

Appendix A

Establishment of the Regina Housing Trust

*“A strong and vibrant community requires BOTH the involvement
AND the commitment of all its members including its Private
Institutions, its Public Institutions, its Social Institutions and every
individual.”*

Submitted by: Jeremy Parnes

Background:

“Every soul needs its community. Every community needs its soul.”

In order for the city of Regina to be a vibrant and wholly functioning community all areas of our city need to be healthy. Unfortunately, the North Central community continues to struggle with many social issues and as a result there are negative impacts for the city as a whole.

Objective:

The purpose of this proposal is to outline a potential solution for addressing the issues within in the community via a holistic community partnership and identify how Financial Institutions can serve as a positive role model in the community by addressing the rental housing conditions.

Research suggests that addressing the basic needs of food and shelter in a community is fundamental to impacting other social issues. There is a need for a fundamentally different approach to housing in the North Central Community to stop the downward spiral of the neighborhood and create a positive shift with its residents.

This proposal will fully outline the value of establishing a Housing Trust to serve the needs of the North Central Community and clearly outline the role that financial institutions, public institutions (government) and social institutions (NGO’s, service clubs and faith groups) can play in the process.

The Housing Trust model is designed to impact the community at its very core and change the environment from problem to solution.

Present Situation:

In 2002, three levels of government partnered to undertake consultation with all stakeholders in the North Central Community. The purpose was to establish a vision as to how the community of North Central Regina might look in the year 2020. The project identified the groundwork for future community development by creating a Vision Statement, an Action Plan and Action Plan Pillars for Regina North Central.¹ However the community continues to face similar issues as evidenced by the NCCA report of 2017 (attached).

¹ I was retained as the consultant on the project. The full report regarding the North Central Community Partnership is located at: <https://www.regina.ca/business/housing/neighbourhood-plans/north-central-community-partnership/>

The following are the documented challenges for the community:

- Concern about drugs and prostitution and the overall vulnerability of the community.
- Lack of infrastructure to support the community.
- Population living in the community because they believe they have no choice.
- Landlords hoping to collect rent (primarily from social services) and not committed to maintaining their properties.
- Tenants lacking the basic knowledge of home maintenance and upkeep.
- A highly mobile and uncommitted population and as a result a high turnover in enrollment in the community's schools. This guarantees a continuation of the problems in the community into future generations.

There are also positives aspects identified within this report to build upon, particularly, The Mamawayatitan Centre. A shared facility focused on youth and families working collaboratively to improve outcomes in the determinants of health and social well-being. The 108,000-square-foot centre is the first of its kind in Canada, and offers integrated services in one central place including:

- New Scott Collegiate high school
- 33-space child-care centre
- City recreational complex
- Public library branch
- Community policing centre
- First Nations Elders' ceremonial room.

However, without the foundations of home and family, the positive impact of these institutions is minimized. There is a need for a fundamentally different approach, primarily toward housing, in North Central to stop the downward spiral and create a positive shift in the community.

The reality with regard to housing in the community is that the condition and real value of the properties has declined and is not currently worth the mortgages that they carry.

Proposed Solution:

There is a potential solution...to establish the first ever housing trust within Canada by partnering with public, private and social institutions. Research would indicate that the Housing Trust model does not exist within Canada at present. The Housing Trust concept has a proven track record within markets in Great Britain (where it has and continues to operate successfully since the early 1900s) and the United States.

The Housing Trust model is designed to impact the community at its very core and change the environment from problem to solution. It should be noted that this is not a homeownership model but rather designed to stabilize the rental market and build community.

The Regina Housing Trust model is a not for profit organization designed to provide affordable rental housing for low income families. Unlike private landlord management and other approaches this model is designed to focus on building families, neighborhoods and communities by renewing the housing stock, addressing the strengths of families and building community engagement.

Who benefits:

The Model is designed to benefit all parties in the community:

1. The residents of the community will benefit from an improved quality of life and more stable environment.
2. The future generations within the community will benefit from a much-improved home environment supporting the effective schooling and more sound developmental growth.
3. Local business' and other commercial institutions through improved stability within the community providing for better financial conditions in which to do business.
4. The government and non-profit agencies serving the community as a result of having a less transient and more stable population better able to benefit from the services provided.

What is needed to establish a Housing Trust

Inventory is critical to the success of the project. The optimum number of properties needed is between 200 - 250 homes to have the community impact needed to improve the overall social conditions in the neighborhood.

It is common knowledge in the community that some landlords are in a deficit position with regard to their property holdings and the mortgage holders in many cases are faced with the

unpleasant prospect of foreclosure. Financial institutions are faced with write-offs of properties well below their mortgage value as well as the additional costs of foreclosure action (representing somewhere in the region of an additional 20% of the mortgage value). Losses would be high and the associated impact on the community even worse.

The Trust would initially establish the inventory by assuming the mortgages from the mortgage holders or from private landlords wishing to exit their North Central Housing investments. There would be no down payment and the Trust would simply assume the existing mortgages with the relevant financial institutions.

In order for the model to be most successful the Trust would need to assume properties where mortgages would be payment free for a minimum of five years (or in perpetuity). The Trust would commit the rental income from these properties to cover its overhead and to renovating the properties over the five-year period representing between \$40,000 and \$50,000 over the term in renovations to each property.

At the end of the five-year term there would be an assessment of the project and decisions could be made regarding the continuation of the Trust or taking the properties back. Either way the properties in question will have a greater value than when assumed by the Trust.

The role of Financial Institutions?

The Trust would establish the inventory by assuming the mortgages from Financial Institutions or its mortgagees. Proposed below are two options to consider:

1. Transfer title of the properties to the Housing Trust outright. The benefit would be that the Institution's mandate to community support and stabilize the housing market in North Central, would be realized, which ultimately would lead to better market conditions and an improved market. This would mean that the Institution would not have title interest in these properties.
2. Allow the Trust to take them over and forgive the principle and interest for at least five years in order for the properties to be properly rehabilitated. The result would be similar to the above except the Mortgagor would retain an interest in the title and continue to have overall financial exposure.

How would it work?

The goals of the Housing Trust:

To improve the condition of the housing stock.

Contribute to building a sense of community.

Encourage home ownership wherever possible.

Establish a sense of trust and pride in the community.

Help support a more stable home environment for the youth in the community.

The Housing Trust will operate under a three-tier model:

Tier 1: Board of the Trust

The Board of the Trust would ensure proper oversight of the Trust and the Housing Management. The Board Directors would be made up of key stakeholders including representatives from the financial institutions, Saskatchewan Housing Corporation, Social Services, Canadian Mortgage and Housing Corporation and the City.

Tier 2: Management and Staff

The Trust itself will have a Housing Manager and Housing Assistants responsible for the day-to-day operations including:

1. Rent collection
2. Property condition assessment
3. Building a relationship with the tenants
4. Developing an asset determination of the clients' capabilities
5. Establishing community supports such as:
 - A lending library of tools such as lawn mowers and rakes, small hand-tools for effecting minor repairs.
 - Providing advice on how to live within a limited income.
 - Directing tenants toward skills training and employment opportunities.
 - Establishing a relationship with affordable renovators hiring from within the community.

Tier 3: Committee of Non-Government Organizations

A committee will be formed with representatives from the non-profits serving the community, the police service and the North Central Community Center. The objective would be to develop a more symbiotic approach to community development with the groups collaborating rather than working within silos.

Why Me:

Inner City and Social Housing Committee:

Retained by the three levels of government as a consultant. The purpose was to establish a vision of North Central Regina as to how it might look in the year 2020 based on the community's aspirations. All aspects of the community were explored in the assessment. (2002 – 2003)

Continued working in North Central for another 6 months in order to demonstrate how change could be affected within the community by the residents. The response from both the report and the continued work was very positive.

Mayor's Advisory Committee on Social Housing (1 year)

On the steering committee that established the Regina branch of Habitat for Humanity and former Chair of Habitat for Humanity (6 years)

Worked for the Mulberry Housing Trust in London, England and have experience with the benefits of this model for the community.

Presently I am the Rabbi at the Beth Jacob Synagogue where I have served my community and the larger community for the past 20 years.