

# Rental Development Program and Social Policy Change

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# Affordable Housing Development in SK

- In 2019, Saskatchewan signed the CMHC – Saskatchewan Bilateral Agreement under the 2017 National Housing Strategy (NHS).
- The 10-year Agreement will invest nearly \$585 million to protect, renew and expand social and community housing, support Saskatchewan's priorities related to affordability assistance and ensure access for those in greatest housing need.
- Equals \$58.5M per year

# Rental Development Program (RDP)

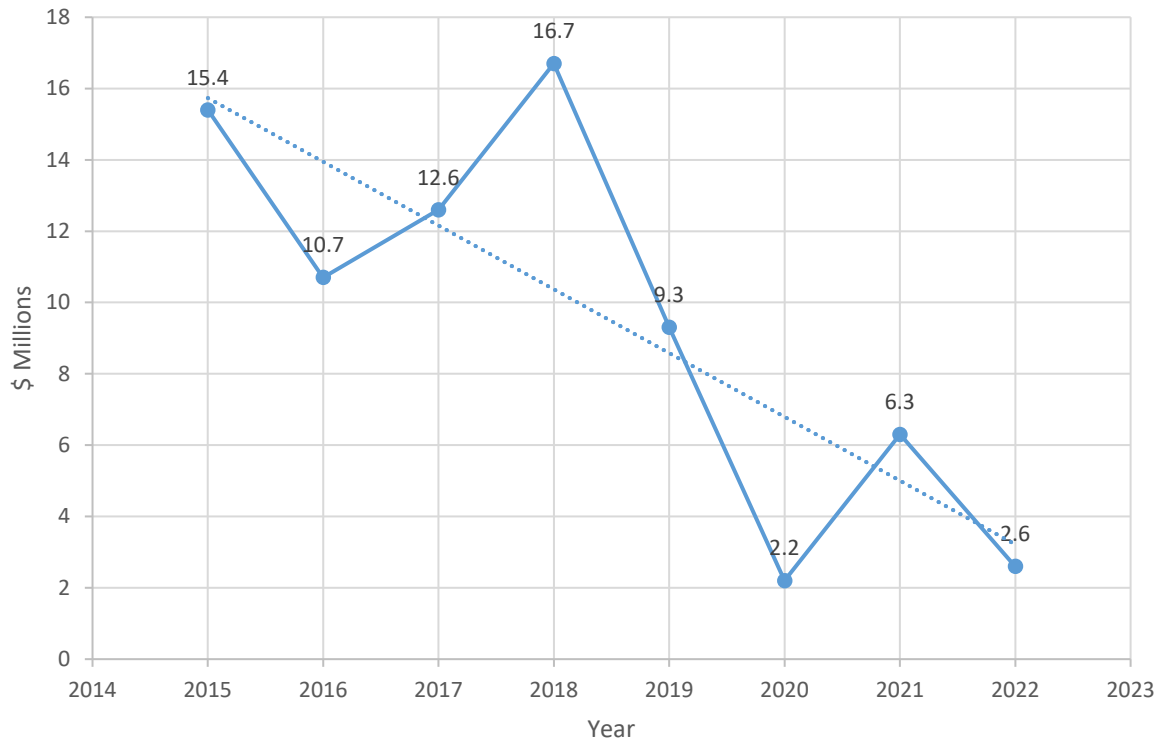
- One of the key programs for developing affordable rental housing is the RDP, which provides funding to respond to community needs for affordable housing. SHC recognizes the need to provide additional support to people and households not traditionally served by the private housing market. SHC's continued focus on people who experience difficulty accessing and maintaining tenancy has allowed SHC and its partners to expand and create new partnerships with non-profits and organizations that provide support services to vulnerable individuals and families.
- The RDP provides one-time capital funding to help housing organizations develop affordable rental housing units for households with low incomes.
- The RDP is funded by Canada Mortgage and Housing Corporation (CMHC) and Saskatchewan Housing Corporation (SHC).

# Budgets and Units Provided Through the RDP

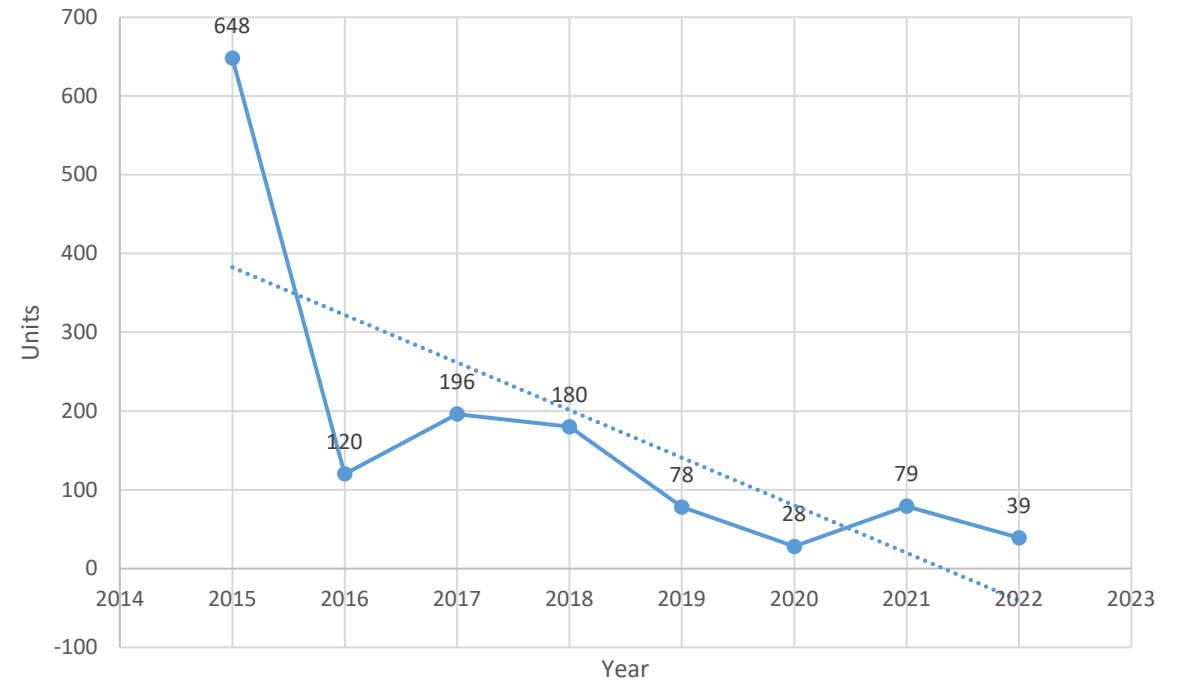
- In 2022, \$2.6 million - 39 housing units
- In 2021, \$6.3 million - 79 housing units
- In 2020, \$2.2 million - 28 housing units
- In 2019, \$9.3 million - 78 housing units
- In 2018, \$16.7 million - 180 housing units
- In 2017, \$12.6 million - 196 housing units
- In 2016, \$10.7 million - 120 housing units
- In 2015, \$15.4 million - 648 housing units

# SK Rental Development Program 2015 -2022

## RDP Expenditures



## RDP Units



# How does the RDP Work

- The RDP provides a forgivable loan up to 70 per cent of the total eligible capital cost.
- Eligible organizations
  - Have to have the capacity and resources to deliver the proposed services or has a partnership with a recognized agency to ensure the delivery of the proposed services; (RDP funding must be used to keep rents affordable. It cannot be used to fund support services.)
  - can contribute a minimum of 30 per cent of the total capital cost of the project; and
  - agrees to enter into an operating agreement with SHC.

# How does the RDP Work

- The organization must demonstrate that its project's housing units are targeted to and affordable for households with an annual gross income at or below the Saskatchewan Household Income Maximum (SHIM)-Low:

	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Disability	\$43,700	\$53,500	\$64,400	\$77,100
No Disability	\$43,700	\$46,500	\$56,000	\$67,000

- Rents are considered affordable when the sum of rent, heat and water is less than either 30 per cent of gross household income or the sum of relevant assistance benefits (such as Saskatchewan Income Support shelter benefit, plus a modest allocation from the adult basic benefit for heat and water).

# RDP Research Questions

- What is the income of tenants residing in RDP funded units?
  - Are rents provided by RDP funded organizations truly affordable for low income tenants (especially those on SIS)
  - What role does the SK Housing Benefit play in making rents more affordable?
- Does the RDP provide a sustainable funding model for organizations operating affordable rental units for the 10 to 20 year period?
  - Operating costs continue to increase but the ability to increase rents does not.
  - What are the implications of the introduction of SIS on RDP funded rental housing providers?
- There is no sustainable funding for the support services.
  - What are the services needed?
  - How are organizations funding these services and are the services provided sufficient?
- What changes to the RDP model could there be? The one time capital subsidy is not sufficient.
  - Larger capital subsidies to help keep rents affordable?
  - Ongoing operation funding to ensure properties can be properly maintained and managed?
  - Ongoing support service funding to ensure tenants needs are met, to ensure housing is safer, to reduce turnover and evictions



Saskatchewan Income Support Shelter Benefit- Saskatoon/Regina (for rent and utilities)		Private Apartment Average Rents (CMHC Rental Markey Survey, Saskatoon CMA, 2023)		Shortfall (NOT including utilities)
Singles	\$630	Bachelor	\$829	(\$199)
Couples (without dependent children)	\$805	1 Bedroom	\$1090	(\$285)
Families (1-2 Children)	\$1030	2 or 3 Bedroom	\$1360	(\$330)
Families (3+ Children)	\$1205	3+ Bedroom	\$1458	(\$253)

\*Adult basic benefit for food and all other expenses | \$345