

Effective Date

January 1, 2025

Approving Authority

City Council

Policy Owner

Director, Indigenous
Relations & Community
Development

2025-02-CM

Downtown Office to Residential Conversion Policy

Purpose & Scope

Purpose

- 1 The purpose of this policy is to encourage the conversion of non-residential buildings to residential dwelling units in Regina's city centre.

Scope

- 2 This policy applies to non-residential conversion projects in Regina's city centre exclusively as found in Appendix A.

Policy Provisions

Definitions

- 3 The following definitions apply to this policy:
 - 3.1 **Application** means a single application for incentives under this policy for the creation of one or more dwelling units.
 - 3.2 **Applicant** means a developer that is the registered owner of the lands for which they are applying for financial incentives under this policy.
 - 3.3 **Branch Manager** means the manager of the branch primarily responsible for administration of this policy, or their designate.
 - 3.4 **Building** means a structure used for the shelter or accommodation of persons, animals, goods, possessions, or equipment, having a roof which is supported by columns or walls situated on private property when so used.

- 3.5 **Building permit** means a permit issued under *The Building Bylaw* of the City of Regina authorizing the construction of a building.
- 3.6 **Character-defining elements** means the tangible or intangible features that embody the heritage values assigned to a historic building.
- 3.7 **City centre** means the geographic boundary described as the City Centre Program Area in Appendix A.
- 3.8 **City Manager** means the City of Regina City Manager or their designate.
- 3.9 **Class “C” estimate** means a planning level cost estimate where the level of accuracy is such that no more than a 15 per cent design allowance is required. The estimate is usually based on a schematic design and presented in elemental format.
- 3.10 **Comfort letter** means a written document from the applicant’s financing institution that demonstrates the financing institution’s support for the applicant’s application and willingness to provide financial support.
- 3.11 **Director** means the Director of the department primarily responsible for administration of this policy, or their designate.
- 3.12 **Downtown** means the geographic boundary described/depicted/outlined as the City Centre Program Area in Appendix A.
- 3.13 **Financing commitment letter** means a formal agreement between a lender and a borrower that outlines the terms of a loan.
- 3.14 **Funding agreement** means an agreement entered into between the City and a registered owner to allow the City to provide capital grants to the registered owner upon completion of a project and the owner meeting all other terms of the capital grant agreement.
- 3.15 **Funding commitment** means a commitment by the City, authorized by the Director, to provide an amount of funding or maximum amount of funding for a project upon fulfilling the criteria to receive payment.
- 3.16 **Occupancy permit** means an occupancy permit issued by the City for the unit or units. This may include a temporary, conditional or partial occupancy permit. Where this policy references the date an occupancy permit was issued, the date the last occupancy permit issued for a project will be used as the reference.
- 3.17 **Property** means a discrete parcel of land as determined by the city assessor.

CAPITAL GRANT DETAILS

Capital Grant Offering

- 4 The Downtown Office to Residential Conversion Policy may commit up to \$4 million per year for capital grants from the City's Housing Accelerator Fund across 2025 and 2026. If any of this funding remains unallocated at the end of 2026, the unallocated portion will be returned to the City's account for the Housing Accelerator Fund.
- 5 The Downtown Office to Residential Conversion Policy will be in effect for the years 2025 and 2026.
- 6 Capital grants are available for non-residential conversion projects at the rate of:
 - (a) \$75 per square foot, based on the original gross floor area of existing floor space that will be converted into dwelling units,
 - (b) \$37.50 per square foot, based on the original gross floor area of existing floor space that will be converted into common areas and/or amenities, and
 - (c) the maximum funding available per project is \$2 million; relaxation of this requirement is at the discretion of the Director.

General Eligibility Requirements

- 7 The applicant must be the registered owner of the lands being developed to be eligible for capital grants under this policy. Third-party applicants may be considered if the registered owner has provided authorization to make the application on their behalf.
- 8 Applications must be complete and submitted by the submission period deadline within the application intake period. If the information submitted lacks clarity, or the City requires further information, applicants may be contacted at any time during the process to provide the required information. A deadline to provide the required information will be provided to the applicant and failure to submit the required information by the deadline may result in an application being rejected.
- 9 Applications with the following characteristics are not eligible for funding under this policy:
 - (a) projects located outside of the program area as defined in Appendix A,
 - (b) construction of new buildings,
 - (c) properties receiving incentives under other City programs are not eligible for incentives under this policy; relaxation of this requirement is at the discretion of the Director,
 - (d) projects already under construction prior to a complete application being submitted for consideration under this policy; relaxation of this requirement is at the discretion of the Director,

- (e) projects involving alterations to the exterior of heritage properties without an approved Heritage Alteration Permit or involving changes to character-defining elements that compromise the integrity of a building, and
- (f) properties for which an application is made with taxes or other charges past due to the City are not eligible for capital grants under this policy until those taxes or other charges are paid. The City may extend a one-week grace period after the application deadline to allow applicants to pay outstanding taxes or other past due charges.

Application Requirements

- 10 Applications may be submitted during the intake period as determined by the Director.
- 11 Applications must include the following information and documentation to be considered complete:
 - (a) a completed application form,
 - (b) a copy of the land title showing registered ownership of the property or an accepted offer to purchase,
 - (c) project description:
 - (i) square footage of non-residential space proposed for conversion,
 - (ii) anticipated number of new dwelling units being created,
 - (iii) description of proposed unit mix,
 - (iv) floor plan,
 - (v) additional project details where applicable, including:
 - A. ground level uses and activation,
 - B. provision of residential amenities such as enclosed or covered bicycle parking,
 - C. proposed exterior renovations and improvements,
 - D. sustainable design elements such as on-site renewable energy generation or energy efficiency (per cent achieved better than National Building Code), and
 - E. any changes to site plan and/or public realm,
 - (vi) any relevant site context, including disclosure of any known structural or environmental concerns, such as the presence of toxic substances within the building and/or contamination of the property or surrounding lands,
 - (vii) preliminary architectural drawings, schematic plans and renderings sufficient to confirm the project meets zoning requirements,

- (viii) status of, or plans related to, servicing requirements, development and/or building permits, and
 - (ix) any other information that may be relevant to overall project evaluation, per sections 15 through 19 below,
- (d) financial details – the application must provide information related to the project’s financing plan and related timelines for fulfilment of the financing plan. The application should demonstrate the applicant has the financial capacity to undertake the proposed project, including:
- (i) provision of the most recent audited financial statements of the applicant (and of its affiliates if the applicant is an ownership/management group) if audited financial statements are available at this stage, and
 - (ii) if externally financed, provision of a financing commitment letter if available at this stage. If a financing commitment letter is not available at this stage, provision of a comfort letter from the applicant’s financing institution providing support for the applicant’s application for the proposed project.
- (e) project experience, capacity, and team – the applicant must provide a description of the project team and organizational structure, that demonstrates the people and organizations involved have delivered on projects with similar scope and complexity, including a description of the applicant’s or ownership/management group’s proven development experience, which includes both internal and external resources, including the architect, general contractor and other primary roles required to complete the project. Proven development experience should be demonstrated through prior relevant sample projects, with specific focus on conversion projects or projects of similar scope and/or scale. Sample projects should include information on:
- (i) project scope and budget,
 - (ii) the similarities between the sample project and the proposed conversion project;
 - (iii) strategies implemented to develop and manage the overall schedule of the project, and
 - (iv) strategies for effectively managing schedule, quality management, and coordination with regulatory bodies.
- (f) project readiness to proceed – the applicant must provide information that demonstrates project planning is at a stage where the project can be executed in accordance with the project timelines, including:
- (i) high-level breakdown of estimated project costs based on a Class “C” estimate (note that it is expected that further refinement and provision of updated costing will be provided throughout the project if requested by the City),

- (ii) high-level project timeline, including the following milestones:
 - A. expected timing of eviction of tenants (where applicable),
 - B. expected timing of development permit and/or building permit submission,
 - C. planned construction schedule (including proposed start of construction and construction completion), and
 - D. anticipated occupancy:
 - Information regarding known site constraints, which may include environmental concerns, and/or utility servicing plans or challenges,
 - Information regarding the ability to comply with current building codes and regulations and any known variances required, and
 - Any additional relevant supporting information, as applicable.

12 The City may require an applicant to provide any additional information as deemed necessary to confirm eligibility for incentives under this policy. A deadline to provide the required information will be provided to the applicant and failure to submit the required information by the deadline may result in an application being rejected.

Application Review Process & Evaluation

- 13 Applications will be evaluated in two stages:
- (a) preliminary review to assess eligibility to receive incentives under this policy, and
 - (b) comprehensive review to determine scoring of applications based on the merits of the proposal. Overall application scoring will inform the recommendations for funding. The highest ranked project will be recommended for approval to enter into a funding agreement first. If funding remains, the next highest ranked project will be considered.
- 14 The evaluation criteria is summarized in the table below and further detailed in the sections below.

Item	Evaluation Criteria	Weighting (out of 10)
Preliminary Review		
1	Complete Application Submission Review	Pass/Fail
2	Financing Plan and Financial Capacity Review	Pass/Fail
Comprehensive Review		
3	Project Experience, Capacity, and Team Review	4
4	Project Readiness to Proceed Review	4
5	Project Elements	2

- 15 The Branch Manager, in their sole discretion, will make decisions on the eligibility of applications at the preliminary review stage. Applications will not proceed through the comprehensive application review if the application cannot satisfy all requirements at the preliminary review stage. The City may request additional information. A deadline to provide the required information will be provided to the applicant and failure to submit the required information by the deadline may result in an application being rejected.
- 16 Applicants will be notified in writing regarding the result of the preliminary review. Applications must pass both areas of the preliminary review to be considered eligible for the incentives under this policy and to proceed to the next stage of the review process.
- 17 Applications that pass the preliminary review will be eligible to proceed to the comprehensive application review. Applications will be scored based on the merits of the application as per the categories below. The highest ranked application will be recommended for approval to enter into a funding agreement.
- 18 Project experience, capacity, and team will be ranked based on experience and demonstrated understanding of the development process (with greater weight given to experience with conversion from office to residential), municipal regulatory processes, the Regina market and construction environment, and their overall ability to successfully deliver the proposed project, which is a critical element of the criteria under evaluation. Applicants are encouraged to provide any supporting information which would demonstrate their ability to undertake this project and deliver on schedule.
- 19 Project readiness to proceed will be ranked based on the demonstrated project readiness and ability to deliver the project within a reasonable timeframe. Applicants will be ranked on their ability to demonstrate a solid understanding of the proposed project and any development challenges arising from the site or building, and the ability to address such challenges and deliver the project within proposed timelines.
- 20 Project elements will be ranked based on the proposed project elements contained in the project description portion of the application as described in section 11 above.

Disbursement of Funds

- 21 Applicants must provide the City with:
 - (a) a copy of the development or building permit, and
 - (b) a copy of the land title showing registered ownership of the property,within six months of receiving a funding commitment. The Branch Manager has discretion to either extend the timeline for submission or withdraw the City's funding commitment.
- 22 The registered owner of the property must enter into a funding agreement with the City to receive a capital grant.
- 23 Capital grants are disbursed to the registered owner. Capital grants may be disbursed to a third party if recognized in the funding agreement.
- 24 Capital grants will be disbursed after the following conditions are met:

- (a) occupancy permits for residential dwelling units and required end of project documentation indicated in the funding agreement has been submitted to the City,
 - (b) there are no taxes, utilities or other charges owing to the City, and
 - (c) any other requirements specified in the funding agreement have been met.
- 25 Capital grants will be disbursed in one payment when all dwelling units have received occupancy permits.
- 26 Where a property is transferred or sold prior to the disbursement of a capital grant and prior to all requirements under this policy being met, the City may, at the discretion of the Director, assign the capital grant to a new owner.
- 27 If an issued development permit or building permit expires the City may terminate the funding agreement.
- 28 Projects approved for funding must be complete with all conditions met prior to October 31, 2027 to receive grant funding. If all conditions are not met by this deadline the City will not provide any grant funding and may terminate the funding agreement.

Roles and Responsibilities

- 29 All applications under this policy will be submitted to and reviewed by the branch primarily responsible for administering the Housing Incentives Policy.
- 30 In addition to the authorities specified in this policy, the Branch Manager or their designate:
- (a) conclusively determines compliance with the eligibility criteria for capital grants under this policy, and
 - (b) makes final funding recommendations to the Director.
- 31 In addition to the authorities specified in this policy, the Director or their designate:
- (a) approves any funding commitments and funding agreements entered into pursuant to this policy,
 - (b) authorizes any amendments to the funding agreement,
 - (c) authorizes payments of capital grants,
 - (d) determine start and end dates for application intake periods based on funding availability and other considerations,
 - (e) has discretion to withdraw the City's funding commitments if an applicant does not meet the requirements of this policy, and
 - (f) exercises the authorities of the Branch Manager in absence of the Branch Manager.

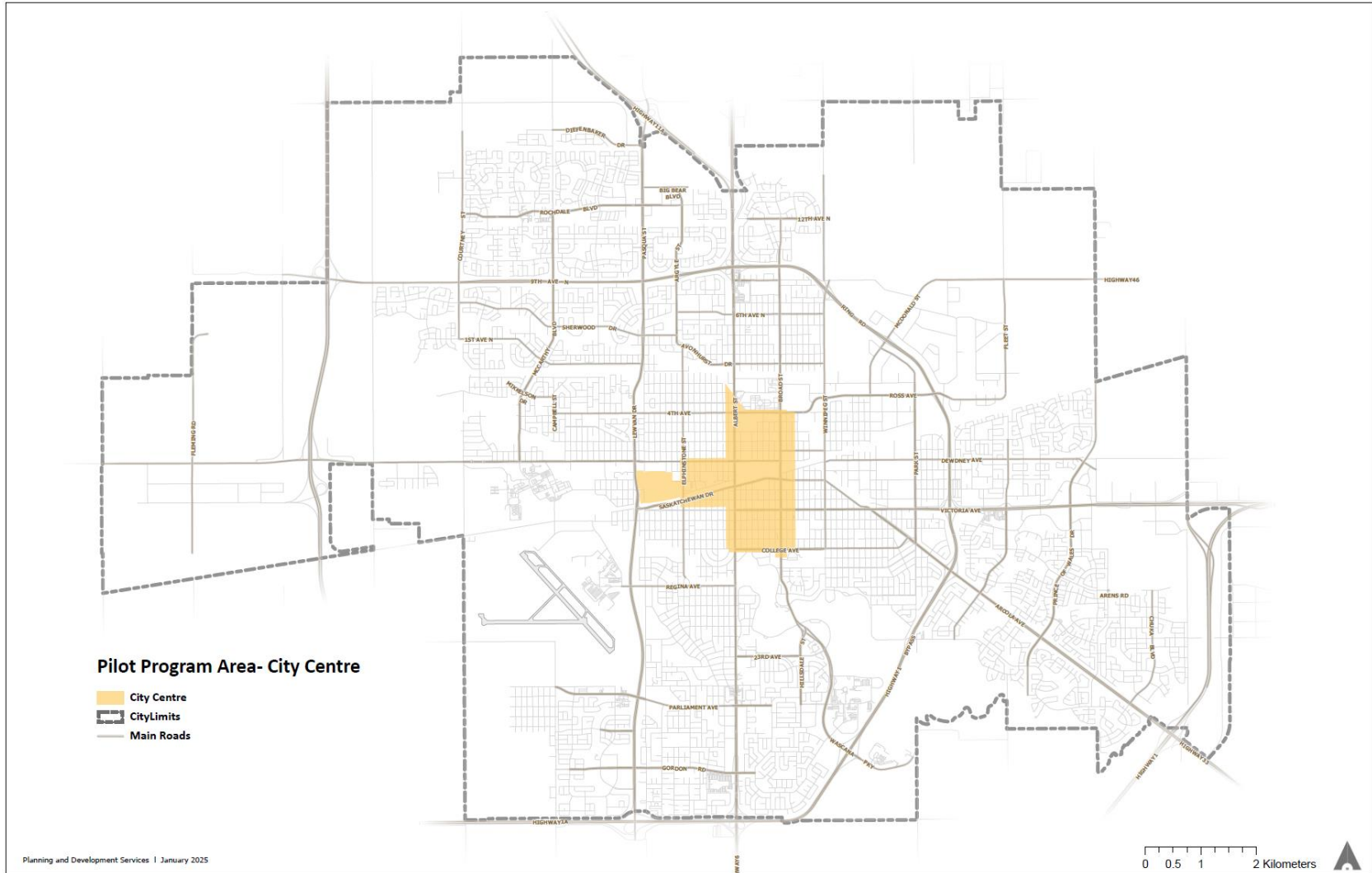
- 32 Other internal subject matter experts will be engaged as required for support throughout application review, and any other processes as required including but not limited to staff within Planning & Development Services, Land, Real Estate & Economic Development, and Financial Services.
- 33 In addition to the authorities specified in this policy, the City Manager or their designate:
- (a) conclusively interprets this policy and is the final authority on all aspects except those aspects for which City Council is responsible, or as otherwise determined through law,
 - (b) may make minor amendments to this policy where specific policy provisions conflict with the purposes of the policy, and
 - (c) exercises the authorities of the Director in the absence of the Director.
- 34 City Council is responsible for approving amendments to this policy and determining the annual allocation for capital grants through the budget process.
- 35 The sole funding source of the grants under this policy is the Housing Accelerator Fund (HAF) administered by the Canada Mortgage and Housing Corporation on behalf of the Government of Canada. Notwithstanding any other provisions of this policy or any funding commitments made by the City under this policy, the City will not provide a grant to an applicant under this policy or may reduce a grant to an applicant under this policy if at any time, for any reason the City is not able to use or access sufficient funding under HAF to pay for that grant. The City may reduce, terminate or require repayment of any payments under this policy for any reason including but not limited to in response to any reductions of funding under HAF or departmental funding levels, if for any reason the HAF program is discontinued or terminated or the City is not eligible to receive or use the funding under the terms of HAF, the City does not receive sufficient HAF funding that can be used for the grants under this policy or if all or a portion of HAF funding is required to be repaid and cannot be used to fund this policy. The City will not be liable for any damages including direct, indirect, consequential, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, arising from any such reduction or termination of funding.

Record Retention

- 36 The City shall maintain documentation related to an application under this policy in accordance with *The Records Retention And Disposal Schedules Bylaw, 2012, No. 2012-18*.

Date Approved	January 29, 2025
Date of Last Review	December 10, 2024
Date of Next Review	December 10, 2028

APPENDIX A: City Centre Program Area for Downtown Office to Residential Conversions



APPENDIX A: City Centre Program Area for Downtown Office to Residential Conversions

