Need & Demand Assessment, the affordability of housing in a given community is linked to overall household earning potential. Therefore, in those communities where the average household income is higher than other regions or in the province as a whole, the benchmark for affordability is higher as well. However, the province has established Maximum Income Limits (MIL) and, for ease of categorization this MIL should be established as the level beneath which a household requires either government assistance or qualifies for housing designated as affordable on the housing continuum. The total annual household income established for the MIL is \$52,000.

In order to impact the supply of these housing types, the City of Weyburn may:

- In the short-term, take advantage of Government of Saskatchewan funding programs that encourage builders to develop housing which can be sold at a lower price;
- In the mid-term, reduce the size of lots serviced in specific sections of new subdivisions in order to reduce the up-front costs to builders;
- In the mid-term, review zoning regulations in built-up areas and allow for increased density in select areas close to amenities, such as schools and businesses;
- In the long-term, incorporate affordable housing specific areas into neighbourhood concept plans in order to provide a sustained percentage of affordable housing across the community at the planning stage.

THE ROLE OF THE NEED & DEMAND ASSESSMENT

Strategic planning requires a thorough knowledge of trends and conditions that exist in population and income demographics within a community. These trends can be used to make accurate predictions about future growth and economic conditions that will impact on decisions related to residential development. The Need & Demand Assessment is intended to establish a base from which accurate predictions may be based and to provide a template from which to continue to monitor changes in growth patterns and demand for housing and services.

The Need & Demand Assessment completed for Weyburn indicated that the strong economy propelled by a growing resource sector is driving the demand for labour and therefore causing the community's population to grow rapidly. The demand for rental units has increased as a result of those moving to the community to take advantage of economic opportunities and seeking temporary accommodation as a first step toward homeownership.

As part of the Housing Development Model, the Need & Demand Assessment provides the growth template from which to establish appropriate incentives, programs and neighbourhood expansion plans. The Housing Business Plan draws on the findings of the Assessment to provide the goals and establish the priorities for City Councillors and Administration as they update and renew their community development plans.

ECONOMIC OUTLOOK

Weyburn's location in southeast Saskatchewan is close to major industries and resources - the Bakken Oil Play, the CO₂ Sequestration Project, fertile agricultural land, and the newly-expanded Weyburn Inland Terminal are all nearby - which makes the area attractive and encourages in-migration of labour to the region. Although the region's economic growth is attributed mainly to resource development, there is sufficient diversity to ensure long-term economic prosperity. Additionally, the Bakken Oil Play is large enough to sustain resource development until the community expands its diversity and grows to become a destination city for reasons beyond resource exploration.

LABOUR FORCE TRENDS

Economic growth and activity in Weyburn attracts professionals and skilled workers who are looking to access job opportunities and higher earning potential. The large population influx has alleviated many labour force pressures that exist in the region. However, this increase in labour has not kept pace with the demand for labour, as 90% of the trades in the Southeast Enterprise Region reported labour shortages in 2009, and these labour shortages are projected to increase in 2012. It is likely that immigration will help address these shortages, and the City of Weyburn must prepare itself to meet the housing needs of new residents. Addressing the needs of the

housing market in the City will help to mitigate some of the labour shortage, along with encouraging temporary workers to become permanent residents.

DEMOGRAPHIC TRENDS

Weyburn's changing demographics reflect the national trend towards an aging population - a significant portion of the labour force are older professionals between the ages of 45 and 55 - and a large number of young adults between the ages of 20 and 29, which should continue to grow to meet labour demand in the region. Recruitment from outside the City will become more effective if plans for affordable and entry-level housing for new residents and new entrants into the labour force are established.

HOUSING MARKET TRENDS

Rentals

New migrants to the region, students, young working professionals, and seniors are the main demographic sectors in the rental market. The rental market supply in Saskatchewan is limited, with a vacancy rate of 2.5 percent in the fall of 2010.⁵ The vacancy rate is lower in Weyburn, with property managers for local apartment buildings reporting zero vacancy in the last 3 to 5 years.⁶ Rental units of all types are unavailable in Weyburn, as multi-unit developments have not kept pace with demand and legal secondary suites in existing housing are reportedly non-existent.

A survey of rental housing ads in July 2011 showed that twenty-one (21) people were looking for rental accommodations, while only seven (7) units were advertised as available. Of the twenty-one looking, ten (10) were looking for houses, seven (7) were looking for rooms, one (1) was looking for an apartment, and three (3) were looking for any type of rental accommodation.⁷

According to data obtained from the Canada Mortgage and Housing Corporation on the rental market for the fall of 2011, the overall vacancy rate is 0.8 percent with an average rent for any unit of \$688 per month and \$718 per month for a two bedroom apartment. The survey also indicates that one and two bedroom units make up the largest percentage within the rental market.⁸

Homeownership

Affordability is the key issue for the housing market in Weyburn, as resale prices have increased to record levels and new developments are mainly targeted at high income earners. From 1984 to 2004, home prices rose by only 78 percent, which is lower than the rate of inflation.⁹ From 2006 to 2010, the average resale price increased by 140 percent, with an average sales to listing ratio of 0.74.¹⁰ This indicates that the housing market in Weyburn has seen a significant shift

from a buyers' to a sellers' market, with many homeowners looking to take advantage of decreased supply and increased demand.

The resale market in Weyburn shifted significantly to a sellers' market in 2009 when the average resale price on the Multiple Listing Service (MLS) was \$277,000. Since then, the price has moderated somewhat, and in 2010 the average resale price was \$240,000. The percentage of homes sold at list price for 2010 and 2011 year to date was close to 97 percent in both years. This indicates that demand continues to be high for available resale properties.¹¹

QUESTIONS ABOUT THE NEED & DEMAND ASSESSMENT

Upon review of the Need & Demand Assessment, the Weyburn Housing Advisory Committee requested clarification on a few points. This section is dedicated to providing additional information and clarification in these areas in an effort to further connect the assessment with the larger goal of developing a viable Housing Business Plan.

The questions were as follows:

- **The number of listed properties on the MLS during a specific period appeared significant, indicating that there is not as assumed a housing shortage or “crisis”. Can this be explained?**

The housing market fluctuates frequently and there are many factors that may contribute to short-term increases or decreases in price or quantity of resale homes. The best indicator of a community's relative sustainability is found by analyzing five to ten year trends of sales to list ratios, price adjustments, list prices, sale prices and pressures on certain segments of the market.

Analysis of the resale data from 2006 to 2011 indicated a 140 percent increase in resale price and a high sales-to-list ratio, indicating that sellers were able to sell higher and get the requested price. This indicates either: **a)** a lack of choice for home buyers due to insufficient new home construction; or **b)** a shortage of supply in certain market segments, such as the rental market which drives up demand in home purchases. As indicated by CMHC data collected from rental providers in the community, the rental market supply is limited and may be putting pressure on the resale market.

The question of why the number of houses listed for sale does not reflect the level of 'crisis' in the market is reflective of buyer preferences and ability to purchase a home and of the sellers' perception of the resale market. Perceived favourable conditions can cause some home owners to list properties for a price above their value. Additionally, a surplus of market listed homes does not indicate that all levels of demand are addressed; listed

homes may be too large, too small or otherwise inadequate to meet the specific demand in the community.

- **The Housing Advisory Committee requested that a specific list which outlines the types of houses required be provided (i.e. number of bedrooms, square footage, lot size, etc.)**

The variety of houses that are required to meet demand in a given community is a moving target and is therefore difficult to establish definitively. For example, the size of a house will impact greatly on the price. Currently, many new homes being built are luxury homes with high square footage and are sold at prices above \$400,000. In order to bring prices down to an affordable level for first time and lower income home buyers, stipulations could be placed on the size of lots and the zoning density of the neighbourhood. Ensuring that there are a mix of house sizes and densities will allow the market to distinguish which types of housing remain in high demand and which type no longer need supply. The best option for the City of Weyburn is to increase the number of serviced lots for sale and allow builders to meet the demand.

ESTABLISHING PRIORITIES AND ACTION AREAS

The City of Weyburn's Need & Demand Assessment indicated that labour force demand and industry and population growth will contribute to the growth in demand for houses across the housing continuum. The strength in the resource sector is generating interest in the region and the healthy economy and business climate is attracting entrepreneurs, businesses, workers and families who see the benefits of living in a growing and confident community. The optimism and activity surrounding planning for growth attract people, businesses and industry who find new opportunities in expanding communities and regions. This is true of the residential construction industry as well. Construction contributes twelve (12) percent to the national Gross Domestic Product (GDP) and provides direct and indirect job and business opportunities with each existing house that is renovated or new house that is constructed. Communities that encourage housing development attract new workers and these new workers need homes to live in.

COMPETITION

The City of Weyburn is in a position to capitalize on the economic optimism in the region, but it must also consider that the community competes with larger urban centers which are growing as well. Builders and contractors have opportunities to work across the province in growing communities and Weyburn must remain competitive in order to attract workers, families, builders and developers to their region.

In order to offer a competitive advantage to builders and developers, City Administration has tools to assist with the efficiency of land development, application processes, inspections and communication between administration and builders. Having a well-funded, responsive and consistent planning department that can accommodate increased activity without causing delays in the development process provides certainty and stability for builders, as well as reduces overall costs.

***Action Area:** To ensure that Weyburn can compete with other communities for professional builders and developers, consistent lot servicing and efficient and fair lot draw processes are required. In order to retain staff and employ sub-trades, builders need the capacity to make long-term plans in regards to the number of homes they can expect to build in a given time frame. The City can facilitate this directly.*

THE ROLE OF BUILDERS

In many cases, builders and developers operating in a community over the long-term are aware of the process and criteria for purchasing City-owned land, have positive relationships with City administration and are also familiar with the timelines to build new homes. However, Weyburn's building community will continue to grow as more development occurs and the processes in place need to ensure that the best builders are building the new homes in the community. The assurance that professional builders are bidding on City-owned lots will have long range benefits for the community, as high quality and well-built homes ensure the long-term stability, health and sustainability of a community.

Action Area: Builders that have a positive relationship with the community and build quality homes should be encouraged and the processes improved to ensure efficiency of lot allocation and permit approvals. Builders seeking to capitalize on the strong construction market in the short-term rather than committing to helping build the community for the future should be discouraged.

THE ROLE OF THE MUNICIPALITY

The municipality's role in housing development is to guide growth in specific housing sectors through efficient planning, effective communication of policies and programs and ensuring land is available for new home construction. The current issues the City faces in meeting lot servicing needs are a priority, but once workable solutions have been found to ease serviced land supply shortages, focus can be shifted to giving builders and developers the space within which they can build the community's new neighbourhoods.

Action Area: While the City is growing, there is an opportunity to leverage this activity to increase staff or to begin contributing to a housing reserve fund which can be used in situations when building activity has decreased or when government subsidized housing and incentive programs need to increase.

POTENTIAL GOALS

- To provide serviced lot capacity to meet the medium-range population growth projection of 3,900 people, or 250 new housing units per year, in order to offer improved choice for consumers;
- To increase the supply of specific types of housing, specifically affordable and market rental units, and affordable and entry-level ownership units to 25 percent, and 5 to 10 percent of total units respectively;
- To offer a competitive business environment which attracts builders and developers to build new homes and neighbourhoods in Weyburn;
- To plan for future changes in growth and development progress by establishing a reserve fund dedicated specifically to residential development;
- To retain a City Planner or similar support staff to take on the role of neighbourhood planning, program oversight, research and review.

RECOMMENDATIONS TO ACHIEVE GOALS

- Increase the amount of serviced land available for development by attracting private developers to service and sell subdivided parcels, in order to meet growth predictions. By encouraging private subdivision development, either through a favourable tax regime or other economic terms or through an advertised Request for Proposal process, a great deal of servicing work can be removed from the development branch and allocated to private industry.
- Effectively leverage the economic benefits of a healthy and growing construction industry and use increased revenues from new market housing to fund new housing initiatives. As the number of serviced lots increases and new neighbourhoods are developed, economies of scale increase and affordability of new housing will improve. Higher taxes paid on value-added serviced property will increase the capital that City administrators can access to fund more staff for the planning department and also fund new housing initiatives.
- Ensure that builders and developers can maintain housing affordability by reducing unnecessary delays, ensuring that staff levels are appropriate to meet demand for services and eliminating unnecessary regulations that slow growth. The Building and Planning Department operates efficiently for the level of service that is typical for the community; however, some processes will need to be expanded to increase efficiency and accommodate the increased demand that extensive building activity produces.

- Communicate with builders and developers with regard to housing on the issues faced by the community. For example, the number of purpose-built rentals in the community should be increased and building incentives can help this occur. Builders may offer solutions of how they can provide these specific units to the market within existing frameworks and identify which incentives are most effective.

DEVELOPMENT COST CHARGES AND LEVIES REVIEW

These charges are required to offset costs to the community and the municipal government when expanding infrastructure and services. Development charges that are levied to pay for all new neighbourhood infrastructure can become overly burdensome to builders and developers, who in turn pass the increased costs onto the consumer. The practice of passing the responsibility of paying for increased infrastructure and service to the consumer erodes affordability and ultimately impacts a community's ability to compete and attract developers and new residents.

In order to ensure that communities remain competitive with surrounding jurisdictions, it is necessary to conduct a comparative review of development levies in other cities. Determining the best way to cover costs of new infrastructure without downloading costs onto builders which are ultimately passed on to homebuyers, is essential to overall housing affordability. While it may appear unreasonable to expect new homebuyers to bear the burden of paying for infrastructure that will benefit the community and new neighbourhoods for decades, cities cannot avoid levying some charges to cover the up-front costs of servicing new land.

The chart on the following page, provided in part from a study conducted by Colliers International, compares the development cost charges as a percentage of lot cost in the larger municipalities in Saskatchewan.

Land Development Cost

Community Comparison

Municipality	Lot				Levies & Charges (LC)			
	Lot Price (LP)	Area (ft ²)	Front-age (ft)	Lot price \$/ft ²	Total L & C	\$/sf	\$/FF	LC/LP(%)
Estevan	\$ 65,000.00	5200	50	\$ 12.50	\$ 3,122.00	\$ 0.60	\$ 62.44	5%
Lloydminster	\$ 95,400.00	6028	46	\$ 14.17	\$ 2,423.00	\$ 0.40	\$ 52.67	3%
Moose Jaw	\$ 48,000.00	6549	59	\$ 7.33	\$ 6,360.00	\$ 0.97	\$ 107.80	13%
North Battleford	\$ 58,815.00	7169	49	\$ 8.20	\$ 4,500.00	\$ 0.63	\$ 91.84	8%
Prince Albert	\$ 58,590.00	6092	56	\$ 9.62	\$ 4,875.00	\$ 0.80	\$ 87.05	8%
Regina	\$ 96,000.00	4400	40	\$ 21.82	\$ 13,130.00	\$ 2.98	\$ 328.25	14%
Saskatoon	\$ 96,200.00	5866	44	\$ 16.40	\$ 20,790.00	\$ 3.54	\$ 472.50	22%
Swift Current	\$ 45,000.00	8396	65	\$ 5.36	\$ 11,217.00	\$ 1.34	\$ 172.57	25%
Yorkton	\$ 59,838.00	7255	60	\$ 8.25	\$ 3,223.00	\$ 0.44	\$ 53.72	5%
Weyburn	\$ 60,000.00	8125	65	\$ 7.38	\$ 8,000.00	\$ 0.98	\$ 123.08	13%
Maximum, SK	\$ 96,200.00	8524	65	\$ 21.82	\$ 20,790.00	\$ 3.54	\$ 472.50	25%
Minimum, SK	\$ 45,000.00	4400	40	\$ 5.36	\$ 2,423.00	\$ 0.40	\$ 52.67	3%
Average, SK	\$ 69,895.00	6486	52	\$ 11.48	\$ 7,962.00	\$ 1.30	\$ 163.24	11%

Source: Colliers International

ZONING AND INFRASTRUCTURE DEVELOPMENT

Zoning is a tool utilized by municipalities to effectively direct the development of specific housing and to establish the character of neighbourhoods for improved cohesion and connectivity. Within the broad zoning categories that define the type of housing built in specific areas, a community planner can use more targeted regulations, such as architectural controls, to ensure that housing in a given neighbourhood is unique but still connects well to surrounding houses.

- ***Architectural Controls***

Used to ensure that neighbourhoods have a cohesive character and reduces obvious duplication of designs. Neighbourhood design should incorporate these controls to limit large differences or similarities, but they should not be overused to the point of becoming burdensome or costly to builders.

- ***Affordable-Designated Zoning***

Used by a municipality to encourage builders to provide affordable or entry-level housing in the land parcels. This type of zoning allows affordable housing to be built within market-priced neighbourhoods and promotes diversity of housing types. This zoning should not be used to force builders to construct affordable housing, but rather may be applied to indicate that specific lots will be appropriate to construct suitable housing.

- ***Mixed Use Zoning District***

Introducing new zoning districts can allow the city to control the character of the neighbourhood in terms of introducing a mix of business and residential development. The City currently uses the Residential Fringe Mixed Use Zoning District only in the downtown core, but it can also be used to allow for greater flexibility in placing amenities, thereby allowing commercial developments conveniently close to specific housing, such as senior or student housing.

- ***Pre-Designation of Land***

Early in the new neighbourhood planning process, City Administrators can set aside a lot or parcel of lots that are designated for a specific type of development. Once the land is designated for this type of development, the community can use the Request for Proposal process to acquire a developer or builder interested in completing a specific project (*see Appendix I for more details*).

- ***Existing Zoning***

The City of Weyburn has a number of existing zoning regulations used to establish the type of housing desired in certain areas. There is no reason to assume that these are the only zoning regulations that may be used. City Council has the authority to establish different zones or to adapt zoning regulations to encourage smaller, entry-level and affordable homes or larger executive homes that will be located only in neighbourhoods that have the same size, type and similar style of housing.

PERMIT PROCESS AND LOT SALES REVIEW

Permit Process: An efficient and effective permit process can reduce the costs of housing that result from time delays in the building process. As residential construction in a community increases, the pressure on City officials to maintain an acceptable length of time for permit approvals can become strained. Staff levels should be maintained in order to mitigate these effects and facilitate reasonable processing times. A target for permit approval times, once set, should be maintained in order to establish a predictable process for builders and developers.

Currently, the City of Weyburn is maintaining a reasonable turnaround time for residential permit applications at one week to ten days. However, during busy times, this turnaround time may be substantially reduced, leading to delays in an already short building season. The building department is not sufficiently staffed to maintain this turnaround time if there is a ten to 15 percent increase in permit activity.

In order to accurately and sustainably fund building permit approval processes, it is recommended that the City of Weyburn institute a per-square foot permit fee, rather than a fee based on value of construction. This will better reflect the costs of permit approvals.

Lot Sales: The City of Weyburn acts as the primary developer of new land within city limits and as such is engaged in selling lots to builders. In order to ensure that the process remains fair and the city has some control over the quality of homes built in the community, there should be a method in place to discourage non-professional builders from purchasing lots and limiting sale to private individuals to build their own home. As demand for city lots increases, the number of builders able to purchase enough lots to remain in business will diminish; finding ways to encourage the best builders to remain in the community and discourage lot flipping and unprofessional builders will benefit the community for the long term.

In order to maintain good quality housing stock that is professionally built, it is recommended that the City of Weyburn establish criteria for builders and developers to ensure that they are eligible to build. A list of criteria can include mandatory third-party home warranty protection, proof of insurance and licensing, and evidence that homes built on city lots are completed within a reasonable timeframe.

ATTRACTING DEVELOPERS

Smaller urban centers can experience challenges when trying to attract developers to assist with lot servicing and subdivisions. There are tools available for communities examining options for meeting growth targets that will bring in the right developer that is interested in building neighbourhoods. Because the City of Weyburn is the primary planner for new neighbourhoods and currently services the majority of available lots, they play a crucial role in engaging private developers which will help them achieve their goals and vision for the community.

The Canadian Home Builders' Association – Saskatchewan

The Association can provide contacts with member developers who might be interested in purchasing and developing the land for the City of Weyburn. Additionally, the Association acts as an advocate for the residential construction industry, a relationship that the municipality can utilize to communicate new proposals, regulations and initiatives and to receive feedback from builders, developers and contractors.

The Request for Proposals Process

This process can be used to highlight available land in the City that is ready for subdivision and can also allow City Administrators to outline the size of lots and type of housing required. Using a more detailed document which provides guidelines for lot size, infrastructure requirements and neighbourhood amenities allows the City to guide the general layout of a neighbourhood. Advertising available land through this process allows the Building Department to explain the subdivision process to prospective developers, giving them the option to suggest innovations in design and new ideas for maximizing efficiency.

Emphasize Prospects for Growth

Developers are attracted to communities that exhibit opportunities for returns on investment and are attracted to land development when there is a strong builder element that propels demand for lots. The waiting list for serviced lots in Weyburn is long, indicating that builders believe that this demand for housing exists. Indicating to developers that the land is ready for subdivision and demand for lots is high is the best way to advertise the opportunities in the City. Builders in Weyburn may be interested in helping the City contact developers as it is in their best interest to have the land serviced.

Coordinate Other Interested Parties

Builders looking for serviced land may be able to collaborate and pool resources to allow for involvement in land development. Seeking interest in the building community may be as simple as presenting a proposal or may include some direct incentive to get them involved in the land development process.

POTENTIAL HOUSING INCENTIVES

The list of potential incentives here will provide a brief description, explain applicability to the housing market and indicate whether they are to target a specific sector of the housing continuum. Each incentive is described in greater detail in tables in **Appendix I**.

PROVINCIAL PARTNERSHIP FUNDING INCENTIVES

- ***HeadStart on a Home Program***
 - Established with a focus on encouraging collaboration between the municipality and private home builders. The municipality participates by applying for a low cost loan from the program management company in partnership with an interested builder or developer.
 - Proposed projects must produce homes which are affordable to entry-level home buyers, those households earning between \$52,000 and \$75,000 annually and ideally priced below the MLS average list price for the community.
- ***Affordable Home Ownership Program***
 - Focused on developing the relationship between the municipality and consumers seeking affordable housing. In order for individuals to receive funding, a municipality must have a home ownership program, such as:
 - Mortgage Flexibilities Support Program – with a 5 percent down payment grant from the City and mortgage loan insurance, potential home buyers that cannot afford a down payment are able to finance the purchase of a new home.
 - Equity Loan Program – in partnership with a lending institution, a municipality can arrange a down-payment assistance program that can provide lower income earners with the means to purchase a modestly priced home.
 - Additionally, the municipality must contribute an amount at least equal to the municipal and education portions of the property tax to be used toward the down payment.
- ***Rental Construction Incentive***
 - The province provides a matching grant to the municipality of up to \$5,000 in order to construct new purpose-built rental housing.
 - The municipality must register with the Saskatchewan Housing Corporation stating their intent and describing the program. The municipality is responsible

for designing the incentive and must indicate the number of units intended to be funded.

RECOMMENDED INCENTIVES FOR IMPLEMENTATION

- ***Secondary Suite Program***
 - This program can be designed to suit the character of the neighbourhood and the level of interest of homeowners in upgrading their homes with secondary suites. Depending on the level of interest, the incentives may include a reimbursement of permit fees, relaxation of existing bylaws around suite allowances or a direct rebate on a portion of the development costs.
- ***Rental Land Cost Rebate***
 - To encourage the development of purpose-built rentals, a Rental Land Cost Rebate can be used as an incentive for builders and investors that are wary of entering the rental build market. By rebating a portion of the land cost and stipulating a length of time for units to be available in the rental market, supply in that sector can be more reliably increased.
- ***Waiver of Levies for Residential Development***
 - Decreasing the up-front costs to builders in specific areas or for the development of affordable, entry-level owned or rental units can encourage builders to provide houses at a lower cost to consumers. In order to qualify for the waiver of the fees, the builder or developer must adhere to criteria specified by the City.
- ***Density Bonuses and Inclusionary Zoning***
 - Inclusionary zoning is used to increase the number of affordable or entry-level homes within a new neighbourhood. Builders and developers are required or encouraged to construct a portion of housing at a designated price range.
 - Density bonuses are similar to inclusionary zoning in that they incorporate affordable or entry-level housing into new neighbourhood design and development. A builder can apply to have an area rezoned for higher density or may ease restrictions on what can be built in a particular zone in exchange for a certain percentage of units built that are designated as affordable or entry-level.
- ***Permit Rebates***
 - Any reduction in overall costs to a builder can be used to encourage development of a specific type of housing or to help builders offer homes at a lower price to the consumer. Building permit rebates and fast-tracking of permits for affordable and

entry-level construction can encourage builders to provide a certain number of this housing type.

- Increased overall development in a community can help pay for this type of incentive. Building departments collect more fees for building permits and can allow some permit fees to be rebated without it being overly burdensome.

- ***Zoning Designation for Affordable Housing***

- Builders may be interested in providing affordable housing because there is a clear demand for it. However, current zoning may not allow for the regulatory easing that reduces build costs and allows a builder to pass on savings to the consumer.
- A municipality is able to use zoning to ensure that smaller lots are developed and that higher density be allowed in specific areas. Additionally, easing architectural controls to allow for reduced housing size and economies of scale for the builder can significantly reduce the overall cost of construction and therefore, increase affordability for the consumer.

LONG-TERM PLANNING INITIATIVES

Weyburn's role with respect to housing is expanding and the effort required to maintain growth that is responsive to community changes will continue to increase. It is important to develop relationships with stakeholders in the community in order to receive current information on changes and trends that will impact on policy and incentive development in the future.

In their capacity as community planners, City of Weyburn Councillors and Administrators will continue to play a role in building relationships, monitoring response to policy changes and amending policy according to new information and trends.

RELATIONSHIPS WITH BUILDERS AND DEVELOPERS

Encouraging responsive and collaborative relationships with builders and developers will assist Weyburn in meeting housing needs in the community. The City is able to encourage specific development through policies, programs and incentives, but in order for these programs to be successful there needs to be effective communication between the City, builders and developers. By fostering positive working relationships with a number of builders, the City of Weyburn can increase the effectiveness of their Housing Business Plan.

Collaboration between builders, developers and the City can strengthen the City's role by providing feedback on demand, influencing how building processes and efficiencies may improve, and recommending new and innovative methods for meeting housing demand. Developers that find an informative and informed building department that can assist them in developing raw land into well planned subdivisions will be more likely to assist with the development of new lots. The City's resources are strained and input from developers could alleviate many of the pressures put on them by builders that are demanding increased lot servicing.

The City would benefit from having builders that collaborate with the community in the overall growth strategy, as it can leverage good-will capital to encourage development in housing types in high demand that are not frequently offered in the market. In Weyburn, many developers have been focused solely on building high price point developments, which the majority of the market cannot afford. This lack of affordable housing puts pressure on the market, which the City is seeking to alleviate. By working closely with builders, the City can build a mutually beneficial relationship that satisfies the demands of consumers and encourages economic growth.

MONITORING AND RESEARCH

One of the key roles that a municipality plays going forward with a housing business plan is continually keeping accurate and up to date research on the City’s progress. The development of a housing business plan is not a static one-time event, but rather it is an ongoing and fluid process. For this reason, it is important that the City monitors changes with respect to population, income level, education and labour force statistics.

Weyburn’s Need & Demand Assessment can provide a template for ongoing updates to changing demographics and labour trends. Because the document monitors those statistics that are subject to fluctuations year over year and have a significant impact on the type of housing initiatives proposed and the plans for development to meet growth, referring back to the document to update development plans as required is beneficial.

ESSENTIAL RESEARCH AREAS FROM THE NEED & DEMAND ASSESSMENT

Key Variables to Monitor	
<p><i>Demographics</i></p> <ul style="list-style-type: none"> • Population • Age breakdown • Aboriginal population • Immigrant population • Trending age groups • Inter-provincial migration 	<p><i>Labour Force</i></p> <ul style="list-style-type: none"> • Size of labour force • Participation rate • Unemployment rate • Employment Rate
<p><i>Education</i></p> <ul style="list-style-type: none"> • Level of education of population • Percentage of population educated • Trends in education levels 	<p><i>Income</i></p> <ul style="list-style-type: none"> • Level of income per capita • Household income • Income to housing affordability
<p><i>Housing</i></p> <ul style="list-style-type: none"> • Number of units (owned and rented) • Number of starts • Rental rates and vacancy rates 	<ul style="list-style-type: none"> • Average house prices • Building permit information • Lot development

POLICY REVIEW AND REDEVELOPMENT

An essential component of monitoring and research is the continuous review of policies and incentives that are put in place compared to the impact that these programs have had in achieving established goals. Should programs continue to be met with success and favourable response from housing providers and consumers, a review will indicate this area of strength. Conversely, if the program has not achieved its goals or if there is poor public reception, these policies can be altered or eliminated as required. Putting timelines in place within which programs must meet established benchmarks and will be subject to review, allows for more flexibility for City Councillors and Administration to make alterations.

The Housing Advisory Committee, in collaboration with a community planner and members of the building community, could perform these periodic reviews and updates as necessary. After a reasonable period has elapsed, the Weyburn Housing Advisory Committee could begin a review process using a cost-benefit analysis. For this review to happen, measurable and attainable goals should be set for the City to meet. It should allow for the board to make decisions as to whether current strategy is effective in providing the desired outcomes.

Although some goals of the Housing Business Plan are not measurable in one or two year intervals, it is still important to update and monitor progress. Many programs will expire when funding has been fully allocated and their efficiency and relevance will need to be reviewed in the short-term. Other initiatives will require a number of years to pass before their impact can be measured. The Housing Advisory Committee should keep broad goals in mind when making decisions about any alterations required to reach development benchmarks.

In ongoing policy review and development, the Housing Business Plan serves as a template within which alterations may be made. Alterations in the plan will be inevitable, but if the City uses the overall theme and direction of the Plan the end goal of creating a healthy, sustainable community will be the base of any reviews or amendments to the plan.

INCREASING REGIONAL COLLABORATION

In many instances, cost savings and efficiencies can be found by working with neighbouring municipalities to offer services and develop infrastructure. It is difficult to know when collaborative opportunities are available without regular communication and planning with other municipal officials. In many cases, people working in Weyburn live in the RM of Weyburn or in surrounding smaller communities, but still rely on infrastructure and services provided within the City of Weyburn. Finding ways to cooperate with the surrounding region solidifies the City's position as the local hub of commerce and can improve delivery of services to those living in the region.

Increasing regional collaboration can be as simple as communicating plans and remaining familiar with growth in the region to more complex arrangements that involve sharing infrastructure costs and collaborating on large scale projects.

LOCAL AREA PLANNING

Local area planning represents a shift in the practice of planning from the traditional reliance on professional expertise to a more inclusive community-based approach. Traditional community planning comes from the top: it is initiated by the municipality, developed by professionals and the finished product is implemented with little input from those who will be most affected by the plan. This planning process may appear efficient, but there are risks to imposing a plan on a neighbourhood that has not been apprised of development goals and strategies.

The process of developing a plan is relatively straightforward. Initial consultations must take place between the public and the administration in order to develop priorities and goals, and to develop a planning vision. A committee is then formed with representatives from both the citizens of the community and the municipal government. With the assistance of independent planning professionals, a community plan is created which is then approved and implemented by City Council.

The process of involving the community ensures the end result will be aligned with the public's needs, and in turn will benefit the municipality by avoiding the need to spend excessive time, money, and energy determining what those needs are and dealing with the aftermath if those needs are not adequately met. Citizens benefit because they are given the opportunity to develop and take ownership of their community's future, giving them a stake in the process of community growth. Though local area planning does involve more time to establish than traditional, municipally-directed planning, the method may allow City Administrators to overcome neighbourhood resistance to new development.

CONCLUSION

The Weyburn Housing Business Plan is a proactive document intended to plan for population growth and respond to residential development demands before they cause harmful housing supply limitations. The Business Plan sets out a series of recommendations for City Administration to consider, but it also serves as a catalyst to increase development and include new and existing stakeholders in the City's efforts to provide homes for its residents.

One of Weyburn's greatest assets as a smaller city may in fact be its size. It is large enough to act as a commercial and industrial hub for the region, which attracts business and provides strong employment opportunities. However, it is small enough to make communication between the City and the community stakeholders effective and efficient. Maintaining positive relationships with builders, developers and housing providers interested in helping the community grow in a healthy and sustainable manner will be essential as Weyburn develops their future growth plans. The City is taking on more responsibility for servicing, permit processing, inspecting and planning and will need to rely on input from other entities to make the best decisions on development.

The best approach that Weyburn City Council and Administration can take to ensure that residential development is well planned and appropriate for demand, is to use optimistic growth projections and begin planning accordingly. By taking a conservative view of the level of interest there is to living in the community, development plans will be consistently reactive or may become a self-fulfilling prophecy. Growth inspires growth and if more people are to be enticed to move, purchase homes, fill labour demand, pay taxes and build a sustainable and vibrant community, there must be a sense of the longevity of growth and the permanence of residents.

The Housing Business Plan is one part of effective community planning that is meant to address residential development issues. In order to ensure that all aspects of community development are cohesive and supportive of each other, comprehensive planning is important. Staff and resource limitations and time restrictions can result in planning initiatives being placed lower on the list of priorities. However, effective planning can help alleviate some of the resource and time limitations by establishing direction for all departments. For communities facing pressure from rapid growth, planning can mean the difference between making positive decisions to move forward and reacting to situations as they arise.

The Canadian Home Builders' Association – Saskatchewan is committed to the growth and sustainability of communities across the province, through positive policy decisions which directly impact residential development. The Association's partnership with City of Weyburn Councillors and Administrators in developing this Plan will provide a strong foundation for future community growth and success.

Endnotes

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- ¹ “Building Healthy, Inclusive, Sustainable Communities,” City of Ottawa, http://www.ottawa.ca/residents/housing/housing_strategy/strategy/communities_en.html.
- ² “Encouraging Community Housing Options,” Ministry of Social Services, <http://www.socialservices.gov.sk.ca/Default.aspx?DN=d55d0901-2e14-46cb-af4d-c6ed27db77bf>.
- ³ “2008 Saskatchewan Housing Forum Final Report,” Saskatchewan Economic Development Agency, http://www.seda.sk.ca/content/p_SK_Housing_Forum_FINAL_REPORT.pdf, page 6.
- ⁴ “Career Possibilities,” Canadian Real Estate Association, <http://www.crea.ca/public/careers/possibilities.htm>.
- ⁵ Ibid, page 30.
- ⁶ Ibid, page 30.
- ⁷ Data collected from classified advertisement websites, including Kijiji and Weyburn This Week in July 2011.
- ⁸ CMHC data includes only purpose-rented apartments and does not include privately rented secondary suites or homes owned for the purpose of renting by an individual. Information compiled from individual classified advertisements for privately rented suites or houses is provided in the previous paragraph.
- ⁹ Ibid, page 25.
- ¹⁰ Ibid, page 28.
- ¹¹ All data compiled by the Association of Regina Realtors from MLS listings for 2006 to 2011.

APPENDIX I

Incentives List and Detailed Explanations

This list of potential incentives is comprehensive and provides a summation of several tools that may be used by municipalities to encourage growth within specific housing sectors. The list is not exhaustive, as municipalities across North America continue to develop and try new tools to address specific issues. Establishing a designated funding reserve is recommended if possible in order to ensure funding is available for both established programs and for newly developed support or funding models that could arise in the future.

The following list outlines both the programs introduced on Page 22 in the Housing Business Plan and potential tools to encourage specific development in the future. Following the listed item is the page number for the accompanying table which outlines the program in detail.

Provincial Partnership Funding Incentives

- HeadStart on a Home Program (*page 2*)
- Secondary Suite Program (*page 2*)
- Affordable Home Ownership Program (*page 3*)
- Rental Construction Incentive (*page 4*)

Recommended Incentives for Implementation

- Rental Land Cost Rebate (*page 5*)
- Waiver of Levies for Residential Development (*page 6*)
- Density Bonuses (*page 7*)
- Permit Rebates (*page 8*)
- Zoning Designation for Affordable Housing (*page 9*)

Potential Programs for Review

- Encouraging Community Stakeholders and Groups to Develop Housing (*page 10*)
- Downtown Tax Incentive (*page 11*)
- Direct Sale of City-Owned Land and Property for Residential Developments (*page 12*)
- Tax Abatement for Rental or Affordable Housing (*page 13*)
- Perpetual Entry-Level and Affordable Home Ownership Program (*page 14*)
- Pre-Designation of Land (*page 15*)
- Equity Loan Program (*page 16*)
- Mortgage Flexibilities Program (*page 17*)
- Land Cost Subsidy Program (*page 18*)
- Affordable Housing Capital Incentives (*page 19*)

Provincial Partnership Funding Incentives

HeadStart on a Home¹

Description:

This program offers provincial funding to builders that are interested in receiving a low cost loan to provide entry-level priced housing. The program is intended to provide 1,000 new entry-level homes across the province. The province will provide a loan for 90 percent of construction costs at a 4 percent interest rate with the builder contributing the remaining 10 percent. Housing built must be sold in the \$180,000 to \$300,000 price range, depending on the community.

Intended Sector:

- Entry-level housing

Housing Type Encouraged:

- Ownership

Applicability to Weyburn:

Weyburn's current under supply of smaller, entry-level homes is due in part to the increase in demand and in part to the rising costs of building. Builders in the community must take an interest in applying for the funding, but the municipality can contribute by dedicating a portion of lots in a new subdivision for housing appropriately sized and located for first time home buyers who are often young families and new entrants to the workforce.

Secondary Suite Program²

Description:

A secondary suite is any self-contained dwelling unit that is separate from the principal dwelling. They are usually constructed in single detached homes and are either located within the principal dwelling or in an accessory building on the same lot. The Saskatchewan Housing Corporation Secondary Suite Program provides financial assistance to homeowners to construct or renovate a secondary suite in the form of a forgivable loan for 50 percent of the total construction costs, to a total of \$24,000 per suite.

Intended Sectors:

- Entry-level housing; market housing; affordable housing

Housing Type Encouraged:

- Rental

Applicability to Weyburn:

The low vacancy rate combined with high demand for all types of housing has reduced the availability of rental units available for renters at any income level. Advertising this incentive to encourage the construction of secondary suites is a cost-effective way for the City to address the rental unit shortage, and is best done in partnership with other rental-encouraging programs.

Affordable Home Ownership Program³

Description:

The Affordable Home Ownership program is provided by the province of Saskatchewan to help municipalities stimulate affordable home ownership. Participating municipalities are reimbursed an amount up to the equivalent of five years of the education portion of the property tax to provide homeowners assistance in purchasing a home.

Intended Sectors:

- Entry-level housing; affordable housing

Housing Type Encouraged:

- Ownership

Eligibility:

- Eligible municipalities must have a home ownership program in place (*see Mortgage Flexibilities or Equity Loan Program descriptions*)
- Municipality must contribute an amount at least equal to the amount of the municipal and education portion of the property taxes to the new home's purchase price (either in cash or equivalent) to be used towards the down payment

Applicability to Weyburn:

Increasing demand for housing that is increasingly unavailable has driven up housing prices to the point of being unaffordable for the average household. Assisting households in purchasing a home will help in freeing up rental units, as well as assist those who become homeowners through the financial and personal boosts that homeownership brings. The municipality must contribute a matching portion to the provincial contribution, but the benefits that this program brings in multiple housing sectors are worth the relatively low cost.

Rental Construction Incentive⁴

Description:

The Rental Construction Incentive assists municipalities in developing new rental housing. A provincial grant of up to \$5,000—which must be matched by municipal grants and incentives—is available to owners of new rental housing units.

Intended Sectors:

- Entry-level housing; affordable housing; market housing

Housing Type Encouraged:

- Rental

Eligibility:

- The municipality must provide an incentive of \$5,000 per unit to be eligible
- This incentive may be in the form of the equivalent of the municipal property tax for up to five years, other equivalent (e.g. land), or an up-front incentive
- Purposely-built new rental construction (e.g. apartments) are eligible, along with residential property conversion to rental units

Applicability to Weyburn:

Weyburn's vacancy rate and rental rate increases indicate a strong demand for rental accommodation, a common issue for cities located near resource-based industry. This incentive, with the combinations of provincial and municipal grants, enables the City to encourage rental housing development, which is often required due to the nature of investing in the rental market. By leveraging provincial funding, Weyburn's rental incentive should be significant enough to entice developers to turn their focus to rental housing and using this incentive in conjunction with low cost density bonus programs would increase the program's appeal.

Recommended Incentives for Implementation

Rental Land Cost Rebate ⁵	
<p>Description:</p> <p>A Rental Land Cost Rebate program offers a cash rebate to developers for the construction of multi-unit rental housing on a per-unit basis. Conditions are often attached to this type of program, such as requiring a business plan detailing the long-term feasibility of the project, along with an agreement to prevent condominium conversions. Some municipalities offer this rebate on a simple per-unit basis, while others have a minimum unit number requirement to encourage developments with a higher number of units.</p>	
<p>Intended Sector:</p> <ul style="list-style-type: none"> • Entry-level Housing; Affordable Housing 	<p>Housing Type Encouraged:</p> <ul style="list-style-type: none"> • Rental
<p>Strengths:</p> <ul style="list-style-type: none"> • Can provide enough capital to encourage the construction of purpose-built rental projects • Allows builders to pass on savings to renters through more affordable rental rates • Units cannot be converted to condominiums within a set amount of time, ensuring stable rental stock 	
<p>Challenges:</p> <ul style="list-style-type: none"> • Can require a significant amount of capital to implement • Requires a process to attach rental title to the property and ensure it remains as such 	
<p>Existing Programs:</p> <ul style="list-style-type: none"> • Saskatoon: the City of Saskatoon's Rental Land Cost Rebate Program offers a cash rebate of \$5,000 for each purpose-built rental unit constructed in multi-unit developments in the City. The units must be rented for fifteen years, with no condominium conversions allowed during that time period. • Revelstoke, BC: British Columbia offers a number of tax rebates that the City of Revelstoke has adopted. The Rental Housing Rebate offers a rebate of 71.43 percent of the provincial portion of the provincial tax paid on new rental unit construction, to a maximum rebate of \$26,250 per unit. This rebate would also apply to renovations of rental housing by landlords. In this case, the rebate would be applicable to landlords rather than developers. 	
<p>Applicability to Weyburn:</p> <p>A significant per-unit capital investment in rental housing provides an incentive for developers to build rental housing that will remain as rental housing. The City of Weyburn would be able to control the direction of projects through guidelines and regulations. The program can be adapted to encourage a certain type of housing, or can put stipulations that projects will be considered only on infill, or only on new construction, etc.</p>	

Waiver of Levies for Residential Development⁶

Description:

The cost of installing the necessary infrastructure to accompany new residential development has caused many municipalities to establish development levies, or fees charged to developers to help pay for some of the infrastructure costs. By waiving these levies for developers of affordable housing—or even developers of new market rental housing—a municipality can encourage the development of these housing types. Waiving the levies creates significant savings for developers, which can, in turn, be passed on to the buyers.

Intended Sectors:

- Affordable housing; rental housing; entry-level housing

Housing Types Encouraged:

- Ownership; Rental

Strengths:

- Relatively uncomplicated implementation and approval process, as each project must meet specific criteria
- Waivers can range from a partial to a full waiver, depending on project criteria

Challenges:

- Ensuring that developers follow through with the intentions outlined in proposals requires monitoring or follow-up measures
- Implementing an effective communications strategy to ensure that builders and developers are aware of the program, and of eligibility criteria application process

Existing Programs:

- **Austin, Texas:** fee waivers are provided for developments in which at least 10 percent of the units meet the ‘reasonably-priced’ standard (serving families at 80 percent or below of the Austin Area Median Family Income). 10 percent of units being reasonably priced nets a 25 percent fee waiver, while 40 percent of units being reasonably price nets a 100 percent fee waiver. A single-family affordable home tends to net about \$1,300 in fee waivers.
- **Saskatoon:** The City of Saskatoon waives off-site levies for the redevelopment of older properties. A set of criteria has been set by City Council for waiving these levies for specific affordable housing and neighbourhood revitalization projects in Saskatoon.

Applicability to Weyburn:

Significant cost savings can result from waiving levies for residential development. By attaching these cost savings to certain types of housing projects—affordable housing, for example—cost savings can be passed on to tenants or homebuyers, lowering the price of homes and raising the incentive for developers to build these types of homes.

Density Bonus⁷

Description:

Increasing the density of an area of new developments is an effective way for cities dealing with a limited supply of land to meet housing demand. A density bonus is granted when a municipality allows a developer to build more units of housing in an area than zoning would allow, sometimes in exchange for the developer agreeing to ensure that a certain portion of the units are designated as ‘affordable’.

Intended Sector:

- Market housing; entry-level housing; affordable housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Increase the number of housing units at no loss—or no additional land cost—to the developer
- No additional cost to the municipality
- Promotes efficient use of available land

Challenges:

- May not be sufficient by itself to motivate a developer to build affordable housing units
- Can result in small pockets of geographically-dispersed units
- Challenging to properly communicate this incentive to developers, buyers, and sellers

Existing Programs:

- **Saskatoon:** the City of Saskatoon provides density bonuses to developers in the form of reduced parking space requirements to allow a small number of extra units to be built. Additional density bonuses are also provided for the construction of affordable housing units.
- **Port Coquitlam, BC:** the City of Port Coquitlam offers density bonuses to developers in exchange for the provision of certain amenities. The City uses density bonuses to help encourage developers to provide environmentally-friendly buildings and affordable housing. In exchange for allowing additional density, the City receives either a cash contribution to cultural/community facilities (\$25 per additional square foot), or the provision of on-site amenities.

Applicability to Weyburn:

A Density Bonus program could easily be implemented by the City of Weyburn at little extra cost. Allowing certain projects to exceed density requirements as zoning bylaws permit would be decided on a case-by-case basis to ensure that only desirable projects benefit from this policy. A Density Bonus program could be used to target specific market types such as rental developments, or be targeted at a particular demographic group such as students.

Permit Rebates⁸

Description:

Building permit rebates can be used to encourage almost any type of building a municipality requires. If a community is lacking rental housing, for example, they can offer a partial or full building permit rebate to developers who build new rental housing, representing a saving to developer. In the case of large housing projects, such as multi-unit buildings, permit fees can be high and rebates can offer significant incentive if demand exists.

Intended Sectors:

- Market housing; entry-level housing; affordable housing; rental housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Program is easy to implement with a manageable approval process
- May be designed to encourage almost any type of development in any area of the city

Challenges:

- If there is no interest in proposing projects from the private sector, the incentive may not be sufficient to encourage a great deal of development
- Difficulty advertising to all who may benefit, including builders, developers, homeowners, and community-based organizations

Existing Programs:

- **Calgary:** the City of Calgary offers a rebate of 50 percent of the building permit fee for every new affordable rental unit created. This affordable housing must be available for rent at affordable rates for 20 years.
- **Saskatoon:** the City of Saskatoon offers a building, plumbing, and development permit rebate for the construction of new secondary suites. In addition, a portion of the fees for legalizing the suite are rebated. This program is intended to encourage the construction of more secondary suites to help mitigate the rental shortage.

Applicability to Weyburn:

Weyburn's housing issues are multifaceted, and flexible programs that can be used for multiple types of development are especially useful. Targeting permit fee rebates toward the most pressing issues—the lack of rental housing, for example—is one strategy that, when combined with others, will help solve the housing problems. Using permit fee rebates for rental housing and secondary suites is a good start, and if successful the program could be expanded to include affordable and student housing as well.

Zoning Designation for Affordable Housing

Description:

Rezoning specifically for affordable housing can allow a city to incorporate an affordable housing development directly into new neighbourhood concept plans. The zoning regulations would stipulate that housing offered within this zone must be priced below market value at a level that is affordable to those earning under \$52,000 per year. Zoning regulations can allow for any type of housing, from high rise multi-unit housing to low-rise condos and townhouses or smaller single family dwellings.

Intended Sectors:

- Affordable housing

Housing Type Encouraged:

- Ownership, Rental

Strengths:

- Allows the City to control where affordable housing should be located without altering existing guidelines.
- Indicates to builders buying lots in the area that they must be interested in providing affordable housing.
- Can be coupled with an incentive program to assist builders bring down their costs and offer the home at a lower price.

Challenges:

- Having a section of a new neighbourhood dedicated to affordable housing can cause segregation of housing types to certain sections of a community.
- Having a designated area zoned affordable cannot on its own cause builders to provide affordable housing if there is not already interest.

Existing Programs:

- **Saskatoon:** The City changed its zoning plan in 2009 to move away from residential zoning which encouraged the development of large, expensive homes, towards higher density zoning which reduces the land cost per unit. The RMTN1 district was a product of this change, and it allows the construction of higher density townhouses, with a higher maximum site coverage and greater maximum height, allowing for three-story construction.

Applicability to Weyburn:

Weyburn's current zoning is basic and would easily allow for more targeted zoning for this type of housing. There is demand in the City for affordable housing initiatives and builders are likely willing to participate. Due to the large amount of raw land available for new concept planning, incorporating this type of zoning at the concept stage will allow the City to customize more lots for smaller or multi-family units, as these are the most likely to be cost effective to build.

Potential Programs for Review

Encouraging Community Stakeholders and Groups to Develop Housing ⁹	
<p>Description:</p> <p>Many community groups have a vested interest in the housing sector, as the people that they serve are often excluded from or unable to access conventional housing. They have the capacity to act as affordable housing providers, and their expertise and interest in this role should not be overlooked by a municipality. All efforts to involve these stakeholders in the development and management of housing should be undertaken. They should be encouraged to submit housing development proposals and concept plans to the City, and incentives should be offered to enable them to fulfill those plans.</p>	
<p>Intended Sector:</p> <ul style="list-style-type: none"> • Entry-level housing; affordable housing; social housing 	<p>Housing Type Encouraged:</p> <ul style="list-style-type: none"> • Ownership; Rental
<p>Strengths:</p> <ul style="list-style-type: none"> • Those with a direct stake develop and manage the housing units • Affordable housing is more likely to be built and managed effectively when the organization doing so is dedicated to certain goals and focused on the long-term 	
<p>Weaknesses:</p> <ul style="list-style-type: none"> • Community groups and non-profit organizations require continual and stable sources of funding, and their resources are often limited • Requires a viable business plan with support from various levels of government • Reliance on organizations with limited experience and resources can be time consuming, and the development of the project is not guaranteed 	
<p>Existing Programs:</p> <ul style="list-style-type: none"> • Saskatoon: the City of Saskatoon has several programs in place to encourage community stakeholders and groups to develop housing. The Land Cost Reduction Program helps to get community groups' housing development plans in actions by pre-designating City-owned sites for affordable housing and selling those lots directly to non-profit affordable housing providers. This land is sold at a discounted price. 	
<p>Applicability to Weyburn:</p> <p>There are a number of established community-based organizations in Weyburn that have the ability to address the city's housing challenges. By supporting them and encouraging new groups to get involved in providing and managing housing, the City of Weyburn can get assistance in the housing sector and establish valuable stakeholders and partners in the community.</p>	

Downtown Tax Incentive¹⁰

Description:

A downtown tax incentive—or any location-based tax incentive—encourages development in a certain area of the city. It can be a tax abatement for a specific number of years (usually five), and the amount of the tax abatement can vary. Because residential development in the downtown or central business district area is dense, this incentive may be designed only to apply to higher density housing.

Intended Sector:

- Market housing; entry-level housing

Housing Type Encouraged:

- Rental, ownership

Strengths:

- Promotes the development of residential areas in the central business area, encouraging consumer traffic to those businesses
- Easy to implement
- Can be implemented with other incentives to increase savings

Challenges:

- Little land available for new development in the downtown area
- Redevelopment of older buildings or development of residential units above businesses may not be as attractive to builders and developers
- Maintaining the existing character of the neighbourhood

Existing Programs:

- **Regina:** the City of Regina has a downtown residential tax incentive to encourage the development of condominium and apartment buildings in the downtown area. They offer a five year tax exemption applicable to the land and building assessed for residential purposes. A specific application is required for each project, including a development schedule that must be adhered to by the applicant, or else the tax exemption will be cancelled.
- **Columbus, Ohio:** the City of Columbus offers a number of tax incentives to encourage residential development in the downtown. The general incentive is a 10 year, 75 percent tax exemption on the increased value for new or rehabilitated housing in the downtown area. Higher incentives are available for certain types of housing, including affordable housing and student housing.

Applicability to Weyburn:

Weyburn's 2003 Development Plan suggested an increase in residential development in the Central Business District (CBD) and the Residential Fringe adjacent to the CBD. A downtown tax incentive aimed at development in these areas would encourage developers to build residential accommodations located near central businesses, increasing traffic to these businesses along with enabling employees to live near their places of work.

Direct Sale of City-Owned Land and Property for Residential Development¹¹

Description:

Directly sale of City-owned land to developers of affordable housing is a method that municipalities use to provide discounted land in certain circumstances. When a parcel of land owned by the City becomes available for residential development, a municipality can issue a request for proposals (RFP). The RFP process encourages builders, developers, and relevant organizations to submit proposals and designs for affordable housing on that site, and the group with the most attractive proposal receives the land.

Intended Sector:

- Market housing; entry-level housing; affordable housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Inexpensive way to increase housing stock
- Only appropriate projects are approved; gives City control over the types of developments occurring on its land
- Can help integrate affordable housing throughout neighbourhoods

Challenges:

- Requires the City to have a surplus of City-owned land that can be sold
- Significant amount of time required to receive all applications
- Lots must be significant enough in size or features to attract proposals from competent developers

Existing Programs:

- **Edmonton:** the City of Edmonton provides leases or sales of City-owned lots to certain groups and organizations. Leases are provided to the Alberta Mortgage and Housing Corporation, the City of Edmonton Non-Profit Housing Corporation, and to other social housing agencies. Leases to these groups are generally at 50 percent of market value for the land, sometimes with additional costs and fees added on. Direct sales to the City of Edmonton Non-Profit Housing Corporation are done at 50 percent of the market value of the land, while direct sales to other social housing agencies are done at full market value.

Applicability to Weyburn:

By implementing a program that directly sells lots, the City could encourage developers to take these serviced and un-serviced parcels of land and develop appropriate housing. This program assists developers build affordable housing projects on land that they perhaps otherwise would not be interested in purchasing. Additionally, encouraging development on under-used previously serviced land is cost effective and time efficient.

Tax Abatement for Rental Housing¹²

Description:

A tax abatement or exemption for rental housing is an effective means of encouraging the development of this type of housing. This abatement could include specific conditions such as location, rent levels, or tenants. Under the incentive, the City forgives taxes for newly-constructed rental dwellings, either in the form of full tax exemption, or tax abatement.

Intended Sector:

- Market housing; affordable housing

Housing Type Encouraged:

- Rental

Strengths:

- Promotes the development of purpose-built rental housing at a variety of price levels
- Easy to implement
- Can be implemented in conjunction with other programs to increase savings

Challenges:

- Marketing the program to relevant groups
- Ensuring that rents remain affordable and the units remain as rentals for a predetermined period of time

Existing Programs:

- **Saskatoon:** the City of Saskatoon offers tax abatements for up to 1,000 rental units over a five year span. These units must be purpose-built rentals and must remain rentals for at least 15 years. The tax abatement is based on the increased value of the property after construction, as property owners still pay taxes as assessed prior to the housing development.
- **Portland, Oregon:** the City of Portland offers a 10 year tax abatement program on the increased value of any rehabilitation of or conversion to rental units. The property owners continue to pay taxes on the assessed value of the land and the original (pre-improvement) value of the property during this period.

Applicability to Weyburn:

Like other proposed tax abatements, this program could be used in conjunction with various others to encourage the development of rental housing at all price levels. This tax abatement would encourage the construction, conversion, and rehabilitation of rental units to address the rental shortage. Because the tax abatement is based on assessed property values before and after development is completed, bare-land development receives the most savings.

Using this program in conjunction with an RFP process that stipulates that all rental units must be affordable for those earning under a specified amount or for rental accommodation offered at a rate under market rental rates has the added benefit of assisting individuals seeking affordable rental options.

Perpetual Entry-Level and Affordable Home Ownership Program¹³

Description:

This program is aimed at limiting the resale price of affordable homes, in the interest of keeping them affordable. Affordable housing projects have no limits on the resale price which removes the home from the affordable market and limits the opportunity for low income earners to own their home. This Program will ensure that the benefits of construction affordable housing are not limited to the first purchaser, but rather that benefits are spread over time. The City can decide how long the housing must remain affordably priced and by what index the resale price will increase.

Intended Sector:

- Entry-level housing; affordable housing

Housing Type Encouraged:

- Ownership

Strengths:

- Ensures that multiple households benefit from each affordable and entry-level housing development
- Maintains the community benefits of these developments
- Provides a fair process for resale that is not subject to market process

Challenges:

- Does not allow the owner to fully benefit from market value
- Requires substantial oversight of the resale process and monitoring of market conditions and trends
- May be challenging to properly communicate to buyers, developers, and sellers

Existing Programs:

- **Burnaby:** The City of Burnaby's Verdant project consists of 60 affordable homeownership units. Residents are allowed to purchase these units at 20 percent below market price, on three conditions: they must live in the residence (not rent it out), on resale the unit must be sold at the same percentage discount below current market prices, and the residence must first be offered to SFU faculty and staff with children before it is offered to the general market.
- **Whistler:** the Whistler Housing Authority (WHA) was created in 1997 to oversee the development of affordable housing in the community. Resale and price restrictions are placed on each unit of affordable housing administered by the WHA. The process of resale relies on a waitlist and open house system—when a unit comes up for sale, the WHA invites the first 30 households on the waitlist to the open house, and the household first in order on the list is given first opportunity to purchase the unit.

Applicability to Weyburn:

As housing in Weyburn becomes increasingly unaffordable, the amount of households in need of affordable housing grows. This type of program ensures that the savings associated with an affordable house will be passed down every time the house is sold.

Pre-Designation of Land¹⁴

Description:

The pre-designation of land by a municipality allows for the more efficient allocation of a specific type of housing to be developed in an area. For example, pre-designating certain parcels of land in new suburbs for affordable housing development ensures that affordable housing is built throughout the community. Using this strategy, a city would issue a Request for Proposal to advertise the pre-designated parcel and solicit competitive proposals from community-based organizations, builders, and developers. The land may be offered at below-market cost to the best proposal. This pre-designation can be designed to suit any type of housing needs in a community.

Intended Sector:

- Market housing; entry-Level housing; affordable housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Ensures development of specific types of housing in new or established neighbourhoods
- Implemented early in the planning process
- Allows proponents to propose projects and concepts that address housing need, taking some of the concept planning responsibility off of the municipality

Challenges:

- Must clearly outline parameters and expectations for development
- Requires a compiled inventory of City-owned sites for pre-designation
- Marketing the program to potential proponents in a timely manner
- Requires a large enough parcel of land to make contributions viable for proponents

Existing Programs:

- **Saskatoon:** the City of Saskatoon pre-designates land for affordable and entry-level housing to ensure that all neighbourhoods include an appropriate blend of housing types. The pre-designated sites are offered to developers through a Request for Proposal process, and are sold at a fixed price to the developer whose proposal best meets the requirements of the site. The criteria for the pre-designation of sites include the supply of land, the expected needs of various types of housing, and availability of incentives to support these projects.

Applicability to Weyburn:

Housing of all types is required in Weyburn. The pre-designation of land process is useful in identifying and efficiently allocating a low supply of available sites to developers, while still ensuring an adequate housing mix in the City. This process helps encourage a mix of housing in all neighbourhoods with little capital expenditure.

Equity Loan Program¹⁵

Description:

Housing needs are not restricted to one sector of the population. Many affordable housing programs are targeted specifically at low-income households, excluding the housing needs of moderate-income households. Equity loan programs allow these moderate income households to purchase a home through assistance with the down payment on a unit of housing. Moderate income households are those with an income between \$52,000 and \$75,000 per year. Applicants receive a low-interest down payment loan from the City through a partnered financial institution, which is repaid over a pre-determined period of time.

Intended Sector:

- Entry-level housing

Housing Type Encouraged:

- Ownership

Strengths:

- Encourages permanent residency and contributes to Weyburn's tax base
- Frees up rental spaces
- Neighbourhood stability increases as the prevalence of homeownership increases

Challenges:

- Requires a stable partnership with the financial sector
- Establishing a partnership with an organization that can administer the program, such as a financial or insurance institution
- Marketing the program to qualifying individuals and ensuring that builders and developers understand the program

Existing Programs:

- **Saskatoon:** the City of Saskatoon, in partnership with Affinity Credit Union, offers an Equity Building Program whereby 250 moderate-income households per year are given a down payment loan of 5 percent of the purchase price of an eligible home (priced between \$220,000 and \$280,000). This loan must be repaid over a five year period.
- **Burlington, Vermont:** first-time homebuyers in Vermont with moderate household income are eligible for this program. A down payment loan of up to \$10,000 is provided to eligible households. If the households remain in their homes for over five years, the loan is forgiven and no money needs to be repaid. If the households decide to sell the home before the five years is up, repayment is prorated at 20 percent annually.

Applicability to Weyburn:

An Equity Loan Program encourages homeownership, which encourages permanent settlement in the community. This program could dually assist Weyburn: it would encourage workers and families to settle in the community by buying a house, and it would free up rental accommodations to ease the rental crisis. The program also builds partnerships between the municipality, the financial sector and builder and developers so that no one party bears all costs of the incentive or planning efforts.

Mortgage Flexibilities Program¹⁶

Description:

Under this program, private homebuilders and developers construct housing that is priced below market value to be sold as affordable housing. Eligible households for this housing are then assisted by the Mortgage Flexibilities Program with a down payment grant from the municipality and mortgage insurance from Canada Mortgage and Housing Corporation (CMHC).

Intended Sector:

- Entry-level housing; affordable housing

Housing Type Encouraged:

- Ownership

Strengths:

- Increases the supply of affordable housing
- Increases homeownership
- Relieves pressure in the entry-level and rental housing markets
- Partnership with other institutions helps relieve administrative burden on the municipality

Challenges:

- Requires partnership with federal and provincial governments, along with the private sector
- Requires additional incentives to developers to build the affordable housing—must be used in conjunction with other programs

Existing Programs:

- **Saskatoon:** in partnership with CMHC and the Saskatchewan Housing Corporation (SHC), the City of Saskatoon offers a Mortgage Flexibilities Support Program to households with incomes below a set amount. A five percent down payment grant from the City of Saskatoon with mortgage insurance from CMHC is offered to eligible households to assist in the purchase of designated affordable homes. The SHC screens their income for eligibility, and, if they are eligible, provides them with homeownership training. The City then approves a down payment grant and the homebuyer purchases the house.

Applicability to Weyburn:

Encouraging homeownership is a positive step for a growing community in order to establish vibrant and stable neighbourhoods. This program would result in specifically-designated affordable housing developments and would encourage homeownership and permanent residency in the community while increasing Weyburn's tax base and freeing up rental units.

Land Cost Subsidy Program

Description:

The Land Cost Subsidy Program relies on pre-designated, City-owned land identified as appropriate for affordable housing development. The City can use a Request for Proposals process to outline for builders what is required in order to qualify for the subsidy. The City would tender a Request for Proposals for affordable housing developments and approve the proposal that best meets the requirements of the City and the pre-designated land selected.

Intended Sector:

- Affordable housing; entry-level housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Builders and developers can use the subsidy to leverage finances for the project
- Encourages others to propose affordable housing development in order to qualify for larger subsidies
- Can be used to integrate affordable housing throughout all neighbourhoods

Challenges:

- Developing an appropriate Request for Proposal that effectively targets the type of housing needed
- Developing an inventory of City-owned land or property suitable for affordable housing projects

Existing Programs:

- **Saskatoon:** The City of Saskatoon implemented a Land Cost Subsidy Program and sold lots for affordable housing to housing providers through a Request for Proposals Process. The City may purchase sites for this program if suitable sites do not exist in current inventory. In lieu of providing a 10 percent capital grant the City discounts the price of the land by a comparable amount assisting the housing provider with cash flow.

Applicability to Weyburn:

By offering a Land Cost Subsidy, the City of Weyburn may encourage builders, developers or housing providers to consider developing affordable housing. The subsidy is usually determined as a percentage discount on the land, and can be provided in conjunction with other programs. The program could easily be implemented by the Weyburn as they own their developed land and would impose a reasonable cost on the City.

Affordable Housing Capital Incentives

Description:

The program offers a capital grant for the construction of affordable or entry-level housing. Typically, a maximum pool of capital funding is established by the municipality. Individual grants may be calculated based on a percentage of the total cost of the development. The units must remain affordable or entry-level price points for a predetermined period of time (i.e. five to ten years). Potential housing providers can submit a proposal or housing development plans to the municipality to be considered for the capital contributions. The program would be subject to maximum funding limits, and could be implemented at a percentage rate by the City.

Intended Sector:

- Affordable housing; entry-level housing

Housing Type Encouraged:

- Ownership; Rental

Strengths:

- Maintains the contribution to housing as a community benefit
- It can provide a fair process for resale that is not subject to market price fluctuations

Challenges:

- Contributing enough capital to encourage housing providers to increase supply of units

Existing Programs:

- **Regina:** The City of Regina's Social Development Reserve offers an Affordable Housing Capital Contribution Program, which provides a capital contribution of \$10,000 per unit for affordable housing developments. Priority is given to non-profit, First Nation and Métis, and co-op housing organizations. The capital contribution may be provided in addition to or in lieu of property, building or other in-kind assistance.

Applicability to Weyburn:

Weyburn could implement a Capital Incentive Program to help alleviate pressure on the entry-level and affordable housing market (rental and/or ownership). The City could determine the grant per unit or based on the total capital cost of an affordable housing project. Eligibility requirements could be income-based and grants could be limited to a maximum amount based on housing type.

Endnotes

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- ¹ Headstart on a Home Factsheet, Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/Headstart-factsheet.pdf>. See also Westcap Management Ltd. Webpage: <http://headstartonahome.ca/>
- ² "Secondary Suite Program," Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/H12-FS.pdf>.
- ³ "Affordable Home Ownership Program," Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/AHOP-factsheet.pdf>.
- ⁴ "Rental Construction Incentive," Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/RCI-factsheet.pdf>.
- ⁵ "Project Profile: City of Saskatoon Housing Business Plan," CMHC, <http://www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/loader.cfm?csModule=security/getfile&pageid=182918>; "New Housing Rebates and Transitional Rules for British Columbia HST," City of Revelstoke, <http://www.cmhc-schl.gc.ca/en/inpr/afhoce/prpr/loader.cfm?csModule=security/getfile&pageid=182918>.
- ⁶ "Using Development Levies," CMHC, <http://www.cmhc-schl.gc.ca/en/inpr/afhoce/tore/afhoid/pore/usdele/index.cfm>; "S.M.A.R.T Fee Waivers," City of Austin, http://www.ci.austin.tx.us/ahfc/smart_waivers.htm; "Housing Business Plan 2011," City of Saskatoon, http://www.saskatoon.ca/DEPARTMENTS/Community_percent20Services/PlanningDevelopment/Documents/Neighbourhood_percent20Planning/Housing/2011_percent20Housing_percent20Bus_percent20Plan.pdf.
- ⁷ "Density Bonusing/Minimum Density," Lehigh Valley Planning Commission, <http://www.lvpc.org/pdf/densityBonuses.pdf>; "Housing Business Plan," City of Saskatoon; "Density Bonusing Program," City of Port Coquitlam, http://www.portcoquitlam.ca/_shared/printpages/page5008.htm.
- ⁸ "Building Permit Rebates," City of Calgary, <http://www.calgary.ca/CS/OLSH/Pages/Affordable-housing/Enterprise-Housing-Program/Financial-incentive-pilot-program/Building-Permit-Rebates.aspx>; "Incentives and Initiatives," City of Saskatoon, http://www.saskatoon.ca/DEPARTMENTS/COMMUNITY_percent20SERVICES/PLANNINGDEVELOPMENT/NEIGHBOURHOODPLANNING/HOUSING/Pages/IncentivesInitiatives.aspx.
- ⁹ "Encouraging Community Housing Options," Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/Default.aspx?DN=d55d0901-2e14-46cb-af4d-c6ed27db77bf>; "Housing Business Plan," City of Saskatoon; "Community Housing Development Organizations," City of Baton Rouge, <http://brgov.com/dept/ocd/chdo.htm>.
- ¹⁰ "Downtown Residential Tax Incentives Policy," City of Regina, <http://www.regina.ca/AssetFactory.aspx?did=1018>; "Development Plan," City of Weyburn, http://www.weyburn.ca/pdfs/Dev_Plan.pdf; "Downtown Housing Incentives," City of Columbus, <http://www.downtowncolumbus.com/living/incentives/downtown-housing>.
- ¹¹ "Municipal Affordable Housing Financial Incentives," City of St. Albert, http://www.stalbert.ca/uploads/files/our_government/administration/planning_engineering/Community_percent20Housing_percent20Plan_percent20Background_percent20Docs/Report_percent202_percent20-percent20Municipal_percent20Financial_percent20Incentives.pdf; "The Lease or Sale of City-Owned Land for Social Housing Development," City of Edmonton, www.edmonton.ca/city_government/documents/C437.doc; "San Francisco's City Surplus Property Ordinance," http://www.housingpolicy.org/toolbox/strategy/policies/public_land.html?tierid=186.
- ¹² "Incentives and Initiatives," City of Saskatoon; "Rental Rehabilitation Tax Abatement Guidelines," City of Portland, <http://www.portlandonline.com/phb/index.cfm?c=53035>.
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- ¹⁴ "Housing Business Plan," City of Saskatoon, http://www.saskatoon.ca/DEPARTMENTS/Community_percent20Services/PlanningDevelopment/Documents/Neighbourhood_percent20Planning/Housing/2011_percent20Housing_percent20Bus_percent20Plan.pdf.
- ¹⁵ "The City of Saskatoon and Affinity Credit Union Equity Building Program," City of Saskatoon, <http://www.saskatoon.ca/FORUM/News>

[percent20Releases/Pages/TheCityofSaskatoonandAffinityCreditUnionEquityBuildingProgram.aspx](http://www.getahome.org/assets/files/EquityBuilder.pdf); “Equity Builder Program,” Champlain Housing Trust, <http://www.getahome.org/assets/files/EquityBuilder.pdf>.

¹⁶ “Mortgage Flexibilities Support Program,” City of Saskatoon, <http://www.saskatoon.ca/DEPARTMENTS/Communitypercent20Services/PlanningDevelopment/NeighbourhoodPlanning/Housing/Pages/MortgageFlexibilitiesSupportProgram.aspx>.

APPENDIX II

Government of Saskatchewan Provincial Housing Action Plan, 2011-2012		
Strategic Direction	Objectives	Actions
Increase the housing supply	New rental housing, increased density, zoning to make land available	Headstart on a Home, Affordable Home Ownership Program, Rental Construction initiative, Summit Action Fund, workshops, collaborations, and partnerships
Improve housing affordability	Maintain the existing housing stock, streamline process to speed up development of new affordable housing	SHC Suite of Repair program, EnerGuide for Homes program, Energy Efficient Rebate for New Homes program, inventory of government programs impacting affordable housing
Support individuals and families in greatest need	Address gaps in supply, service, and supports for available housing to low-income people, support the availability of appropriate types of housing	Renew SHC Social Housing Program, coordinate with CBOs, annual survey of rental rates, northern housing needs, renew SHC repair program for low-income seniors and people with disabilities
Enhance strategic planning for housing	Plan for housing at the community and regional level, increase accuracy and availability of data and expertise about housing	Methods to provide municipal support, redesign SHC Encouraging Community Housing Options initiative, redesign SHC Research Program, create partnerships across all sectors, share results of SHC Small Communities Rental Market survey annually
Communicate, collaborate, and educate	Increase public awareness of housing issues, increase partnerships to leverage human/financial resources, and communicate proven practices	Establish and support initial Housing Action Teams, analyze activity across other jurisdictions to identify potential solutions or innovations

Source: "Provincial Action Plan 2011-2012," Government of Saskatchewan,
<http://www.socialservices.gov.sk.ca/Default.aspx?DN=77246e63-3aed-45ac-a94b-1224d2367c73>

THE PROVINCIAL GOVERNMENT PARTNERS

The provincial government has taken significant steps in setting overall goals and directions for housing in Saskatchewan in the short to mid-term future. Through the five general directions, their corresponding objectives, and the actions outlined to achieve those objectives, the provincial government has effectively mandated a place for itself in Saskatchewan's growing housing sector. The provincial government recognizes that the best solutions to housing problems are created through local responses to local needs, as communities understand their own needs far better than any outside party can.ⁱ The ongoing theme of the provincial housing strategy is to let municipalities take the lead in addressing their own issues, with the provincial government assuming a supportive role.

Weyburn's housing business plan will play a key role in enabling the city to take advantage of all provincial supports available, while allowing the City to plan for its own growth and the direction that will take. The province's capital support programs—Headstart on a Home, Affordable Home Ownership, Rental Construction Initiative—are designed to provide capital to help municipalities implement their own strategies.ⁱⁱ The housing business plan is intended to help Weyburn find its direction and plan for ways to obtain and use this funding in order to address pressing housing issues.

The provincial government has set numerous goals related to the gathering, updating, and analysis of housing information around the province, and municipalities can be vital partners in achieving and beneficiaries of these goals.ⁱⁱⁱ Of particular importance for Weyburn, the provincial government has stated that the results of the Saskatchewan Housing Corporation's annual Small Communities Rental Market Survey will be made public each year to assist communities and regions, the private sector, and government in understanding the circumstances of the rental market.^{iv} Due to the importance of using relevant data to develop housing plans, this initiative will provide essential information for municipal development.

Finally, the provincial government has announced the creation of 'Housing Action Teams' made up of various stakeholders, tasked with the responsibility of putting the housing plan into action.^v Six initial teams were announced, including a Municipal Housing Team, a Provincial Housing Team, a Non-Profit Housing Team, a Housing for Areas of Growth Team, a Regulation Legislation and Taxation Team, and a Rapid Response Team.^{vi} Each of these teams is to be made up of stakeholders from various sectors of the province, including government—both provincial and municipal—private industry, non-profit organizations, community-based organizations, and other relevant individuals.^{vii} The opportunity is available for Weyburn to get involved in devising and executing actions to implement the provincial housing strategy through these Action Teams. Municipal officials, city councillors, local developers and builders, and local organizations are all able to get involved with an Action Team and work to ensure that Weyburn's needs are specifically addressed by the provincial strategy.

Endnotes

ⁱ “A Strong Foundation: The Housing Strategy for Saskatchewan, 2011-2019,” Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/Default.aspx?DN=4e4c06a7-57e6-4101-8544-51408b6f57fc>, page 23.

ⁱⁱ “Provincial Action Plan 2011-2012,” Government of Saskatchewan, <http://www.socialservices.gov.sk.ca/Default.aspx?DN=77246e63-3aed-45ac-a94b-1224d2367c73>, page 5.

ⁱⁱⁱ “Provincial Action Plan,” 13.

^{iv} Ibid, 13.

^v “A Strong Foundation,” 40.

^{vi} Ibid, 40-41.

^{vii} “Provincial Action Plan,” 14.

APPENDIX III

AFFORDABLE

These homes should be designated affordable to those earning less than \$52,000 per year. At the amount suggested by CMHC as the maximum amount to spend on housing costs, an affordable home should be available for under \$200,000. These can be either rental or owned units and should be provided to owners or renters based on level of need.

Encouraging affordable housing development can be costly to the City, depending on the incentive program adopted. Due to the cost, it is recommended:

- **That the targets for affordable housing construction be conservative at 5 to 10 units per year for the first five years.** If the housing is successfully allocated and absorbed, the number of units built can be increased to reach 5 percent of total housing stock.
- **That the City engages with a community stakeholder partner to establish criteria and processes for screening and accepting applicants suitable for affordable housing.** While essential to a healthy housing market, designated affordable housing requires oversight to ensure that those with access are those in true need.
- **That the City should consider a mix of both multi-unit and single family dwellings for affordable housing.** Multi-unit dwellings are more cost effective to build but they are not always suitable for those in need of housing.

Smaller lot sizes are necessary to bring in single-family units affordably, as costs for construction are mainly fixed per square foot and larger lots are not necessary for the smaller houses required.

ENTRY-LEVEL

Entry-level housing is available to those earning under \$72,000 per year and should be priced to sell for under market value. New homes can be built more cost effectively by decreasing lot and house size, and by providing incentives for builders to bring down their costs.

Entry-level priced housing can be rental or owned and should be priced under \$250,000 to purchase and under market rents, which in October of 2011 was \$720 for a two bedroom unit. It is recommended:

- **That the percentage of entry-level homes offered to the market, both multi-unit and single family dwellings, constitute approximately 25 percent of total housing construction.** Multi-unit dwellings are consistently more cost effective; therefore, a greater percentage of total multi-unit dwellings should be dedicated to entry-level construction.

MARKET

Multi-Unit Dwellings: Housing choice and suitability are essential to quality of life for the residents of Weyburn. In order to ensure that there is an appropriate mix of housing, the City of Weyburn should plan to develop land for more multi-unit dwellings, including townhouses, row houses, and low- and high-rise condominiums. The City should target 35 to 40 percent of total new housing stock as multi-unit stock. This will encourage more affordable homes as well as investment properties that may be added to rental stock in the future.

Single-Family Dwellings: Single-family dwellings remain the most popular choice for most home owners and approximately 60 to 65 percent of all units will likely remain single-family based on market demand. Encouraging development of the appropriate mix of larger homes for higher prices and smaller homes on smaller lots for entry-level prices is important and may be as simple as providing a mix of lot sizes through different neighbourhoods. This will allow builders to provide a mix of homes that are marketable based on their suitability.

At the end of 2011, builders could purchase 5,000 square foot lots for an average price of \$130,000. At an average price to build of \$200 per square foot, a 1,200 square foot home will have to be priced at over \$370,000, which is unattainable for many buyers. If lots can be developed at a smaller size for less cost, the overall cost to the consumer is substantially reduced.

RENTAL MARKET

In 2006, Statistics Canada reported that Weyburn's housing stock had 1,265, or 33 percent of total housing stock in that year. If that percentage stayed the same, there should be 1,498 homes rented privately or as purpose-built units. CMHC reported in October 2011 that Weyburn's purpose-built rental universe consisted of 667 units. Statistics Canada Census data from 2011 should provide an indication of the total number of units currently rented; however, for the purpose of city planning, the number of purpose-built rental units is key. Private rental stock may include illegal basement suites, homes that are only intermittently part of the rental universe and older stock that may require substantial upgrading and repair.

In order to accommodate what is undoubtedly a substantial number of people interested in renting in the community, it is recommended that:

- **The City implement or continue programs to encourage the growth of purpose-built rental stock to 25 percent total housing stock year over year.** Currently, this stock is at 15 percent of total available homes.
- **To reach this goal, the City should anticipate construction of approximately 60 to 70 units per year until the vacancy rate improves to 3 percent.** Following a return to a balanced rental market, the City of Weyburn may consider lowering this number to 40 units per year.

HOUSING NEED & DEMAND TEMPLATE

YEAR		2006	2011	2012 <i>f</i>	2014 <i>f</i>	2016 <i>f</i>	2018 <i>f</i>	2021 <i>f</i>	2026 <i>f</i>	2031 <i>f</i>
CATEGORY										
Population	Based on 3.8% per year growth	9,433	11,782	12,230	13,177	14,737	15,878	17,758	21,398	25,785
Total Housing	Based on 250 units per year	4,045	4,541	4,600	5,100	5,600	6,100	6,850	8,100	9,350
	New Units (total)			59	500	500	500	750	1,250	1,250
Total										
Single Family	Target (new units)	n/a	n/a	60	325	300	300	450	810	814
	Stock (total)	2,730	3,006	3,066	3,391	3,691	3,991	4,441	5,251	6,065
	Entry-Level (new units)	n/a	n/a	0	60	55	50	80	150	145
	Affordable (new units)	n/a	n/a	0	5	5	10	10	15	20
Multi-Unit	Target (new units)	n/a	n/a	n/a	175	200	200	300	440	436
	Stock (total)	1,315	1,534	1,534	1,709	1,909	2,109	2,409	2,849	3,285
	Entry-Level (new units)	n/a	n/a	n/a	65	70	75	125	188	164
	Affordable (new units)	n/a	n/a	n/a	5	10	5	10	10	10
Rental										
Majority Multi-Unit	Target Total (purpose-built)	n/a	n/a	675	795	915	1,035	1,215	1,515	1,715
	Target Total (with private)	n/a	n/a	1,610	1,785	1,960	2,135	2,400	2,835	3,272
	New Rental				175	175	175	265	435	437

NOTE: these numbers are forecasts only, based on both community trends and percentages considered appropriate for each housing type. Suggested housing percentages and target numbers should not be considered the sole guideline for development