



MAYOR'S HOUSING COMMISSION

**Thursday, October 24, 2013
4:00 PM**

Forum, Main Floor, City Hall



**Public Agenda
Mayor's Housing Commission
Thursday, October 24, 2013**

Appointment of Vice-Chairperson

Approval of Public Agenda

Administration Reports

MHC13-1 Mayor's Housing Summit

Recommendation

This report be received and filed.

MHC13-2 Downtown Residential Tax Incentives Policy – Revisions to the Current Policy

Recommendation

- 1) That the *Downtown Residential Tax Incentives Policy* be revised to cap tax incentives at \$7,500 per unit for ownership units.
- 2) That the updated *Downtown Residential Tax Incentives Policy* be approved as attached in Appendix A.
- 3) That the Deputy City Manager of Community Planning and Development, or his/her designate, be given the authority to administer the *Downtown Residential Tax Incentives Policy*.

MHC13-3 Consideration of Meeting Dates and Times for Remainder of 2013

Recommendation

That meetings for the remainder of 2013 for the Mayor's Housing Commission be held at 4:00 p.m. on the following dates:

Thursday, November 14; and
Thursday, December 19, 2013.

Adjournment

October 24, 2013

To: Members
Mayor's Housing Commission

Re: Mayor's Housing Summit

RECOMMENDATION

That this report be received and filed.

CONCLUSION

The City of Regina's first Housing Summit successfully concluded with renewed enthusiasm, optimism and momentum to resolving current housing challenges in the city of Regina and all growing communities within Saskatchewan and beyond.

With approximately 250 people in attendance, participants came away with a better understanding of the roles and responsibilities, as well as the gaps, tools and opportunities available to alleviate some of the current housing challenges.

The Summit resulted in participant feedback supporting the continuing dialogue and interaction between senior levels of government, private and non-profit sectors to work cooperatively towards alleviating the current housing concerns. The feedback fits well with Mayor Fougere's plan to continue this dialogue with a permanent problem-solving Committee. As such, to continue upon the success of the Housing Summit, during Mayor Fougere's closing Housing Summit comments, an announcement was made for a 2014 Housing Summit as well as the Mayor's Housing Commission, subject to Council approval.

BACKGROUND

The Mayor's Housing Summit resulted in successfully bringing together all stakeholders involved in providing housing, including all senior levels of government, the private and non-profit sectors. Each sector was represented in the Summit, either by way of a speaking engagement, or by participation.

The City of Regina is cognizant of the fact that the primary responsibility for housing resides within the federal and provincial governments; however there is much the City can do by supporting, partnering and complementing housing initiatives. It is within this spirit of cooperation between governments, rather than pointing fingers, that the Mayor's Housing Commission will be created and progress will be made.

The Summit was designed as a call to action between housing stakeholders directly involved in the funding, planning and policy decisions, ultimately leading to potential innovative solutions to alleviate housing pressures, while linking the three Summit themes: (1) Supply: Rental and Affordable Housing; (2) Innovation in Housing; and (3) Partnerships.

Participants came away from the Summit with new information and ideas, as well as a renewed enthusiasm to partner with stakeholders to create and innovate the housing sector in the city of Regina and other growing Saskatchewan communities.

The conclusion of the Mayor's Housing Summit was not designed to raise expectations in terms of resolution to all current housing challenges. There was no illusion that the housing crisis would be fully resolved within the two day duration of the Summit. Rather, it was designed and intended to be the beginning and next step towards finding collaborative solution-based approaches, incorporating innovative thinking and global best practices. As such, and in this regard, the Mayor's Housing Summit was a great success.

DISCUSSION

The Summit was a great success in providing stakeholders directly involved in housing with a renewed, inclusive relationship based on shared roles and responsibilities, as well as bringing many innovative ideas to the forefront, based on practical solutions in other jurisdictions. The Mayor's Housing Commission will continue to build on the success of the Summit. The 2014 Mayor's Housing Summit, also announced at the conclusion of the Summit, will serve as a continuing vehicle in which newly found and effective methods of innovation, creation and information can be shared amongst participants.

(1) Session Content / Summary:

Day 1:

Day 1 began with remarks from Mayor Fougere, Provincial Housing Minister June Draude, and Ms. Karen Kinsley, President and Chief Executive Officer (CEO) of the Canada Mortgage and Housing Corporation. All three levels of government spoke about addressing the need for housing that responds to the circumstances of our rapidly growing economy. It was also clear from their remarks that the Municipal and Provincial governments want to see action.

The first presenter of the day was John Lewis of Intelligent Futures. Mr. Lewis's presentation provided a global perspective and talked about the trend to urbanization that is occurring world-wide. He provided a number of examples of responses to housing needs that stressed the importance of having a range of solutions.

The subject of diversity was explored further by a panel discussion that followed. The panel discussed a variety of options and some of the considerations necessary when planning for diversity.

Brampton Mayor Susan Fennell and Brock Carlton, CEO of the Federation of Canadian Municipalities (FCM) spoke about the importance of partnerships and concerns that federal funding agreements for housing are coming to an end. They spoke about the uncertainty of these federal programs going forward and FCM's role.

Maynard Sonntag of Silver Sage Housing Corporation and Robert Byers of Namerind Housing Corporation gave delegates an overview of the work done by the two organizations and provided specific case studies.

The afternoon session began with an overview of the City of Regina's Comprehensive Housing Strategy, followed by a presentation on the partnerships that SaskHousing Corporation has established to advance its work.

A lively panel discussion followed, with representatives from the provincial and municipal levels of government, the non-profit sector and the developer community. The discussion began with each representative describing their role in housing provision.

The panel identified gaps in policy and a need to regulate in a way that is flexible enough to respond to needs and innovation. The challenge is finding the right level of regulation. Coordination of regulation was also discussed, as was the cost of current regulation, which can be up to 25 per cent of the cost of building a home. The panel discussed the need for diversity of housing types to meet the needs of families, single persons, aging adults and temporary workers. It was noted that there is a tension between diversity and sensitive densification and keeping the character of a neighbourhood intact. Proactive community engagement is advised. The panellists agreed that there is no "silver bullet" and that all partners must be at the table if a solution is to be found.

Stu Niebergall of the Regina and Region Home Builders' Association observed that citizens and consumers have different views. As a citizen, an individual may agree with densification and innovation, but as a consumer, the same individual would prefer to live on a large lot in a suburban neighbourhood in a single family dwelling. Stu provided an overview of the cost drivers to building a residential building in Regina.

Day 2

Rhonda Young provided an overview of the Head Start on a Home program for families or singles earning between \$52,000 and \$70,000 annually. The program works with municipalities, developers and Credit Unions to build entry level housing.

Jonathan Tinney, an economist and urban planner, discussed the need for complete communities that provide flexibility at the community and even block level. He noted that many older neighbourhoods suffer population loss as a result of children leaving home and not having housing options in the neighbourhood where they grew up. One or both parents remain in the family home, again because the neighbourhood offers no other options. Jonathan presented options such as mixed use buildings, garden and carriage homes, fee-simple townhouses and alternative ownership models.

Janice Abbott of the Atira Women's Resource Society presented a case study on development of housing for girls and women who are homeless or in unsafe housing, using shipping containers. Atira built 12 self-contained studio units in Vancouver's Downtown Eastside. The units will be ready for occupancy in July 2013.

Paul McNeil of MMM Group Limited presented a case study on the development of pocket housing as an alternative to rooming houses in Winnipeg. While the need for housing for single people hasn't changed, the nature of rooming houses has. Rooming houses became an issue about a decade ago primarily because of neglect. Pocket houses can be built on a 33 foot lot and provide self-contained accommodation for eight single people.

The next panel of the day, Housing Density Panel, pointed out the need to plan far into the future in terms of construction in order to maintain the housing we have. The panel also shared examples of successful programs offered by non-profit organizations such as the Home Share project in Newfoundland that matches university graduate students with home owners aged 50+. Students pay a maximum \$400 per month rent in exchange for assisting the home owner with chores around the house.

The panel explored some of the myths about densification and discussed the regulatory environment related to housing and housing solutions. The panel's advice echoed that of Monday's stakeholder panel – better regulation, not necessarily more regulation. The topic of fee-simple townhouses came up again as a desirable, flexible solution to meeting housing needs.

Tim Richter of the Canadian Alliance to End Homelessness noted that homelessness tends to be a “boom town” phenomenon. The rapid arrival of new people forces long-term residents who are poor or unemployable out of the market. He also provided a compelling analysis of the costs of homelessness.

Many of our systems such as jail, mental health facilities, foster care, etc. discharge people directly into homelessness. A chronically homeless person can cost the system more than \$110,000 annually in services such as emergency room visits, policing, etc.

Tim recommends moving from managing (crisis response) homelessness, to ending homelessness and cited the “Housing First” approach as an alternative. The “Housing First” approach means getting the homeless person into supportive housing and then dealing with issues such as addictions, mental health needs, other health needs, etc.

Tim promotes the “Housing First” concept as being more effective and less costly, due to decreased policing, social services and emergency room costs. Mr. Richter noted that municipal governments do not have the jurisdiction or the financial resources to respond to homelessness. In Alberta a coalition of cities and private sector partners went to the province with a plan, which was subsequently funded.

The final presenter of Day 2 was Barbara Hall, Chief Commissioner of the Ontario Human Rights Commission who provided delegates with a thoughtful presentation on the intersection of Human Rights Legislation and how municipalities approach housing. Her presentation included practical suggestions on dealing with “Not In My Back Yard” (NIMBY) including how to dispel common NIMBY myths.

(2) Interactive Delegate Participant Session:

This Session provided an opportunity for delegates to engage in conversation regarding the state of housing, both current and future. During this session, through four main questions, delegates provided suggested solutions on how to move the housing agenda forward.

The four questions and responses included:

(1) How do we continue this conversation on housing?

Responses indicated a need for further education and the opportunity for more public input. Participants suggested the need for annual or semi-annual Summits

as well as a Council Committee on Housing. In addition, the need for taking action was stressed. It was thought that rather than additional studies and reports, stakeholders needed to focus on pilot projects and best practices in which others could use and build upon. Summit participants also support a National Housing Strategy, as housing issues are faced not only locally, but nationally in all growing communities.

- (2) What is one strategy you feel is important in addressing housing issues in the next one to two years?

Feedback included the need for the creation of a Mayor's Task Force, as well as the need to set a date for another gathering that provides the opportunity to report back on the progress made from this Summit. Delegates thought it important that action be taken that would allow for the review of bylaws, updates to local regulation, the reduction of "red tape" and the need to streamline bureaucracy. Under the theme of "taking action", it was felt that a ten-year plan was necessary and that a number of pilot projects should be undertaken soon.

- (3) What is the one thing you would take away from the Summit that you could help implement either in our municipality or in partnership with others?

Continue the Summits in partnership with non-profits, government and the private sector. The delegates communicated through this question and the others that innovation is key (as demonstrated in container homes and pocket housing). Participants also suggested that diverse neighbourhoods were necessary and a need to eliminate regulatory barriers.

- (4) What is your vision for the state of the housing market in ten years?

Stability, diversity, walkability, higher density, "smart" development and mixed-use neighbourhoods were common themes. As well, increased vacancy rates and reduced rates of homelessness were also key to the discussion.

(3) Social Media:

The twitter statistics demonstrate phenomenal coverage and reach, including:

- In total, there was 1,716 tweets which generally exceeded all expectations;
- @CityofRegina tweeted 199 times;
- The tweet with the largest reach appeared in over 591,000 twitter account timelines; and
- Tweets came from Ottawa to Vancouver, with over 350 tweets appearing in the United States and beyond.

(4) Participant Evaluation Form:

Upon the conclusion of the Summit, we received approximately 30 evaluation forms, representing the government, non-profit and private sector participants. The responses were extremely positive, indicating either "very satisfied" or "satisfied" in the majority of categories ranging from speaker sessions, organization of the Summit, useful and appropriate session content and information provided.

When asked what delegates liked most about the conference, feedback indicated that they were further educated in many housing aspects, the Summit included a good variety of

topics from interesting speakers, a good cross section of participants and the networking opportunities provided.

When asked what participants least liked about the conference, it was generally felt that although the content was interesting and informative, more breaks were necessary the first day, and that more interactive sessions should be included.

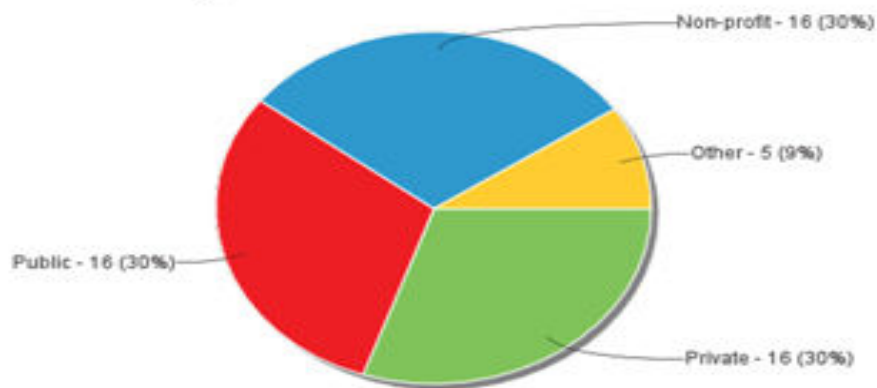
In addition, there was support for another Summit or continuing vehicle to maintain the momentum created from the Summit.

(5) Delegate Survey Responses:

In general the conference was very well received. This is best exemplified by the number of people who will or plan to attend the next conference **95%**.

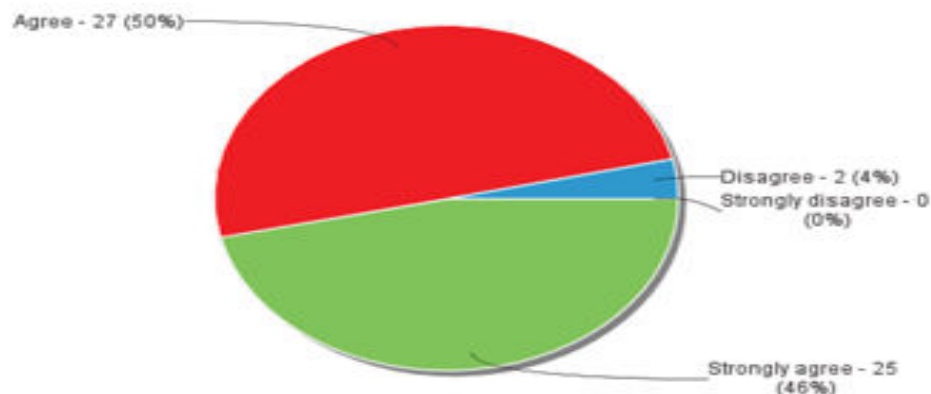
The conference also achieved one of its goals as seen below in terms of participation by the three levels of government, the private and non-profit sectors, which had equal representation among attendees.

Question 2: What sector do you work in?



A key factor during intensive conferences like the Mayor's Housing Summit is how the organization is seen in terms of efficiency, organization, leadership, etc. The response to that question was overwhelmingly positive.

Question 5: The conference was well organized.



(6) Next Steps:

To build on the success of the Housing Summit, during Mayor Fougere's closing Housing Summit comments, an announcement was made for a 2014 Housing Summit as well as the Mayor's Housing Commission, subject to Council approval. The practical solutions resulting from the work of the Commission will inform the continuing dialogue, not only on a local and provincial level, but also on a national level.

The continuing momentum, beginning with the Mayor's Housing Summit, and continued by the Mayor's Housing Commission and the 2014 Housing Summit, will ultimately result in innovative and creative solutions that will provide real and lasting housing solutions to the city of Regina and other growing communities in Saskatchewan and throughout Canada.

RECOMMENDATION IMPLICATIONS

Financial Implications

The projected Housing Summit budget indicated the City's costs would be in the range of \$55,000. Since then, to ensure no barriers to participation, all non-profit organizations were allowed to register two individuals at no charge.

As such, the final attendance number was at approximately 250 people. Of those 250 attendees, 139 were paid delegates, 53 representatives attended from the non-profit sector, and 58 delegates were speakers, staff and volunteers who also were registered free of charge, in lieu of speakers' fees.

The total costs to the City of Regina were approximately \$62,000.00. Schedule A includes the final costs and the breakdown.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

There is a growing sense of urgency that immediate action needs to be taken to alleviate the housing pressures felt by Regina and all growing urban centres in the province and country.

The City of Regina is cognizant of the fact that the primary responsibility for housing lies with the federal and provincial governments, however there is much the City can do by supporting, partnering and complementing housing initiatives. The Mayor's Housing Commission will seek to collectively find innovative and practical ways to further complement federal and provincial strategic policy direction, based on innovative input and advice from the private and non-profit sectors. The 2014 Mayor's Housing Summit will provide an opportunity for further information sharing on new, innovative and creating housing initiatives, and will also serve as a follow-up to the 2013 Mayor's Housing Summit.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

A communications strategy will be an important component of the Commission and the 2014 Mayor's Housing Summit and will be used to advertise, promote and bring awareness to housing issues and creative solutions locally, provincially and nationally.

In addition, Mayor Fougere, as a member of the Federation of Canadian Municipalities Big City Mayors' Caucus and the BCMC Working Group on Housing, will raise the profile of the issue with other Big City Mayors' and potentially leverage their support for the Mayor's Housing Commission and the 2014 Mayor's Housing Summit.

DELEGATED AUTHORITY

None necessary, as this report is to be received and filed.

Respectfully submitted,



Sheila Harmatiuk,
Manager of Government Relations
Governance and Strategy

Respectfully submitted,



Jim Nicol, Executive Director
Governance and Strategy

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Schedule A

Housing Summit Final Costs:

Based on 250 attendees (53 non-profit, 139 paying delegates and 58 non-paying – volunteers, staff and speakers)

Costs/ Expenses	Estimated Cost	Actual Cost	Variance	Breakdown
Registration Fee Processing (\$15.27/person)	\$2,122.00	\$1,539.00	\$-583.00	
Advertising costs	\$8,000.00	\$6,690.00	\$-1,310.00	
Printing/Design Costs	\$5,000.00	\$3,329.00	\$-1,671.00	Design and print materials
Food and Beverage (250 @ \$100.00) Mayor's Dinner (250 @ \$60.00) Facility Rental	\$25,000.00 \$15,000.00 \$5,000.00 Total: \$45,000.00	\$36,891.00	\$-8,109.00	Hotel Sask - \$36,291.00 Entertainment - \$600.00
Speakers	\$50,000.00	\$50,000.00		
Audio/Visual Services	\$6,500.00	\$6,472.00	\$-28.00	
Volunteer costs	\$500.00	\$384.00	\$-116.00	Shirts - \$134.00 Gifts - \$250.00
Speakers' gifts	\$2,000.00	\$2,700.00	\$700.00	
Miscellaneous	\$3,500.00	\$3,284.00	\$-216.00	SWAG (pens, pins, lanyards) - \$850.00 Notepads - \$2,334.00 Courier - \$100.00
Visual Graphics	\$4,000.00	\$4,000.00		Graphic Recording Services - \$2,260.00 Travel costs - \$1,740.00
TOTAL:	\$126,622.00	\$115,289.00	\$-11,333.00	

Revenue	Estimated Cost	Actual Cost	Variance	Breakdown
Registration fees @ \$275 (139 paying)	\$38,225.00	\$38,225.00		
Sponsorship	\$20,000.00	\$15,500.00		Harvard \$2,500 Govt of Sask \$10,000 Regina Realtors Assn. \$1,500 AECOM - \$1,500
Total Revenue	\$58,225.00	\$53,725.00		
Costs to City of Regina	\$68,397.00	\$61,564.00		

October 24, 2013

To: Members,
Mayor's Housing Commission

Re: Downtown Residential Tax Incentives Policy – Revisions to the Current Policy

RECOMMENDATION

- 1) That the *Downtown Residential Tax Incentives Policy* be revised to cap tax incentives at \$7,500 per unit for ownership units.
- 2) That the updated *Downtown Residential Tax Incentives Policy* be approved as attached in Appendix A.
- 3) That the Deputy City Manager of Community Planning and Development, or his/her designate, be given the authority to administer the *Downtown Residential Tax Incentives Policy*.

CONCLUSION

Revisions to the City's *Housing Incentives Policy* (HIP) were approved by Council on July 29, 2013. During the review of this policy Administration identified changes to the *Downtown Residential Tax Incentives Policy* (DRIP) to encourage development of downtown units while providing a limit to tax exemptions and to align with the application requirements of the HIP. This item was removed from the review of the HIP for further consideration by the Mayor's Housing Commission and subsequent recommendation to Council.

The revised DRIP is included in Appendix A. Based on research conducted on past ownership units in the downtown that have received tax incentives, Administration recommends that tax incentives under DRIP be capped at \$7,500 per unit for ownership units. Second, Administration recommends that the policy be revised to state that applications for DRIP must be made while construction is underway to align with the requirements of the HIP thereby prohibiting applicants from applying for incentives retroactively. Relaxation of this requirement would be at the discretion of the Deputy City Manager of Community Planning and Development. Finally, Administration recommends that the policy be revised so that projects approved under DRIP will not be considered for additional tax exemptions under other City incentives policies.

Administration would transition to this revised policy upon approval of the recommendations herein such that the revised policy is in place for 2014 to align with the transition to the new HIP.

BACKGROUND

The City of Regina's tax incentive programs including the DRIP has been an effective means of stimulating the construction of both rental and ownership housing units in the downtown. Since 2006, DRIP has supported 221 units and provided approximately \$1 million in tax incentives. Under DRIP, tax incentives were offered at 100 per cent for a five-year term for all new units

created in the downtown. These units were created from the conversion of non-residential buildings into residential suites. As such, these conversions have preserved existing buildings that might otherwise have suffered from low occupancy and disrepair, and have brought residents to the downtown where they can benefit from the many services, amenities and employment opportunities and be less auto-dependent, while also using existing infrastructure.

In the past few years, the City has started to see new residential construction in and around the downtown. Additional residents to downtown provide customers for local businesses in daytime, evening and weekend hours and support events in the downtown such as farmers' markets and other public activities while also increasing safety in the downtown with added pedestrian activity. Further, the Downtown Neighbourhood Plan (August 2009) and the growth plan for the City as defined by the final draft Official Community Plan identifies the need for increased residential growth to the downtown. The growth plan for the OCP estimates 5,000 new residents in downtown. The DRIP is a tool for continuing to encourage housing in the downtown to align with the City's policy objectives.

DISCUSSION

The DRIP was created in 1997 to support residential development in the downtown by encouraging the conversion of existing buildings no longer used for commercial purposes and the construction of new residential development to increase the viability and population in the downtown. The policy was created separate from the City's HIP, which establishes tax exemptions for new residential properties in other areas of the City (see the map in Appendix B for program areas 1, 2 and 3). The DRIP along with the *Regina Housing Incentives Policy – Warehouse District* (RHIP) programs, areas 4 and 5 in the map in Appendix B were established to address the specific housing needs and unique challenges of these two neighbourhoods.

Throughout the City recent economic and population growth has created an unprecedented demand on housing with vacancies in the City at or below 1 per cent for 2008-2012. Redevelopment and infill development in many inner city neighbourhoods has occurred for both new ownership and rental units. For this reason, recent revisions to the HIP approved by Council on July 29, 2013 address the most pressing housing issues including the need for increased rental supply and the need for below market units due to the overall rise in housing prices.

For downtown residential development, Administration supports the continuation of incentives for new residential units to encourage development and investment in the downtown and to offer residences that are close to services, amenities and employment opportunities. Construction and land costs have made development of residential units downtown more costly per square foot than comparable units in newer neighbourhoods. Tax incentives for residential units downtown therefore help to decrease the cost difference between units in the downtown and units in new neighbourhoods. In order to encourage ownership units in downtown Administration supports tax incentives for all new residential units. However, in order to create some equality between buyers of different unit types, Administration recommends a cap of \$7,500 per unit for tax exemptions for ownership units. The rationale for this cap is discussed below. Administration supports the continuation of five-year 100 per cent exemption for new rental units in the downtown.

Tax incentives calculation under three program options:

Administration has worked with the Assessment, Taxation and Real Estate Branch to evaluate current tax incentives under the DRIP program. Using a sample of 26 units that have received tax exemptions in the downtown, Administration has calculated the exemptions for ownership units under three possible scenarios as detailed below.

Current DRIP program

The current DRIP program allows a five-year 100 per cent exemption on all new rental or ownership units including both new construction and the conversion of an existing non-residential building for residential use. Based on the 26 unit sample, Administration has calculated an average tax incentive of \$2,418 per unit annually based on 2013 levies or \$12,841 per unit for the five-year term accounting for increases in property tax over five years. However, due to different unit types, tax exemptions range from \$1,756 to \$3,492 per unit annually, or \$9,289 - \$18,474 per unit for the five-year term.

Revised DRIP program as per the requirements for the Warehouse District

In 2010, Administration revised the RHIP program from a cap of \$7,500 to a two-year exemption at 90 per cent and one year at 50 per cent. This was done in an effort to limit tax exemptions to approximate the cap of \$7,500 while providing a simplified calculation for administration purposes.

Administration has evaluated the downtown policy using this model and has calculated that this approach would result in a range of exemptions for units in the downtown from \$4,039 per unit total for the smallest units analyzed to \$8,032 per unit total for the largest units. Administration does not recommend the approach used in the RHIP in the downtown as the gap in exemptions between units of different size is substantial.

Revised DRIP program with a cap of \$7,500 per unit

Based on the analysis completed by Administration a cap of \$7,500 per unit would serve to balance tax exemptions across unit types and size. By equalizing the exemptions with a cap, the tax incentives on the smaller units would receive approximately four to four-and-a-half years of 100% tax exemption whereas for the larger units, the exemption of \$7,500 would be reached in approximately two years. Under this model, the exemption for higher-end units would approximate the exemption for a similar unit in the Warehouse District under the RHIP program (\$8,032 total on average). Yet for smaller units (approximately 650-700 ft²), the incentive would provide an additional \$3,400 in incentives compared to the RHIP term and percentages, and would incentivize the purchase of smaller units in downtown, which often serve entry-level homebuyers. By providing tax exemptions equally to all new units, the revised policy limits the exemption on larger, more expensive units while providing an advantage to the purchaser of smaller, less expensive units.

Downtown incentives eligibility criteria and application requirements

To align with the requirements of the HIP, which provides tax incentives to other areas of the city outside of the downtown, Administration recommends that the DRIP be updated with the same application requirements. To align with HIP requirements, applications would be accepted while a project is under construction and exemptions would apply January 1 of the year following completion, and once occupancy permit has been confirmed. To protect rental units, units receiving DRIP would not be eligible for conversion to condominiums for the period of the

exemption and would thereafter be subject to the requirements of the *Condominium Policy Bylaw*.

Administration also recommends that DRIP be revised to clarify that the projects may apply under a single tax incentives program and programs may not be stacked to increase or lengthen the tax exemption. This change would affect heritage properties, which have received both DRIP and heritage incentives. To date, eight out of twelve buildings exempted under DRIP have been stacked with an exemption provided under the *Municipal Incentive Policy for the Preservation of Heritage Properties* (MIPPHP). Exceptions to this would be at the discretion of the Deputy City Manager of Community Planning and Development.

A report regarding revisions to the MIPPHP is expected to come before Council in the fourth quarter of 2013 and will address separate tax incentives for heritage properties across the city. Heritage buildings would still be eligible for capital incentives for below market units throughout the city.

Capital incentives for below market units

Previous to revisions of the HIP, downtown units have not been eligible for capital incentives that are available elsewhere in the City for below market units under HIP. Revisions to the HIP effective November 1, 2013 have expanded capital incentives for below market units to the downtown. With the higher cost of land and construction in downtown, affordable units are more difficult to achieve and the addition of capital incentives should encourage the development of below market units in the downtown where they may benefit from both tax and capital incentives.

Monitoring and reporting

Administration will monitor and report on the effectiveness of the DRIP changes as part of its reporting on the HIP. Reports will be brought to the Mayor's Housing Commission and City Council on an annual basis.

RECOMMENDATION IMPLICATIONS

Financial Implications

Revisions to the DRIP are intended to cap tax exemptions on future downtown units, which under the current policy are eligible for five years of exemption at 100 per cent. Based on calculations of units in the downtown that have received exemptions, under the current tax rate, exemptions could amount upwards of \$15,000 over the course of the five-year term. By capping incentives at \$7,500 per unit, tax exemptions would be provided equally to all new units limiting the exemption on more expensive units while benefitting the purchaser of smaller, less expensive units.

In the past ten years, the construction of new residential units downtown has not occurred in the downtown. Rather, new residential units have been created through the conversion of existing buildings. Going forward, Administration expects to see an increase in new residential development downtown with two substantial projects planned for completion in the next one to five years. The number of properties receiving tax exemptions are expected to increase in the

next two to five years, yet with a cap on incentives, total exemptions are not expected to be in excess of previous years.

Environmental Implications

Additional residential development downtown will provide environmental advantages to the City as a whole. With the completion of the Downtown Neighbourhood Plan (2009) and the completion and approval of the Official Community Plan, there is an increased emphasis on bringing residents to downtown. The environmental advantages of downtown residential development include reduced car use and car dependency of residents due to close proximity to employment, services and amenities by foot, bike or bus. For the most part, downtown residential units, by nature of the economics of development and land use, will be smaller units in multi-unit buildings requiring less land to develop. New downtown development will use existing infrastructure, or in some cases provide upgrades to aging infrastructure. For these reasons, these units are generally less resource intensive than other forms of new development.

Policy and/or Strategic Implications

Housing incentives are one of the most effective tools the City has for addressing the need for additional residential growth in the downtown. Revisions to the DRIP align with other existing municipal and provincial policies for housing funding and development. Revisions to DRIP are also in keeping with the recommendations brought forth in the Comprehensive Housing Strategy approved by Council on April 29, 2013 and the Official Community Plan, which will appear before Council in early December 2013.

Other Implications

None for this report.

Accessibility Implications

Developers are required to provide 5 per cent accessible units in all multi-unit rental developments. In addition, the Design and Development Criteria established for eligibility for capital incentives under the HIP, for which downtown below market units are now eligible, encourages the creation of accessible units that exceed the required 5 per cent in rental buildings and the addition of accessible units in ownership developments. Administration will continue to encourage accessible units in downtown residential development.

COMMUNICATIONS

Administration will continue to improve access to information on municipal housing incentive programs through the City's website as well as printed materials, and to communicate how programs may be stacked with the City's other housing incentives as well as provincial and federal funding. Information on DRIP will be included in an overall communications strategy being developed to align with the implementation of the Comprehensive Housing Strategy.

Developers who have previously received tax incentives in the downtown will be notified of the change to the DRIP policy for future projects.

DELEGATED AUTHORITY

This report requires approval by City Council.

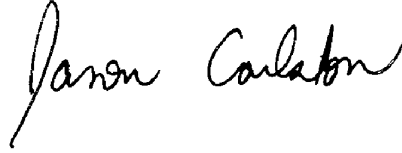
Respectfully submitted,



Diana Hawryluk, Director
Planning

Report prepared by:
Jennifer Barrett, Senior Planner

Respectfully submitted,



Jason Carlston, Deputy City Manager
Community Planning and Development



1.0 Purpose

On March 10, 1997 City Council adopted an incentive policy for residential development in the downtown. The purpose of this policy is to support the downtown by encouraging the conversion of existing buildings (no longer suited for commercial purposes) to residential purposes, or for the construction of new residential development, to increase the viability and population in the downtown area.

2.0 Scope

Stakeholders involved with affordable, market, moderate and accessible housing including non-profit organizations, developers and property owners

3.0 Definitions

Condominium – means the land included in a condominium plan together with the buildings and units and the common property and common facilities belonging to them.

Deputy City Manager – means the Deputy City Manager of Community Planning and Development, or his/her designate.

Ownership Unit – a residential dwelling unit constructed for intended sale to a purchaser as a principal place of residence including Condominium units.

Purpose Built Rental Unit – is a residential Rental Unit that is designed and built for rental purposes and is not intended as an Ownership Unit. Purpose Built Rentals include semi-detached, duplex, triplex, fourplex, multi-family, apartment and other rental housing forms.

Rental Unit - a dwelling unit for rent or lease to a tenant as a principal place of residence.

4.0 Transition Provisions

All applications for Tax Incentives under the Downtown Residential Initiatives Policy (DRIP) received and approved within the 2013 calendar year, up to and including October 31, 2013, will be considered under the 1997 DRIP. All applications for the DRIP submitted on or after approval of this new policy and those not complete in 2013 for 2014 exemptions will be considered under this new Policy for the 2015 tax year.

5.0 Policy

Deputy City Manager, or his/her designate will consider assistance in the form of a property tax exemption for residential portions of development in the **D - Downtown zone**, based on the following terms:

- That the exemption policy apply only in the **D - Downtown zone** as outlined in the map in Figure 1 of this policy;
- That the exemption apply for **five years, 100% property tax exemption** for Rental Unit projects;
- That the exemption apply for a **maximum of \$7,500 per unit or a five-year exemption**, which ever is reached first for Ownership Units;
- Eligible Rental Units must be Purpose Built Rental Units.
- That the exemption apply to the land and building assessment for residential purposes and exclude any portion utilized for commercial or other purposes.
- To be eligible, applications must be made while development is underway and will not be accepted retroactively once development is complete and occupancy permit has been issued; relaxation of this requirement is at the discretion of the Deputy City Manager.
- Dwelling Units must obtain an occupancy permit before tax exemption is applied.
- Taxes and other charges must be paid during the construction phase.
- The tax exemption for the development will begin on January 1 of the year following the approval of the application for tax incentives. The date for commencing the exemption for the development may be deferred for one year at the sole discretion of the Deputy City Manager.
- Properties that have taxes or other charges past due to the City of Regina are not eligible for support under this policy.
- Rental units must remain rental for the term of the exemption and shall not be eligible for conversion to condominiums.

- Projects approved for tax incentives under this policy will not be eligible for other tax incentive programs in the City. Relaxation is at the discretion of Deputy City Manager of Community Planning and Development (or his/her designate).
- Below market ownership and rental units may be considered for capital incentives under the Housing Incentives Policy subject to the discretion of the Deputy City Manager of Community Planning and Development (or his/her designate).

6.0 Roles & Responsibilities

The Deputy City Manager in his or her sole discretion conclusively determines compliance with the eligibility criteria for tax incentives under this policy.

Amendments to the Downtown Residential Incentives Policy made from time to time require approval by City Council.

7.0 Authority

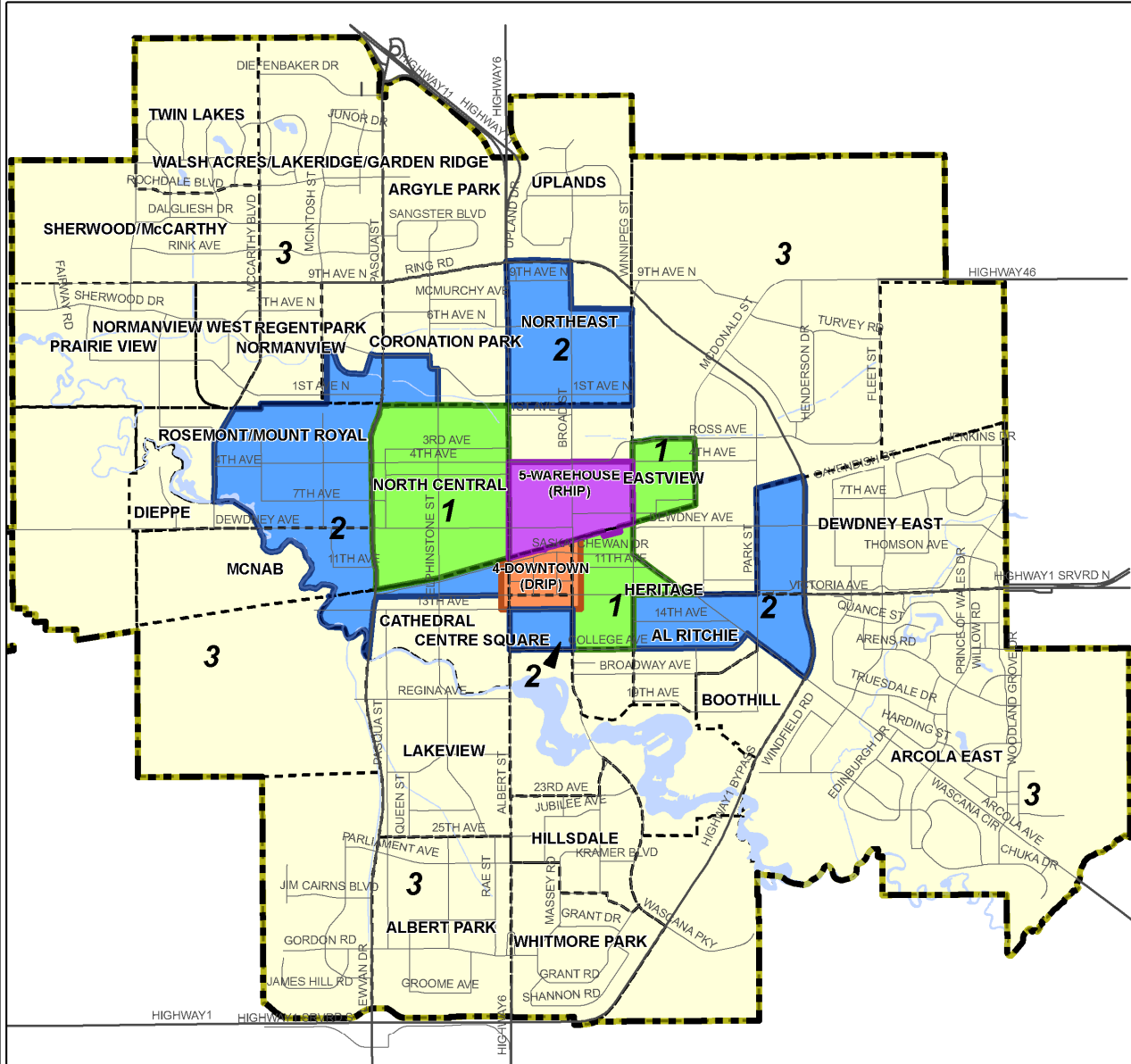
Subsection 262(4) of *The Cities Act* provides authority for City Council by bylaw to enter into an agreement subject to any terms and additions the Council may specify for the purposes of exempting land from taxation for a period of not more than five years.

FIGURE 1 – Boundaries of downtown



Map 1 – City of Regina Incentives Program Areas

Regina Neighbourhood Development Incentives



Legend

Program Areas

- AREA 1
- AREA 2
- AREA 3 - Developed and New Areas
- AREA 4 - DRIP - Downtown (Separate program)
- AREA 5 - RHIP - Warehouse District (Separate program)



October 24, 2013

To: Members,
Mayor's Housing Commission

Re: Consideration of Meeting Dates and Times for Remainder of 2013

RECOMMENDATION

That meetings for the remainder of 2013 for the Mayor's Housing Commission be held at 4:00 p.m. on the following dates:

Thursday, November 14; and
Thursday, December 19, 2013.

CONCLUSION

The Commission should review the information contained within this report and confirm the proposed meeting dates for the remainder of 2013.

BACKGROUND

City Council, at its meeting held on June 10, 2013, established the Mayor's Housing Commission as a main committee of City Council that will guide the City's Affordable housing initiatives and implementation of the City's Comprehensive Housing Strategy. The Mayor's Housing Commission's first meeting is on October 24, 2013. In accordance with the provisions of *The Procedure Bylaw, 9004*, the commission must establish regular meeting dates and times. The purpose of this report is to facilitate the establishment of meeting dates and times for the remainder of 2013.

DISCUSSION

The Mayor's Housing Commission should establish a meeting schedule for the remainder of 2013, with the dates selected:

- to avoid conflict with other scheduled meetings, such as the Executive Committee;
and
- to fit the schedules of Committee members.

Based on the above, it is proposed that regular meetings for the remainder of 2013 be held on the following dates at 4:00 p.m.:

Thursday, November 14; and
Thursday, December 19, 2013.

In November, City Council will approve the meeting schedule for regular Council and Executive Committee meetings for 2014. Once these dates are established, a report setting out 2014 meeting dates for the Mayor's Housing Commission will be considered at the December 2013 meeting.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

None with respect to this report.

Strategic Implications

None with respect to this report.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Once all the committees and boards have set their meeting dates for 2013, a calendar will be circulated which includes the meeting dates of City Council and all committees. This calendar will be provided to the local media and any other interested parties who request the information.

DELEGATED AUTHORITY

The Mayor's Housing Commission has the authority to establish a meeting schedule.

Respectfully submitted,



Amber Smale
A/City Clerk