

November 12, 2019

To: Members
Mayor's Housing Commission

Re: Housing Trust Proposal - North Central Neighbourhood

RECOMMENDATION

That this report be received and filed.

CONCLUSION

Regina resident Jeremy Parnes has been in contact with City of Regina (City) Administration to discuss his proposal to improve the quality and affordability of housing in the North Central neighbourhood through the creation of a housing trust. The purpose of this report is to provide background on the proposed housing trust model and discuss how the model relates to the City's current affordable housing policies.

BACKGROUND

In early 2019, Mr. Parnes shared a proposal with City Administration for the establishment of a non-profit affordable housing trust that would address low-quality housing in the North Central neighbourhood. In the proposal, the non-profit housing trust model would work by:

- Acquiring rental properties in the North Central neighbourhood by assuming the mortgages in scenarios where landlords are in a deficit position or mortgage holders are faced with the prospect of foreclosure.
- Entering into a partnership with the mortgage holder where they agree to delay mortgage payments for five years or outright forgive the mortgage entirely of properties acquired by the trust.
- Using the savings from the mortgage relief and revenue from rental income to invest in the repair of homes owned by the trust.

The residential properties acquired and repaired by the trust would continue to be used for low-income housing. Mr. Parnes believes that there are many properties in North Central where foreclosure is a risk, and therefore that lenders who are exposed will be open to this proposal. He is currently in discussion with local lending institutions. A copy of the proposal is attached in Appendix A.

The proposal states that “unlike private landlord management and other approaches, this model is designed to focus on building families, neighbourhoods and communities by renewing the housing stock, addressing the strengths of families and building community engagement.”

Examples can be seen in the United States and the United Kingdom where trusts have been used to improve affordable housing stock and increase access to rental housing and build capacity for vulnerable populations. This housing model has not been widely used in Canada.

DISCUSSION

City Administration have reviewed the proposal and recognize that if implemented, the housing trust initiative would assist in responding to long standing housing issues in the North Central neighbourhood, including:

- Poor housing quality – In the 2016 census North Central had the highest number of dwellings in need of major repairs (670) or 17 per cent of all dwellings. In addition, the majority of dwellings investigated by the Housing Standards Enforcement Team are located in North Central.
- Vacant lots – The Underutilized Land Study identified 154 vacant lots in North Central, the highest of any neighbourhood in the city.
- Population loss – From 2011-2016 the population of the North Central decreased by 555 people or 5.4 per cent, the greatest decrease of any neighbourhood in the city. Sustained population loss can lead to the loss of local services and amenities (e.g. schools, grocery stores) required to form a complete neighbourhood as well as increased criminal activity as there are less natural surveillance or ‘eyes on the street’.
- Falling home prices – The average sale price for a home in the North Central neighbourhood was \$100,426 in 2018 a decrease of \$64,637 or 39 per cent, from 2014.

At this time the proposal is being submitted to the Mayor’s Housing Commission for discussion.

City of Regina Housing Incentives

Under the City’s current Housing Incentives Policy, capital and tax incentives are available for the creation of new affordable rental housing, not the repair of existing rental housing. Therefore, the housing trust proposal would not be eligible for financial incentives from the City at this time. However, as part of the current review of the Housing Incentives Policy, City Administration have identified a need to create a rental repair tax exemption program which this housing trust model would qualify under if approved. Note that while not applicable to the housing trust proposal, an additional proposed recommendation for the HIP is to establish a three-year tax exemption for newly constructed owner-occupied dwellings in North Central.

Since 2013, the City has contributed \$730,000 in capital grants for the creation of 42 new affordable rental and 11 new affordable home ownership units. In addition to these units, the City has approved tax exemptions for an additional 151 new market rental units within North Central.

Next Steps

City Administration continually monitors the performance and impact of the City’s incentive programs through data collection and discussions with local housing providers to ensure the goals of the HIP are successfully accomplished. As such, Mr. Parnes’ progress with the housing trust initiative will be monitored moving forward and updates provided to MHC if required.

RECOMMENDATION IMPLICATIONS

Financial Implications

There are no financial implications associated with this report.

Environmental Implications

There are no environmental implications associated with this report.

Policy and/or Strategic Implications

Section D6, Goal 3 of *Design Regina: The Official Community Plan Bylaw No 2013-48* encourages collaboration with community partners to advance housing initiatives.

Goal 25 of the *Comprehensive Housing Strategy* is to “work with the development community to develop prototypes of innovative housing forms.”

Other Implications

None with respect to this report.

Accessibility Implications

There are no accessibility implications with this report.

COMMUNICATIONS

None with respect to this report.

DELEGATED AUTHORITY

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

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

10/29/2019

Respectfully submitted,



Diana Hawryluk, Executive Director, City Planning & Community Dev.

11/5/2019