

June 11, 2019

To: Members
The Mayor's Housing Commission

Re: Comprehensive Housing Strategy - 2018 Annual Update

RECOMMENDATION

That this report be forwarded to the June 24, 2019 meeting of City Council for information.

CONCLUSION

City Council approved the Comprehensive Housing Strategy (CHS) and implementation plan in 2013. Since then, City Administration has begun work on 29 of 35 strategies; six strategies have not yet been started. This report serves as an annual update on implementation for 2018. A CHS implementation report is provided to the Mayor's Housing Commission (MHC) and City Council on an annual basis.

BACKGROUND

In February of 2013, consultants completed the CHS, a project to evaluate Regina's housing issues, to research and develop strategies to address these issues and to define the role of the City. Background research and the strategy framework were reviewed and vetted by a group of 19 industry stakeholders, representing all sectors of housing, as well as members of City Administration. The CHS along with City Administration's recommendations identified 28 strategies for implementation and six strategies for further consideration, with one strategy deemed unfeasible. This recommendation was approved by City Council on April 29, 2013. Subsequently, a Housing Strategy Implementation Plan (HSIP) was approved by City Council on June 10, 2013, including work plans for implementation of the 35 CHS strategies based on short, medium and long-term timeframes.

DISCUSSION

Implementation of the CHS:

The following list contains highlights of implementation in 2018. A description of the strategies and implementation to date are included in Appendix B.

- **Underutilized Land Study (ULS).** A consultant was retained in 2017 to research barriers for developing underutilized land and provide recommendations to promote redevelopment. Work included the creation of an underutilized land inventory, generating proformas for hypothetical developments in existing vacant sites and engaging with local

property owners, Business Improvement Districts (BIDs), affordable housing providers and the development industry on what the City can do to better encourage new investment on underutilized lands. The ULS was completed and released to the public in Q4 of 2018. Work commenced on the Underutilized Land Improvement Strategy (ULIS) based on the consultant recommendations in December 2018 with a final report to Council on the Strategy tentatively anticipated for 2019 (Strategy 26, 30).

- **Completion of Laneway Suites.** The Laneway and Garden Suite Guidelines for established neighbourhoods and pilot project for six infill laneway and garden suites were approved by Council January 2016. In 2017, one of the six infill units was completed. An additional infill laneway suite was near completion by the end of 2018 (Strategy 3).
- **Zone Forward:** Zone Forward continued its work on the development of a new zoning bylaw in 2018. Several changes to zoning regulations were proposed within the draft bylaw including allowing secondary suites to be developed in more building types other than detached buildings,, lower minimum lot area requirements, provisions for relaxation of parking requirements in certain considerations, as well as higher site coverage permitted for multi-unit buildings in medium and high density zones (Strategy 3, 5, 15, 16).
- **National Housing Strategy (NHS).** The NHS was released in November of 2017 with a focus on the renovation of existing affordable housing units and funding for the development of new affordable units. A summary of the National Housing Strategy was provided to members of the Mayor's Housing Commission in February and November 2018. More information on the National Housing Strategy can be found on the federal government's website under "A Place to Call Home." (Strategy 9, 12)
- **Partnerships.** There is on-going communication with the federal and provincial governments, Indigenous and non- profit groups, property owners, developers and landlords to support access to affordable housing and homelessness initiatives. A member of the Saskatchewan Housing Corporation also sits on the Mayor's Housing Commission (MHC). Additionally, in-kind support for homelessness is provided by the City as a member of City Administration sits on the Regina Homelessness Community Advisory Board (RHCAB). In 2018, \$1.75 million in federal funding was committed to organizations working on homelessness in the community including \$750,000 for Housing First. At a municipal level, the City also provided \$60,000 towards a Plan to End Homelessness for Regina which was initiated in early of 2018 (Strategy 7, 9, 21, 28).
- **The Housing Standards Enforcement Team (HSET).** The HSET was relaunched with dedicated resources. The mandate for the team was revised to focus on improving unsafe and unsanitary housing conditions by conducting comprehensive investigations and inspections of sites where multiple aspects of health and safety have been compromised. HSET leverages the expertise and accompany legislation of various agencies to ensure

compromised sites are enforced to minimum health and safety standards. A dedicated coordinator was appointed to be the primary point of contact and to communicate with stakeholders as required. 77 new cases were opened resulting in 75 Orders to Comply issued, 10 dwellings declared as unfit for occupancy, with 1 dwelling demolished. The HSET focuses on working with the property owner(s) to achieve compliance. (Strategy 13)

Summary of Housing Statistics

The housing situation in 2018 saw slight variation from 2017, with a decrease in rental development and increased rental vacancy rates. Following a strong year in 2017 with 752 rental unit starts, 2018 saw a decline of rental starts by 25 per cent at 565 units. The decrease in rental starts were anticipated, given the phase out of tax exemptions for market rental units in newer areas of the city in 2016 and high rental vacancy rates, which are likely to continue until inventory is absorbed. The rental vacancy rate increased to 7.7 per cent in the fall of 2018 compared with 7 per cent in the fall of 2017. While increased vacancy rates may be beneficial to rental households by providing greater choice in the market, most new units continue to be located in the outskirts of the city and are offered at higher rental rates. This trend may create difficulties for families who are challenged with housing affordability and who may have to add the cost of a vehicle to obtain goods, services or employment. Increasing vacancy rates also create a risk that older units in the core areas of the city will see disinvestment, resulting in the deterioration or loss of rental housing stock in existing neighbourhoods.

While rental rates (cost to rent housing) continued to increase modestly by two per cent from 2017, average home prices decrease by four per cent in 2018. After substantial increases in home prices as well as housing starts since 2006, the decreases reflected in 2018 indicate a softening of the market as a result of oversupply. Other external factors such as the new mortgage housing rules that came into effect January 1st, 2018 have resulted in home buyers needing to purchase more modest homes or remain in the rental market. Despite this, vacancy rates for market rental housing have been above the target of three per cent for the third consecutive year. The cost of housing continues to impact Regina's most vulnerable households. As part of the implementation of the CHS and *Design Regina: Official Community Plan Bylaw No 2013-48* (OCP), continued work is necessary to provide safe and affordable housing while also increasing housing diversity, intensifying neighbourhoods and creating complete communities.

With respect to location, distribution of housing incentives reflected a trend towards affordable development in greenfield areas with 75 per cent of affordable units being developed in outlying areas of the city. Tenure of units for housing incentives were favorable for rental development, with 63 per cent of the City's committed funding in 2018 directed towards affordable rental developments.

The following tables include a summary of housing data and trends over the past five years, including targets outlined in the CHS. A full summary of data including Census, CMHC and the real estate data is included in Appendix A.

Table 1: Overall Housing Data and Targets

Indicator	2014	2015	2016	2017	2018	CHS Target
Housing starts	2,223	1,597	1,402	1,923	1,139	n/a
Per cent multi-unit ² of total starts	68%	73%	61%	70%	69%	> 55%
Per cent rental units of total starts ¹	41%	45%	30%	39%	50%	30%
Rental starts (units)	909	716	466	752	565	350-400
Rental vacancy rates ²	3%	5.4%	5.5 %	7 %	7.7%	3%

¹ Includes semi-detached/duplexes, row houses/townhouses, multi-unit buildings.

² Numbers are for fall vacancy rates. Source: CMHC.

Table 2: Affordable and Below Market Rental Housing Statistics

Indicator	2014	2015	2016	2017	2018
Affordable/below market rental units (HIP funded)	22	73	11	60	50
Affordable/below market rental (HIP funded) as per cent of all rental starts	2%	10%	2%	8%	9%
All units receiving a municipal contribution ¹	539	1090	1000	661	546

¹ Municipal contributions include tax incentives for purpose-built rentals, capital incentives for below market/affordable rental and ownership units, and tax incentives for new secondary suites. Reported values are subject to adjustments on an annual basis.

RECOMMENDATION IMPLICATIONS

Financial Implications

Given budget constraints and reallocation of resources to other priorities, implementation of the CHS was limited in 2018 with the equivalent of less than a full-time staff member dedicated to housing. The focus of implementation in 2018 was administration of the Housing Incentives Policy (HIP), and updates to the Mayor's Housing Commission on the Plan to End Homelessness and the National Housing Strategy.

In 2018, the City committed \$1.19 million in capital grants and an estimated value of \$532,404 in new municipal tax exemptions under the HIP. Up to \$2.5 million is allotted annually to housing incentives through the HIP and funded from the Social Development Reserve (SDR); however, the SDR does not have a long-term source of funding at this time.

A member of City Administration also provides in-kind support for the Regina Homelessness Community Advisory Board (RHCAB) to oversee decisions on federal funding under the

Homelessness Partnering Strategy (HPS).

Environmental Implications

The OCP established a target of 30 per cent of population growth over the next 25 years to occur as intensification within the city's infill boundary. Ongoing monitoring of the infill/greenfield split and rental vacancy rates continue. The split for 2018 was 4.9 infill and 95.1 per cent greenfield, which is off target of the objectives from the OCP to direct at least 30 percent of intensification to infill areas. Continued infill and multi-unit development will help the city decrease its environmental footprint with more concentrated population density requiring less expansion of streets, pipes and other infrastructure.

Incentives to encourage housing development where residents can benefit from proximity to jobs, services and be less auto-dependent, were considered with a review of the HIP in 2015. For 2018, only 25 per cent of units receiving capital grants for affordability were located within the infill boundary. This is a decrease from 2017 when 40 per cent of funded units were infill developments. The location of affordable and below market units will continue to be monitored with implementation of the HIP.

Policy and/or Strategic Implications

The strategies of the CHS align with the City's policy objectives as outlined in the housing policies of the OCP. Strategies of the CHS were considered through Zoning Bylaw review in 2018. Several changes to zoning regulations were proposed and will indirectly support future development of affordable housing. In addition, eligibility for federal funding through the National Housing Strategy (NHS) will be governed by new requirements for sustainability, accessibility and affordability. Additional program details on NHS are anticipated for release in 2019.

Accessibility Implications

Development criteria established for eligibility in the City's housing incentives programs encourages development of accessible units. The scorecard used to evaluate applications for capital funding provides additional points for developments that include ten per cent accessible units. This is double the five per cent required as per *The Uniform Building and Accessibility Standards Regulations*.

Other Implications

None with respect to this report.

COMMUNICATIONS

The regina.ca and designregina.ca websites are kept up-to-date with all documents related to the CHS, as well as reports and information on housing data and new policy documents. Updates to the HIP can be found on regina.ca along with a housing brochure and interactive map that allows users to search for incentives based on location and housing type.

City Administration will continue to:

- Notify and communicate with the public and stakeholders on the strategies identified for public consultation in the CHS implementation plan.
- Receive feedback and engage non-profit housing providers, private developers and housing advocacy groups to build partnerships and discuss housing policies and programs of the City.
- Meet with Saskatchewan Housing Corporation and CMHC to discuss how the City's housing policies and incentive programs align with policies and incentives offered by the provincial and federal governments. The MHC provides a forum for discussion, advice and recommendations for the implementation of the CHS.
- Review of the Housing Incentives Policy in 2019 will include engagement with key housing stakeholders.

DELEGATED AUTHORITY

The recommendation in this report is within the delegated authority of the Mayor's Housing Commission.

Respectfully submitted,



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Parks, Recreation & Cultural Services

Respectfully submitted,



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