Agenda – Executive Policy Committee – June 22, 2005

Moved by Councillor

That Rule 9.3 of the Procedure By-law be suspended in order that the following item, which was received too late to be placed on the regular agenda, may also be considered by Committee at this time.

ADDENDUM REPORTS

Item No. 7 Flora Place Housing Development Project
File EX-9.1

WINNIPEG HOUSING STEERING COMMITTEE RECOMMENDATION:

On June 20, 2005, the Winnipeg Housing Steering Committee concurred in the administrative recommendation and recommended to the Executive Policy Committee:

1. That Council approve the replacement of the existing 28 housing units of Flora Place with new cluster housing conditional upon an acceptable proposal for development. The recommended option was one of seven options considered for the redevelopment of Flora Place using a community partnership approach.

2. That Council approve Winnipeg Housing Rehabilitation Corporation (WHRC) as the development proponent, that WHRC be requested to issue a Request for Proposal to replace the existing 28 housing units with new cluster housing option, and that once the Redevelopment proposal is approved and sufficient funds are committed by the Province, that the City transfer the ownership of the land to be redeveloped to WHRC for a nominal fee.

3. That the Director of Planning, Property and Development be authorized to implement the recommended course of action.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing recommendations.

DECISION MAKING HISTORY:

WINNIPEG HOUSING STEERING COMMITTEE RECOMMENDATION:

On June 20, 2005, the Winnipeg Housing Steering Committee passed the following motion:

1. That Council approve the replacement of the existing 28 housing units of Flora Place with new cluster housing conditional upon an acceptable proposal for development. The recommended option was one of seven options considered for the redevelopment of Flora Place using a community partnership approach.

2. That Council approve Winnipeg Housing Rehabilitation Corporation (WHRC) as the development proponent, that WHRC be requested to issue a Request for Proposal to replace the existing 28 housing units with new cluster housing option, and that once the Redevelopment proposal is approved and sufficient funds are committed by the Province, that the City transfer the ownership of the land to be redeveloped to WHRC for a nominal fee.

3. That the Director of Planning, Property and Development be authorized to implement the recommended course of action.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the foregoing recommendations.

Re: **Flora Place Housing Development Project**

For submission to: Winnipeg Housing Steering Committee

Original report signed by: Director of Planning, Property and Development

Report date: April 11, 2005

Recommendation(s):

1. That Council be requested to approve the replacement of the existing 28 housing units of Flora Place with new cluster housing conditional upon an acceptable proposal for development. The recommended option was one of seven options considered for the redevelopment of Flora Place using a community partnership approach.
2. That Council be requested to approve Winnipeg Housing Rehabilitation Corporation (WHRC) as the development proponent, that WHRC be requested to issue a Request for Proposal to replace the existing 28 housing units with new cluster housing option, and that once the Redevelopment proposal is approved and sufficient funds are committed by the Province, that the City transfer the ownership of the land to be redeveloped to WHRC for a nominal fee.
3. That the Director of Planning, Property and Development be authorized to implement the recommended course of action.
4. That the proper officers of the City be authorized to do all things necessary to implement the foregoing recommendations.

REPORT SUMMARY

KEY ISSUES:

- In 2000, Council adopted a recommendation from Executive Policy Committee to address future housing needs of the Flora Place Housing Project.
- The life span of the existing housing units of Flora Place has expired. All stakeholders including Manitoba Housing and CMHC agree that the remaining units at Flora Place have reached the end of their useful economic life.
- Discussions with Flora Place tenants have created an expectation that current tenants would have an input into the choice for the redevelopment option. Therefore, utilizing a community partnership model, North End Housing Project (NEHP) produced the 2003 Flora Place Housing Project Feasibility Study, which recommended the replacement of the existing units with new single-family homes. Further examination of the financial requirements for this option revealed that the project was not viable and subsequently, NEHP withdrew from the project.

- A new development proponent, Winnipeg Housing Rehabilitation Corporation (WHRC) was approached to generate other redevelopment options for Flora Place. After evaluating the new options, the cluster housing option was considered since it addressed the majority of the issues of all stakeholders as well as being cost effective. On January 25, 2005, the Flora Place tenants endorsed the cluster housing option.
- The Flora Place Housing Project falls within the stated goals of the Winnipeg Housing Policy. The City of Winnipeg has delivered tri-level housing improvement programs through the Winnipeg Housing and Homelessness Initiative, which have enhanced neighbourhood stability and integrity, increased property assessments, provided affordable accommodation and generally improved the overall health of Winnipeg.

IMPLICATIONS

General Implications:

	None
X	For the organization overall and/or for other departments
X	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract

Comment:

- This project would require provincial funding. It would also require the land to be rezoned allowing the input of all local stakeholders, including the Flora Place Tenants Association and neighbouring communities such as Burrows Central Resident Association.

Policy Implications:

X	No (*There are no policy implications if the report is asking for a one-time decision.)*
	Yes *(There are policy implications if the recommendation(s) is/are asking for a decision that will be used to guide decisions over time.)*

Comment:

- This project falls within the stated goals of the Winnipeg Housing Policy.

Environmental Implications:

X	No
	Yes

Comment:

-

Human Resources Implications:

X	**No**
	Yes

Comment:

Financial Implications:

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required
	No financial implications

Comment:

- The City has allocated a total of $280,000 for this project.

1) On May 27, 2003, the Winnipeg Housing Steering Committee passed a motion that allocated $140,000 for the redevelopment of Flora Place held in the Housing Rehabilitation Investment Reserve (HRIR) fund.
2) On March 22, 2005, Council adopted the 2005 Operating Budget which allocated an additional $ 140,000 from the General Purpose Reserve to the HRIR specifically for Flora Place.

REPORT

REASON FOR THE REPORT:

On June 21, 2000, Council adopted the report of the Standing Policy Committee on Property and Development, regarding the Flora Place Housing Project, dated May 30, 2000, as amended by the Executive Policy Committee. This report is written in response to the amended Recommendation V, specifically:

That the Director of Planning, Property and Development be authorized to prepare a feasibility study in anticipation of a Request for Proposal in accordance with the following:

1. *Flora Place Housing Study – Alternative four, Options One and Two;*
2. *The results of the Community Consultation process as reported on separately; and*
3. *The Winnipeg Housing Initiative;*

and in the context of working to create a housing community partnership model.

HISTORY:

- The Flora Place Housing Project began in 1947 as 100 temporary homes for returning war veterans. Over the past fifty years, the units have been renovated three times and 72 units have been demolished. Only 28 of the original 100 units remain, clustered on the east end of the site at Sinclair Street (see Appendix A for history).

- In June 1999, the City initiated the creation of a Task Force to prepare a study that reviewed the Flora Place Housing Development. This Task Force was comprised of representatives of the Manitoba Housing Authority, the City of Winnipeg, the Flora Place Tenants' Association, and the Community Economic Development Association. The Task Force also had as advisory representatives, the Deputy Minister of Housing and Urban Affairs, and two city councillors.

- On September 22, 1999 the Task Force completed the Flora Place Housing Study for submission to Council (see Appendix B). The study examined the development and surrounding neighbourhoods, as well as demand for social housing in Winnipeg and acknowledged the unique nature of the development and the deteriorated condition of many of the units. Four alternatives were considered to address housing needs at Flora Place. They were: 1) Full Rehabilitation of all 100 existing housing units; 2) Partial Rehabilitation, Option 1 – Partial rehabilitation of 33 units, Option 2 – Partial rehabilitation of 66 units (forming two clusters); 3) Full Redevelopment to single family housing lots; and 4) Mixed Housing Development and retention of the Flora Place Eastern Cluster, Option 1 – Retention of 33 units, combined with a mixed housing development, Option 2 – Rehabilitation of 33 housing units and replacement of 45 housing units/mixed housing development.

- On June 21, 2000, City Council adopted five amended recommendations from Executive Policy Committee that were based on the 1999 Flora Place Study Report. The following items were passed: 1) release of the Memorandum of Agreement regarding lease of the development to Manitoba Housing Renewal Corporation (MHRC) for upgrading, maintaining and managing the units at Flora Place; 2) prior to the release, the MHRC would rehabilitate 28 units and relocate them to the far eastern portion of the site (The City contributed $125,000 toward the costs); 3) prior to the release, MHRC would demolish the 50 housing units that were beyond repair; 4) adding the management of remaining housing units to the Winnipeg Housing Rehabilitation Corporation Management Agreement. (In April 2001, the Province transferred management of the remaining 28 units to the City); and 5) authorizing the Director of Planning, Property and Development "to prepare a feasibility study in anticipation of a Request for Proposal in accordance with the following:

    1. Flora Place Housing Study – Alternative Four, Options One and Two;
    2. The results of the Community Consultation process as reported on separately; and
    3. The Winnipeg Housing Initiative;

    and in the context of working to create a housing community partnership model."

- A community partnership approach was used to develop the options to be considered for the redevelopment of Flora Place. In 2001, North End Housing Project (NEHP) was appointed by City Administration to initiate a feasibility study for redevelopment of Flora Place. During the review, Burrows Central Residents' Council expressed the need for park space and their opposition to more public rental housing. They petitioned City Councillors and the Administration to amend the redevelopment proposal to consider only a portion of the original 10.4-acre Flora Place site for housing. They requested that approximately 8 acres of the site be rezoned and developed as a passive park. This request was formally put to the Lord Selkirk-West Kildonan Community Committee on June 18, 2002, accompanied by a petition purporting to contain signatures of 400 area residents supporting development of a passive park.
- On June 27, 2002, the Community Committee forwarded the request to the Standing Committee on Property and Development, which referred the matter to the Director of Planning, Property and Development for review and recommendation. On May 6, 2003, the Director provided a verbal report to the Standing Committee, which agreed to file the recommendation from the Community Committee. Based on the neighbouring community feedback, NEHP concentrated their efforts on redevelopment options restricted to replacing housing on this eastern 2.5 acres of land.
- In May 2003, NEHP and McGowan Russell Group released its "Flora Place Housing Project Feasibility Study" (see Appendix C). This study recommended limiting housing development to approximately 2.5 acres on the east side of the site, and developing the balance of the site as a passive park. Unfortunately, NEHP withdrew from the project in February 2004, stating that the project was not financially viable.

- After withdrawal from the project by NEHP, the City's Housing Development Division approached WHRC to become the development proponent of Flora Place. WHRC accepted this role in September 2004.
- WHRC and representatives of the City of Winnipeg's Housing Division cooperatively explored options for redevelopment. McGowan Russell Group subsequently evaluated the feasibility of several housing configurations in addition to those considered in the 2003 study. A summary of findings is provided in the Discussion section below.
- On January 25, 2005, the Winnipeg Housing Policy Coordinator presented options to the Flora Place Tenants Association. The group overwhelmingly approved the cluster housing option as the preferred choice for Flora Place redevelopment.

DISCUSSION:

- Given the existing tenants' income profile, ability to access large funds via mortgage financing would be limited (see Appendix D). Based on information provided by WHRC, $700,000 could be obtained through mortgage financing with a 25-year amortization at 6.3 per cent interest rate assuming Flora Place would generate approximately $46,000 per year in net revenue for debt servicing.
- Notwithstanding mortgage financing, the proponent of the redevelopment of Flora Place can also access grants from both provincial and municipal housing programs. Overall, up to $1,540,000 of grants (City and Province) and $700,000 in mortgage financing could be made available to fund the project. Therefore, total funds up to $2,240,000 could be made available for the redevelopment of Flora Place. (*Provincial representatives have indicated that the project would be able to access Affordable Housing Initiative (AHI) funding of approximately $45,000 per unit depending on the rents collected. In addition, the City of Winnipeg is expected to contribute an additional $10,000 per unit for Flora Place Redevelopment (Thus, 28 units X $55,000 grant per unit = $1,540,000 potential grant funding*).
- On May 27, 2003 the Winnipeg Housing Steering Committee approved a recommendation that $140,000 be approved for implementation in 2003 from the Housing Rehabilitation Investment Reserve (HRIR) for the Flora Place Housing Project. This funding has been reserved as a notional allocation to support the project when it receives final approval.
- On March 22, 2005, Council adopted the 2005 Operating Budget, which allocated an additional $140,000 for Flora Place Redevelopment. The 2005 Flora Place funding is provided from the General Purpose Reserve to the Housing Rehabilitation Investment Reserve. This latest allocation would bring the City's total allocation for Flora Place Redevelopment to $280,000.
- WHRC will be applying for a mortgage from a private lending institution for this project, which will require that they hold title to the property being developed. For this reason, a recommendation is being made that title to this property be transferred to WHRC, conditional upon them redeveloping the property within two years of title transfer.

- This project would also require the land to be rezoned allowing the input of all local stakeholders, including the Flora Place Tenants Association and neighbouring communities such as Burrows Central Resident Association.
- Over the last four and a half years, the City has been working with all stakeholders to create a housing community partnership model; seven options have been examined in order to address declining conditions of housing in Flora Place. A summary of the analysis by options is found in the table below.
- After evaluating the options, the cluster housing option is considered to be the best option since it addressed the majority of the issues of all stakeholders as well as being cost effective (see the table below and Appendix E for discussion). On January 25, 2005, the Flora Place tenants overwhelmingly endorsed the cluster housing option.

SUMMARY OF OPTIONS CONSIDERED FOR FLORA PLACE

OPTIONS	FINANCIAL CONSIDERATIONS:		OTHER CONSIDERATIONS:
Recommended Option	Capital Cost per Unit: Total Project Cost:	$ 77,200 $ 2,161,600	• Acceptable to Flora Place tenants; can accommodate pets and gardens • More efficient density of land use • Expected life span of new housing units between 50 to 70 years. • Good probability of securing all required financing. • Acceptable to surrounding communities.
Alternative #1: Status Quo	Capital Cost per Unit: Total Project Cost:	$ minimal No capital investment	• Health & safety concerns for tenants • High annual maintenance costs • Expected life span of housing units to expire in less than 1 year • Opposition by Flora Place tenants • Negative media story and probable public criticism
Alternative #2: Demolish But Do Not Replace Housing Units	Capital Cost per Unit: Total Project Cost:	$ 3,000 $ 84,000	• Permanent relocation of all existing tenants; disruption of the community make-up. • Opposition by Flora Place tenants • Perceived reneging of past political commitments • Negative media story and probable public criticism
Alternative #3: Rehabilitation of Existing Housing	Capital Cost per Unit: Total Project Cost:	$ 38,000 $ 1,064,000	• Expected life span of housing units to be extended by 5 to 10 years. • Higher annual maintenance costs • Expensive temporary solution; lowest value for investment;

OPTIONS	FINANCIAL CONSIDERATIONS:		OTHER CONSIDERATIONS:
			• Low probability of securing all required funding; limited accessibility to mortgage financing.
Alternative #4: Replace with Single-Family Detached Units	Capital Cost per Unit: Total Project Cost:	$ 92,000 $ 2,576,000	• Preferred Choice of Flora Place tenants; accommodation for pets and gardens • Lowest density of land use • Expected life span of new housing units between 50 to 70 years. • Highest associated infrastructure cost • Low probability of securing all required funding; current tenants unable to support required mortgage.
Alternative #5: Replace with Row Housing	Capital Cost per Unit: Total Project Cost:	$ 77,900 $ 2,181,200	• Opposition by Flora Place tenants; however, can accommodate pets and gardens • Efficient density of land use • Expected life span of new housing units between 50 to 70 years. • Good probability of securing all required financing. • Probable opposition by surrounding communities.
Alternative #6: Replace with Multi-Family Apartment	Capital Cost per Unit: Total Project Cost:	$ 91,100 $ 2,550,800	• Opposition by Flora Place tenants; difficulty accommodating pets and gardens • Efficient density of land use • Expected life span of new housing units between 50 to 70 years. • Low probability of securing all required funding; current tenants unable to support required mortgage.

OPTIONS	FINANCIAL CONSIDERATIONS:		OTHER CONSIDERATIONS:
			• Opposition by neighbouring communities.

Financial Impact Statement

Date: April 11, 2005

Project Name:
Flora Place Housing Development Project

First Year of Program 2005

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				

Current Expenditures/Revenues (in $millions)						
Direct Costs	$	280,000				
Less: Incremental Revenue/Recovery	$	-	-	-	-	-
Net Cost/(Benefit)	$	280,000				
Less: Existing Budget Amounts		280,000	-	-	-	-
Net Budget Adjustment Required	$	-				

Additional Comments:
Sufficient funding has been set aside in the Housing Rehabilitation Investment Reserve fund (HRIR) to accommodate the City's contribution of $280,000 towards the cost of construction of 28 new housing units at Flora Place.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

IN PREPARING THIS REPORT, THERE WAS CONSULTATION BY AND CONCURRENCE WITH:

N/A

THIS REPORT SUBMITTED BY:

Prepared by: Dave Dessens, Winnipeg Housing Policy Coordinator &
David Stansen, Manager of Housing Development

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APPENDIX A:

HISTORY OF FLORA PLACE – 1947 to 1999**:**

1947 – 1979 (Managed and Owned by City of Winnipeg):
The City of Winnipeg constructed 100 two-bedroom, single detached bungalows in a North End development known as Flora Place in 1946 and 1947. These units, which were intended as temporary housing for returning war veterans, were very modest in size, comprised of 480 – 525 square feet on average. Units provided ground-level access as well as front and back yards, but were not placed on permanent foundations. In 1965, the units were placed on new foundations, and electrical services and heating were updated. These houses were never intended to provide long-term housing of a quality comparable to standard housing constructed in the post-war period.

During this period, the City of Winnipeg managed these units via the City of Winnipeg Housing Authority, which rented them to persons of low or fixed incomes. It funded repairs to the units until 1979.

1980 – 1999 (Leased and Managed by the Province of Manitoba, Owned by City of Winnipeg):
In 1980, the City of Winnipeg, the Manitoba Housing and Renewal Corporation (MHRC) and Canada Mortgage and Housing (CMHC) entered into a tri-partite agreement to renovate units at Flora Place. The City then entered into a lease agreement with MHRC for upgrading, maintaining and managing the units. Under the agreement, CMHC assumed 75% of renovation costs and MHRC provided the remaining 25% of costs. The City provided a grant in lieu of taxes for the property. CMHC agreed to cover 75% of operating costs, and MHRC and the City evenly split the remaining costs (or profits). The lease term was originally 30 years, but was later amended to 25 years (expiration January 1, 2006).

All units were upgraded in 1980-81, with total expenditures of $884,000 ($8,840 per unit) paid under the tri-partite agreement. In 1982, an additional $330,000 ($3,300 per unit) was expended for energy upgrading. Total expenditures during this period were therefore $1,214,000 for upgrading the 100 Flora Place units.

In the mid-1990's, Manitoba Housing and CMHC agreed that units at Flora Place had reached the end of their useful economic life. In 1996, Habitat for Humanity proposed a redevelopment scheme for Flora Place housing, and they were asked to prepare a comprehensive plan for the redevelopment. Habitat never submitted that plan.

Between 1996 and 1999, the province boarded as vacant a total of 70 units. In January 1999, the province issued a "tender call" for demolition of 67 units, which resulted in a response from the Flora Place Tenants' Association to the Minister of Housing (Hon. Jack Reimer), the Mayor's Office and the Lord Selkirk-West Kildonan Community Committee regarding the future of Flora Place. Subsequently, the Minister of Housing attended an on-site meeting with the Flora Place Tenants' Association, at which time he gave assurance that no tenants would be removed from

the site and invited the creation of a plan to guide the development of the site.

APPENDIX B:

FLORA PLACE HOUSING DEVELOPMENT STUDY (SEPTEMBER 22, 1999)

In June 1999, the City initiated the creation of a Task Force to prepare a study that reviewed the Flora Place Housing Development. This Task Force was comprised of representatives of the Manitoba Housing Authority, the City of Winnipeg, the Flora Place Tenants' Association, and the Community Economic Development Association. The Task Force also had as advisory representatives, the Deputy Minister of Housing and Urban Affairs, and two city councillors. On September 22, 1999 the Task Force completed the Flora Place Housing Study for submission to Council.

The Flora Place Housing Development Study examined the development and surrounding neighbourhoods, as well as demand for social housing in Winnipeg. The study acknowledged the unique nature of the development and the dilapidated condition of many of the units. The study also reviewed overall housing stock and housing programs available in the city. It identified four alternatives to address housing needs at Flora Place, and examined the effectiveness of each alternative.

The four alternatives identified in the study were:

1. Full rehabilitation of all existing housing units
2. Partial rehabilitation
    a. Option 1 – Partial rehabilitation of 33 units
    b. Option 2 – Partial rehabilitation of 66 units (forming two clusters)
3. Full redevelopment to single family housing lots
4. Mixed housing development and retention the Flora Place Eastern Cluster
    a. Option 1 – Retention of 33 units, combined with a mixed housing development
    b. Option 2 – Rehabilitation of 33 housing units and replacement of 45 housing units/mixed housing development.

The study recommended Alternative Four, Options 1 and 2 to be considered. This alternative provided for the retention of existing tenants and for the redevelopment of the remaining site for future mixed housing development. In effect, it provides for current housing needs and for future, higher density housing options for seniors, veterans, personal care and cooperative housing options. Option 1 provides for the rehabilitation of 33 units (now 28 units) clustered at the eastern portion of the site (existing housing), with construction of housing increasing in density as it progresses westward. New housing would be low-density cluster directly adjacent to existing housing, shifting to medium-density apartments until Battery Street is reached, then to high-density apartments west of Battery Street. Option 2 recommends rehabilitation of existing units, plus addition of 45 new single-family detached housing units on the land between existing housing and Battery Street, with high-density housing developed west of Battery Street. Note that both Options 1 and 2 were suggested before the province demolished 72 existing housing units, leaving a total of 28 units clustered at the eastern portion of the site.

APPENDIX C:

FLORA PLACE HOUSING PROJECT FEASIBILITY STUDY (MAY 2003)

In May 2003, North End Housing Project (NEHP) released a study prepared by McGowan Russell Group to review options for redeveloping the Flora Place site. The study identified that the Burrows Central Residents Council preferred a passive park to be developed on the approximately eight-acre western portion of the site, leaving approximately 2.5 acres for housing development. The study was therefore restricted to replacing housing on this eastern 2.5 acres of land.

The 2003 Feasibility Study included a review of existing housing, and it was determined that rehabilitation to extend the life of these units beyond 2005 was not feasible. Accordingly, the study was restricted to replacement housing options. The study was further restricted by NEHP to consider pre-manufactured, Ready-To-Assemble housing produced by Northern Village Group. This housing would involve on-site assembly of insulated stressed skin building panels by trainees from the neighbourhood under the supervision of NEHP. The nature of this prefabricated housing construction would allow its assembly in any season.

The study identified three alternative housing layouts and presented these options to tenants and neighbourhood residents for feedback. The three options presented were a Radburn design (street access at rear of housing unit), a Cul-de-sac design (cul-de-sac street for front access to units with parking at side or rear of each unit) and a Multi-family private road design (road/parking lot at front of units for front access). The Radburn design received greatest support from tenants and from neighbourhood residents.

McGowan Russell Group also researched servicing requirements and estimated costs for streets and lighting, sewer and water, and removal of existing roads and service lines. When combined with demolition of existing housing and final landscaping, these requirements added costs ranging from approximately $21,550 to $27,950 per unit (assuming construction of 28 units). Based on construction estimates provided by Northern Village Group, permit and subdivision fees, site servicing and infrastructure requirements, and costs for purchasing and assembling units were estimated to cost per unit as follows:

Housing Layout	**Cost per Unit**
Radburn Design	$80,000
Cul-de-sac Design	$82,000
Multi-family Design	$76,000

These costs were estimated according to labour and materials prices in 2003. The cost for developing the Radburn Design option were re-assessed in 2004, and the total cost was estimated to be $92,000 per unit, due to substantial increases in demand and associated costs for housing in Winnipeg. The housing predetermined by NEHP involved construction of new, single detached 600 square foot units utilizing insulated stressed-skin panel systems produced by Northern Village Group. Construction of these units would utilize Aboriginal people supervised by NEHP. Consequently, the study by McGowan Russell Group used this design in costing the site redevelopment. The total updated cost was estimated to be $2.48 million Estimated costs included $559,440 in site development costs (water, sewer, street lighting, paving and fencing).

APPENDIX D:

TENANT PROFILE AND NEEDS ASSESSMENT

WHRC was able to provide information on 25 of the 26 households residing at Flora Place in late 2004. At present, two units are vacant and are not being rented. Of the 25 households, eight include two people and seventeen are single occupancy. Two of the eight two-person households include children. The average annual income per household is $9,665 and the median yearly income per household is $8,756. The average age of adult tenants is 66, and 45% of adults are at least 70 years of age. The following table exhibits length of tenancy for all current households:

Length of Residence at Flora Place

Time	Number of Households
0 – 5 years	5
6 – 10 years	1
11 – 15 years	10
16 – 20 years	1
20+ years	8

Rents charged for existing units are low in comparison to other rental property in Winnipeg; however, WHRC has been instructed by the City to hold rents constant until redevelopment plans are determined. As a result, WHRC has not "income tested" tenants to ensure that appropriate rents are being charged currently. Monthly rents presently range from $140 to $384 plus utilities, with the average rent being $237 monthly.

Assuming that the average rent collected by WHRC was $350 per month per unit or $4,200 per year per unit. Overall, the rents collected from Flora Place generate revenue of $9,450 per month or $113,400 per year at full occupancy (27 units). According to WHRC, it cost approximately $67,390 per year to operate Flora Place (i.e. $30,780 in taxes, $8,100 in insurance, $20,410 for maintenance, and $8,100 in administration costs), leaving approximately $46,000 per year in net revenue for debt servicing.

Note that twenty-one of the twenty-seven Flora Place households could be receiving financial assistance through the provincial Shelter Allowance for Elderly Renters (SAFER) program. SAFER would contribute $3,360 per month or $40,320 per year towards the rents collected by WHRC for Flora Place. Furthermore, the maximum rent supplement received under SAFER is $170 per month per household or $2,040 per year per household.

Other Considerations:
Tenants are becoming increasingly apprehensive, as their housing situation remains uncertain. They have expressed fear that their housing will be demolished and that they will be left with no place to live. They have also expressed concern that their community will be shattered as members struggle to find other places to live. Continued uncertainty is creating substantial

stress, anger and fear. For this reason, staff from Winnipeg's Community Services Department have begun visiting tenants to ensure that they are connected with appropriate services, and to provide support in this increasingly stressful situation.

Community Services Social Workers were able to contact with 25 of the 27 households (one of which recently moved away). The initial visit was intended to assess the current status of Flora Place tenants and to begin determining their needs. Social Workers found that the main source of income for tenants is pension income, which is consistent with average annual income determined by WHRC. Fourteen households have pets (cats and dogs), and tenants expressed concerns that few other landlords allow pets. This will affect their options if they are forced to move. Two concerns require attention regarding the future for Flora Place. Tenants need to know whether they will be relocated (temporarily or permanently), and tenants need to know if they will be offered any assistance if required to move. As the majority of tenants are seniors on limited fixed income, relocation costs should be estimated and considered in context of the selected alternative for redevelopment. Answers to these questions will greatly affect the level of stress and related health concerns for Flora Place tenants.

APPENDIX E:

Recent Research Coordinated by WHRC and WHHI

After NEHP's withdrawal, staff at the Winnipeg Housing and Homelessness Initiative (WHHI) investigated housing alternatives that were not explored fully in the 2003 study. The City's Residential Rehabilitation Assistance Program (RRAP) Coordinator inspected several of the units to assess viability of rehabilitating the structures to increase their life. Based on his observations, rehabilitation to an acceptable standard would cost approximately $38,000 per unit, which would include: re-leveling the units; replacing deteriorated floor joists; removing existing asbestos siding and replacing with stucco siding; replacing all deteriorated windows and doors; repairing porches, insulating and refinishing interior walls; fully replacing washroom facilities; rehabilitating or replacing kitchen facilities; improving interior ventilation; replacing electrical services and fixtures; replacing roofs in a manner that would provide overhang and soffit ventilation; repairing or replacing exterior steps, landings and handrails to meet current building codes; and grading the site to drain water away from units.

It should be noted that these costs were estimated in-house, and were based on inspection of a sample of housing units. As well, they do not include addition of a permanent foundation (which is currently a modified post and pad structure). Costs could vary substantially, depending on exact levels of work needed in each unit. Assuming that units would be well maintained after repairs are completed (costing approximately $1,000 per year per unit), this level of repair could extend the life of existing units by five to ten years before further major rehabilitation is required.

WHHI staff discussed housing issues at Flora Place with Winnipeg Housing Rehabilitation Corporation (WHRC) because WHRC was responsible for maintenance of the housing units. WHRC agreed to become the proponent for redeveloping Flora Place on August 24, 2004, and assumed that replacement housing would still be the preferred solution to investigate. WHRC decided to continue using the services of McGowan Russell Group to assess housing options, since they were familiar with the site and servicing needs. WHRC identified to McGowan Russell Group staff that cost was a major consideration, and that options identified in the previous study were too expensive.

McGowan Russell Group recommended three housing layouts to be considered, which were row housing, cluster housing and multi-family apartment housing. All three designs assumed that the development would occur on the eastern portion of the site with parking lot access from Sinclair Street. Alternatives also assumed that a perimeter fence would be required for security, and that some form of private greenspace (yard or garden plot) would be desirable. Estimates were based on constructing a combination of one and two-bedroom units, and a range of options were explored regarding number and size of units. Estimates given below are based on 20 1-bedroom units (547 square feet) and 8 two-bedroom units (632 square feet) in row or cluster housing. Unit sizes were not estimated in the multi-storey apartment alternative (total building size of 22,048 square feet).

Based on construction estimates for similar projects, as well as estimated costs for servicing, landscaping and all soft costs, total costs for constructing 28 units were estimated to be:

Housing Layout	**Cost per Unit**
Row Housing	$77,900
Cluster Housing	$77,200
Multi-Storey Apartment	$91,100

These cost estimates include demolition of 14 existing housing (approximately $3,000 per house) and for removal of roads, back lanes and parking pads on the portion of the site being developed. No demolition costs for remaining houses or infrastructure are included. Estimates are current as of November 2004.

Financial Review

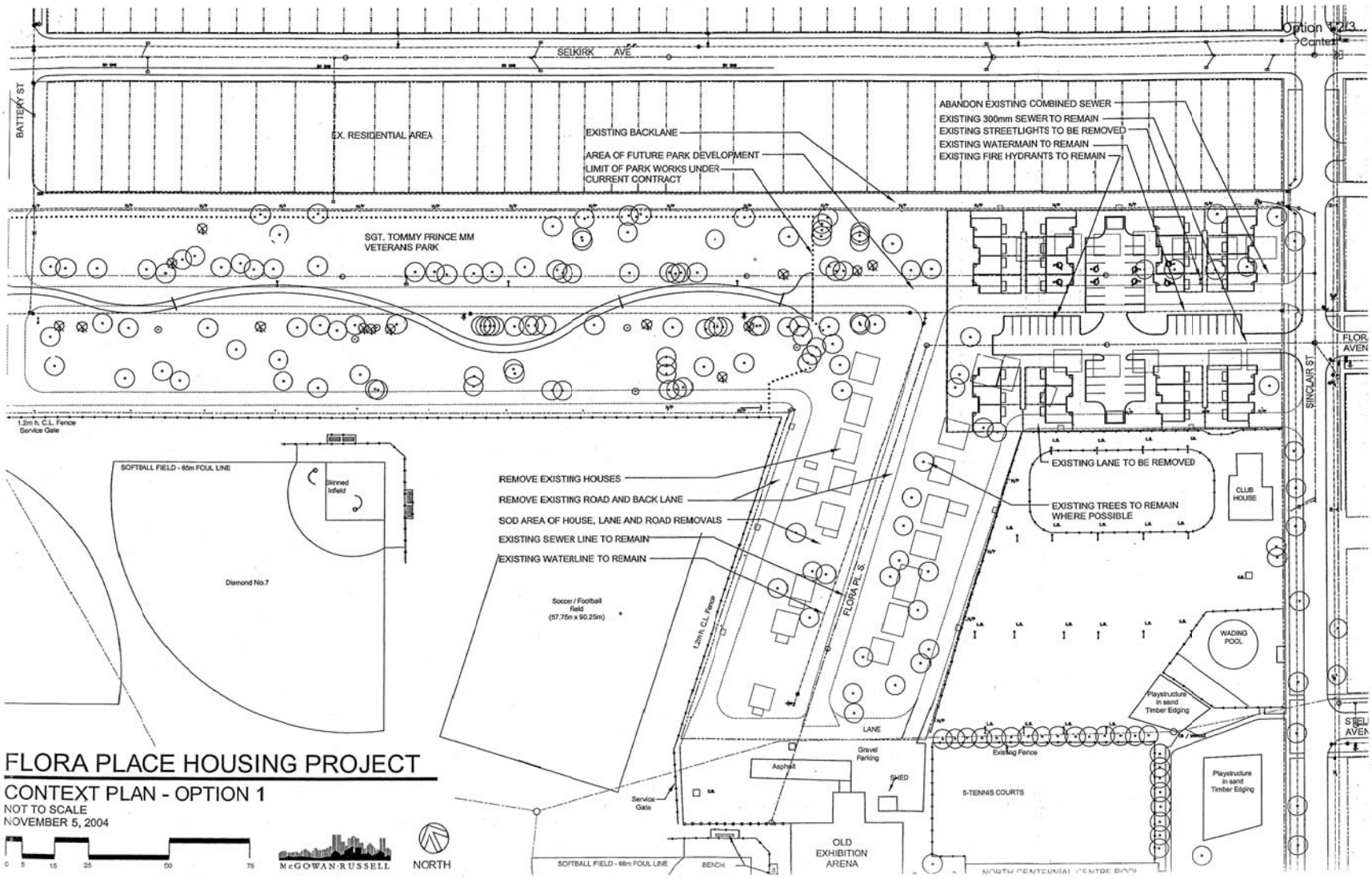
1. Operating Costs

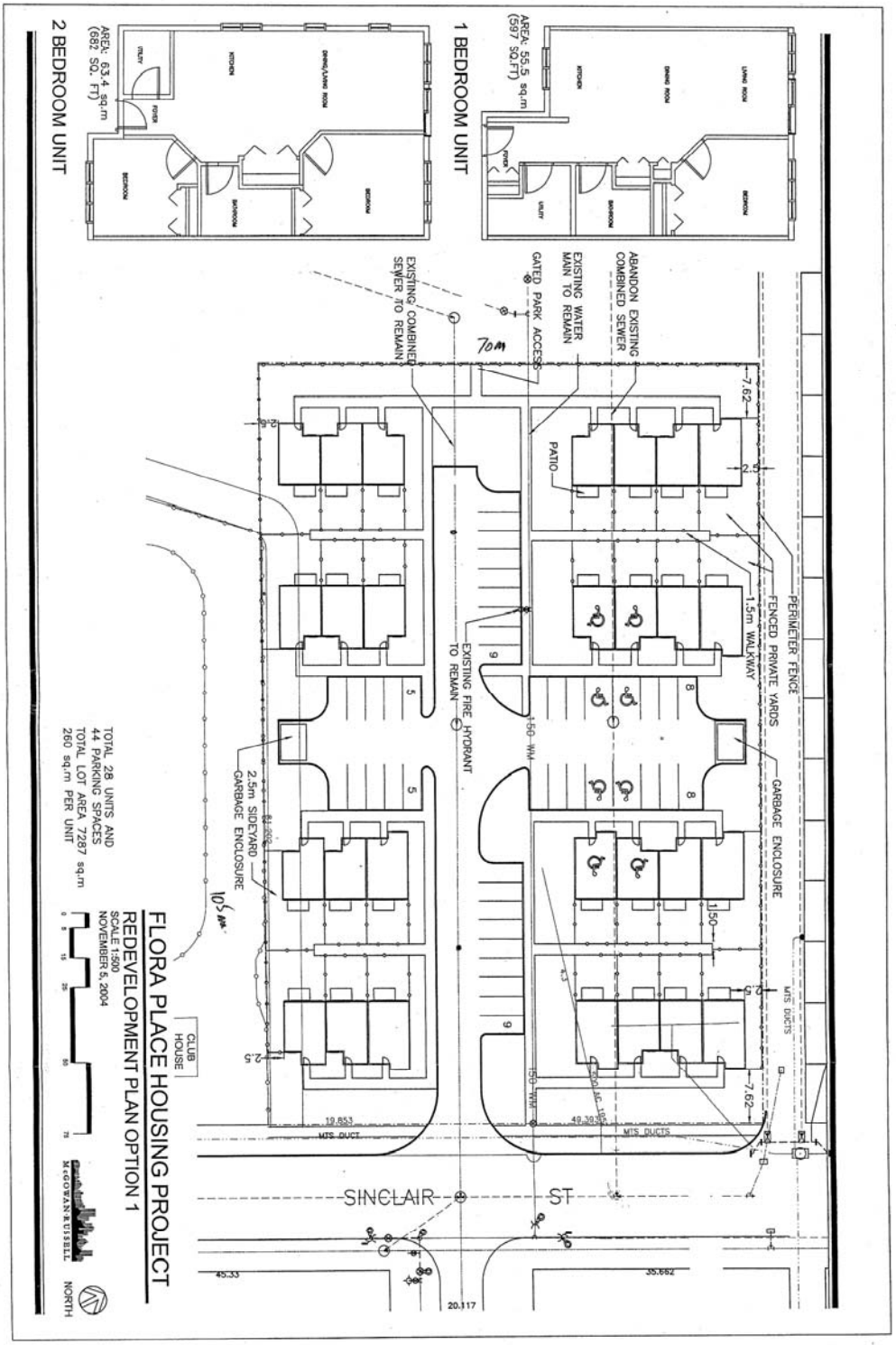
Projected operating revenues were based on rents increased to $410 for 1-bedroom units and $460 for 2-bedroom units. These increases were justified on the assumptions that: utilities costs would decrease due to increased insulation and efficiency of new units; and most tenants would be eligible for SAFER funding or other rent supplement from the provincial government. Rents collected for a 28-unit development (20 1-bedroom and 8 2-bedroom units) would generate $142,560, and if vacancy and bad debt is estimated at 3%, this provides $138,283 per year in revenue.

Projected operating costs were based on estimates per unit for administration and maintenance of $1,270 annually. Additional costs projections were insurance ($4,800/yr), utilities ($3,000/yr), taxes ($28,000/yr) and replacement reserves ($9,800/yr). These projections indicate annual operating costs of $81,160, which leaves $57,123 annually for debt servicing. This amount would support a mortgage of $25,000 per unit, based on a 25-year mortgage at 6.5% interest. This would require transfer of title for the portion of land being redeveloped.

2. Available Funding

Funding has been notionally allocated from the City of Winnipeg's Housing Rehabilitation Investment Reserve in the amount of $10,000 per unit for a total of $280,000 for the project. As calculated above, private financing would generate up to $25,000 per unit for a total of $462,000 for the project. Additional funding would be required from federal and/or provincial sources to cover remaining costs. The amount necessary would depend on the nature of development chosen, but could range from $42,200 to $57,000 per unit if new construction is pursued.


SELKIRK AVE
BATTERY ST
EX. RESIDENTIAL AREA
EXISTING BACKLANE
AREA OF FUTURE PARK DEVELOPMENT
LIMIT OF PARK WORKS UNDER CURRENT CONTRACT
ABANDON EXISTING COMBINED SEWER
EXISTING 300mm SEWER TO REMAIN
EXISTING STREETLIGHTS TO BE REMOVED
EXISTING WATERMAIN TO REMAIN
EXISTING FIRE HYDRANTS TO REMAIN
SGT. TOMMY PRINCE MM VETERANS PARK
SINCLAIR ST
1.2m h. C.L. Fence Service Gate
SOFTBALL FIELD - 65m FOUL LINE
Skinned Infield
Diamond No.7
REMOVE EXISTING HOUSES
REMOVE EXISTING ROAD AND BACK LANE
SOD AREA OF HOUSE, LANE AND ROAD REMOVALS
EXISTING SEWER LINE TO REMAIN
EXISTING WATERLINE TO REMAIN
Soccer / Football Field (57.75m x 90.25m)
1.2m h. C.L. Fence
FLORA PL. S.
EXISTING LANE TO BE REMOVED
EXISTING TREES TO REMAIN WHERE POSSIBLE
CLUB HOUSE
WADING POOL
Playstructure in sand Timber Edging
LANE
Gravel Parking
Asphalt
SHED
Existing Fence
5-TENNIS COURTS
Service Gate
OLD EXHIBITION ARENA
SOFTBALL FIELD - 68m FOUL LINE
BENCH
FLORA PLACE HOUSING PROJECT
CONTEXT PLAN - OPTION 1
NOT TO SCALE
NOVEMBER 5, 2004
McGOWAN-RUSSELL
NORTH


2 BEDROOM UNIT
AREA: 63.4 sq.m (682 SQ. FT)
1 BEDROOM UNIT
AREA: 55.5 sq.m (597 SQ.FT)
EXISTING COMBINED SEWER TO REMAIN
GATED PARK ACCESS
EXISTING WATER MAIN TO REMAIN
ABANDON EXISTING COMBINED SEWER
PERIMETER FENCE
FENCED PRIVATE YARDS
1.5m WALKWAY
GARBAGE ENCLOSURE
PATIO
EXISTING FIRE HYDRANT TO REMAIN
2.5m SIDEYARD GARBAGE ENCLOSURE
CLUB HOUSE
MTS DUCTS
SINCLAIR ST
TOTAL 28 UNITS AND 44 PARKING SPACES
TOTAL LOT AREA 7287 sq.m
260 sq.m PER UNIT
FLORA PLACE HOUSING PROJECT
REDEVELOPMENT PLAN OPTION 1
SCALE 1:500
NOVEMBER 5, 2004
McGOWAN RUSSELL
NORTH

Option 1/2/3