



MAYOR'S HOUSING COMMISSION

**Thursday, November 5, 2015
4:00 PM**

Henry Baker Hall, Main Floor, City Hall



**Public Agenda
Mayor's Housing Commission
Thursday, November 5, 2015**

Approval of Public Agenda

Minutes of the meeting held on October 1, 2015

Tabled Report

MHC15-7 Condominium Policy Bylaw 2012-14 Review and Policy Update

Recommendation

1. That *The City of Regina Condominium Policy Bylaw, 2012* (Bylaw No. 2012-14) be amended to:
 - a. Be consistent with the Provincial *Condominium Property Act, 1993* and *The Condominium Property Regulations, 2001*, both amended in 2014, by adding a definition for “Rate of Availability” to mean the impact of a conversion of a rental Property to condominiums based on the rental vacancy rate reported by Canada Mortgage and Housing Corporation (CMHC);
 - b. Add a definition of “Neighbourhood Vacancy Rate” to mean the most recent rental vacancy rate reported by CMHC at the Neighbourhood level;
 - c. Add a condition to Section 19 and Section 22 of the Bylaw that the impact of a condominium conversion for buildings of five units or more must not reduce the Rate of Availability to less than three per cent based on the Neighbourhood Vacancy Rate;
 - d. Be consistent with the Provincial *Condominium Property Act, 1993* and the *Condominium Property Regulations, 2001*, add a condition to Section 7, Section 8 and Section 18 that the impact of a condominium conversion must not reduce the Rate of Availability to less than 2.5 per cent for three and four unit properties, Vacant and Designated Heritage Properties based on the Census Metropolitan Area (CMA) or Citywide Vacancy Rate;
 - e. Strengthen the requirements of the Tenant Guarantee to provide guarantee of 24-month tenancy for tenants of a building approved for condominium conversion; and
 - f. Clarify and refine language in the Bylaw as housekeeping amendments.



Office of the City Clerk

2. That the Mayor's Housing Commission provide input on the proposed Bylaw amendments to the Regina Planning Commission for consideration at its meeting on October 7, 2015;
3. That the City Solicitor be directed to prepare the necessary Bylaw to authorize the amendments, as described above; and
4. That this report be forwarded to the October 26, 2015 City Council meeting in conjunction with recommendations from the Regina Planning Commission.

Administration

MHC15-8 Supplemental Report: Condominium Policy Bylaw 2012-14 Review and Policy Update

Recommendation

1. That this report be provided to the Mayor's Housing Commission for informational purposes.
2. That this report be forwarded to the Regina Planning Commission for consideration at its meeting on November 10, 2015 and subsequent approval by City Council.

MHC15-9 Homelessness Partnering Strategy Update

Recommendation

1. This report be received and filed.

Adjournment

AT REGINA, SASKATCHEWAN, THURSDAY, OCTOBER 1, 2015

AT A MEETING OF THE MAYOR'S HOUSING COMMISSION
HELD IN PUBLIC SESSION

AT 4:00 PM

These are considered a draft rendering of the official minutes. Official minutes can be obtained through the Office of the City Clerk once approved.

Present: Mayor Michael Fougere, Chair
Councillor Bryon Burnett
Councillor Bob Hawkins
Councillor Barbara Young
Robert Byers
Blair Forster
Tim Gross
Dave McEachern
Malcolm Neill

Also in Attendance: Deputy City Clerk, Erna Hall
Executive Director, City Planning & Development, Diana Hawryluk
Solicitor, Jana-Marie Odling
Solicitor, Cheryl Willoughby
Manager, Neighborhood Planning, Yves Richard
Manager, Policy & Risk Management, Curtis Smith
Senior City Planner, Jennifer Barrett
Senior City Planner, Charlie Toman

APPROVAL OF PUBLIC AGENDA

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.

APPROVAL OF MINUTES

Councillor Barbara Young moved, AND IT WAS RESOLVED, that the minutes for the meeting held on May 7, 2015 be adopted, as circulated.

ADMINISTRATION REPORTS

MHC15-6 Housing Incentives Policy - Comprehensive Update & Revision

Recommendations

1. That the revisions to the City of Regina *Housing Incentives Policy*, attached as Appendix A, be approved; and,
2. That this report be forwarded to the October 26, 2015 City Council meeting.

Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

MHC15-7

Condominium Policy Bylaw 2012-14 Review and Policy Update

Recommendations

1. That The City of Regina Condominium Policy Bylaw, 2012 (Bylaw No. 2012-14) be amended to:
 - a. Be consistent with the Provincial Condominium Property Act, 1993 and The Condominium Property Regulations, 2001, both amended in 2014, by adding a definition for “Rate of Availability” to mean the impact of a conversion of a rental Property to condominiums based on the rental vacancy rate reported by Canada Mortgage and Housing Corporation (CMHC);
 - b. Add a definition of “Neighbourhood Vacancy Rate” to mean the most recent rental vacancy rate reported by CMHC at the Neighbourhood level;
 - c. Add a condition to Section 19 and Section 22 of the Bylaw that the impact of a condominium conversion for buildings of five units or more must not reduce the Rate of Availability to less than three per cent based on the Neighbourhood Vacancy Rate;
 - d. Be consistent with the Provincial Condominium Property Act, 1993 and the Condominium Property Regulations, 2001, add a condition to Section 7, Section 8 and Section 18 that the impact of a condominium conversion must not reduce the Rate of Availability to less than 2.5 per cent for three and four unit properties, Vacant and Designated Heritage Properties based on the Census Metropolitan Area (CMA) or Citywide Vacancy Rate;
 - e. Strengthen the requirements of the Tenant Guarantee to provide guarantee of 24-month tenancy for tenants of a building approved for condominium conversion; and
 - f. Clarify and refine language in the Bylaw as housekeeping amendments.
2. That the Mayor’s Housing Commission provide input on the proposed Bylaw amendments to the Regina Planning Commission for consideration at its meeting on October 7, 2015;
3. That the City Solicitor be directed to prepare the necessary Bylaw to authorize the amendments, as described above; and
4. That this report be forwarded to the October 26, 2015 City Council meeting in conjunction with recommendations from the Regina Planning Commission.

Blair Forster moved, AND IT WAS RESOLVED, that the report be referred back to the Administration to pursue alternatives for recommendation #1 (e) with respect to the Tenant Guarantee.

ADJOURNMENT

Councillor Byron Burnett moved, AND IT WAS RESOLVED that the meeting adjourn.

The meeting adjourned at 5:40 p.m.

Chairperson

Secretary

October 1, 2015

To: Members,
Mayor's Housing Commission

Re: Condominium Policy Bylaw 2012-14 Review and Policy Update

RECOMMENDATION

1. That *The City of Regina Condominium Policy Bylaw, 2012* (Bylaw No. 2012-14) be amended to:
 - a. Be consistent with the *Provincial Condominium Property Act, 1993* and *The Condominium Property Regulations, 2001*, both amended in 2014, by adding a definition for “Rate of Availability” to mean the impact of a conversion of a rental Property to condominiums based on the rental vacancy rate reported by Canada Mortgage and Housing Corporation (CMHC);
 - b. Add a definition of “Neighbourhood Vacancy Rate” to mean the most recent rental vacancy rate reported by CMHC at the Neighbourhood level;
 - c. Add a condition to Section 19 and Section 22 of the Bylaw that the impact of a condominium conversion for buildings of five units or more must not reduce the Rate of Availability to less than three per cent based on the Neighbourhood Vacancy Rate;
 - d. Be consistent with the *Provincial Condominium Property Act, 1993* and the *Condominium Property Regulations, 2001*, add a condition to Section 7, Section 8 and Section 18 that the impact of a condominium conversion must not reduce the Rate of Availability to less than 2.5 per cent for three and four unit properties, Vacant and Designated Heritage Properties based on the Census Metropolitan Area (CMA) or Citywide Vacancy Rate;
 - e. Strengthen the requirements of the Tenant Guarantee to provide guarantee of 24-month tenancy for tenants of a building approved for condominium conversion; and
 - f. Clarify and refine language in the Bylaw as housekeeping amendments.
2. That the Mayor’s Housing Commission provide input on the proposed Bylaw amendments to the Regina Planning Commission for consideration at its meeting on October 7, 2015;
3. That the City Solicitor be directed to prepare the necessary Bylaw to authorize the amendments, as described above; and
4. That this report be forwarded to the October 26, 2015 City Council meeting in conjunction with recommendations from the Regina Planning Commission.

CONCLUSION

Amendments to the *Condominium Policy Bylaw 2012-14* (Bylaw) were last made and approved on February 24, 2014. With the approval of the *Comprehensive Housing Strategy* (CHS) and implementation plan, Administration committed to a review of the Bylaw in 2015. Since the last policy review, there have been significant changes to the housing market with an increase in the number of

ownership units on the market and an increase of the rental vacancy rate to 4.8 per cent as of April 2015, well above the target vacancy of three per cent established with the CHS. In addition to changes in the housing market since the Bylaw was last reviewed, provincial regulations governing condominium conversions have also been updated. Both *The Condominium Property Act, 1993* and *The Condominium Property Regulations, 2001* were amended in 2014.

Based on the current housing market and new provincial requirements, proposed changes to the Bylaw would support a stable rental market by adding a condition to the Bylaw that the impact of a condominium conversion would not drop the vacancy rate below the targeted three per cent at the neighbourhood level for buildings of five units or more. For three- and four-unit buildings, designated heritage and vacant properties, which are currently exempt from the vacancy rate threshold, a conversion would not be allowed if it would lower the vacancy rate below 2.5 per cent at the CMA (Citywide) level. Stronger wording for the Tenant Guarantee is also suggested to create more assurance for existing tenants of a building approved for condominium conversion. Other housekeeping amendments are proposed to clarify language and definitions in the Bylaw.

As governed by *The Planning and Development Act, 2007* a review of *The Condominium Policy Bylaw* by Regina Planning Commission is required. Amendments as outlined in this report require Council approval.

BACKGROUND

The Condominium Policy Bylaw was established in 2012 following the repeal of the 1994 *Condominium Conversion Policy* in January 2012. The Bylaw's intent is to allow for the orderly conversion of rental properties to condominium ownership while ensuring that condominium conversions do not significantly reduce the supply of rental accommodations in the city. On July 29, 2013, Council considered a report (CR13-110) in which the Administration indicated it would begin a review of *The Condominium Policy Bylaw* as part of the implementation of the CHS. Amendments were brought forward and approved by Council on November 25, 2013. Amendments to the Bylaw increased the vacancy rate at which conversions of properties containing five or more rental units could occur to three percent for both CMA citywide and Zone vacancy rates. Amendments were also made to correct typographical errors in the Bylaw.

In February 2014, given some concern over the potential for the conversion of a partially vacant property, additional restrictions were imposed for the conversion of vacant properties, and to clarify that eviction may not be used to vacate a building for the purpose of conversion. Second, the Bylaw was amended so that properties containing less than three units cannot be converted to condominiums.

Since approval of amendments to *The Condominium Policy Bylaw*, Administration has closely monitored the housing situation and the rental market to identify any challenges to improving rental supply. CMHC reported a city-wide rental vacancy rate of three per cent for the fall of 2014 and 4.8 percent for April 2015. The fall vacancy rate for 2015 should be released in December 2015. The expectation is that the fall vacancy rate will still be well above three per cent, the threshold at which condominium conversion applications can be considered and approved.

DISCUSSION

As a matter of review and updating, Administration has identified definitions and sections of the *Condominium Policy Bylaw* needing amendments as well as housekeeping amendments to ensure the intention of the *Condominium Policy Bylaw* is upheld and to be consistent with the changes to provincial regulations governing condominium conversions.

Mitigating the Impact of Condominium Conversions

Under *The City of Regina Condominium Policy Bylaw, 2012*, the City has the authority to consider applications for any property that contains five or more units when the average of the two most recently published spring or two most recently published fall CMA Vacancy Rates (whichever is closer to the application date) is three percent or higher and the most recently published Zone Vacancy rate is three percent or more based on the published data from CMHC's rental market survey. Buildings of three or four units, vacant buildings and designated heritage properties are currently exempt from vacancy rate thresholds.

In 2014 the Province amended *The Condominium Property Act, 1993* (the Act) and *Condominium Property Regulations, 2001* (the Regulations). Section 8.1 of the Regulations and Clause 10(5)(e) of the Act now state that:

“the conversion must not reduce the rate of the availability of rental accommodation in the area to 2.5% or lower” wherein the rate of availability is defined by the most recent rental apartment vacancy rate as reported by CMHC.

With this amendment to the provincial legislation the City will need to consider the impacts of a conversion and the effect it will have on the vacancy rate if a conversion was to proceed. Therefore, while the three per cent vacancy over two annual reporting periods is the trigger for Administration to consider applications, this new provincial requirement necessitates that Administration also evaluate the impact of a conversion on the rental supply. Administration recommends that a rate of availability (or impact of the conversion) of three per cent vacancy rate be added as a condition of approval for condominium conversions. This would ensure that a conversion will not lead to the vacancy rate falling below the healthy vacancy rate of three per cent.

Second, because the province does not define the “area” to be considered when evaluating the rate of availability, the City is able to decide the scale at which it will consider the impact of a conversion. Historically, CMHC has only reported vacancy rates at a Citywide and Zone level. As of the fall 2014 rental market survey, CMHC has added higher resolution vacancy rate data at the Neighbourhood level, which is accessible through its online Housing Information Portal. This is valuable, as some of the Zones contain several neighbourhoods with dissimilar characteristics and considerable variation in vacancy rates. For example, while the Central Zone has a vacancy rate of 3.2 per cent, vacancies by Neighbourhood range from 1.5 per cent to over seven per cent. Given these disparities, Administration recommends that the impact of a conversion be considered at the Neighbourhood level. To illustrate the impact of this consideration, maps of the CMHC defined Zones (Appendix A) and Neighbourhoods

(Appendix B) are in the Appendices. The Neighbourhood Vacancy Rate tables are included in Appendix C.

Applying the new requirements of the provincial Regulations and Act, Administration recommends amending *The Condominium Policy Bylaw* to include a definition of “Neighbourhood Vacancy” and “Rate of Availability” such that:

“Rate of Availability” – means the impact of the conversion of a rental property to condominiums based on the rental vacancy rate reported in the Canada Mortgage and Housing Corporation’s (CMHC) rental market survey.

“Neighbourhood Vacancy Rate” – means the most recent rental vacancy rate reported by Canada Mortgage and Housing Corporation’s (CMHC) rental market survey at the Neighbourhood level.

Administration recommends that a Rate of Availability of three per cent at the Neighbourhood level be added to Sections 19 and 22 of *The Condominium Policy Bylaw* as a requirement of approval for a condominium conversion for buildings of five rental units or more. This recommended change is in keeping with the target of three per cent rental vacancy established in the CHS and would help to ensure a stable rental market stock and housing diversity at the neighbourhood level.

Finally, changes to the provincial regulations will have an impact on the treatment of three- and four-unit buildings, designated heritage and vacant properties, which are currently exempt from the vacancy rate threshold in *The Condominium Policy Bylaw*. Under provincial regulations, these applications would be considered based on the minimum provincial requirement that the conversion would not lower the vacancy rate, or Rate of Availability, below 2.5 per cent. To provide some additional leniency for these units, the Rate of Availability would be considered at the CMA (Citywide) level. This change would be added to Sections 7, 8 and 18 of the Bylaw.

Administration recommends keeping the Rate of Availability for these units at 2.5 per cent rather than at the three per cent threshold used for all other properties based on the understanding that the conversion of small properties is not likely to have a significant impact on overall rental supply. Similarly, vacant and designated heritage buildings have received more leniency under the Bylaw in order to encourage renovation over demolition.

Amendments to the Tenants Guarantee

In addition to the changes to provincial regulations noted above, Clause 10(5)(e)(ii) of *The Condominium Property Act, 1993* and Form B [Section 7.1] of *The Condominium Property Regulations, 2001* require that:

“the conversion will not create significant hardship for any or all of the tenants of the existing premises, taking into consideration any mitigation plan proposed by the developer;”

Prior to the current Bylaw and the moratorium on condominium conversions, which took effect in 2008, a condominium conversion could not be approved if the vacancy was less than three per cent unless 75

per cent of tenants responding to a survey deemed that the conversion would not create “tenant hardship”. This approach created several challenges, namely the subjective nature of defining and measuring tenant hardship, access to and completion of the survey by a majority of the tenants, and the fact that Administration, who was responsible for administering the survey, was put in the position of having to evaluate conflicting information provided by tenants and property owners. As a result, the 2012 Bylaw removed the tenant survey in lieu of quantifiable measures including a required vacancy rate threshold for the consideration of condominium conversion applications. The vacancy rate requirement and additional hardship mitigation measures, such as the tenant’s right to remain in their apartment for 24 months from the approval, were a response to the large number of condominium conversions that were approved starting in 2007, and to impose minimum requirements of the property owner with respect to current tenants.

In a review of the current Bylaw and in light of the new wording in the provincial regulations, Administration has determined that the language describing the Tenant Guarantee is section 3 (w) of the Bylaw could be amended to create more assurance for the tenant. For this reason, Administration is recommending that the Tenant Guarantee be revised to the following:

“Tenant Guarantee” - means the legal obligation the owner of the Property shall provide to the Tenant which grants the Tenant *(at the Tenant’s option)* the right to live in the Apartment in which the Tenant is residing as of the Application Date, and which becomes a Unit upon the Condominium Conversion of the Property, for two years from the Approval Date, *notwithstanding the term of any existing lease or rental agreement between the Tenant and the owner of the Property* but subject to any provincial legislation pertaining to rental properties;”

The recommended revisions to the definition of the Tenant Guarantee are intended to strengthen the requirements of property owners to address potential hardship by ensuring a 24-month period of tenancy for current tenants in the event of a condominium conversion notwithstanding any previous lease agreements.

Housekeeping Amendments

The current definition of CMA vacancy rate required for the consideration of condominium conversion application is based on an average of the two most recently published spring vacancy rates or the two most recently published fall vacancy rates for the Regina CMA as reported by CMHC. Based on the current market, in which the completion of large rental projects can substantially impact the vacancy rate in a single reporting period, Administration recommends removing “the average of” from the definition. This would ensure that the vacancy rate is above three per cent for a 12-month period before an application would be considered and approved. The proposed definition would read as such:

“CMA Vacancy Rate” - means the two most recently published spring vacancy rates or the two most recently published fall vacancy rates for the Regina CMA, whichever is closer to the Application Date, based on the published Canada Mortgage and Housing Corporation’s rental market survey.

The Zone Vacancy Rate definition would remain the same as the current Bylaw and the conditions for approval as per Sections 19 and 22 of the Bylaw would still include the requirement that both the CMA Vacancy Rate and Zone Vacancy Rate are at or above three per cent.

Second, the current Bylaw includes a definition of Laneway Dwelling Unit as having the same meaning as in *The Regina Zoning Bylaw No. 9250*. However, the definition of Laneway Dwelling Unit is only defined under Direct Control District 14 (DCD-14), which is restricted to two areas of the city. Since Administration is currently working on a Laneway Housing Guidelines and Pilot Project, it is recommended that the definition of a Laneway Dwelling Unit be revised as “a subordinate, self-contained dwelling unit, located above a detached garage with direct access from a rear lane *or an alternative secondary accessory dwelling unit as approved by Council.*” This definition would account for any additional forms of laneway housing such as an at-grade suite (Garden Suites) that may be considered with the upcoming pilot project. It is also consistent with the definition used in the *Housing Incentives Policy*.

Condominium Conversions and the Current Housing Context

Administration does not anticipate a flood of applications following the release of the fall Rental Market Report in December 2015 due to market conditions and existing housing policy requirements:

- A 2011 report prepared for the City by the University of Regina’s Business Centre for Management Development (BCMD) links the flood of condominium conversion applications between late-2007 and late-2008 to the concept of *arbitrage*. Arbitrageurs are investors who identify and take advantage of a price difference between two markets. In this case, the two markets were the rental property market and the residential housing market. In 2007, there was a significant increase in residential house prices, including condominiums, thus making condominiums more attractive to investors. At the same time, rents in Regina were relatively low. When compared to the rest of the country, rents in Regina ranked near the bottom. Because the sale price of an apartment building is directly proportional to its rent, this also meant low selling prices for apartment buildings. This gap between apartment rental income and sale prices of condominium units meant investors saw an opportunity to convert rentals into ownership units. Since then, rents within the city have risen significantly (increasing by 70 per cent since 2008), reducing the gap between the two markets, and thus making condominium conversions less attractive.
- Similarly, there have been a large number of purpose-built condominium units brought to the market in recent years, thus reducing a pent-up demand for affordable, entry-level ownership housing. For example, in the 2006 Census only 12 per cent of all ownership units were not single-family detached homes.¹ With the addition of many multi-unit ownership units on the market (1,489 multi-unit ownership starts since 2013, or 24 per cent of all housing starts), there are currently many more purpose-built, multi-unit condominium units on the market. This is in contrast to 2008-2011 when condominium starts only made up 12.8 per cent of all housing starts. Given the inventory of new condominium units on the market, it is unlikely that there is demand for additional condominium units.

¹ Source: University of Regina Business Centre for Management Development. *City of Regina: Condominium Conversion Policy Report*, May 31, 2011.

- Finally, new rental units that received tax exemption under the *Housing Incentives Policy* (HIP) are restricted from condominium conversion for a period of ten years. The majority of new rental units added to the supply of rental housing since 2008 were built in 2011 – 2015 (totalling 2,248 new rental starts out of 2,510 total rental units since 2008). Since these units have received a tax exemption through the HIP program, new units entering the market since 2011 could not be considered for conversion until 2020 or later and would be subject to the requirements of *The Condominium Policy Bylaw* at that time.²

With equilibrium returning to the market, there should be less demand to convert existing rental apartments. With a significant increase in rents, rental developments have become more financially viable thus lessening the financial interest in conversions that must compete with new condominiums entering the market. This trend has been confirmed by the City of Saskatoon. Saskatoon allows conversions at 1.5 per cent vacancy, yet with a vacancy rate above this threshold since 2008 the City has received approximately six applications (less than 100 units) for conversion since 2009. City officials state that this is because the condominium market has been flooded by new developments and rising rental incomes mean that many landlords are no longer converting and selling their units.

Potential Implications of Bylaw Changes

As per CMHC and Administration's housing projections, the vacancy rate is expected to remain elevated in 2015 and 2016 barring any dramatic changes to the economy and the impacts of several workforce projects in and around Regina. The recommended amendments to *The Condominium Policy Bylaw* will help to ensure that there is not a significant loss of rental apartments to bring the rental vacancy rate below three per cent.

However, it is expected that some rental units will come off the market as the number of available rental units increases; the CHS noted that at least 10 per cent of all rental units are in need of major repair. Those units that are no longer occupied are expected to be the units in most dire need of renovation. In all likelihood, rental buildings requiring renovation will remain rental in the current market rather than undergo the process of conversion only to compete with existing new condominiums on the market. As other cities have observed, with an increase in multi-unit condominium construction in 2013-2015, investment in rental development has increased. Despite these market trends, situations may still exist whereby the conversion of a vacant or heritage building is the only financial alternative for conservation of the building.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

² The exception of this requirement is for units approved for exemption starting in 2014, which were held to a five-year requirement before a conversion would be considered. There are 454 units that fall under this agreement. These requirements also hold true for non-residential buildings converted to residential use for new rental units, including designated heritage buildings.

By focusing on retaining rental housing within existing areas of the city and limiting condominium conversions in areas with a vacancy rate below the threshold of three per cent, *The Condominium Policy Bylaw* supports diverse housing options in all areas of the city. Housing diversity allows households who rent to choose an inner city area, which reduces costs such as car ownership especially for low-income households, supports active forms of transportation, and enables a smaller environmental footprint for residents.

Policy and/or Strategic Implications

Revisions to *The Condominium Policy Bylaw* are aligned with the policy direction of both the *Comprehensive Housing Strategy* (CHS) and *Design Regina: The Official Community Plan Bylaw No. 2013-48* (OCP) to achieve housing diversity, to protect and increase the supply of rental housing, and to retain and regenerate the existing housing stock.

Goals of the OCP include:

- Support attainable housing in all neighbourhoods through ownership, rental housing and specific needs housing (Goal 1, 8.1).

Goals of the CHS include:

- Increase the supply of rental and affordable housing (Goal 1);
- Increase the diversity of housing options (Goal 3); and
- Retain and regenerate the existing housing stock (Goal 2).

Amendments to *The Condominium Policy Bylaw* are intended to stabilize rental supply while housing needs and supply are monitored through the CHS. Information collected through monitoring will allow Administration to continue to evaluate current housing needs and to appropriately adjust housing policies in subsequent years.

Other Implications

None with respect to this report.

Accessibility Implications

Multi-unit rental buildings are required to provide five per cent accessible units as per the requirements of *The Uniform Building and Accessibility Standards Regulations*. There are no requirements for accessible units in purpose-built condominium ownership units.

COMMUNICATIONS

Recommended changes to *The City of Regina Condominium Policy Bylaw, 2012* (Bylaw No. 2012-14) were published on the City's website on August 25, 2015, and an email sent to approximately 200 housing stakeholders to encourage feedback on proposed amendments. As of September 1, 2015, two comments were received and are included in Appendix D.

Although there is no statutory or legal requirement to provide formal public notice of these amendments, notice of the proposed changes will be advertised in the Saturday, October 10 and Saturday, October 17 editions of the *Leader-Post*.

If approved, Administration will develop a Communications Strategy to ensure that the changes to the Bylaw are communicated to the public and interested parties.

DELEGATED AUTHORITY

This report requires approval by City Council.

Respectfully submitted,



Shanie Leugner, A/Director
Planning

Respectfully submitted,



Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by:
Jennifer Barrett, Senior City Planner;
Aman Gill, Policy Analyst;
Janice Solomon, Social Development Coordinator

November 5, 2015

To: Members,
Mayor's Housing Commission

Re: Supplemental Report: Condominium Policy Bylaw 2012-14 Review and Policy Update

RECOMMENDATION

1. That this report be provided to the Mayor's Housing Commission for informational purposes.
2. That this report be forwarded to the Regina Planning Commission for consideration at its meeting on November 10, 2015 and subsequent approval by City Council.

CONCLUSION

Members of the Mayor's Housing Commission considered report MHC15-7 on October 1, 2015. A motion was made at this meeting to refer the report back to Administration for additional consideration regarding the Tenant Guarantee. Recommendation 1(e) of report MHC15-7 included additional wording to be added to the definition of the Tenant Guarantee in *The Condominium Policy Bylaw* in order to strengthen the guarantee, at the Tenant's choice, to be provided with tenancy of 24 months following the approval of a condominium conversion.

Administration has considered several options for the wording of the Tenant Guarantee and is recommending Option #3 in this report, the recommendation proposed in MHC15-7. A summary of the rationale for this decision is provided below and summarized in Appendix A of this report.

As governed by *The Planning and Development Act, 2007* a review of *The Condominium Policy Bylaw* by Regina Planning Commission is required. Amendments as outlined in this report require City Council approval.

BACKGROUND

The Condominium Policy Bylaw was established in 2012 following the repeal of the 1994 *Condominium Conversion Policy* in January 2012. The Bylaw's intent is to allow for the orderly conversion of rental properties to condominium ownership while ensuring that condominium conversions do not significantly reduce the supply of rental accommodations in the city. The 2012 Bylaw was created following a commissioned report by the University of Regina Business Centre for Management Development in 2011 during which time a moratorium on condominium conversions was in place.

When *The Condominium Policy Bylaw, 2012* was created, the requirement for measuring tenant hardship by means of a survey was removed due to the challenges of assessing tenant hardship using a tenant survey as had been done with the 1994 *Condominium Conversion Policy*. Instead, quantifiable measures were added to the Bylaw including a vacancy rate threshold, a 24-month

guarantee of tenancy and a first right of refusal to purchase a condominium unit. These recommendations were based on consultation with former tenants of converted properties as well as property owners. Changes proposed to the Tenant Guarantee in report MHC15-7 were meant to clarify that the 24-month period should be honoured notwithstanding current lease conditions. The proposed amendment does not add any additional length of time to the guarantee that has existed since the 2012 Bylaw came into effect.

DISCUSSION

On October 1, 2015 the Mayor's Housing Commission reviewed report MHC15-7, Condominium Policy Bylaw 2012-14 Review and Policy Update. As this meeting, the following motion was proposed and carried:

“that the report be referred back to the Administration to pursue alternatives for recommendation #1(e) with respect to the Tenant Guarantee.”

Recommendation 1(e) from report MHC15-7 is as follows:

That *The City of Regina Condominium Policy Bylaw, 2012* (Bylaw No. 2012-14) be amended to:

- e. “Strengthen the requirements of the Tenant Guarantee to provide guarantee of 24-month tenancy for tenants of a building approved for condominium conversion.”

The proposed amendments to the Tenant Guarantee are intended to clarify that the 24-month period should be honoured at the tenant's option, notwithstanding current lease conditions. This proposed change does not add a Tenant Guarantee to the Bylaw where one did not exist, nor does it add additional time to the guarantee in the current Bylaw.

Based on the motion at Mayor's Housing Commission and additional analysis and background research, Administration has considered alternatives for the Tenant Guarantee. Administration is recommending Option #3, the amendment proposed in recommendation 1(e) of report MHC15-7.

Provincial Requirements

In 2014, amendments were made to the provincial regulations governing condominium conversion including *The Condominium Property Act, 1993* (the Act) and *Condominium Property Regulations, 2001* (the Regulations). As a part of these amendments, additional language was added to the regulations to address the issue of tenant hardship. More specifically, the language in Clause 10(5)(e)(ii) of *The Act* and Form B [*Section 7.1*] of *The Regulations* require that:

“the conversion will not create significant hardship for any or all of the tenants [emphasis added] of the existing premises, taking into consideration any mitigation plan proposed by the developer.”

The provincial documents do not provide a definition of tenant hardship. Therefore, for the purpose of assessing tenant hardship and for this discussion, the definition of tenant hardship is derived from The 1994 *Condominium Conversion Policy*, which is consistent with other policy and bylaw definitions. Hardship is defined as “difficulty caused by condominium conversion that relates to:

- i) affordability;
- ii) ability to acquire other accommodation;
- iii) access to services (e.g., neighbourhood shopping, medical, social, and recreational);
and/or
- iv) neighbourhood displacement.”

The *Condominium Policy Bylaw* focuses on the availability of rental units using a vacancy threshold to measure whether a conversion can be approved or not. However, tenant hardship is meant to consider more than just whether or not there are other units available. Tenant hardship also takes into consideration affordability, adequacy of units, and the ability for a household to remain in their neighbourhood or to have access to services that are available in their present location. Therefore, the Tenant Guarantee in the Bylaw is meant to allow ample time for a household to locate a new home taking all of these factors into consideration.

Next, the relationship between landlord and tenant is governed by the provincial *Residential Tenancies Act (The Tenancies Act)*, which places restrictions on the eviction of tenants. These requirements also govern units undergoing conversion. Therefore, while a conversion is underway and for units that remain rental after a conversion has taken place, any action on the part of the property owner would be subject to provincial regulations. The wording of the Tenant Guarantee notes that the requirements are “subject to any provincial legislation pertaining to rental properties”.

The requirements of *The Tenancies Act* prevent a landlord from evicting a tenant from a unit for the sole purpose of a condominium conversion, to sell a converted unit, or to rent to another household without other justification for eviction. As per *The Tenancies Act* there are a limited number of circumstances under which a tenant can be evicted; these include rental agreement violations, damage to the property, and non-payment of rent. Besides these situations, the only other time a landlord could evict a tenant without cause is if the landlord or a close family member intended to occupy the unit, or if a major renovation requires vacating the building. Similarly, any lease agreement between a tenant and a former owner of a rental unit must be honoured by a purchaser, should the unit be sold. Therefore, subject to provincial regulations, a condominium conversion cannot be used to evict a tenant unless a formal lease agreement between the landlord and tenant does not exist, there is a violation of a lease agreement, the owner or a close family member intend to live in the unit, or a major renovation. These provincial requirements impact the City’s ability to impose regulations in *The Condominium Policy Bylaw* that would diminish the rights of a tenant. The impact of these requirements on the options considered for a Tenant Guarantee are included in the summary of options outlined below.

Tenant Guarantees in Other Municipalities

Administration has undertaken additional background research on best practices and has reviewed the recommendations of the report commissioned in 2011 that offered the recommendations used for the 2012 Bylaw. Although municipalities in several other provinces simply defer to provincial regulations, such as *The Tenancies Act*, in Saskatchewan *The Condominium Property Act* requires that municipalities provide evidence that tenant hardship has been addressed. Through a scan of the condominium policies, other cities have addressed tenant

hardship through specific guarantees in their condominium conversion policies similar to Regina. The tools used to mitigate hardship for renters in Regina's Bylaw including a vacancy rate threshold, a guaranteed period of tenancy, and first right of refusal on the option to purchase the unit, are consistent with other municipalities both within and outside of Saskatchewan. As it relates to the Tenant Guarantee, Regina's provisions are also aligned with other municipalities. Saskatoon requires a tenant guarantee of two years with a requirement that the rent charged for a converted unit not exceed the average rent for comparable units in the area, thereby imposing rental rate requirements in addition to a length of guaranteed tenure. Prince Albert includes a one-year tenant guarantee but restricts the conversion of vacant buildings to those that are vacant by order of Fire, Health or Bylaw, thereby increasing the restrictions on the conversion of vacant building when compared to Regina's Bylaw. Winnipeg provides a guarantee for two years or the length of time that the tenant has already occupied the unit, whichever is longer. In Edmonton and Calgary, condominium conversions are governed only by provincial regulations.

Tenant Guarantee Options

Administration has considered four options, which are summarized below. A summary table of the options and the pros and cons is also included in Appendix A.

Option 1: That the Tenant Guarantee be waived when the neighbourhood vacancy rate is above a certain percentage.

This approach addresses the discussion and motion of the Mayor's Housing Commission at the October 1, 2015 meeting. While this approach allows more flexibility on the part of the property owner, there are several challenges with waiving the Tenant Guarantee based on a vacancy rate threshold.

First, while the vacancy rate in a neighbourhood provides evidence of rental availability, a measure of vacancy rate can mean a vastly different number of units due to the difference in the inventory of rental units in each neighbourhood. For example, a six per cent vacancy in Whitmore Park represents 19 units, while a six per cent vacancy in the neighbourhood known as Northwest equals 61 units. This could result in more rental units being converted and residents displaced than there vacant units available after the conversion. For this reason, Administration also considered a requirement that an absolute number of units be available, for example, that a Tenant Guarantee could be waived only in the instance that the vacancy rate is equivalent to or greater than the units approved for conversion.

Similarly, vacancy rate levels may not address housing diversity and affordability that may contribute to tenant hardship. With many newcomers making up the majority of our population growth, a larger proportion of families are seeking rental accommodations, and larger units with three or more bedrooms are in demand. While some neighbourhoods have a higher proportion of larger units, data shows that the majority of new units being added to the rental market are one and two bedrooms. For example, between April 2014 and April 2015 only 2.4 per cent of new rental units built were three or more bedrooms. This means that even in areas with high vacancies certain types of units may be difficult to find.

In addition, for the conversions that took place between 2007 and 2011, all buildings were those constructed between 1962 and 1977. As reported by Canada Mortgage and Housing Corporation (CMHC), buildings of this time period typically have average rental rates that are significantly

lower than newer construction. For example, buildings constructed between 1960 and 1974 have average rents that are 34 per cent less than units built after 2005. Thus, while high vacancy rates may suggest that other units are available in a neighbourhood where a conversion is underway, these units may not address affordability requirements of existing tenants. Considering tenant hardship simply from the perspective of the availability of rental units based on vacancy rate may not address the complexity of the issue when a household must find a new home due to a conversion.

Next, the relationship between landlord and tenant is governed by *The Residential Tenancies Act (The Tenancies Act)*, which places restrictions on the eviction of tenants including requirements for renovations, sale of the unit, and eviction for the purpose of renting the units to another tenant. Therefore, in the case of a conversion, a vacancy rate threshold established by the City could not be used to substantiate eviction of an existing tenant.

Finally, an approach to the Tenant Guarantee that would waive the requirement based on vacancy rate criteria will likely create a climate of uncertainty and fear among tenants who may not understand or know how to access vacancy rate data and may be unclear as to when and how the vacancy rate threshold may be applied. Based on the provincial requirement that “the conversion will not create significant hardship for any or all of the tenants of the existing premises”, waiving any tenant guarantee under certain conditions may not provide an equitable treatment for all tenants impacted by a condominium conversion.

Option 2: That the Tenant Guarantee be waived when the neighbourhood vacancy rate is above a certain percentage with the exception of designated heritage buildings undergoing conversion.

Administration has also given consideration to an Option 2 with a restriction on waiving the Tenant Guarantee if the building undergoing conversion is a designated heritage building. While the vacancy rate threshold protects the availability of rental units by limiting conversions when vacancies are below three per cent, this restriction is waived for designated heritage buildings where the vacancy rate is measured at the citywide level using the vacancy threshold of 2.5 per cent required by provincial regulations.

Administration accepts that the conversion of a designated heritage building may be a means of building conservation, yet this approach means that tenants of a heritage building are more vulnerable than residents of other conversions because of the more lenient vacancy requirements. Since these buildings are typically older and statistically have lower rental rates, affordability is likely a significant issue for these households. Saskatoon addresses this by establishing that the tenant guarantee also requires that rental rates not exceed the rent charged for comparable residential premises in the area. With no such requirement in Regina, by lessening the requirements around the Tenant Guarantee, the City may risk displacing tenants for whom affordability may be more of an issue than availability of rental units. For these reasons, the Tenant Guarantee is meant to offer time to locate another unit that is adequate for a household and to address multiple aspects of tenant hardship by providing a guarantee of tenancy that would allow a household ample time to find a new home.

Similar to Option 1, the concern for this approach is potential conflicts with *The Tenancies Act* and that this approach may create a climate of uncertainty and fear amount tenants who may not

understand or know how to access vacancy rate data and may be unclear as to when and how the vacancy rate threshold may be applied.

Option 3: Retain the current recommended amendment 1(e) of report MHC15-7

A two-year Tenant Guarantee was the recommendation of the 2011 University of Regina Business Centre for Management Development (RBCMD) report, which formed the basis for the 2012 Bylaw. This report deemed a two-year period as a ‘moderate’ intervention that balanced renters’ needs with property owners’ interests. The Tenant Guarantee was also based on mitigation techniques that had been applied during conversions starting in 2007 to offer some security to tenants during the conversion process. The Tenant Guarantee does not preclude the property owner from proposing other mitigation strategies to help with a Tenant’s relocation in lieu of an extended tenancy. The tenant is also not mandated to accept a Tenant Guarantee and may choose to leave the unit to avoid the uncertainty of a conversion.

Within the context of provincial tenancy regulations, the Tenant Guarantee formalizes some of the requirements of provincial regulations, such that a property owner may not evict a tenant for the purpose of a condominium conversion, and attaches a period of time for any lease agreements to provide some assurance to current tenants. Given that tenants may be at different stages of a lease agreement or under different types of tenancy, for example a fixed tenancy (long-term lease) versus a periodic tenancy (a month-to-month arrangement), the Tenant Guarantee is meant to provide a uniform period of tenancy to be equitable to all existing tenants. The RBCMD report also notes that in periods of high vacancy, when conversions would be allowed, existing tenants could be an asset to a property owner while the conversion is underway. Since many units converted between 2007 and 2011 were sold as investment properties, the report also notes that having a stable tenant made the units more marketable to investors helping with the long-term stability of the building. It is also noted in the report that a high percentage of rented units in buildings immediately following the conversions at this time was likely due to a saturation of condominium units on the market, a trend that exists in today’s market. This information is also substantiated by comments received by Administration for the current review of the policy.

While the Tenant Guarantee is intended to provide some assurance for the tenant, it is also subject to provincial regulations under *The Tenancies Act* that may limit an extended tenancy in certain situations. Should the purchaser of a newly-converted unit wish to live in the unit or offer the unit to a close family member, he or she could give due notice to the tenant to move. This would be the only situation in which an existing lease agreement transferred from property owner to purchaser could warrant eviction. Further, if the building is to undergo a major renovation, *The Tenancies Act* establishes parameters to regulate when an eviction of tenants is allowed and would be considered in the case of a condominium conversion.

Since completion of a conversion takes time, the Tenant Guarantee may also offer an opportunity for a tenant to remain in their unit while they save to purchase the unit as they are allowed a first right of refusal when the unit is available for purchase. As per the City’s Bylaw, a two-year timeframe from the approval date for a conversion, to the completion of a condominium plan and titles for the conversion, is allowed. This timeline aligns with the period of the Tenant Guarantee. Thus an established period of tenancy for current tenants combined with a first right of refusal

could help alleviate tenant hardship and displacement by helping tenants achieve homeownership and remain in their home.

Finally, the recommended Tenant Guarantee is the most straightforward to communicate to tenants and property owners and is easiest for the Administration to enforce. Other proposed options will likely create some confusion among tenants and property owners requiring resources to address issues arising from the concerns of tenants as was prevalent during the period of conversions starting in 2007. Similarly, Administration did not hear any concerns from stakeholders contacted during the Bylaw review process in August-September 2015, which included building owners involved in previous conversions.

Option 4: Retain the current Tenant Guarantee

The third Option considered by Administration is to remove Recommendation 1(e) from report MHC15-7 to keep the Tenant Guarantee in the existing Bylaw stated as such:

“Tenant Guarantee means the legal obligation the owner of the Property shall provide to the Tenant which guarantees the Tenant the right to live in the Apartment in which the Tenant is residing as of the Application Date, and which becomes a Unit upon the Condominium Conversion of the Property, for two years from the Approval Date, subject to any existing lease conditions and any provincial legislation pertaining to rental properties.”

The current Tenant Guarantee creates several challenges, namely that it does not address the provincial requirement that municipalities are required to mitigate hardship for any and all tenants as month-to-month tenants or those nearing the end of their lease agreement would have no guarantee or recourse to stay in their units once a condominium conversion is approved. Similarly, the Guarantee is worded in such a way to suggest that current lease agreements may supersede the Tenant Guarantee making the Guarantee unenforceable. Further, as stated in the Tenant Guarantee, any municipal requirements are subject to “any provincial legislation pertaining to rental properties.” As provincial requirements determine, the end of a lease agreement is not reason alone for the termination of tenancy. Given the issues with the wording of this Tenant Guarantee, this approach would likely create confusion among tenants and property owners, as well as fear and uncertainty for tenants who are unclear how and when their tenancy will be impacted.

Conclusion

As noted in this report, City Administration recommends that recommendation 1(e) of report MHC15-7 be maintained as part of the Condominium Policy Bylaw Review and Update in order to address provincial requirements to mitigate hardship for any and all tenants of a building undergoing conversion. As noted in the summary of options, the Tenant Guarantee of 24 months was established in the 2012 Bylaw through extensive consultation with tenants and property owners. It is also in alignment with other municipalities and the period of time allowed for a conversion to be finalized.

With the on-going implementation of the *Comprehensive Housing Strategy*, Administration will continue to monitor the housing market to assess vacancies and housing demand. As has been

observed in the past, although Regina's vacancy rate is currently above the target of three per cent, and is expected to increase, vacancy rates can change in a matter of years as manifest between 2012 and 2015, when vacancy rates rose from 0.6 per cent to 4.8 per cent. With a slowing in housing construction in 2015, the absorption of just over 200 units could drop the city back to a vacancy of three per cent. As economic growth is expected to improve in 2016 and several large infrastructure projects are on the horizon, Regina's vacancy rate could be subject to further fluctuation. For this reason, Administration recommends proceeding with caution when it comes to leniency regarding mitigation for tenant hardship.

Updates on housing statistics and trends will be brought to the Mayor's Housing Commission when the fall Rental Market Report is released at the end of this year, and for an annual update on Housing Strategy implementation in Q2 of 2016. Any significant changes to housing data will also be brought forward as required, including issues related to condominium conversions.

RECOMMENDATION IMPLICATIONS

Financial Implications

None with respect to this report.

Environmental Implications

By focusing on retaining rental housing within existing areas of the city and limiting condominium conversions in areas with a vacancy rate below the threshold of three per cent, *The Condominium Policy Bylaw* supports diverse housing options in all areas of the city. Housing diversity allows households who rent to choose a neighbourhood that meets their daily needs including access to services, amenities and employment, which in some cases may reduce costs such as car ownership.

Policy and/or Strategic Implications

Revisions to *The Condominium Policy Bylaw* are aligned with the policy direction of both the *Comprehensive Housing Strategy (CHS)* and *Design Regina: The Official Community Plan Bylaw No. 2013-48 (OCP)* to achieve housing diversity, to protect and increase the supply of rental housing, and to retain and regenerate the existing housing stock.

Amendments to *The Condominium Policy Bylaw* are intended to stabilize rental supply while housing needs and supply are monitored through the CHS. Information collected through monitoring will allow Administration to continue to evaluate current housing needs and to appropriately adjust housing policies in subsequent years.

Other Implications

None with respect to this report.

Accessibility Implications

Multi-unit rental buildings are required to provide five per cent accessible units as per the requirements of *The Uniform Building and Accessibility Standards Regulations*. There are no requirements for accessible units in purpose-built condominium ownership units.

COMMUNICATIONS

Recommended changes to *The Condominium Policy Bylaw, 2012* (Bylaw No. 2012-14) were published on the City's website on August 25, 2015, and an email sent to approximately 200 housing stakeholders to encourage feedback on proposed amendments. Two comments were received and included in report MHC15-7. No comments related to the proposed amendments to the Tenant Guarantee were received. A second email to explain that the reports will appear before committees and Council in November was sent on October 23.

Although there is no statutory or legal requirement to provide formal public notice of these amendments, notice of the proposed changes will be advertised in the Saturday, November 7 and Saturday, November 14 editions of the *Leader-Post*.

DELEGATED AUTHORITY

The Condominium Policy Bylaw, 2012 requires City Council approval and will be considered by City Council upon recommendation by the Regina Planning Commission.

Respectfully submitted,



Shanie Leugner, A/Director
Planning

Respectfully submitted,



Diana Hawryluk, Executive Director
City Planning and Development

Report prepared by:
Jennifer Barrett, Senior City Planner

APPENDIX A - CONDOMINIUM POLICY BYLAW SUPPLEMENTAL REPORT

Evaluation of options:

Option	Pros	Cons
<p>Option 1: Waive requirement if neighbourhood vacancy rate above a certain threshold and that an equal number of units are available (vacant) as have been converted</p>	<ul style="list-style-type: none"> - Attempts to address restrictions placed on owners who wish to rent to new tenants or sell the unit once the conversion has occurred by using vacancy rate as a measure of availability. 	<ul style="list-style-type: none"> - Percentage of units vacant can mean vastly different numbers of units depending on neighbourhood - Given dissimilar characteristics within a neighbourhood, vacancy rate does not account for other factors contributing to tenant hardship including affordability, adequacy of housing (size or type) and access to services, schools or transit that may reduce options for tenant needing a new home. - <i>The Residential Tenancies Act</i> places restriction on eviction for the purpose of conversion, re-renting a unit, and for certain types of renovation. Therefore, this approach would conflict with provincial regulations by suggesting that a vacancy rate threshold could allow eviction. - May be confusing for tenants who are not familiar with vacancy rate data creating a climate of fear and uncertainty. - May remove opportunity for current renter to purchase unit.
<p>Option 2: Waive requirement if neighbourhood vacancy rate above a certain threshold <u>except</u> in the case of a designated heritage building</p>	<ul style="list-style-type: none"> - Attempts to address restrictions placed on owners who wish to rent to new tenants or sell the unit once the conversion has occurred by using vacancy rate as a measure of 	<ul style="list-style-type: none"> - Challenges with Option 1 still exist, namely conflicts with <i>The Residential Tenancies Act</i>. - More challenging to

	<p>availability.</p> <ul style="list-style-type: none"> - Provides for a tenant guarantee in case of heritage buildings, which are not subject to the neighbourhood vacancy rate before a conversion is allowed. 	<p>understand for tenants and property owners than Options 1, 3 or 4.</p> <ul style="list-style-type: none"> - May be confusing for tenants who are not familiar with vacancy rate data creating a climate of fear and uncertainty.
<p>Option 3: Keep current amendment to strengthen 24-month tenant guarantee (Recommended option)</p>	<ul style="list-style-type: none"> - Addresses provincial requirements to alleviate hardship for <u>any and all</u> tenants - Current Bylaw includes a 24-month guarantee; amendment simply clarifies whether or not current lease agreements supersede the guarantee - Follows tenant guarantee of other jurisdictions. - Easy to understand for tenants and landlords because not subject to vacancy rates. - Considered a ‘moderate’ approach in 2011 policy evaluation; recommendation was based on mitigation strategies used by property owners to address tenant hardship during conversions. - No criticism of this change during the consultations in 2015. - May allow tenant time to save for down payment and purchase the unit. - Does not preclude property owner from providing alternative mitigation such as relocation assistance in lieu of extended tenancy. - If vacancies are high enough to allow for a conversion, a guarantee may be advantageous to landlord to have a stable tenant and a committed lease arrangement. - For purposes of a purchaser buying a unit to be owner-occupied, or a major renovation requiring vacating the building, the <i>Tenancies Act</i> would supersede the Tenant Guarantee allowing for flexibility for a building or unit owner. - Most straightforward to enforce by Administration. 	<ul style="list-style-type: none"> - May create limitations for property owners during the conversion of a condominium or once the conversion has been completed.

<p>Option 4: Return to former tenant guarantee whereby the 24-month guarantee is subject to existing lease agreements</p>	<p>- Exists in current bylaw and has been in Bylaw since 2012.</p>	<p>- Does not address provincial requirements to mitigate hardship for <u>any and all tenants</u> as month-to-month tenants or those with a short-term lease would have no guarantee or recourse to stay in their units once a condominium conversion is approved.</p> <p>- Limits guarantee for tenants because current lease agreements may supersede the guarantee making the guarantee unenforceable.</p> <p>- May create fear and uncertainty for tenants who are unclear how and when their tenancy will be impacted.</p>
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November 5, 2015

To: Members,
Mayor's Housing Commission

Re: Homelessness Partnering Strategy Update

RECOMMENDATION

This report be received and filed.

CONCLUSION

Through the Federal Government Homelessness Partnering Strategy, the Regina community receives funds each year for five years (2014-2019) to address homelessness under the strategic direction of the Community Advisory Board and leadership of the Community Entity (YMCA). The Community Advisory Board leads the development and implementation of the Community Plan on Homelessness and makes decisions on funding. It is made up of members of the public and non-profit sectors.

In addition to supporting many community-based organizations to deliver programs and services, 2015 funds have been used to support a Point-in-Time Count and Housing First model. Regina's first-ever Point-in-Time Count on Homelessness (PIT Count) was completed in May, 2015. The count involved teams of volunteers assigned to specific geographical areas counting and surveying the sheltered and unsheltered populations over a 24-hour period. The 2015 PIT Count provides a snapshot of the population experiencing homelessness to help better understand the extent of the issue in Regina and the key demographics and self-reported needs of those experiencing homelessness. It also provides baseline data to measure the effectiveness of interventions, such as Housing First.

The Federal Government renewed the Homelessness Partnering Strategy with the expectation that communities will reduce the size of their homeless population. Housing First has been identified by the Federal Government as the approach to make the shift from simply managing the issue by placing the homeless in emergency shelters and other temporary placements to actually reducing the size of the homeless population by providing permanent housing. Permanent housing is then complemented by providing support services to assist clients to maintain their housing and work towards community stability and inclusion.

The shift to Housing First requires some change in the way service providers deliver programs and services, collect and manage data, and work in collaboration with each other and with new partners, such as landlords and property managers. As a result, a Housing First model and implementation plan is currently being developed based on Regina resources, information in the PIT Count, best practices and extensive community consultations. The model is expected to be presented to the community in November. A minimum of \$400,000 in federal funds is earmarked for Housing First and will be allocated to the community in early 2016 to deliver a pilot project to test the model.

BACKGROUND

Administration provides regular updates to the Mayor's Housing Commission on the activities of the Homelessness Partnering Strategy. The strategy provides funds to 69 communities across Canada to address homelessness issues. The Regina community receives approximately \$1.1 million each year over five years (April 1, 2014 to March 31, 2019) to support the priorities identified in the Regina Community Plan on Homelessness. The priorities for 2015 are completing a PIT Count and analysis of the survey data and developing a model and implementation plan on Housing First to be implemented in 2016.

DISCUSSION

To receive federal funds, the Homelessness Partnering Strategy requires communities to develop a five-year community plan on homelessness based on community consultation and input. Regina's Community Plan identifies a PIT Count and a Housing First model for Regina as 2015 priorities. These priorities are foundational pieces and will influence and direct the work of the Homelessness Partnering Strategy during the remaining three years of the program.

Point-in-Time Count on Homelessness

On May 13, 2015, approximately 150 volunteers and 34 community partners came together to enumerate and survey Regina's homeless community under the leadership of the Community Entity (YMCA) of the Homelessness Partnering Strategy. This was Regina's first-ever PIT Count. A PIT Count is a research tool used to gather a snapshot of homelessness over a 24-hour period. The count has two major components:

- An enumeration, which counts the number of homeless individuals staying in emergency shelters, transitional housing, on the street and in public systems such as detoxification systems; and
- A survey of the homeless population to identify the key demographics and the self-reported needs of the homeless.

In Regina, the findings of the count are being used as follows:

- Bring increased understanding of the characteristics of the homeless in Regina;
- Provide baseline data to measure progress on ending homelessness over time;
- Develop a stronger culture where data on homelessness regularly plays a role in planning and implementation;
- Improve system planning and program development;
- Help mobilize the community around homelessness issues; and
- Build capacity in Regina to complete future counts.

Regina's PIT Count was part of a broader effort by the Federal Government to develop a harmonized approach to homeless counts across Canada. Regina was the first community in Canada to fully implement the National Homeless Count approach, leading the way in Canada.

A PIT Count has several limitations. It is important to recognize that a PIT Count is only a snapshot of sheltered and unsheltered homeless people on a single night. The PIT Count does not attempt to capture the hidden homeless or those at risk of homelessness. No consistent methodology exists at this time to gain reliable information about these issues. Despite best

efforts to develop rigorous methods and canvas known areas in a community, PIT Counts inherently undercount the number of homeless. As well, PIT Counts rely on service provider information and client surveys, which can have errors and omissions.

Regina’s next PIT Count is expected in 2017 and every two years going forward to ensure progress is being made on reducing homelessness. Based on the recommendations from those involved in the count and project, some changes will be made to improve future counts. However, the goal is to ensure consistent methods for comparability with the 2015 count and national standards.

Key Findings of the Snapshot of Homelessness in Regina

A total of 232 individuals were enumerated on the night of the count. Results show the following:

- 54.3% (126) were in emergency shelters
- 26.7% (62) were in a transitional housing facility
- 12.1% (28) were on the street
- 6.9% (16) were in a detoxification centre

Among these, 3.4% (8) were either observed or self-reported that they were sleeping rough (in parks, on the street, or somewhere else outdoors).

Demographics

Among the 232 individuals enumerated, 28.4% (66) participated in the survey. As well, facility staff reported data on observed demographics. The low response to the survey does impact the reliability of the results. Caution is encouraged in interpreting the survey results. The survey results, however, do offer general direction and identify issues for the community to discuss further.

From these sources, the following demographics emerged:

KEY DEMOGRAPHICS	PERCENT	SAMPLE SIZE	SOURCE
Female	34.6% (72)	208	Street Survey/ Observed Facility Data
Male	64.4% (134)	208	
Children (0-18)	36.8% (63)	171	
Youth (0 up to 24)	42.7% (73)	171	
Seniors (65+)	0.6% (1)	171	
Aboriginal	75.0% (135)	180	
Immigrant	4.8% (3)	63	Street & Facility Survey – Self- Reported
New to Community (<1 year)	28.3% (18)	63	
Veterans – Canadian Military & RCMP	7.8% (5)	64	
Respondents with Accompanying Children	13.6% (9)	64	
First Experienced Homelessness as Children	32.8% (21)	64	
Experiencing Chronic or Episodic Homelessness	45.5% (30)	66	

Self-Reported Medical Condition, and/or Addiction, Mental Health Condition	80.3% (51)	64	
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Please note: Sample size in this table and the following table means the total number of completed interviews for which the data was collected.

Please note: The gender percentage includes 1% other gender categories.

As well, survey participants were asked about the number and types of public system interactions over the 12 months prior to the count. Response rates for this question varied and ranged from 65.2% to 87.9%.

PUBLIC SYSTEM INTERACTIONS OVER PAST 12 MO. (ALL SURVEYS)										
	Times hospitalized	Days hospitalized	Times used Emergency/Medical Services (ambulance)	Times in hospital emergency room	Times in-teractions with child protection services	Time inter-actions with police	Times in jail	Days in jail	Times to prison	Days in prison
Total	111	633	106	145	85	183	48	1279	15	6796
No Answer	8	16	13	15	12	14	11	16	14	23
Sample Size	58	50	53	51	54	52	55	50	52	43
Average per Respondent	1.9	12.7	2.0	2.8	1.6	3.5	0.9	25.6	0.3	158.0
Response Rate	87.9%	75.8%	80.3%	77.3%	81.8%	78.8%	83.3%	75.8%	78.8%	65.2%

Persons experiencing homelessness can be substantial users of social and human services being delivered by wide-ranging public and non-profit organizations. Housing First has the potential to impact the effectiveness of the services. The goal is to educate the community on Housing First and to mobilize the community around Housing First.

Survey participants were asked about the reasons keeping them from finding a place. The top five reasons are:

1. Rents too High – 56.1% (37)
2. Low Income – 42.4% (28)
3. Family Breakdown/Conflict – 21.2% (14)
4. Poor Housing Conditions - 21.2% (14)
5. Health Disability Issues – 19.7% (13)

As well, 13.6% (9) of participants mentioned specific “other” reasons, including not finding the right place; being irresponsible; being scared to ask for help as asked for help in the past and did not receive it; feeling betrayed by social services; and never having had own place.

Housing First

In its renewal of the Homelessness Partnering Strategy, the Government of Canada identified Housing First as the key strategy to reduce homelessness. Housing First is both a program and a philosophy. It involves moving people who are experiencing homelessness into permanent housing as quickly as possible and then providing the additional supports to remain housed. It is based on the principles that people can deal with their issues such as medical conditions, alcohol

and drugs if in stable housing. This is in sharp contrast to more conventional methods that expect people to prove their readiness to be housed before housing placement.

The Community Advisory Board and Community Entity have contracted McNair Business Development to develop a Housing First model and implementation plan for Regina based on the findings of the PIT Count, best practices, Regina resources and extensive community consultations. The proposed model will be presented to the community in November 2015. The Mayor's Housing Commission will receive the information.

The Housing First model will be implemented as a pilot project during the 2016-2017 fiscal year with a minimum of \$400,000 being directed to the program. The plan is to grow the program over the years.

RECOMMENDATION IMPLICATIONS

Financial Implications

There are no financial requests of the City related to this report. The work on homelessness is being funded through the federal government Homelessness Partnering Strategy. The federal funds are housed at the YMCA (Community Entity) and allocated based on the recommendations of the Community Advisory Board.

As the Housing First pilot project moves forward and demonstrates success, partnerships with key provincial government departments and others sectors will be pursued to grow the program and to ensure sustainability.

Environmental Implications

This report is being provided for informational purposes only.

Policy and/or Strategic Implications

The City's role does not include being the primary level of government for the overall issue of housing; however, the City will continue to support and complement the policies and programs of the provincial and federal governments.

This is consistent with *Design Regina: The Official Community Plan Bylaw No.2013-48*, which states that the City *participate in the development of a comprehensive plan to address homelessness in partnership with other levels of government* (Policy 13.15).

Other Implications

This report is being provided for informational purposes only.

Accessibility Implications

It is expected that those experiencing homelessness will have increased access to housing through programs such as Housing First.

COMMUNICATIONS

Administration will continue to provide updates on the activities of the Homelessness Partnering Strategy as the work progresses. The Point-in-Time Count and Housing First and have communication and media strategies being led by the YMCA. The YMCA is the media spokesperson.

DELEGATED AUTHORITY

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

Respectfully submitted,



Shanie Leugner, A/Director
Planning

Respectfully submitted,



Diana Hawryluk, Executive Director
City Planning and Development

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