

Appendix G: HIP Amendments – Stakeholder Engagement Summary

Session Summary

A stakeholder engagement session was held via Microsoft Teams on October 25, 2022. Invitations were extended to 31 organizations who have applied for funding under the *Housing Incentives Policy* (HIP) in the past or who currently support the development of affordable housing. This included 15 non-profit housing providers, 14 private sector developers, the Saskatchewan Housing Corporation (SHC) and the Regina and Region Homebuilders Association (RRHBA). The online session was attended by 12 organizations including three private sector developers, seven non-profit housing providers, RRHBA and SHC.

The session included a presentation about the HIP, outcomes of the program over the last five years, and information about the proposed amendments. Participants were then led through a facilitated discussion regarding the following questions:

- How will the proposed changes impact your current and future plans for development?
- Will these changes make you more likely to develop housing in the City Centre and established neighbourhoods?
- Are there additional considerations or challenges that you would like us to know as we undertake the Comprehensive Housing Strategy (CHS) review in 2023?

After the session, the information was circulated to attendees as well as stakeholders who were unable to attend the session but who had expressed interest. All were invited to submit written responses. Written feedback was received from six organizations.

Stakeholder Feedback

Report Amendments

Stakeholders were generally supportive of the amendments with none indicating that it would significantly impact their future plans for development. One organization expressed concern at the limited amount of funding that has been provided in central areas in the past, given the heightened need for housing in these areas. One organization indicated that the changes may help support new housing development in central areas that strikes a balance between affordability and financial sustainability (i.e., mixed-market projects). However, it was also noted that the impact of the incentives should continue to be monitored to ensure projects deliver on the City's objectives.

Staff had initially proposed to prioritize application intake for projects located in the City Centre, North Central and Heritage neighbourhoods. However, following the information session, stakeholders provided feedback that this approach would impact the ability of some non-profit housing providers to secure support from the City early in the year. Non-profit projects located in established and new areas would be required to wait until August 1 for funding confirmation. This would, in turn, limit their ability to leverage federal and provincial support for affordable housing projects. Given that planning may already be underway for projects located outside of central neighbourhoods, it was important to limit the near-term impacts of this change. Staff developed an alternative approach that balances the objective to prioritize funding for central areas as well as ensure that non-profits can secure municipal support early in the year. This was circulated to stakeholders for additional comment and was well-received. This recommended approach is outlined in Amendment 3 of the staff report.

Appendix G: HIP Amendments – Stakeholder Engagement Summary

General comments

In addition to feedback on the proposed amendments, the following comments were received:

- The maximum rental rates and income thresholds required to be eligible for the capital grants need to be easier for applicants to find.
- Allowing phased payments for capital grants would reduce the cost of financing while projects are being constructed.
- Additional opportunities to pair capital and operational funds for supportive housing projects, similar to what was done with the Rapid Housing Initiative, should be considered. It would encourage more partnerships between housing developers and support service providers.

Administration will work to be more proactive in sharing the maximum rental rates and incomes required under the HIP in the near term. Further consideration of the other items will take place as part of the CHS review.

Development in central and established areas

Both non-profit and private developers highlighted other challenges with respect to developing housing in established areas, consistent with feedback that has previously been received, including during the development of the Intensification and Revitalization Incentives, including:

- Increased costs of development
- Site complexity
- Uncertainty regarding the condition and capacity of existing infrastructure
- Zoning requirements (setbacks, parking minimums)
- Political uncertainty with discretionary uses and rezonings

Additional considerations regarding infill development that were shared:

- Land availability:
 - In established neighbourhoods, available land typically exists as smaller lots that are scattered vs. consolidated sites.
 - For projects, particularly those that incorporate affordable units, larger sites allow projects at a scale that can deliver the intended benefits.
 - It is expensive to secure, hold and eventually accrue land in established areas can be a disincentive if you can't guarantee the project will move forward.
- Property values:
 - Some developers have avoided investment in North Central and Heritage due to the risk of reduced property values. Some have found it challenging to see a return on investment and/or find willing purchasers and renters.
- Safety and stability:
 - For some developers, the decision of where to build affordable units can also be influenced by the need to transition people into more secure housing or away from situations that may impact their safety.
 - Some have noted that established and newer areas provide an opportunity for residents to access different neighbourhoods and find stability.

Appendix G: HIP Amendments – Stakeholder Engagement Summary

Overall, Administration's interpretation of the feedback that was received is that the amendments will likely increase the number of housing units developed in the City Centre, North Central, Heritage, and established areas to some extent. However, the impact of other challenges to developing housing in these areas makes it difficult to predict this increase with certainty. In addition to aligning incentives, continued work to address the other challenges is needed to see increased development in these areas.