

**City of Regina:
Homelessness Funding Stream
Affordable Housing Providers Focus Group**

Final Report

December 2020

By:

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RESEARCH | STRATEGY | RESULTS

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Introduction

This document reports the findings of the Affordable Housing Providers focus group conducted in December 2020 among a select group of the City of Regina’s (the City) noted Affordable Housing Providers. The focus group was moderated by Praxis Consulting on behalf of the City of Regina.

In April 2020, City Council provided direction to City Administration to establish a homelessness funding stream to support the implementation of the Plan to End Homelessness for Regina. The purpose of the focus group was to gain an informed perspective from Affordable Housing Providers with respect to the impacts of a reduction in the capital funding available through the Housing Incentive Policy (HIP). Additionally, mitigations, best practices and barriers were also sought to understand how the City could best position the HIP grants moving forward.

Group Composition

The focus group was conducted virtually on December 10th, 2020. All participants were selected and invited by the City of Regina to participate.

Turn-out and engagement were strong in the session. The details of the group are described in the table below.

Focus Group Details			
<i>Participants</i>	<i>Date</i>	<i>Time</i>	<i># of Attendees</i>
Affordable Housing Providers	Monday, December 10	1:30 p.m. – 3:30 p.m.	15

The moderator’s guide used in the sessions is included in Appendix A.

Interpreting Focus Groups

Focus groups are designed to reveal qualitative information – perceptions, outlooks and attitudes. They can be used to deconstruct perceptions, provide indications of how values or expectations combine with experience to create attitudes, and explore how these have developed and may be developed further.

Focus groups can generate insights into range, depth and intensity. They are more useful for gauging commitment than for estimating the extent of views. As the research is conducted “live”, it is possible to follow leads that appear in the discussion and track unforeseen drivers.

The following results should be understood as subjective and personal to the individuals who offered them in the sessions. They are valuable as insights into how opinion is framed and how values lead to attitudes, but because of sample sizes, they are not statistically significant.

Citations

Throughout this report, comments from participants are included to provide context and help illustrate or underscore findings. In some cases, these are direct quotes from individual participants; in others, citations paraphrase discussions, or allow multifaceted or similar comments to be synthesized succinctly.

Focus Group Results

The focus group discussion has been summarized according to the order questions were asked. The narrative and citations show participant inputs.

Defining Permanent Supportive Housing & Services Provided

The focus group began with an introductory presentation by the City that provided background information and defined Permanent Supportive Housing to ensure everyone was on the same page.

Does anyone have any questions or require clarification around the definition of Permanent Supportive Housing?

Only one question was asked following the presentation. The participant wanted clarification on where the funding for the new homelessness stream would be kept.

“I just have a quick question about where you keep the funding. You currently have a social development reserve that provides \$2.5 million dollars. Is the idea to allocate \$740,000 or are you actually going to be directing it into a different reserve for this initiative?”

For new affordable housing projects, what range of services do you or a 3rd party support organization provide your tenants?

While some participants mentioned a variety of supports including 0% interest rates, no down payments, tailored mortgages, talking with trustees, and aiding with SAID move forms for those on disability, most participants noted that they typically do not provide support services and instead partner with support-providing organizations. One participant even alluded to the government discouraging housing providers from providing supports.

Key Themes:

- **Affordable Housing Allocation** – Several participants referred to the fact that they are housing providers and not support providers, highlighting that the percentage of market developments that they allocate to affordable housing units is the major support that they provide.
- **Leveraging Partnerships** – Partnerships with support organizations were noted as another primary form of support services.

Citations:

“Something that is unique about Habitat for Humanity is that we hold the mortgages for all of our homeowners, which allows us to set the interest rate. So, we offer 0% interest rate and no down payment, and all of the mortgages are tailored specifically to the income of the homeowner. Whether you are making \$60,000/year or \$40,000/year, your mortgage will be 25% of that.”

“We do not provide any direct services to tenants; we are a builder. We build affordable housing, but we do allocate a percentage of our market developments for affordable housing. We are building in Saskatoon and Regina. What we do is look for partnerships with support agencies, like Inclusion Saskatchewan and the Canadian Mental Health Association, who have clients who are looking for good

quality affordable housing in good locations. We do not provide any direct support to them. We basically allocate the unit and keep it affordable for 10 years, then we look for the municipal supports to support that. We find the mixed market mixed income housing is really popular right now. You get good quality housing in good locations.”

“We are a project Management company. We do not really provide additional services to the tenant other than allocating the units to them. We make sure that they do not have to pay high rent. We partner with organizations, like Regina Treaty Status Indian Services and Four Directions that provide programming to our tenants.”

“Over the years we have been discouraged by the provincial government to be support providers. We are just housing providers and the support service providers are not housing providers. This is kind of a different situation. One of the criteria is to be a well-established provider. We have been kept out of providing the support. So, I am not sure how that is going to work. We all partner with those support providers. Will that money then flow through the housing provider to the supporting organization? We certainly wouldn’t have a problem with that. Working together and partnering with others is what we have done for a long time. This will be a bit of a challenge, but if the City is up for it, so are we.”

“We are finding that as we are onboarding some of our harder to house tenants into our affordable rentals in the mixed market model that we are having to provide a lot more supports than we traditionally had before or that we thought that we would have to do. This is coming more as we serve the hard-to-house clientele, so we have budgeted a little more for this from our market rentals to help offset our property management frontline team to do this. This is kind of included with housing facilitation, moving supports because our tenants who are harder to house sometimes do not have the capacity or the knowledge or the ability to communicate or connect to those supports. It has included talking to trustees who manage their money, helping with their SAID move forms if they are receiving disability so that they can make that transition smoothly. We used to just help those lower income, but now that we are stretching beyond that to support the harder-to-house demographic, whether that be with mental illness, intellectual disabilities, or families that have children who are receiving medical supports. We are finding that they cannot navigate the systems very well and we are seeing that we are having to offer those additional supports. We never set out intentionally to do this. We just need to do it.”

What services are lacking or are more difficult to provide? What would be your priorities?

As discussed in the previous section, many providers do not offer supports and services. One participant, a private landlord, discussed his difficulty with providing supports and the importance of having trustee relationships and connections with social services. Another participant, a support provider, referred to the benefits of utilizing an integrated design model in collaboration with key stakeholders.

Key Themes:

- **Supportive Connections** – Mentioned in the previous question and carried forward into this question is the need for social services and supports to navigate the system.
- **Integrated Design Model** – An integrated design model was noted as being a benefit in the development of creating housing specific to those in need compared to utilizing already developed housing and making adaptations.

Citations:

“The supports and services are the secret sauce. It is very difficult for private landlords. We cannot provide those. We can try, but we depend on those trustee relationships. It is connections with social services. It is sophisticated. Having the City take a little bit of money and put it towards this may be able to prime the problem to get funding for supportive services. It is unfortunate, because supportive services are very expensive, but they are critical to success, as are these dialogues.”

“We are more of a supportive provider. We work with community development groups. What is lacking, from our perspective, is the integrated design model. Relative to designing structures and affordable housing resolution that both supports the tenant, the primary owner, and the support services model in an inclusive fashion. We can build affordable housing and then the service providers come in and say, well I guess that we can make this work. We adapt to what resources we have. Affordable housing is built, then we figure out who is going to go in there and what they need. We need to have an integrated design model of the support services – the housing provider, the land provider, the City provider, even the health authority and police services – all those bodies involved in an integrated design model to figure out the best location for affordable housing to be, what are the services in the neighbourhood, and what can the City provide. What is lacking is an integrated design process where all the parties can look holistically at the right solution, the right location, and the right provider. Then we would have greater success on what we are doing. We typically have to make adaptations to fit those who we are moving into pre-built locations already. We are building things and then figuring out how to use them. We need that holistic approach right from the get-go.”

The Impact of Capital Funding Reduction

Thinking in the long term, how do you see a reduction in capital funding under the HIP impacting new affordable housing development?

If capital funding was to be reduced, the greatest concerns identified were the ability to provide and obtain funding, and the impact on those experiencing homelessness. Participants emphasized that funding supports are vital to being able to provide affordable housing. One participant made mention of the potential benefits of containing the funding in the same pot to address changing demand fluctuations year-to-year.

Key Themes:

- **Importance of Funding** – Many participants highlighted their reliance on funding, saying that their ability to provide affordable housing is contingent on the financial support received.
- **Sector Health** – Some emphasized the importance of considering the entire affordable housing sector. While it is great to provide new funding for those experiencing homelessness, it needs to be done in a way that continues to support low to moderate income households with their housing affordability.

Citations:

“We are so reliant on funding, whether it is from individual donors or sponsors, and then of course we have these investment grants. I know that without these supports we would not be able to provide housing. It is integral to what we do.”

“Municipal support is important. In our experience, Regina is providing head and shoulders above any other city in Saskatchewan in terms of support. \$2.5 million, to put that into perspective, Saskatoon in 2021 will be providing \$500,000 worth of capital funding, and \$130,000 of that goes to SHIP. That leaves a very small pool of capital funding left over. On a relative basis, Regina will be far surpassing North Battleford, Moose Jaw, Saskatoon, and likely many others. Going back to my question regarding separate funding, etc. The nice thing about the same pot is that every year you are going to have fluctuations. Some years there is going to be higher demand for affordable housing dollars, and some years it is going to be higher for homelessness dollars. If we had the same pot, the money could be flexed a little bit. It is hard to find land, and timing of provincial or municipal approvals and partnerships all take time and patience. Lining up an affordable housing project is not for the faint of heart. This involves a lot of coordination amongst various players who do not talk to each other. The impact of an overall reduction is hard to say; it all depends on the demand in a given year for affordable housing units, how many are under construction, and how many are due to be finished in 2021. We would not like to see any further reductions in terms of affordable housing as we are building in Regina currently, but hats off to the City of Regina.”

“We are on the home ownership side. With some of the new changes, you basically cannot obtain any home ownership grants in the new areas. Obviously, that will get worse if the pool gets smaller. I guess that the only thing to consider is that it is almost a different person that ends up obtaining those grants because they cannot afford a down payment. So, it is not that you are just encouraging lower cost housing, you are actually getting a market that would never be able to buy their own home or get into a home ownership position. The money flows directly to the homeowner and not the developer. You are kind of missing that whole market. If the pool gets smaller people may just not ever be able to afford a home, because they just cannot save for that down payment. There are tons of needs out there, but we understand that there is a finite pool.”

“If you look at how many people in the City are experiencing homelessness and core housing need, there is something like 12,000 people. Currently, I guess the ideal is meant to house about 60 people. So, when you think about the greater impact, if you take away money for affordable housing, I think that it is going to have a greater impact on a greater number of people. Of course, we need to keep our eye on the spectrum - we have temporary housing, affordable housing, permanent housing. I think that we have to ensure that the whole sector is healthy and not just top heavy or bottom heavy.”

What are the main challenges you anticipate having to navigate? Based on the definition provided of Permanent Supportive Housing, do you see any challenges with locating this form of housing in a market rental building?

When discussing challenges, many participants referenced the time it takes to receive municipal support. This causes issues including delays in CMHC support and additional financing expenses. In general, participants identified the main challenge as receiving funding in alignment with the natural flow of construction. One participant offered a suggestion of the City setting up milestones or putting mechanisms in place to recoup money for a project that does not get completed.

Key Themes:

- **Timing and CMHC Support** – Many participants noted inconsistencies between construction timeliness and receiving funding to support the project. Often, receiving municipal support is integral to moving forward with aligning CMHC and additional supports.
- **Lining up Supports** – Permanent Supportive Housing projects often require the support from multiple groups. Coordinating these supports is often viewed as difficult.

Citations:

“We are about to complete a project in Saskatoon with 8 units of permanent supportive housing and the challenge I suppose is lining up a project like that requires a lot of players and municipal support. Not necessarily on the funding side, but it has to be meaningful. To get a project like that off the ground you have to have that CMHC support. They have certain rules and requirements. It often takes them 6 months to make a decision. So, you are planning a development like this a long way back and adding those types of supportive units has not been an issue. People have found it really positive. We are seeing increasing demand for more units in a mixed market setting which offers a lot of benefits as it deconcentrates housing and puts people in better quality housing. We are seeing a high demand for it right now.”

“Regina has responded to some policy changes. One that we requested was the City be able to grant municipal support as early as possible, even if it is just a letter in principle indicating that the affordable housing project is eligible for support. That is good enough for us to take to CMHC for their support. However, if that support comes at the end, it makes it a lot more difficult. We cannot allot the supports we need at the front end. To get it as early as possible is an immense benefit in putting these projects together and hopefully that amendment at the beginning of 2021 will get passed.”

“Just a further note to the last comment. I do not know how to get around this. The City’s money gets paid out after occupancy permits which is long after all the money is spent. So, in my past two projects where the City has helped me, and I thank you, we had to finance the City’s money and no bank would do it. We tried with great effort with a city solicitor to do something called an A & D in silent direction which was impossible. The City can only commit money should they have it and at the end of the day, they may not have it. I spent several hundreds of thousands of dollars financing the City’s money before we were even able to actually deliver. I am not sure if there is any way to get around this. I know that the City has finite financing. By the time we get to the end of a project, a year or two out, something might happen. That is a little mechanical thing. But this is a little concern that I do not know how to get around, but it would make the City’s money more beneficial if we did not have to finance it over 1 – 2 years.”

- *City Representative: “This happened in the blur of March when the pandemic hit, but we actually did amend the housing incentive policy. We would allow grants to be paid out prior to occupancy provided that the project is actually happening and that we have good confidence that it is going to be finished within a reasonable amount of time, partly due to your concern. Council has made this direction moving forward to work with applicants. You would not get the funding right away, but once you start moving forward, we would work with applicants to see where we have a good amount of trust that the project is going to be finished in a reasonable amount of time.”*

“This is huge because I like to deliver network buildings. This is brilliant news because it is such a waste of money to spend it all on interest instead of the building itself. Thank you for that good news. To let you know CMHC, the banks, Sask Housing all draw on a progress, the City is the only one that doesn’t. So, this is very good news.”

“To be the devil’s advocate on this one, I would be a little cautious. With the harder markets sometimes, projects do not proceed, or you do not get them off the ground. I know one project that stopped for 5 years, and just from a taxpayer’s point of view, I am happy that the City did not advance the money. I understand everyone else’s predicament. But there should be some milestones or at least a mechanism to get the money back if the project does not proceed. Just because during these rocky times, who knows what can happen. Maybe that project stops or gets converted to something else. So, I just do not want the City to fund too quickly.”

“I agree. This is not a pre-advance but an advance on program draw verified by either a cost verifier or a quality surveyor. I am not asking to have money sent beforehand. I am just asking that it flows during the normal course of construction.”

“We run an expression of interest in the fall of each year across the province. What we are depending on is the 3rd parties coming with their proposals with a service package in tow. I think that what we experience is that this service package could come from one or any combination of 3rd parties. The Ministry of Justice, the Ministry of Health or the Ministry of Social Services. Trying to coordinate one, or two, or three of those in any given project is really difficult. It is difficult to get the capital funding portion off the ground and in addition, trying to get your services funded and coordinated at the same time as your capital ask is one of the biggest challenges.”

Would this impact one type of new project more than others? For instance, is the funding having more of an impact on smaller projects?

Overall, participants had trouble determining the impact the funding would have on specific projects, but noted that increased competition and provider capacity would need to be considered. Additionally, one participant discussed the importance of knowing how the deficit was going to be made up in order to determine the impact.

Key Theme:

- **Clear Definition** - The City needs to clearly define what housing issues it wants to address through incentives, then home builders can comment on whether or not incentives are suitable to address those issues.

Citations:

“You are talking about the money splitting correct? I guess one concern that I would have, especially as you are talking about providing supports and all of that, which I think, based on the conversation, it sounds like there is a lot of interest in multiple organizations working together to provide support. So, one providing housing, and one providing supports. I would just be weary, in decreasing the funding, I do not think that it will affect one in particular, but this might make more competition between organizations. It looks like you are leaning towards organizations working cooperatively, but when you take away funding which is our lifeblood, it does make things more competitive and less cooperative.”

“It is really dependent on the capacity of development. So, whether it is a small project or a large project, I am not sure that this is the determining factor. What we are seeing is that if they are well capitalized throughout their construction that might be something that is easier to handle than if they are not. A lot of developers in this space are very dependent on capital funding from other sources.”

“It is hard to answer this question without knowing how that deficit is made up. Will all developers get funding, or will all developers see less funding? It is hard to answer without knowing how it is made up.”

If the City limits the number of grants, what are the implications on the size of housing that can be built?

While the impact was difficult to determine, one participant noted that the greater the reduction, the fewer the units, as many non-profits depend on government funding for a large portion of financing for their projects. One for-profit developer mentioned that due to the current criteria, they are ineligible. Going forward, the implications would depend significantly on what the criteria is for funding application.

Citations:

“When you say size of housing are you meaning projects? What we are finding is that the HIP program change their criteria based on where they feel need is. Again, as a for-profit developer, the criteria is such that we do not apply for it at all. Whether the funding was \$10 million or \$2, we would not be eligible to apply for it. So, I guess a large part of it is how they are changing the criteria moving forward. You could really change the criteria to open it up. If you change it, rental, not-for-profit, private, etc. may get it all depending on how you define eligibility. It is kind of a loaded question, because there are more things that dictate eligibility for the funding to sort of summarize it.”

“I will just give you an example of how our capital program works. We can provide up to 70% capital funding for projects in Regina or across the province. The other 30% is expected to come from finances from the developer or other government sources. Usually, the other government sources are the municipal government. So if that amount is reduced or eliminated, it is going to depend on the not-for-profits’ capacity or ability to come up with their own financing or equity to replace what is missing. It is difficult to say what would happen, but I think that it is fair to say that the deeper the cut goes, the fewer units that would be delivered.”

Brainstorming Ideas/Recommendations

I want to dig into how the impacts and challenges we have identified could be mitigated. Do you have any suggestions or recommended changes to capital grant requirements and/or property tax exemption programs under the HIP?

Participants offered a wide variety of suggestions for changes that could be made. This included applying incentives to any space (not just new builds), increasing the 5-year tax abatement, using a grid matrix in evaluating projects, and providing more direction to developers as to the City's end goal or vision.

Key Themes:

- **Broader Incentives** – With reducing homelessness being the ultimate goal, some participants suggested incentivizing all initiatives that increase affordable housing spaces.
- **Evaluation metrics** – One participant raised the idea of scoring criteria to help allocate funding support to housing initiatives having the greatest impact.
- **Clear vision** – Another participant emphasized the need for the City to be very clear in terms of what they are trying to achieve with this initiative.

Citations:

“One point I want to raise is that the City of Regina has a real interest in reducing homelessness and we think that any incentives should be applied to any spaces that are created in support of increasing affordable housing, not just for new construction. Right now, it is less expensive to purchase living spaces than it is to construct new. I understand that this may not generate new tax dollars for the City in the short term, but in the long-term we should reduce many other societal costs linked to the homelessness. For example, this year, the company that I work with purchased 12 houses. They are not new constructs. We just purchase them and allocate them to those with low income, but we did not get any incentive from the City because we are not qualified for the requirements for the tax exemption because they are old houses, not new constructions. So that is the point we would like to raise.”

“We are finding that Social Services has not increased their housing shelter allowance. The 5-year tax abatement is not going to work for several of our buildings. We are going to need another 5, and that is if there is an increase in housing subsidy. We are in trouble with 2 of our buildings because we have not seen an increased income, so we are not able to pay the taxes. I am not sure what to do, because the City has already provided us with so much support.”

“We think that there is some value to looking at projects from a scoring perspective or on a grid matrix of who they are housing and the impact they are having and who the group is. So what type of housing is it, who are you housing, and if there are supports available or not available. Just applying scores and metrics with what are possibly associated with the funding provided. We understand that supports and providing assistance for tenants who are harder to house does take resources, and maybe the funding can be provided when that is in place. So more about the project itself and less about the group that is doing it. The capacity and the experience all need to be there too, 100% we understand that.”

“It sounds like a future HIP program really needs to resolve what it is trying to accomplish. Is it trying to accomplish the end homelessness strategy or is it trying to accomplish helping people move up the

housing ladder? Again, how you approach these things will have different outcomes. I look at an organization like Habitat for Humanity which focuses on home ownership. It has a remarkable ability to help people move up the housing ladder. But that is going to be a very different use of that money if the goal is to end homelessness. The City has not always been clear in terms of what they are trying to achieve through this process. It gets more complicated when it tries to link itself with both provincial and national initiatives. Again, CMHC's perspective on what it is trying to accomplish may be very different than what our community is trying to achieve. This is very complex. But these not-for-profits do need some direction from the municipality on what is the end goal. Then we can all start heading in the same direction and in doing so, we can then reduce some of the competitiveness that has been discussed because then business models and not-for-profits can align their models into what you are trying to achieve or find an additional resource to move forward."

Are there better ways to prioritize capital funding applications for projects that serve those most in need?

Participants continued to discuss the importance of the City having a clear vision and mandate. Additionally, some examples from BC such as Vancity Credit Union and Catalysts Development were identified as groups to look into regarding social housing.

Key Themes: (please note, some of these key themes carry forward from the previous question)

- **Clear Vision** – Many participants reiterated the need for a clear direction from the City in terms of priorities and vision in order to collaborate more effectively and prioritize the work that should be undertaken.
- **Creative Approach** – Brought forward by one participant, but echoed by others, was the value in utilizing a creative approach to support non-profits in affordable housing developments. This included examples such as tax abatement, grants to offset development charges, and looking at other jurisdictions.

Citations:

"From my perspective, I have a little bit of experience as a private developer. I have started a new company. We had previous success using HeadStart on homes, City of Regina capital grants and the old PDF funding from CMHC on a 32-unit ownership project in Harbour Landing about 5 years ago. That project had some success, but due to some market changes and CMHC stress test, we decided to stop in Regina, and we moved to Kelowna. In the past 3 years we have developed 100 units of purpose-built rentals. So, I can offer a little bit of experience dealing with A) a different province and B) a different municipality. What I tend to pick up, is that the City of Kelowna is known for the municipality in Canada that offers the most support to all levels of development. They do not tend to silo, but they tend to go across. They have found a way to interpret the housing spectrum, which I find might be useful to take onboard in this conversation. They provide grants to offset builder development charges, which are enormous compared to Regina/Saskatoon. They also offer a 10-year no tax abatement rather than a 5-year and that would support and further assist non-profit groups. If you want groups to identify what is the problem, who are we trying to serve, what are we trying to build and which group is going to deliver it, I think that if the City provided a clear vision and a mandate that would provide us clear guidelines so that we could work cooperatively. Right now, we are all doing our own thing. We are a market developer, but we can only offer a subsidized or incentivized reduction in either rents or ownership. We cannot take it out of our own pockets. It does not work that way. If you could identify who your persona

or who your customer is and further support the non-profits as the delivery groups, that way the developer can focus on what they are good at and develop a model of housing that fits an end-user or persona. This might be a little bit of a help to all of us.”

“This is true. It is simple math. If you do not see an increase in income, but you see an increase in expenses. I do not know what to do here. The City does provide services to us and the idea is that we will pay them back over time, but we may need more time to pay those back than we originally thought.”

“I agree with the comment that was just made. This would be helpful, not just for individual organizations involved, but also for the City as a whole, as a community, to take a bird’s eye view. To put a strategic plan in place as to who the customer is, what the City sees as a priority and then see who is able to provide it or who is interested in working together to get the support services. Otherwise we are all going to keep doing our own thing and taking a peripheral view. We are going to continue working in silos. There is a danger there of duplication of effort and unidentified gaps in services and in housing options. Different clients may need different housing options. Some may need noncongruent communal living, others may want to have scatter site. It may be up to the City to set their strategic goal with this funding.”

“I will try to be very obtuse here. I think that the difficulty here in trying to comprehend your question and being able to answer it was partly because of our understanding of the housing continuum. You all likely have way more experience than me and a far greater understanding of the problem solution here. My understanding of the project solution is that I think what the City is asking is to say okay we have assembled a group of many different stakeholders who are working on different aspects of the housing continuum. So, you have some social housing, you have some affordable housing, you have some attainable housing, some rental housing, some for profit, and some non-profit. And you are asking if we change the amount of funds in those buckets, is that good, bad or indifferent? I don’t think that this is a fair question or maybe I am just not understanding it correctly. As a for-profit developer, I do not want to be able to say the homelessness issue is not an issue or shelter for this group is less of an issue than shelter for this group. I do not feel it is up to us to say what is the bigger issue right now. I think that the federal government, provincial government and the municipalities can look at their taxpayers and their subjects and say that we have a need here. You can poll us and see how we are feeling, but I do not understand why you are trying to create competition between the stakeholders at the meeting by saying how would you feel if more money would be put here or there.”

“I think that in a very broad sense you summarized a lot of comments that have been heard. Again, the City has got to set some direction for what is important to it. I think that there are a lot of places in the City that you can look at incentives, including the grants and how they have been traditionally done in the past, but for the under-market housing I think that there are other opportunities. The creative approach that was mentioned before about Kelowna giving grants on development charges. You can take that right down to a building permit level. Those are all costs that the not-for-profit, under-market housing provider, or even the private sector providing affordable housing, those are all tools that can fit into that bucket to reduce the cost to construct these type of units that ultimately the end user is going to benefit from. What it does find, is that from a municipality working creatively through all of its departments to find where those linkage points are through the construction of the project and the cost related to it and trying to remove as many of those barriers as possible. I think that the development charge one was a really good example. I think that the City recuperates its building permit costs at like 89% of those particular costs. But again, if the City was to not charge for building permits for this particular type of market that would be significant savings for non-profit providers. At the end of the

day, you have not changed the staff component to deliver those services whatsoever. Examples like that can really make a difference.”

“I hope that this is not coming across as negative. Two other elements that I want to point out that I have learned about in 3-4 years doing development in BC. BC Housing is doing a non-trivial job. They are tremendous in financing and providing very innovative programs specifically for the non-profit groups. I would encourage SaskHousing to take a really good look at that. They are happy to speak with other jurisdictions and share some of the programs that they have. It is completely structured differently. They tend to focus, at the BC housing level, on providing solutions to problems for specific user groups, whether that be certain demographics of females or Indigenous people or youth at risk. They have all these different social housing providers and a terrific peer network support group. It does not appear that Saskatchewan is up to the same level of sophistication. Maybe that is based on population. I do not know. My experience is that there is not a ton of invention in housing, there is usually a bunch of innovation in housing. It might be worthwhile to take a look at that. The other group that I found that is interesting and would provide a really good inspiration model for some of the groups, is a group in Vancouver called Catalyst Developments. They are successful in delivering social housing and various slivers of the housing spectrum only because of the support of Vancity Credit Union. If we could get our credit unions to look at examples from other jurisdictions, they are unreal. You would be blown away.”

“I agree, we have used Conexus and Affinity and the Royal Bank. Less the Royal Bank, because the Credit Unions have something called community benefit loans. They do not apply the same criteria as the top 5 banks. They are looking for community benefits. The point is, it is the cost of financing, up to 2/3 of a new unit is the cost of money. Charitable organizations they have donations, but most of us have to finance the money and any way to cut that down makes us more efficient.”

“On the grand scale, it is interesting that we have the vacancy rate, I am not sure what it is right now, likely 8 – 10%. In our city we have people fitting below the market value for our rental properties. This seems like a natural match to marry those two together. You know, tie in some sort of retrofitting affordable units in the marketplace. This seems like a great opportunity especially if the City could act quickly on that because in the coming year, 2021, being able to take advantage of the federal program now with the provincial rebate on renovations of up to \$20,000. It is possible to get more done in the next year than it would be in other years.”

Conclusion

Participants acknowledge and appreciate the City's effort in addressing Regina's homelessness and hard-to-house issues. Overall, participants were engaged and motivated to offer their perceptions, experience and suggestions as to challenges, implications and considerations that should be involved in developing the new Homelessness Funding Stream.

"I just wanted to salute the City for taking a portion of their funding into supportive services, because that is the secret sauce in helping address this."

The greatest concerns identified include the potential for increased competition, the criteria and allocation for grants going forward, the ability to utilize funding for renovation projects, the delay in receiving funding, and developers' ability to provide housing. Above all, participants encouraged the City to review its vision for funding as a means for providers to tailor their offerings to municipal needs.

Participants offered suggestions for updates to the HIP funding going forward. This included an integrated design model, funding that aligns with project progression, increasing the 5-year tax abatement, using a grid matrix in evaluating projects, and the inclusion of grants to offset builder development charges.

Appendix A: Focus Group Moderator's Guide

City of Regina – Homelessness CBO Session – December 7, 2020

Moderator's Guide – Final

INTRODUCTION [10-15 mins]

- Introduction of moderator + role.
 - Explain that focus groups are a way to collect opinions about experiences in more detail than a typical survey. They are exploratory – there are no right or wrong answers. Each person should speak for themselves. Not looking for consensus or agreement – don't hold back if your opinion or what you think or do is different from what others are saying. Any and all input is welcome and very much appreciated. The ultimate goal for the session is to give each organization the opportunity to express their position but also ensuring that we are staying solution focused and moving the conversation along.
 - Explain note-taking and recording of the discussion - when we put the report together we like to listen to the recording to make sure we've covered everything off that was discussed in the group.
 - Introduce CoR staff observing the session. They may text me or jump in as needed to ensure we are capturing all the information we need.
 - Assure participants that their names won't be associated with anything they say in the report - the data will be summarized and reported in an aggregate fashion without any names attached.
 - Duration approximately 1.5-2.0 hours; not taking a formal break; please mute phones.
 - Include moderator email in chat and explain that participants can email you directly if they don't have enough time to say everything they want or think of something after the session has ended.
 - Confirm main spokesperson for each organization – ensure naming protocol is updated accordingly.
 - Go around and begin with introductions from main spokesperson who can introduce participants from their organization.
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SETTING THE STAGE: DEFINING PERMANENT SUPPORTIVE HOUSING [5-10 mins]

1. Introduce CoR to provide opening remarks and kick-off presentation that will define Permanent Supportive Housing and ensure everyone is on the same page.
 - Diana: opening remarks
 - Charlie: kick-off presentation

<NOTE TO MODERATOR: FOCUS ON WHAT THE CITY CAN DO TO HELP. AVOID CONVERSATION AROUND BLAMING PROVINCE FOR NOT DOING MORE>

DEFINING PERMANENT SUPPORTIVE HOUSING & SERVICES PROVIDED

Overall objective of this section: To ensure stakeholders understand what the City means by Permanent Supportive Housing.

2. Does anyone have any questions or require clarification as to what you heard in Charlie's presentation around the definition of Permanent Supportive Housing?
 - Confirm definition of PSH
3. For new affordable housing projects, what range of services do you or a 3rd party support organization provide your tenants?
4. What services are lacking or are more difficult to provide?
5. What would be your priorities? Which services are more meaningful? [Background info: the City's capital grant program provides additional priority for projects that have support services but a level of service isn't specified. The City wants to potentially provide higher priority to projects that provide deeper services.]

THE IMPACT OF CAPITAL FUNDING REDUCTION

Overall objective of this section: To understand what impacts a reduction in capital funding under the HIP would have on new affordable housing development.

- Would this impact one type of new project more than others (e.g. have greater impacts on smaller projects or larger projects)

6. Thinking in the long term, how do you see a reduction in capital funding under the HIP impacting new affordable housing development?
7. What are the main challenges you anticipate having to navigate? Based on the definition provided of Permanent Supportive Housing, do you see any challenges with locating this form of housing in a market rental building?
8. Would this impact one type of new project more than others? For instance, is the funding having more of an impact on smaller projects?
9. If the City limits the number of grants, what are the implications on the size of housing that can be built?

BRAINSTORMING IDEAS/RECOMMENDATIONS

Overall objective of this section: To hear ideas/recommendations on how these impacts could be mitigated.

- Recommend changes to capital grant requirements and/or property tax exemption programs under the HIP.
- Recommend how to better prioritize capital funding applications for projects that serve those most in need.

10. I want to dig into how the impacts and challenges we have identified could be mitigated. Do you have any suggestions or recommended changes to capital grant requirements and/or property tax exemption programs under the HIP?
11. Are there better ways to prioritize capital funding applications for projects that serve those most in need?