

Appendix D – Stakeholder Feedback on Proposed Amendments



October 8, 2019

**Charlie Tomen, Senior City Planner
City of Regina, Queen Elizabeth II Court
2476 Victoria Avenue
Regina, SK S4P 3C8**

RE: HOUSING INCENTIVE PROGRAM – FOCUS GROUP SESSIONS & PROPOSED AMENDMENTS

The National Affordable Housing Corporation (NAHC) is a non-profit organization based in Saskatchewan. Our mission is to help Canadians find quality homes to rent or own that are affordable in their community.

In July 2019 representatives from the NAHC participated in a Focus Group Session regarding the City of Regina's Housing Incentives Program (HIP). We commend the City of Regina for the engagement process used to ensure housing providers and stakeholders were able to provide experience-based feedback and solutions to advance the goals of the HIP. Our organization was both surprised and impressed to also see that housing stakeholders were once again invited to provide comments on the proposed HIP amendments that resulted from the Focus Group Sessions. The below includes some comments regarding the City's follow up questions and the proposed amendments:

City of Regina Question: Is this consistent with what you heard at the focus group sessions?

Yes, recommendations reflect the comments, concerns, and suggestions from the Focus Group Session. City administration and consultants listened to the problems / challenges discussed by the group and provided very good amendments as solutions.

City of Regina Question: How confident are you that the recommendations will help move the HIP toward the goal of focusing incentives toward critical housing needs?

We are impressed with the City's willingness to engage housing providers' based on their experience with the HIP and experience working within the housing market. The amendments are fair, creative, simple, and will move the HIP towards the goal of focusing on current housing needs.

City of Regina Amendments being considered:

Introduce a new tax exemption program for the repair of existing affordable rental housing units in alignment with National Housing Co-Investment Fund established under the Federal Government's National Housing Strategy.

A good policy addition.

Introduce an Intensification Levy Rebate for the development of new affordable housing.

A good policy incentive for housing providers to include affordable housing units in projects where the Intensification Levy is in effect. This policy has the will encourage the supply of new affordable housing without costing the City any per unit capital funding for a project.

Expand the tax exemption program for new market ownership construction to the North Central and Heritage neighbourhoods.

A good policy addition.



National Affordable Housing Corporation | #4 – 3012 Louise Street East | Saskatoon, SK S7J 3L8

Suspend the capital grant and tax exemption programs for new affordable homeownership construction in greenfield neighbourhoods for one year.

Program suspension should be reviewed in 8-12 months and may need to be reintroduced once current new and resale inventory challenges are resolved because there is a risk that need and demand for affordable homeownership assistance will become further pent up during this time. Many low-to-moderate income families struggle to save for a down payment and get approved for a mortgage given tightening lending rules, incomes, and the costs of living. In addition, affordable homeownership programs have a dual impact as they also help relieve rental market pressures. If the rental market continues to experience increased pressure, reactivating affordable homeownership programs can ease pressure by moving a family from renting to homeownership thus freeing up a rental unit for others in need.

It should be noted that the new Federal Shared Equity Program will not serve the majority of the low-to-moderate income families that have accessed the City of Regina's affordable homeownership assistance because the federal program requires a family to already have the 5% down payment to access the program. Nevertheless, it is this 5% that remains the greatest barrier to homeownership for Regina families living below the median income. The City of Regina should not rely on the Federal program as a replacement to the City's current affordable homeownership grants.

Having helped many low-to-moderate income families in Saskatchewan become homeowners through similar homeownership programs, the NAHC can attest to how helpful and impactful City-funded affordable homeownership programs truly are for families.

Expand the capital grant program for new affordable rental construction to include an on-site support service suite in alignment with the Plan to End Homelessness for Regina

A helpful policy addition for housing and support service providers that need this type of space within their developments. Support service and spaces are often integral to tenant's housing stability and success for these agencies; however, designated space is not typically funded by government. This policy addition is positive and will help fill this gap to help support providers overcome financial constraints and better serve vulnerable populations.

Revise the Policy to allow for affordable rental providers to rent units directly to third party service organizations.

A good policy addition. It was clear that this was a very real challenge for some housing providers during the Focus Group Sessions. The NAHC has explored similar partnerships for the delivery of our affordable housing units and understands. We would not have anticipated that the existing policy would have created a roadblock to success and are thankful that the Focus Group Session has resulted in a resolution to this challenge. We expect that revising the policy in this manner will have a good impact.

Move up the review of incentive applications submitted by Private Sector housing providers from November 1 to August 1.

This policy amendment is fair. It gives private sector more time to submit and have applications reviewed prior to the construction season coming to a close for the fall/winter. It also leaves sufficient time for non-profits to submit projects for funding consideration.

Once again, the NAHC was thoroughly impressed with the City of Regina's engagement process, efficiency, and efforts to propose improvements to the HIPs. We thank the City of Regina for their leadership and support for affordable housing and look forward to working to provide affordable housing solutions for hard working low-to-moderate income families in Regina.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Stacie Beever', with a stylized flourish at the end.

Stacie Beever, Chief Operating Officer

HIP Program Amendments

Thank you for inviting us to share our thoughts at the focus group review of the Housing Incentives Policy. It was a very interesting discussion that we felt was productive and valuable. North Ridge has been a long-time supporter of the capital grant and tax exemption programs and have seen first hand how many families have benefited from these programs.

We are in support of the intensification levy rebate and agree that it will improve the financial feasibility of infill development of new affordable housing in Regina. Without a rebate it would certainly dissuade builders from investing in infill developments. This tool will also be instrumental in supporting the OCP's goal of 30% infill development.

We would not like to see the Housing Incentives Policy add an expiry date of two years to the grant funding if a project is not complete. With the market conditions changing as they have, builders are very cautious with inventory levels to ensure there is not an oversupply of inventory. Therefore, project completion times can be hard to predict. We would suggest keeping the application process as it currently stands with City Administration being flexible in situations where the builder has shown meaningful progress towards completion.

We were disappointed to see the proposal to suspend the ownership grant program for one year for private sector and non-profit housing providers in greenfield developments. There are many families who would not have been able to become homeowners without the use of this program. Although there is entry level housing available on the resale market, the barrier to entry for these families is not solely impacted by price or lack of supply, it lies in the fact that they are unable to save enough for a down payment on a home. Without the grant program to provide the down payment assistance, owning a home would be unattainable for many hardworking families in Regina. We were surprised to read that there are currently 109 unused ownership grants available and would be curious to understand the circumstances behind this. With the newly revised income thresholds, we have been able to actively use the grants we have obtained and feel the program is functioning much better.

We understand that the focus of the Housing Incentives Policy has shifted to support rentals over ownership units due to real estate conditions. However, to suspend the ownership grant program completely for a full year, while supporting rentals with over 80 grants per non-profit supplier and 40 grants per private sector supplier each year seems like an inequitable division of funding. We would hope that some sort of funding for ownership units would remain, even if it is at a reduced level.

As a local builder we take pride in being able to give back to our community and hope to continue our partnership with you to support the ownership grant program that has helped so many families become first time homeowners.

Freya Marchuk
Operations Manager
North Ridge Development Corporation

October 15, 2019

Charlie Toman
Senior City Planner
Neighbourhood Planning
City of Regina
Queen Elizabeth II Court
Regina, SK, S4P 3C8

Subject: *Comments & Proposal for the Housing Incentive Program*

Dear Charlie,

The Regina & Region Home Builders' Association appreciates the opportunity to provide our perspective on the City of Regina's current *Housing Incentive Program* (HIP).

Changes to HIP

Our understanding is the HIP aims to tackle affordability issues with Capital Grant and Tax Exemption Programs for newly created housing. Homebuyers may receive a \$10,000 - \$15,000 capital grant, and non-profit/private sector housing providers could receive a 5-year tax exemption. However, in a recent review of the HIP, the City has proposed amendments to its ownership incentive policies. The City Administration is considering suspending both the capital grant and tax exemption programs for new affordable home ownership construction by private sector developers in all areas and for non-profit housing providers in greenfield neighbourhoods for one year.

What has been suggested:

1. There is an ample supply of entry level housing available on the resale market for less than new units funded under these programs.
2. There are currently 109 ownership grants that the City has committed but remain unused.
3. Regina has one of the highest rates of homeownership and lowest rate of ownership unaffordability among prairie cities.

The City Administration also suggests these policy changes by stating that reductions in ownership capital grants are required to offset funding required to fund a proposed Intensification Levy Rebate & grant for the development of new affordable housing.

Capital Grant Program

We believe that the capital grant program, or the "down-payment assistance program" has proven to be very effective at providing affordable housing and encouraging home ownership. When non-profit/private sector housing providers were able to work their way through the myriad of requirements in the current capital grant program, they were able to participate effectively. The capital grant program

has provided buyers the opportunity to own a home in a market where they would typically struggle to make such an important purchase. Unfortunately, after reviewing the proposed amendments, it seems that the capital grant program, as well as the tax exemption program, have run their course.

We believe that the policy changes being considered by the City do not take into consideration the ample benefits experienced as a result of home ownership. Not only are there benefits of home ownership at the individual level (i.e. wealth accumulation, and an improved sense of community) but homeownership is also good for the City's overall economy. When homeowners can overcome that initial hurdle and put a down payment on their first home, they begin to accumulate wealth. Eventually, when they want to sell their starter home and buy/build a new home, they contribute to economic growth and job creation. With each home sale, there are expenditures related to lawn care, home remodeling, new furniture, mortgage origination, moving, and an inducement to build new homes. Some portions of these earned incomes subsequently get spent in the local economy.

Home Ownership Matters

The City's proposed amendments to the capital grant program not only undersell the importance of down-payment assistance for potential homeowners, they also prevent people from gaining access to CMHC and Genworth Affordable Home Ownership Programs. The City of Regina claims that their proposed amendments to the HIP are necessary to address the gaps in the private market's ability to address housing needs. Alternatively, we would like to propose a new program which would help address some of these gaps, contribute to the creation of more affordable new homes and align with the Comprehensive Housing Strategy.

We have looked at capital grant programs provided in other municipalities across Canada and we have identified some best practices that would be a good model for the City of Regina.

RRHBA recommendation

We have incorporated some best practices into a new program we believe could provide significant benefit those who are locked out of the benefits of home ownership and allowing them to participate in federal programs that can only be accessed through municipal support. At the same time a program that is easy to administer by the City of Regina and provide some limited opportunity to the new home industry that is under significant downward pressure. Our program recommendations would implement the following conditions:

- The program would not require participants to meet any score card requirements
- All contributed money would be considered a grant and not subject to repayment
- Total contributed amount would be a maximum of 5% of the purchase price
- The criteria for a purchaser to qualify will remain similar to the existing capital grant program:
 - a maximum income threshold which varies depending on if there are minor dependents
 - purchase for principal residence only
 - cannot own any other real estate
 - \$2500 down payment
- Currently, the capital grant amount is \$10,000-\$15,000. Under the new proposed program, the City will be responsible for contributing \$10,000 per grant. The builders/developers who utilize the program will be responsible for funding the 5% down payment shortfall.
- Each builder can apply for a maximum of a certain amount of grants per year, based on the amount the City of Regina would be willing to allocate to the program.
- Expiration of the grant funding would be subject to the builder ceasing marketing of the property. (IE: renting out property)

Taking into consideration the investment that the City makes into both the capital grant program and the tax exemption program, this would significantly reduce the required investment to support affordable housing. For a typical 3-bedroom grant, the City would provide a \$15,000 grant, as well as approximately \$15,000 in tax savings over 5 years, which totals approximately \$30,000. With the proposal above, this investment would be reduced to \$10,000; a 67% savings.

Given the issues identified by the City of Regina in their review of their current Housing Incentive Program (i.e. the ample supply of entry level housing available on the resale market for less than new “affordable” units, and a large number of unused ownership grants) investing in a down payment program will help address these gaps. This proposed program will also reduce the administration costs incurred by the City, as they no longer need to administer a tax exemption program. It encourages builder/developer investment which would demonstrate their commitment to the program while also encouraging residential development in the City of Regina. If this proposal is found to be acceptable, CMHC and Genworth would then need to confirm that they would be amenable to this program.

Thank You,

A handwritten signature in blue ink, appearing to read 'Stu Niebergall', is positioned above the printed name.

Stu Niebergall
President & CEO

Cc: Diana Hawryluk, Laurie Shalley, Emmaline Hill

Charlie Toman

From: CHS
To: Stephen Onda
Subject: RE: [External email] Re: Housing Incentives Policy Review Amendments Under Consideration

From: Stephen Onda
Sent: Monday, October 14, 2019 9:59 AM
To: CHS <CHS@regina.ca>
Cc: Charlie Toman <CTOMAN@regina.ca>; Emmaline Hill <EHILL@regina.ca>; Brad McKenzie <BMCKENZ1@regina.ca>
Subject: [External email] Re: Housing Incentives Policy Review Amendments Under Consideration

Thank you for this email and your ongoing consultations.

I place my thoughts into your denial below

Stephen Onda
Sundog Developments Ltd.
3035 21st Ave
Regina, SK
S4S 0T5



From: CHS <CHS@regina.ca>
Date: Tuesday, October 1, 2019 at 12:05 PM
Cc: Charlie Toman <CTOMAN@regina.ca>; Emmaline Hill <EHILL@regina.ca>; Brad McKenzie <BMCKENZ1@regina.ca>
Subject: Housing Incentives Policy Review – Amendments Under Consideration

Greetings,

Thank you to everyone who provided feedback on Housing Incentives Policy (HIP) review in July. Your input was valuable in informing revisions to focus housing incentives towards those in greatest need.

Administration has identified amendments to the HIP designed to focus incentives towards Regina's critical housing needs. The proposed amendments take into account Regina's shifting rental and ownership housing market, introduction of the National Housing Strategy, Plan to End Homelessness for Regina, Intensification Levy and feedback received from internal and external stakeholders,

Amendments being considered

- Introduce a new tax exemption program for the repair of existing affordable rental housing units in alignment with National Housing Co-Investment Fund established under the Federal Government's National Housing Strategy;

National hudson gStrategy and Co Investment Fund are interesting initiatives. The Co Investment Fund required participation forefather or both Provincial and Municipal entities. I think aligning guidance with these various programs is a good idea,... I am not sure if all guidances recommended by Co investment fund are suitable to Sask as we are a small populated places with a unique challenge in that much of Co Investment fund uses a CMHC statistic as to rental rates and in the case of inner city the data is out of sync with reality

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- Introduce an Intensification Levy Rebate for the development of new affordable housing;

The intensification rebate is a good idea, as most inner city construction projects are targeted to affordable. Perhaps Intensification can be catorgized to whether it is market builds and or affordable , hard to ouse targeted units?

-
- Expand the tax exemption program for new market ownership construction to the North Central and Heritage neighbourhoods;

I did not know that the tax exemption did not included North Central and Heritage...? I have built in both communities and have received tax abatements.

OR is exemption different than abatement,...?

-
- Expand the capital grant program for new affordable rental construction to include an on-site support service suite in alignment with the Plan to End Homelessness for Regina;

Very mush support this initiative as our expense is the a supportive service in the building goes along way to making the building successful in answering needs of tenants and providing a stable, sustainable housing unit.

-
- Revise the Policy to allow for affordable rental providers to rent units directly to third party service organizations;

This also is a great idea, although we do need more 3rd party support service organization in our city

-
- Move up the review of incentive applications submitted by Private Sector housing providers from November 1 to August 1; and,

AS a private sector housing developer I do support access to HIP, I am also a big supporter of Non Profit and Critical Housing providers, some of which are private developers.

-
- Suspend the capital grant and tax exemption programs for new affordable home ownership construction by private sector developers in all areas and for non-profit housing providers in greenfield neighbourhoods for one year.

I think suspending for Private developer for a year is a good idea to help provide resources to Non Profits

I disagree that this should exclude greenfield developments.

-

A detailed summary of the proposed amendments, along with rationale, can be found on <https://www.regina.ca/home-property/housing/housing-incentive-program-review/>

We invite your feedback on the proposed amendments.

- Is this consistent with what you heard at the focus group sessions?

I believe so

-
- How confident are you that the recommendations will help move the HIP toward the goal of focusing incentives toward critical housing needs?

I am confident the about suggestions with help HIP

-
- Do you have any general questions?

Housing needs remain fairly constant in the Critical Housing arena , however constant review and refinement is encouraged.

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City Staff will be holding a Drop-In Session for stakeholders to ask questions and provide feedback on the proposed amendments.

Location: Darlene Hincks Room, Regina City Hall
Date: Tuesday, October 8, 2019
Time: 3:00 – 6:00 PM

To be considered by City Administration prior to it submitting its recommended amendments to the Mayor's Housing Commission and City Council, feedback must be received by **October 15, 2019**. Comments can be e-mailed to chs@regina.ca.

All comments received by this deadline will be carefully considered by Administration before finalizing its recommendations.

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