

November 29, 2018

To: Members
Mayor's Housing Commission

Re: National Housing Strategy

RECOMMENDATION

That this report be received and filed.

CONCLUSION

In 2017, the federal government released Canada's first National Housing Strategy (Strategy) that proposed an investment of \$40 billion in housing over the next 10 years. The Strategy is expected to support the development of affordable housing units and households experiencing housing challenges in Regina.

BACKGROUND

On the November 22, 2017 National Housing Day, the federal government released Canada's first Strategy: A Place to Call Home. The Strategy builds on extensive engagement with community stakeholders and government entities, including feedback provided by the Mayor's Housing Commission (MHC) in the fall of 2016.

The Strategy proposes to invest \$40 billion in housing over 10 years through, but not limited to:

- National Housing Co-Investment Fund (Fund)- \$15.9 billion towards contributions and loans to repair or construct new affordable housing units.
- Provincial Cost Matching - \$4.3 billion towards provincial and territorial housing initiatives to protect and expand affordable housing.
- Existing Commitments - \$8.4 billion towards existing funding committed for 2018-2027 through existing federal-provincial/territorial agreements.
- Canada Housing Benefit - \$2 billion towards directly supporting households in housing need living in social, affordable or private-market housing.
- Homelessness Partnering Strategy - \$2.2 billion to continue and expand the federal Homelessness Partnering Strategy.
- Surplus Federal Lands - \$200 million transfer of federal lands to housing providers.

Through these investments, the Strategy has established nation-wide housing targets to:

- Remove 530,000 households from housing need.
- Protect 385,000 households from losing an affordable home.

- Repair of 300,000 existing housing units.
- Create 100,000 new housing units.
- Benefit 300,000 households by providing affordability support.
- Reduce homelessness by 50 per cent through continued federal funding for the Homelessness Partnering Strategy.

The Strategy adopts a rights-based approach to housing that prioritizes vulnerable Canadians, including women and children fleeing family violence, Indigenous peoples, seniors, people with disabilities, those dealing with mental health and addiction issues, veterans and young adults. The Strategy does not include specific housing targets for Saskatchewan or Regina.

DISCUSSION

Since the launch of the Strategy in 2017, the federal government has been releasing additional details on when and how new funding initiatives will be implemented. This section of the report will provide an overview of key components of the Strategy and potential implications for the City of Regina (City) based on information available to date.

National Housing Co-Investment Fund

The Fund was officially launched on May 2, 2018 and offers grants and low-interest loans for the development of new or repair of existing affordable rental housing. The Fund is administered directly by the Canadian Mortgage and Housing Corporation (CMHC).

To be eligible, applicants must also receive a contribution (financial or in-kind) from the Government of Saskatchewan (Government) and local municipality. (Under the Fund, there is no minimum municipal contribution requirement; however, CMHC will factor in the level of support from other levels of government when determining the amount of funding the Federal Government will provide a project.) The Fund offers grants of up to 40 per cent and loans of up to 95 per cent of the capital costs of the project. The funding percentages are based on the applicant's ability to demonstrate the project's ability to address a series of criteria, including addressing local housing demands and the projects proximity to local amenities. Applications received under this Fund are evaluated nation wide with no funding allotments set for each province and territory, so there is no minimum or maximum amount of funding Saskatchewan or Regina may receive through this Fund.

Administration has reviewed the eligibility requirements for this Fund and confirmed that any local housing provider applying under this Fund to construct new affordable rental housing units would also be eligible for capital and tax incentives under the Housing Incentives Policy (HIP), satisfying the municipal contribution requirement. With respect to the Funds Rental Repair Program, the City does not currently offer financial incentives for repairs; therefore, an applicant applying under the Funds Rental Repair Program would not receive a municipal contribution.

As part of the HIP review scheduled for next year, Administration will explore potential options

for creating a municipal rental repair incentive to enable local housing providers to access this rental repair fund.

Provincial Cost Matching

Several of the Strategy's funding initiatives require cost-matching with the Government, which will be established through a bilateral housing agreement. Under the current bilateral agreement between the provincial and federal government, the federal government provides cost matching for the province's Rental Development Program, which provides a one-time forgivable loan of up to 70 per cent of the construction costs for new affordable rental developments.

Through the Strategy, the federal government will provide an additional \$16.1 billion to all provinces and territories to invest in affordable housing. This additional funding will be transferred through new bilateral agreements with each province and territory, which will be required to cost-match roughly half of the federal government's contribution.

At this time, the federal and provincial government of Saskatchewan have not entered into a new bilateral agreement. Once the bilateral agreement is finalized and released, Administration will have a clearer understanding of provincial housing programs that will be revised, expanded or created.

Canada Housing Benefit

The Canada Housing Benefit is intended to directly support households in housing need. The Strategy estimates that the benefit will deliver on average \$2,500 per year to eligible households and that over time, at least 300,000 households will have access to it.

The benefit must be cost-matched by the Government. The federal government would work with each province individually to design a benefit program that best addresses local priorities. The benefit would be administered by the Government. Administration anticipates additional details will be revealed through the release of the federal government's bilateral agreement with the Government. It is important to note that on July 1, 2018, the Government suspended intake of new applications under its Rental Housing Supplement Program and the Canada Housing Benefit will not be available until at least 2020.

Homelessness

The federal government currently provides funding to 61 designated communities across Canada through the Homelessness Partnering Strategy (HPS) to address local homelessness issues. In Regina, HPS funds are administered by the YMCA through a five-year agreement set to expire on March 31, 2019.

On June 11, 2018 the federal government announced the launch of a redesigned homelessness strategy to replace HPS called Reaching Home that will double their investment in addressing homelessness by 2021-22. Reaching Home will officially launch on April 1, 2019 and will continue to support a reduction in chronic homelessness using the Housing First model as a best

practice. Additional details on how Reaching Home will differ from the current HPS, including any increase in federal funds, should be announced before the end of 2018.

Federal Lands Initiative

CMHC will administer a Federal Lands Initiative where surplus federal lands will be made available at discounted rates for the development of affordable housing, including transitional and supportive housing. The initiative will be open to non-profit, indigenous and private sector housing providers. At this time no federally-owned lands within Regina have been made available through this initiative.

Next Steps

City Administration will continue to monitor the implementation of the Strategy and update the MHC as new information becomes available on how it may impact Regina. In addition, through the comprehensive review of the HIP scheduled for 2019, Administration will identify potential amendments to existing incentive programs to align with the Strategy.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

None with respect to this report.

Policy and/or Strategic Implications

Section 8.19 of *Design Regina: The Official Community Plan Bylaw No. 2013-48* supports the collaboration with upper levels of government to meet the diverse housing needs of Regina through “increased access to specific needs housing for the most vulnerable populations” and “alignment of City initiatives with provincial and federal funding sources”.

Goal 9 of the City’s Comprehensive Housing Strategy is to “Advocate to federal and provincial governments for additional support for rental, affordable and special needs housing”.

Other Implications

None with respect to this report.

Accessibility Implications

None with respect to this report.

COMMUNICATIONS

Administration meets regularly with Saskatchewan Housing Corporation and CMHC staff to discuss the coordination and roll out of housing initiatives and programs.

DELEGATED AUTHORITY

There is no delegated authority associated with this report and it is for informational purposes only.

Respectfully submitted,  ☐	Respectfully submitted,  ☐
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