

Request to Exceed Housing Incentives Policy Maximum Annual Commitment for 2019 - Supplemental Report

Date	June 16, 2020
To	Mayor's Housing Commission
From	City Planning & Community Development
Service Area	Parks, Recreation & Cultural Services
Item No.	MHC20-3

RECOMMENDATION

That Mayor's Housing Commission receive and file this report.

ISSUE

Following the March 3, 2020 Mayor's Housing Commission meeting, representatives from North Ridge Development Corporation and City of Regina (City) Administration had further discussions regarding the request to exceed the Housing Incentives Policy (HIP) limit of \$2.5 million for 2019. Administration determined there could be a perception of inconsistency between decisions made in 2019 related to builder maximums and how applications submitted by subsidiaries of North Ridge Development Corporation in prior years had been treated. North Ridge Development Corporation's applications in 2017 and 2018 were reconsidered, resulting in the City retroactively providing capital grants for an additional 20 affordable home ownership units (\$300,000). Amendments to the HIP approved in January of 2020 have clarified the owner and builder limits for future applicants. North Ridge Development Corporation has withdrawn its request to exceed the HIP maximum annual commitment for 2019.

IMPACTS

Financial Impact

The HIP's capital grant program is funded by the City's Social Development Reserve (SDR). As illustrated in the table below, when taking into consideration the City's funding

commitments and in anticipation of committing another \$2.5 million towards 2020 capital grant applications, the remaining balance of the SDR is \$154,227 as of May 15, 2020.

Social Development Reserve Balance	\$7,069,227
Existing Funding Commitments	(\$4,415,000)
Anticipated 2020 Funding Commitments	(\$2,500,000)
Remaining Balance	\$ 154,227

SDR Funding Source

The SDR requires a funding source in order to continue to provide capital grants for affordable housing in 2021 and beyond. Administration has identified general tax revenues as the most reliable and sustainable source of funding for the SDR and will submit a budget request for consideration in the 2021 budget process.

OTHER OPTIONS

No other options were considered with this supplemental report.

COMMUNICATIONS

North Ridge Development Corporation, The Regina & Region Home Builders' Association (RRHBA) and Gilles Holding Inc. will receive a copy of the report and notification of the Mayor's Housing Commission meeting.

DISCUSSION

The HIP limits the number of capitals grants that a non-profit housing provider or private sector developer can receive each year. In 2017, there was a limit of 40 capital grants for affordable home ownership per private sector developer per year. In 2018, the limit was further reduced to 20 capital grants per private sector developer per year.

In 2017 and 2018, Administration received applications from three subsidiaries of North Ridge Development Corporation for separate townhouse projects. At that time, Administration applied the HIP home ownership grant limits to all projects developed under these subsidiaries instead of treating each as an individual applicant. This resulted in these applications receiving fewer capital grants than what was originally requested.

In discussions following the tabling of MHC20-2, North Ridge Development Corporation claimed that these limits were incorrectly applied to its projects and that because each project was under a different name/ownership, the unit limit should apply to each project individually. Administration agreed with this interpretation and the Executive Director of City Planning and Community Development amended the following applications to increase the number of capital grants provided.

Application Number	Applicant	Original Contribution	Revised Contribution	Funding Increase
17-CHIP-07	Caturra Townhomes Development Ltd.	10 Capital Grants (\$130,000)	11 Capital Grants (\$145,000)	\$15,000
17-CHIP-08	The Mills Development Ltd.	18 Capital Grants (\$260,000)	28 Capital Grants (\$415,000)	\$150,000
18-CHIP-08	The Mills Development Ltd.	12 Capital Grants (\$180,000)	20 Capital Grants (\$300,000)	\$120,000
18-CHIP-09	North Ridge Development Corporation	8 Capital Grants (\$120,000)	9 Capital Grants (\$135,000)	\$15,000
			Total	\$300,000

Note that under the HIP affordable home ownership, capital grants are transferred through the developer to the home buyer as either down payment assistance or a reduction in the sale price, meaning that the developer does not receive any direct financial assistance from the City under the HIP.

Also note that as part of the most recent review and update of the HIP, amendments were made to provide a clear distinction between what constitutes an applicant and what constitutes a builder of an affordable housing project. The HIP now includes limits on the number of capital grants an applicant and builder can receive in a year.

DECISION HISTORY

On March 3, 2020, report MHC20-2 was tabled to the next Mayor’s Housing Commission meeting.

Respectfully submitted,



Laurie Shalley, Director, Parks, Recreation & Cultural Services

Respectfully submitted,



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

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