



# **Mayor's Housing Commission**

**Tuesday, September 15, 2020  
4:00 PM**

**Henry Baker Hall, Main Floor, City Hall**



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OFFICE OF THE CITY CLERK

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**Public Agenda  
Mayor's Housing Commission  
Tuesday, September 15, 2020**

**Approval of Public Agenda**

**Adoption of Minutes**

Minutes of the meeting held on June 16, 2020

**Administration Reports**

MHC20-5 Housing Standards Enforcement Team Update

**Recommendation**

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

MHC20-6 Saskatchewan Housing Benefit

**Recommendation**

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

MHC20-7 Social Development Reserve Update

**Recommendation**

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

MHC20-8 Homelessness Funding Stream

**Recommendation**

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

**Adjournment**

AT REGINA, SASKATCHEWAN, TUESDAY, JUNE 16, 2020

AT A MEETING OF 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, in the Chair  
Councillor John Findura (Videoconference)  
Councillor Joel Murray (Videoconference)  
Councillor Andrew Stevens (Videoconference)  
Robert Byers (Videoconference)  
Jason Carlston (Videoconference)  
Melissa Coomber-Bendtsen (Videoconference)  
Tim Gross (Videoconference)  
Patrick Mah (Videoconference)

Also in Attendance: Council Officer, Tracy Brezinski  
Legal Counsel, Jana-Marie Odling (Videoconference)  
Executive Director, City Planning & Community Development, Diana Hawryluk  
Director, Parks, Recreation & Cultural Services, Laurie Shalley  
Manager, Social & Cultural Development, Emmaline Hill  
Senior City Planner, Social & Cultural Development, Charlie Toman

APPROVAL OF PUBLIC AGENDA

**Councillor Joel Murray moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.**

ADOPTION OF MINUTES

**Councillor John Findura moved, AND IT WAS RESOLVED, that the minutes for the meeting held on March 3, 2020 be adopted, as circulated.**

SUPPLEMENTAL REPORT

MHC20-3 Request to Exceed Housing Incentives Policy Maximum Annual Commitment  
for 2019 - Supplemental Report

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(Patrick Mah declared a conflict of interest for MHC20-3 and MHC20-2, citing his employment with North Ridge Development Corporation, abstained from discussion and

voting, and temporarily left the meeting.)

**Recommendation**

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

**Councillor John Findura moved that this report be received and filed.**

(Robert Byers temporarily left the meeting.)

|                                  |            |
|----------------------------------|------------|
| <b>Councillor John Findura</b>   | <b>Yes</b> |
| <b>Tim Gross</b>                 | <b>Yes</b> |
| <b>Councillor Joel Murray</b>    | <b>Yes</b> |
| <b>Councillor Andrew Stevens</b> | <b>Yes</b> |
| <b>Jason Carlston</b>            | <b>Yes</b> |
| <b>Mayor Michael Fougere</b>     | <b>Yes</b> |
| <b>Melissa Coomber-Bendtsen</b>  | <b>Yes</b> |

**The motion was put and declared CARRIED.**

**TABLED REPORT**

MHC20-2 Request to Exceed Housing Incentives Policy Maximum Annual Commitment for 2019 (Tabled March 3, 2020)

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**Recommendation**

The Mayor's Housing Commission recommends that City Council deny the request submitted by North Ridge Developments (Appendix A) at its March 25, 2020 meeting.

**Councillor Andrew Stevens moved that this report be received and filed.**

|                                  |            |
|----------------------------------|------------|
| <b>Councillor Andrew Stevens</b> | <b>Yes</b> |
| <b>Councillor Joel Murray</b>    | <b>Yes</b> |
| <b>Tim Gross</b>                 | <b>Yes</b> |
| <b>Councillor John Findura</b>   | <b>Yes</b> |
| <b>Melissa Coomber-Bendtsen</b>  | <b>Yes</b> |
| <b>Jason Carlston</b>            | <b>Yes</b> |
| <b>Mayor Michael Fougere</b>     | <b>Yes</b> |

**The motion was put and declared CARRIED.**

(Robert Byers returned to the meeting.)

(Patrick Mah returned to the meeting.)

ADMINISTRATION REPORT

MHC20-4 Comprehensive Housing Strategy - 2019 Annual Update

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**Recommendation**

Mayor's Housing Commission recommends that City Council receive and file this report at its June 24, 2020 meeting.

Charlie Toman, Senior City Planner, made a PowerPoint presentation, a copy of which is on file in the Office of the City Clerk.

**Melissa Coomber-Bendtsen moved that City Council receive and file this report at its June 24, 2020 meeting.**

|                                  |            |
|----------------------------------|------------|
| <b>Melissa Coomber-Bendtsen</b>  | <b>Yes</b> |
| <b>Councillor John Findura</b>   | <b>Yes</b> |
| <b>Tim Gross</b>                 | <b>Yes</b> |
| <b>Pat Mah</b>                   | <b>Yes</b> |
| <b>Councillor Joel Murray</b>    | <b>Yes</b> |
| <b>Councillor Andrew Stevens</b> | <b>Yes</b> |
| <b>Robert Byers</b>              | <b>Yes</b> |
| <b>Jason Carlston</b>            | <b>Yes</b> |
| <b>Mayor Michael Fougere</b>     | <b>Yes</b> |

The motion was put and declared **CARRIED**.

ADJOURNMENT

**Councillor Andrew Stevens moved, AND IT WAS RESOLVED, that the meeting adjourn.**

The meeting adjourned at 4:45 p.m.

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Chairperson

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Secretary

## Housing Standards Enforcement Team Update

|                     |                                       |
|---------------------|---------------------------------------|
| <b>Date</b>         | September 15, 2020                    |
| <b>To</b>           | Mayor's Housing Commission            |
| <b>From</b>         | City Planning & Community Development |
| <b>Service Area</b> | Parks, Recreation & Cultural Services |
| <b>Item No.</b>     | MHC20-5                               |

### RECOMMENDATION

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

### ISSUE

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This report provides an overview of Regina's Housing Standards Enforcement Team (HSET) and updates the Commission on enforcement activities by the Commission since 2019. The report is in response to questions raised by the Commission at its June 16, 2020 meeting.

### IMPACTS

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#### **Policy/Strategic Impact**

The work done by HSET is aligned with Goal 13 of the Comprehensive Housing Strategy, which calls for improving compliance with safety and property maintenance standards.

### OTHER OPTIONS

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That this report be submitted to City Council for information.

### COMMUNICATIONS

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None with respect to this report.

## DISCUSSION

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HSET was established in 2004 to coordinate inspection and enforcement related to deteriorated and unsafe housing conditions. HSET was suspended in 2016 for evaluation and revision due to a decline in referrals, possibly because of the previously low vacancy rate and fear of eviction if a tenant initiated an inspection. Following community outreach, HSET was relaunched in the spring of 2018 and is comprised of members from the following agencies and City of Regina (City) branches:

- Bylaw Enforcement – Enforcing the *Regina Community Standards Bylaw No. 2016-2* pertaining to housing standard deficiencies, such as property maintenance for both interior concerns, as well as those identified on the exterior. Although ticketing for maintenance deficiencies is not provided for under the *Regina Community Standards Bylaw No. 2016-2*, Orders to Comply are issued for violations and demolition or prosecution in extreme cases may be pursued. Often the branch will hire contractors to perform the work as required if the owner is non-compliant. The Bylaw Enforcement Officer III is responsible for the coordination and record keeping of the team.
- Development Services – Building Standards – Enforcing the *Building Bylaw No. 2003-7* and *Uniform Building and Accessibility Standards Act (UBAS Act)*, which delegates Administration of minimum building standards to local authorities. The inspector investigates concerns that are structural in nature, permits, as well as fire separation and the many other items addressed under the UBAS Act. They issue Orders for Engineer Reports and Demolitions. In addition, they can prosecute for failing to comply with an Order. The branch may also have contractors complete the work as required.
- Regina Fire and Protective Services – Enforcement of the *National Fire Code* and the *Fire Bylaw No. 2018-49* is the primary responsibility of the Fire Inspector. Orders are issued for a variety of different violations. Prosecutions can be sought after and fines can be issued.
- Saskatchewan Health Authority – Environmental Health – Enforces the *The Public Health Act, 1994*. This inspector is the only inspector that may “placard” a dwelling; that is to declare a dwelling as unfit for occupancy. They address a wide variety of concerns. Common concerns include infestations, mold, lack of plumbing and lack of heating. Placard Letters are the equivalent of an Order and are all encompassing of each branch and agency concerns being addressed prior to removal of the placard.
- Regina Police Service – These members do not serve an enforcement role, rather one of safety for the team. They enter dwellings and structures prior to the rest of the team entering, looking for the number of people, indications of criminal or gang activity, weapons and dangerous drugs and drug paraphernalia. They de-escalate

situations as required.

- Ministry of Social Services – Eligibility Unity – This team member supports clients by helping to find emergency placement for them as required. Often, the workers are notified by a team member of pending inspections so that they may be aware and better prepared to respond to an emergency displacement if required. They are valuable in being able to provide methods of contact with those clients that may not have consistent access to a telephone or email account.

### Conditions Initiating an HSET Inspection

A referral or request for initiating an HSET response must meet certain criteria. This includes:

- Deficiencies in more than one of the areas of address, which include structural, safety and sanitation. If a report is received of only one of those areas being compromised, it is referred to the agency responsible for the specific area of concern.
- Details are required. Vague or general descriptions may be considered if further communication is successful.
- The dwelling must be tenant occupied.
- Permission to enter must be granted by the tenant or the owner.
- The tenant must indicate or confirm the concerns if not being reported by them personally.
- The person making the referral must have witnessed firsthand the environment and conditions inside of the dwelling.

Some cases are unfounded. Some cases have minimal concerns but much more often the inspection results in investigations in which Orders and actions are required. Not all the team members may have to issue Orders at each location.

### HSET Statistics

In 2019, HSET had a total of 57 cases. In total, 43 orders were issued and achieved compliance in 39 instances. To date, in 2020 HSET has had 32 cases and of those, 45 orders were issued and compliance was achieved in 19 instances. A breakdown of HSET activity for 2019 and 2020 including number of referrals and demolitions is provided in Appendix A.

Note that due to COVID-19, HSET has suspended inspections; therefore, the statistics for

2020 are not consistent with those anticipated in the beginning of the year. Inspections will resume when all agencies and branches have been given the authorization for team members to enter occupied dwellings.

## **DECISION HISTORY**

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None with respect to this report.

Respectfully submitted,



Director, Parks, Recreation & Cultural Services

Respectfully submitted,



Executive Director, City Planning & Community Development

Prepared by: Andrea McNeil-Wilson, Manager, Bylaw Enforcement

## **ATTACHMENTS**

Appendix A - Summary of HSET Statistics

## Appendix A - Housing Standards Enforcement Team 2019 Statistics

### NUMBER OF CASES

57

28 remain open

29 have been closed, with an additional 16 cases that were initiated in 2018. The total number of cases closed in 2019 being 45.

### Number of Multi-agency Inspections Performed

190

An average of 3.3 per location

Multi-agency inspections are considered as at least two or more of the core team members attending to a property for any inspection.

### Number of Houses Newly Declared as Unfit of occupancy

6

### Number of Orders Issued

43

- Bylaw 20
- Development Services Building Standards (Building) 8
- Regina Fire and Protective Services (Fire) 11
- Saskatchewan Health Authority Environmental Health (Health) 6

### Number of Houses Demolished

5, some resolved by the owner and some resolved by the City. 6 more have been ordered to be demolished, including cases from previous years.

This number includes previously placarded houses.

## Compliance Achieved

39

- Fire 5
- Bylaw 10
- Building 5
- Health 3

## Referrals

56

Referrals come in through trusted resources that have been an immediate witness to the environment.

The main sources of referrals are from the core team member's agencies, but the team has made exceptions in extreme situations.

- Regina Police Service (RPS) 16
- Health 5
- Bylaw 13
- Fire 10
- PACT (Police and Crisis Team) 1
- Other 11

## Tenant Referrals to Safer Homes

7

Health makes attempts for displaced persons each time that they deem a house as unfit for occupancy. The Ministry of Social Services and Aboriginal Home Health have assisted in relocating the displaced tenants.

Crisis Outreach and Support Team (COAST) have helped us in situations as required for both helping to find placement and offer mental health support as required.

## Housing Standards Enforcement Team 2020 Statistics

### NUMBER OF CASES

32

### Number of Multi-agency Inspections Performed

24

Multi-agency inspections are considered as at least two or more of the core team members attending to a property for any inspection.

### Number of Dwellings Newly Declared as Unfit of occupancy

9

### Number of Orders Issued

45

- Bylaw 17
- Development Services Building Standards (Building) 7
- Regina Fire and Protective Services (Fire) 12
- Saskatchewan Health Authority Environmental Health (Health) 9

### Compliance Achieved

19

- Fire 11
- Bylaw 7
- Building 0
- Health 1

### Tenant Referrals to Safer Homes

Health makes attempts for displaced persons each time that they deem a house as unfit for occupancy. The Ministry of Social Services and Aboriginal Home Health have assisted in relocating the displaced tenants.

Crisis Outreach and Support Team (COAST) have helped us in situations as required for both helping to find placement and offer mental health support as required.

## Saskatchewan Housing Benefit

|                     |                                       |
|---------------------|---------------------------------------|
| <b>Date</b>         | September 15, 2020                    |
| <b>To</b>           | Mayor’s Housing Commission            |
| <b>From</b>         | City Planning & Community Development |
| <b>Service Area</b> | Parks, Recreation & Cultural Services |
| <b>Item No.</b>     | MHC20-6                               |

### RECOMMENDATION

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

### ISSUE

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On April 1, 2020 the Government of Saskatchewan (Province) launched the Saskatchewan Housing Benefit (SHB) which provides monthly payments to low-income renter households to assist with their monthly shelter costs (rent and utilities). The SHB is co-funded between the Government of Canada and Government of Saskatchewan under the National Housing Strategy (NHS).

This report provides an overview of the SHB for the Mayor’s Housing Commission’s information.

### IMPACTS

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#### **Financial Impact**

The SHB does not have an impact on the City’s Housing Incentives Policy.

#### **Policy/Strategic Impact**

The introduction of the SHB is aligned with the goals and objectives of the City’s Comprehensive Housing Strategy which calls on the Province to increase the amount it provides through social assistance and rental supplement programs.

## **OTHER OPTIONS**

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Not applicable.

## **COMMUNICATIONS**

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Administration consulted with the Saskatchewan Housing Corporation in the preparation of this report.

## **DISCUSSION**

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### Background

One of the central commitments made by the Federal Government in its 2017 NHS was the creation of a new Canada Housing Benefit that would support at least 300,000 households across the country and cost approximately \$4 billion over 10 years. The NHS called for this benefit to be co-developed and cost-matched by Provinces and Territories.

In 2019, Canadian Mortgage Housing Corporation (CMHC) and the Saskatchewan Housing Corporation entered into a bilateral agreement setting out the shared investments the Province and Federal Government will make towards meeting the goals and objectives of the NHS through 2027-28. This included a combined commitment of \$6.8 million towards the SHB in the 2020-21 and \$8.75 million in 2021-22. The projected investments into this program from 2023-28 are notional and subject to change.

Note that on July 1, 2018, the Province stopped accepting new applications under its Saskatchewan Rental Housing Supplement which provides low income households with children and low-moderate income households with disabilities with a monthly benefit to put towards their housing costs.

### Saskatchewan Housing Benefit

The SHB was launched by the Province on April 1, 2020. The eligibility income threshold and monthly benefit is provided in the table below.

| <b>Household Size</b>            | <b>Single/Couple</b> | <b>Single/Couple with 1 Dependent</b> | <b>Single/Couple with 2+ Dependents</b> |
|----------------------------------|----------------------|---------------------------------------|---|
| <b>Annual House Income Limit</b> | \$28,000             | \$35,000                              | \$42,000                                |
| <b>Monthly Benefit</b>           | \$150                | \$200                                 | \$250                                   |

The SHB is currently only available to households in community housing developments. SHC will be reviewing the current program criteria and may expand eligibility in the coming years.

The Province estimates that around 3,000 households can be served by the SHB in 2020-21 with an additional 878 households being served in 2021-22. It is projected that 12,425 unique households will be served by the SHB in Saskatchewan by 2027-28.

It is important to note that the SHB is not available for renters that are also currently receiving support through Saskatchewan income assistance or training programs or are sponsored newcomers to Canada. This includes those households still enrolled in the Saskatchewan Rental Housing Supplement program.

Administration will continue to monitor the implementation of new affordable housing programs and initiatives made under the National Housing Strategy.

## **DECISION HISTORY**

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There have been no previous decisions related to this report.

Respectfully submitted,



A/Director, Parks, Recreation & Cultural Services

Respectfully submitted,



Executive Director, City Planning & Community Development

Prepared by: Charlie Toman, Senior City Planner

## Social Development Reserve Update

|                     |                                       |
|---------------------|---------------------------------------|
| <b>Date</b>         | September 15, 2020                    |
| <b>To</b>           | Mayor's Housing Commission            |
| <b>From</b>         | City Planning & Community Development |
| <b>Service Area</b> | Parks, Recreation & Cultural Services |
| <b>Item No.</b>     | MHC20-7                               |

### RECOMMENDATION

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

### ISSUE

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Administration has been working on an approach to create a long term sustainable funding source for the Social Development Reserve (SDR), which in turn, funds the Housing Incentives Policy (HIP) capital grant programs. The balance of the SDR will be well below what is required to fund the HIP's capital grant programs in 2021.

In the past, the City of Regina (City) used a combination of revenue from Saskatchewan Housing Corporation land sales and transfers from other City reserves to fund the current annual contribution to the HIP of \$2.5 million annually. As there has not been one identified source of funding, it has made budgeting each year somewhat of a challenge.

This report provides an overview of the purpose of the SDR and Administration's proposed funding approach over the short and long term. Funding for the SDR in 2021 will be considered through the 2021 budget process.

## IMPACTS

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### Financial Impact

#### Current SDR Balance

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 will be \$259,227 by the end of 2020.

|  |                  |
|--|------------------|
| Social Development Reserve Balance     | \$5,409,227      |
| Existing/Projected Funding Commitments | (\$5,150,000)    |
| <b>Remaining Balance</b>               | <b>\$259,227</b> |

#### Preferred Long Term, Sustainable SDR Funding Source

Administration has identified general tax revenues as the most reliable and sustainable source of funding for the SDR. The preferred budgetary approach is to establish a dedicated mill rate increase of 0.25 per cent for four consecutive years, which would generate approximately \$2.65 million in year four.

A similar funding model has been used by the City for the Stadium Project and Residential Roads Renewal Program.

The above was the preferred long-term funding solution Administration was going to bring forward to Mayor's Housing Commission and City Council prior to COVID-19. To limit additional financial strain for Regina residents impacted by the economic fallout of the COVID-19, Administration is not recommending a mill rate increase to support the SDR in 2021.

To ensure that there is adequate funding to continue to implement the HIP in 2021, Administration will identify interim funding sources through the 2021 budget process, which may include transfers from other reserves or other found savings. Administration will bring the dedicated mill rate discussion to City Council for the 2022 budget process.

Under this scenario from years 2022 to 2024, some funds may be needed to ensure the SDR balance is above \$2.5 million. There is a risk that these funds will have to be taken from reserves when the City's reserves are low. This is mitigated somewhat by the fact that the recommended option would only require reserve funding for three years. As discussed in Appendix A, the dedicated mill rate increase would be offset by the expiration of property tax exemptions approved under the HIP.

A dedicated mill rate would establish a sustainable, long-term funding source for the SDR, providing greater certainty to local stakeholders that the programs funded by the SDR will

be stable into the future. Again, this is just one example of a long-term funding source and Administration will come forward with a recommendation at a future date.

### **Policy/Strategic Impact**

Direction for the City's contributions towards affordable housing is provided in *Design Regina: The Official Community Bylaw No. 2013-48* (OCP) and the Comprehensive Housing Strategy (CHS).

Goal 2(a) of the CHS calls on the City to "dedicate a portion of the increase in value/proceeds of any sales from City owned lands (such as the South East lands purchased from Saskatchewan Housing Corporation and CP lands, etc.) to addressing the issue of rental and affordable housing supply".

- Administration's response – As discussed in the Options section of this report, with the upfront capital costs required to develop and service the City owned lands in the south east and rail lands combined with a slowdown in new housing construction, the City is not anticipated to be in a surplus position from land sales revenue for several years.

Administration is beginning work on an update to the CHS beginning in 2021. The housing situation in Regina has changed considerably since the CHS was approved by City Council in 2013 and review is required to update the goals and objectives of the Strategy to reflect current housing conditions.

The update will include an evaluation of the City's current financial contributions towards supporting affordable housing.

### **OTHER OPTIONS**

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In considering potential long term funding source for the SDR, Administration considered the following options:

1. *Funding is Requested through the Annual Budget Process*

Under this option, Administration would request \$2.5 million to be allocated annually in the City's operational budget beginning in 2022. While this option would fully fund the SDR in coming years, this option is not recommended as using a dedicated mill rate as a funding tool for the City's investment in affordable housing is similar to other specific, high priority, strategic expenditures like the Stadium Project and Residential Roads Renewal Program.

2. *Revenue from Municipal Land Sales*

With the upfront capital costs required to develop and service the City owned lands in the south east and rail lands combined with a slowdown in new housing construction, the City is not anticipated to be in a surplus position from land sales revenue for several years;

therefore, this option is not recommended as it is not currently viable.

Note that because revenue from land sales can fluctuate year by year, there are additional challenges in using land sales as the SDR's long term funding source. This issue would be addressed through the identified funding sources.

### *3. Transfers from other Reserves Above their Maximums*

This option was not recommended as transfers from reserves would only provide a one-time funding source; therefore, would not be sustainable over the long term. In addition, most reserves are currently below their maximum limits.

## **COMMUNICATIONS**

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None with respect to this report.

## **DISCUSSION**

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The SDR is under the minimum threshold required to implement the HIP capital grant programs in 2021 and requires a long-term funding source.

### **Background**

Under the HIP, the City's annual \$2.5 million maximum commitment to its affordable housing capital grant programs is funded from the SDR.

Historically, the SDR was established to meet the City's obligation to the Saskatchewan Housing Corporation (SHC), who provided a funding source for the City from the development of land by SHC. Since SHC is no longer involved in the land development business, a new source of funding for the SDR is required.

### **Social Development Reserve Funding**

Administration had identified general tax revenues as the most reliable and sustainable source of funding for the SDR; however, due to financial pressures resulting from COVID-19, Administration is recommending that the SDR be funded through transfers from other reserves and/or other savings for 2021 instead of a mill rate increase. Administration will bring forward a recommendation on a long term funding source discussed in the Financial Impact section of this report through the 2022 budget process.

**DECISION HISTORY**

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None with respect to this report.

Respectfully submitted,



Director, Parks, Recreation & Cultural Services

Respectfully submitted,



Executive Director, City Planning & Community Development

Prepared by: Charlie Toman, Senior City Planner

**ATTACHMENTS**

Appendix A - Social Development Reserve Projections

## Appendix A – Social Development Reserve Projections

### Dedicated Mill Rate Increase

As illustrated in the table below, a dedicated mill rate of 0.25% is introduced in 2022, it would generate \$2.65 million in new revenue for the SDR by 2025.

| Year              | 2022         | 2023           | 2024           | 2025           | 2026           | 2027           |
|-------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Rate Increase (%) | 0.25         | 0.25           | 0.25           | 0.25           | 0.00           | 0              |
|                   | \$625        | \$625          | \$625          | \$625          | \$625          | \$625          |
|                   |              | \$650          | \$650          | \$650          | \$650          | \$650          |
|                   |              |                | \$675          | \$675          | \$675          | \$675          |
|                   |              |                |                | \$700          | \$700          | \$700          |
| <b>Total</b>      | <b>\$625</b> | <b>\$1,275</b> | <b>\$1,950</b> | <b>\$2,650</b> | <b>\$2,650</b> | <b>\$2,650</b> |

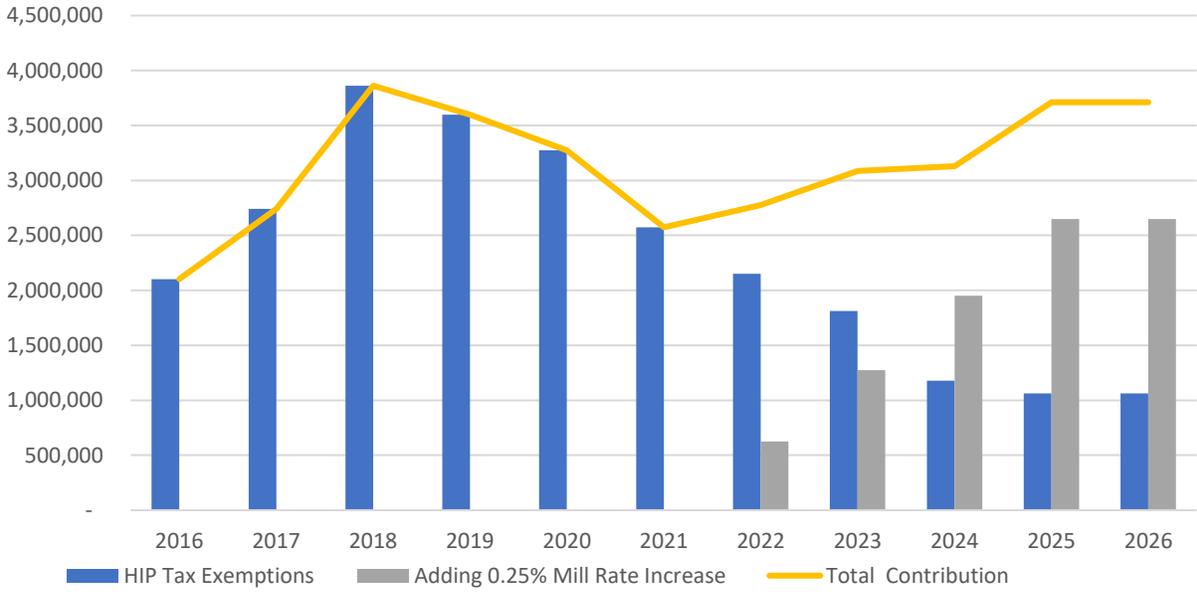
### HIP Tax Exemptions Coming Off Agreements

As illustrated in the chart below the cost of phasing in a dedicated mill rate to fund the SDR is projected to be offset by properties coming off five-year property tax exemption agreements approved under the HIP.

Driven by a boom in rental housing construction through the 2010's the City saw strong uptake of the HIP's market rental tax exemption program which provides a five year, 100 per cent exemption. From 2013 to 2019, 3,597 new market rental units were approved under this program with the City. A large majority of these units were located in greenfield areas which, under the HIP, are no longer eligible for a tax exemption.

With these market rental properties coming off of their five year tax exemption agreements over the next few years and the recommended dedicated mill rate phase in, it is estimated that the City's grant and tax exemption contributions through the HIP combined with the proposed homelessness stream would remain at approximately \$3.7 million annually.

### Current and Projected HIP Property Tax Exemptions Values (\$) 2016-2026



## Homelessness Funding Stream

|                     |                                       |
|---------------------|---------------------------------------|
| <b>Date</b>         | September 15, 2020                    |
| <b>To</b>           | Mayor's Housing Commission            |
| <b>From</b>         | City Planning & Community Development |
| <b>Service Area</b> | Parks, Recreation & Cultural Services |
| <b>Item No.</b>     | MHC20-8                               |

### RECOMMENDATION

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

### ISSUE

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In April of 2020, City Council directed Administration to develop a funding stream to support the Plan to End Homelessness (Plan). In response, Administration has identified an approach that involves an allocation of \$740K annually in operating funding for permanent supportive housing<sup>1</sup>. This amount would make an immediate impact in achieving the objectives of the Plan by creating approximately 20 new permanent supportive housing spaces while maintaining the provincial and federal governments' funding responsibilities under the Plan.

Rather than requesting new funding for this stream, Administration is proposing a reallocation of \$740K from the Housing Incentive Program (HIP), in recognition of the current economic climate.

The purpose of this report is to gather feedback from the Mayor's Housing Commission on the proposed homelessness funding stream. Administration will then engage with local affordable housing developers and Community Based Organizations (CBO) that respond to homelessness for feedback on the proposed approach before proceeding with a

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<sup>1</sup> Permanent supportive housing is housing for people with high needs related to physical or mental health, developmental disabilities and substance use and for those who will require long term support services in order to remain housed. It is a critical component of a Housing First model.

recommendation to Mayor’s Housing Commission and City Council in Q1 of 2021. The new funding stream would then be in place in 2022.

## IMPACTS

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### Financial Impact

Evaluation of the Housing First<sup>2</sup> model in Regina has demonstrated cost savings through a reduction in calls for service and interactions with law enforcement, as well as lower rates of hospitalization.

| Public System Interaction in Regina’s Housing First program (n=49) |     |
|--|-----|
| Police Calls Reduction   | 81% |
| Arrests Reduction  | 89% |
| Days in Hospital Reduction   | 40% |
| ER Visits Reduction  | 75% |
| EMS Reduction  | 66% |
| Detox Visits Reduction   | 93% |

The Plan estimates that this results in 58 per cent cost avoidance from these services. Based on this, the City of Regina’s (City) proposed investment would result in a reduction in public system interaction equivalent to \$388,800 in annual costs.

### Policy/Strategic Impact

Direction for the City’s role in addressing affordable housing and homelessness is provided in *Design Regina: The Official Community Bylaw No. 2013-48 (OCP)* and the Comprehensive Housing Strategy (CHS). It is important to note that neither the OCP or CHS contemplated funding for housing and homelessness outside of the existing Community Investment Grant Program or HIP capital grants and tax exemptions.

Applicable policies of the OCP include policy 13.14 to “work with others to ensure that all residents have secure access to basic needs, such as food, housing and other services” and policy 13.15 to “participate in the development of a comprehensive plan to address homelessness in partnership with other levels of government”.

Applicable goals of the CHS include:

- Goal 27 to “continue to support housing and homelessness initiatives through the Community Investment Grants Program and identify ways to allocate funding for maximum community impact”.
- Goal 28 to “continue to play a lead role in the federal government’s Homelessness Partnering Strategy by preparing the Community Plan to Address Homelessness” and;
- Goal 35 “play a lead facilitation role in establishing and coordinating a housing and homelessness coalition of community stakeholders as a way of coordinating

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<sup>2</sup> ‘Housing First’ is a recovery-oriented approach to ending homelessness that centers on quickly moving people experiencing homelessness into independent and permanent housing and then providing additional supports and services as needed.

collaboration, engaging stakeholders and obtaining advice”.

Goal 1(n) of the CHS recommended that “the maximum yearly drawdown of the SDR for affordable housing capital contributions be increased to \$2.5M in 2013 and gradually increase to \$3M over the next five years”.

- Administration’s response - While Administration is proposing that \$740K be diverted away from affordable housing capital contributions under the HIP towards the Plan, it is important to note that the City’s overall annual commitment to housing/homelessness from the Social Development Reserve (SDR) would remain unchanged at \$2.5M.

Administration is beginning work on an update to the CHS beginning in 2021. The housing situation in Regina has changed considerably since the CHS was approved by City Council in 2013 and work is required to review and update the goals and objectives of the CHS to reflect current housing conditions. The update will include an evaluation of the City’s current financial contributions towards supporting affordable housing.

## **OTHER OPTIONS**

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In developing the proposed homelessness funding stream, Administration considered the following options:

1. That the funding split between the new homelessness stream and the HIP be changed (e.g. provide more than \$740K annually towards the homelessness stream and less than \$1.76M towards the HIP or vice versa).

Administration concludes that the recommended annual funding amounts for the HIP and homelessness stream represent a good balance between these two areas. Providing up to \$1.76M towards the HIP is sufficient to continue to effectively encourage the development of new affordable housing units. Providing \$740K towards permanent supportive housing would make an immediate impact in achieving the objectives of the Plan. At approximately one-third of the total funding for permanent supportive housing called for in the Plan, the City’s investment would not eliminate or substantially reduce provincial and federal funding responsibilities under the Plan.

2. That the City provides \$740K towards homelessness beginning in 2021 rather than 2022.

This option is not recommended because a contract with a successful proponent will not be completed until late 2021, with funding flowing in Q4 of 2021 at the earliest. Additionally, this option would mean an immediate reduction to the amount of capital grants available to affordable housing providers in 2021 without advance notice.

3. That the City maintain a \$2.5M annual allocation for the HIP and provide an additional \$740K annually towards permanent supportive housing for a total of

\$3.24M annually.

Due to budgetary pressures from COVID-19, Option 3 is not recommended at this time.

#### 4. Status Quo.

This approach is not recommended. If the City was to forgo pursuing a new homelessness funding stream at this time, City Council would delay the opportunity to play a leadership role in creating a long term recovery-oriented approach that supports the social or economic integration of those facing homelessness in the City.

The current lack of permanent supportive housing in Regina remains a large gap for housing those that experience chronic homelessness. The effects of COVID-19 have increased the urgency of the need to provide stable and safe housing options for individuals experiencing homelessness, with reports of improved personal outcomes emerging across the country where municipalities have quickly implemented supportive housing models.

Further to these points, existing Housing First programming in the City has demonstrated significant public system cost-savings that would not be realized at this time.

## **COMMUNICATIONS**

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Administration will provide a copy of this report and notification of the Mayor's Housing Commission meeting to local affordable housing providers and CBOs that support the homeless.

## **DISCUSSION**

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### **New Homelessness Funding**

Beginning in 2022, Administration proposes that the City commits \$740K annually toward establishing approximately 20 new permanent supportive housing spaces under a new homelessness funding stream that is funded from the SDR. This will be sourced by reducing the HIP's maximum annual capital grant commitment from \$2.5M to \$1.76M and reallocating those funds.

Through this contribution, the City will be able to alleviate the backlog that exists for individuals currently trying to access Housing First interventions. Investment in this priority area will have a measurable impact on housing individuals with complex needs and support already existing community-based programming in Regina. The \$740K provided by the City would include:

- \$654K for operating 20 permanent supportive housing spaces at \$30k per space.
- \$66K for administrative or incidental costs; and
- \$20K to support plan implementation.

Permanent supportive housing was identified as an immediate priority in the Plan. By funding permanent supportive housing, the City will have a measurable impact on housing individuals with complex needs and complement existing Housing First programming in Regina.

**Role of the City and other levels of Government**

The Plan outlines a collaborative approach to ending homelessness and identifies roles and commitments from each level of government, CBOs and service providers. The Plan identifies the following financial commitments from the three levels of government to be successful<sup>3</sup>:

| <b>City of Regina</b>   | <b>Government of Saskatchewan</b>   | <b>Government of Canada</b>   |
|---|---|---|
| <ul style="list-style-type: none"> <li>- Provide \$20K a year to support Plan implementation</li> </ul> | <ul style="list-style-type: none"> <li>- Provide \$20K a year to support Plan implementation</li> <li>- Provide \$40M over five years for new housing supports, assertive community treatment spaces, intensive case management spaces and permanent supportive housing and affordable housing units</li> </ul> | <ul style="list-style-type: none"> <li>- Provide \$20K a year to support Plan implementation</li> <li>- Expansion of Reaching Home funding</li> <li>- Support development of permanent supportive housing spaces through the National Housing Strategy</li> </ul> |

While the City is not called upon for additional funding beyond \$20K per year, the proposed new funding stream is intended to make a measurable impact on homelessness in Regina, build momentum for the Plan and complement potential investments from other levels of government. An additional \$1,307,000 annually from other levels of government would fund the remaining permanent supportive housing spaces called by the Plan.

As of the writing of this report, the provincial and federal Governments have not made any new financial commitment towards the Plan.

**Implications of Reduced HIP Funding**

A decision to reduce capital grant funding for the HIP from a maximum of \$2.5M to \$1.76M annually would impact the capital incentive programs currently available through the HIP. There would be no impact on the HIP’s property tax exemption programs, including the

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<sup>3</sup> Some of this funding may exist in the system already but may need to be redirected towards priority areas identified in the Plan.

market rental and rental repair tax exemption programs.

With a current annual allotment of \$2.5M and capital grant amounts ranging from \$10K to \$25K per door<sup>4</sup>, the City can commit funding for the creation of between 100 to 250 new units a year. A reduction to \$1.76M would reduce the number of new units to between 70-175 new units a year.

| <b>Annual Commitment</b> | <b>Maximum Affordable Units Funded</b> |
|--------------------------|--|
| <b>\$2,500,000</b>       | 100 – 250                              |
| <b>\$2,000,000</b>       | 80 – 200                               |
| <b>\$1,500,000</b>       | 60 – 150                               |
| <b>\$1,000,000</b>       | 40 – 100                               |
| <b>\$500,000</b>         | 20 – 50                                |

The HIP’s affordable housing capital grant program has seen significant uptake since 2013 with the City committing approximately \$16M for the development of 1,141 new affordable units. It is important to note that since its creation in 2009, the HIP has been continuously reviewed and amended to meet Regina’s current needs across the housing spectrum. For example, a considerably higher vacancy rate and softened real estate market compared to 2013 drove the City to make amendments to focus incentives on the construction of new affordable rental units for low-income residents and away from an increase in the overall supply of new market rental and entry level home ownership units.

As conditions have continued to adjust the urgency of addressing chronic homelessness has risen. Regina’s homeless population has grown in recent years, even with significant investment in new rental units under the HIP.

Administration anticipates that a maximum annual capital commitment of \$1.76M will continue to support the development of new affordable rental units geared towards low-income residents, while allowing for a more focused investment in homelessness. The reallocation of \$740K towards homelessness recognizes that, under current housing conditions, ending housing insecurity in Regina requires both operating and capital funding supports. Administration will engage with local affordable housing providers to gather their input on the impact of this reduction before finalizing its recommendation in Q1 of 2021.

Based on feedback from local affordable housing providers, Administration will also review the HIP and identify potential amendments for City Council’s consideration to ensure that incentives continue to support the development of affordable housing for those in greatest need. This may include:

- Updates to the HIP application scorecard.
- Extending tax exemptions to affordable housing projects that cannot access capital grants due to insufficient funding. Currently if affordable housing developments do not receive a capital grant, they are also not eligible for a tax exemption.

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<sup>4</sup> Capital grant amounts vary depending on tenure type, number of bedrooms, location within the City and whether it is developed by a non-profit or private sector developer.

## DECISION HISTORY

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### CM17-12: YMCA of Regina Funding The Plan to End Homelessness in Regina

On September 25, 2017, City Council adopted CM17-12 to commit \$60K in funding that would be directed to the Community Entity, the YMCA, to assist in creation of the Plan.

### CR18-67: City of Regina's Role in Homelessness

On June 25, 2018, City Council considered report CR18-67, which provided an overview of the City's response to homelessness, including measures to increase supply and decrease the cost of housing through the HIP, the Community Investment Grants Program which provides support to organizations and programs that address homelessness and participation on the Regina Homelessness Community Advisory Board (RHCAB). City Council passed a motion "That the City of Regina continue providing in-kind and financial support towards confronting homelessness as discussed in this report".

### MHC19-6: Plan to End Homelessness in Regina

On September 17, 2019, a report providing background on the Plan and its key content went to Mayor's Housing Commission. At this meeting, the YMCA also provided their overview of the Plan. Administration committed to returning to Mayor's Housing Commission with a more thorough analysis of the Plan.

### CR20-23: Plan to End Homelessness: City of Regina Alignment

On April 29, 2020, City Council considered a report that identified new actions to advance the Plan. City Council approved motions to:

- Endorse the Plan to End Homelessness and affirm the City of Regina's role in homelessness as described in the Plan.
- Direct Administration to contribute \$20,000 to the Systems Planning Organization, as selected by the Regina Homelessness Community Advisory Board in 2020 and include future requests within the annual budget process.
- Call upon the provincial and federal governments to endorse and fully finance the Plan to End Homelessness.
- Direct Administration to develop a Housing and Homelessness stream with funding options to be considered through the 2021 budget process.

Respectfully submitted,



Director, Parks, Recreation & Cultural Services

Respectfully submitted,



Executive Director, City Planning & Community Development

Prepared by: Charlie Toman, Senior City Planner