

## **Housing Incentives Policy (HIP) – Background Information**

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The Housing Incentives Policy (HIP) was created in 2009 as a replacement to the Inner-City Housing Stimulation Strategy. In 2009, the focus of the HIP was to support housing development in inner city areas, encourage both ownership and rental multi-unit developments, and support the efficient use of building sites. Following the adoption of the Comprehensive Housing Strategy in 2013, the HIP was updated to implement recommendations related to housing affordability and availability.

Over the last 10 years the HIP has undergone both comprehensive reviews and minor amendments based on the city's shifting housing needs, the type and location of housing developments that have used incentives, and input received from internal and external stakeholders. The current policy is available at:

<https://www.regina.ca/export/sites/Regina.ca/home-property/housing/.galleries/pdfs/Housing-Incentives-Policy.pdf>

The objectives of the HIP are to:

- support below market, affordable and accessible housing options;
- stimulate below market and affordable rental housing development;
- encourage housing development that makes efficient use of established City infrastructure and helps build vibrant, sustainable and inclusive neighbourhoods;
- better aim the City's resources where there are gaps in the private market's ability to address housing needs, namely the needs of low-income households; and,
- encourage diverse housing options including housing for distinct and special needs groups.

### *Incentives Offered*

Under the HIP, the City supports the development of housing in all areas of Regina, however capital grant amounts and tax incentives vary depending on:

- the type of project (rental/ownership);
- unit affordability (affordable/market);
- size of the unit (number of bedrooms);
- the status of the organization applying (private/non-profit); and,
- the location of the development within the City (program area).

Since 2020, the HIP has also included a rental repair program that provides tax exemptions for repairs to purpose-built rental units that have received funding from other orders of government (i.e., Canadian Mortgage and Housing Corporation National Co-Investment Fund).

See Figure 1 for a map of current program areas and Table 1 for a high-level summary of current incentives (for detailed information about the incentives and location-specific restrictions, see the full Housing Incentives Policy).

Figure 1. Current Housing Incentive Program Areas

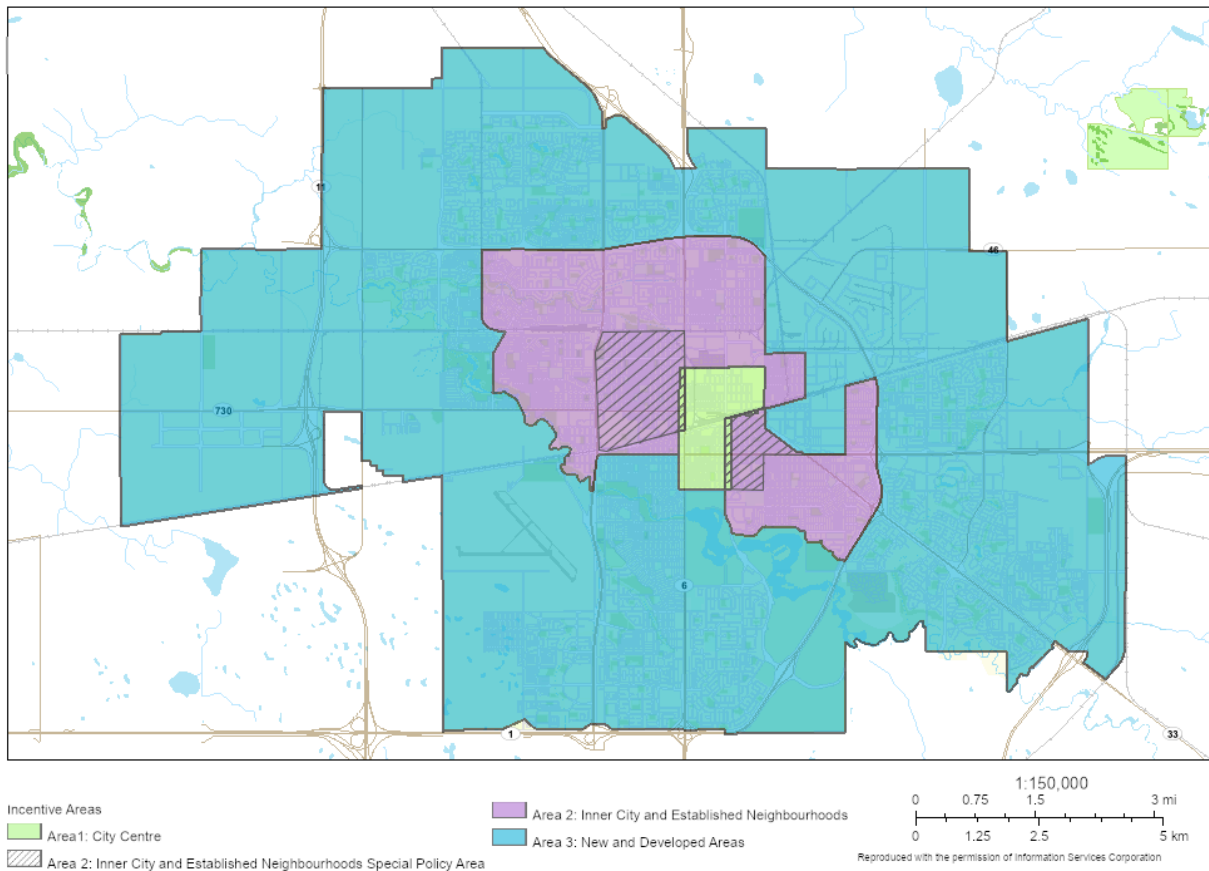


Table 1. Summary of incentives provided under the HIP

Project Type	Developer	Area 1	Area 2	Area 3
Affordable Rental	Non-profit	\$20,000-\$25,000/ unit 5 year - 100% tax exemption		\$20,000-\$25,000/ unit 5 year - 100% tax exemption
	Private			\$10,000-\$15,000/ unit 5 year - 100% tax exemption
Affordable Ownership	Non-profit	\$10,000-\$15,000/ unit 5 year - 100% tax exemption		\$10,000-\$15,000/ unit 5 year - 100% tax exemption
	Private			None
On-Site Support Suite	Non-profit	\$20,000/unit		\$20,000/unit
	Private			\$10,000/unit
Market Rental	Non-profit			
	Private			
Market Ownership	Non-profit	3 year - 100% tax exemption	3 year - 100% tax exemption Special Policy Area 2 only	None
	Private			
Secondary suite Backyard suite	Non-profit	5 year - 25% tax exemption		
	Private			
Rental Repair	Non-profit	The amount lesser of: <ul style="list-style-type: none"> <li>• 50% of eligible costs incurred,</li> <li>• CMHC financial contribution, or</li> <li>• property taxes payable - 5 years</li> </ul>		
	Private			

*Affordability Requirements*Affordable Rental Units

Housing operators that receive funding for affordable rental units are required to maintain rental rates as well as incomes of new tenants at or below maximums set by the City for a term of ten years<sup>1</sup> (Table 2). Rental housing operators are required to provide a signed affidavit detailing the rent for each unit and the income of new tenants annually to the City. The City has typically aligned maximum rental rates and income thresholds for the HIP with the Saskatchewan Housing Income Maximums established by Saskatchewan Housing Corporation<sup>2</sup>.

Table 2. HIP Income and Rental Rate Maximums (effective July 1, 2022)

		<b>Bachelor</b>	<b>1-Bedroom</b>	<b>2-Bedroom</b>	<b>3-Bedroom</b>	<b>4+ Bedroom</b>
<b>HIP Rates</b>	Household income threshold (max)	\$ 38,000	\$ 38,000	\$ 46,500	\$ 56,000	\$ 67,000
	Rental rate (max)	\$ 757	\$ 950	\$ 1,160	\$ 1,400	\$ 1,675

Affordable Ownership Units

Affordable ownership grants are provided to the Applicant who in turn passes it along to the purchaser of the unit. This is done as either a down payment assistance grant or reduction in the sale price of the unit and must be confirmed by a professional accountant. Affordable ownership units are sold to households that meet maximum income thresholds set by the City. The current income thresholds were set in 2019 and reflect 80% of Regina's median total income (2016 Census) and are adjusted for household composition (Table 3). However, charitable non-profits who access this funding typically have lower income thresholds and additional eligibility criteria for purchasers.

Table 3. Household Income Threshold for Affordable Ownership Projects

<b>Purchasers per household</b>	<b>Dependents per household</b>	<b>Total Household Income Maximum</b>
1 Purchaser	No Dependents	\$ 72,720
2 Purchaser	No Dependents	\$ 77,568
1 - 2 Purchasers	1 Dependent	\$ 82,416
1 - 2 Purchasers	2 Dependents	\$ 87,264
1 - 2 Purchasers	3 Dependents	\$ 92,112

Rental Repair Program

Under the rental repair program, a minimum of 30 per cent of the repaired units must be rented at 80% of the median market rent as reported by CMHC.

<sup>1</sup> Five years for applications approved before 2021.

<sup>2</sup> The Saskatchewan Housing Income Maximum (SHIM) is set by the Saskatchewan Housing Corporation on an annual basis. The SHIM is based on median market rents and reflects the minimum income required for a household to afford appropriate accommodations without spending more than 30% of its income. Households with annual incomes less than this threshold are considered to be low-income. The SHC calculates their Maximum Rental Rates as 30 per cent of the gross income of households that qualify as low income under the SHIM. Typically, SHC maximums (rent and income) see modest increases annually.