Agenda - Council – July 20, 2011

Report - Executive Policy Committee – July 13, 2011

Item No. 4 Grants – Multiple Family Residential Projects – Neighbourhood Multiple Family / Mixed Use Building Grant Program By-law No. 122/2007

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That grants be approved to the project proponents listed in Appendix A in respect of their multiple family residential developments:

    A. In the amount for which these proponents had previously been eligible under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program By-law No. 122/2007 estimated to be $974,686, to a maximum of $1,730,000.

    B. Utilizing the payment structure set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program By-law No. 122/2007 and on the conditions that:

        i. These proponents no longer qualify for the Neighbourhood Multiple Family / Mixed-Use Building Grant Program due their an expired conditional approval, and

        ii. These proponents meet the eligibility conditions otherwise applicable under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program By-law No. 122/2007.

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

Report - Executive Policy Committee – July 13, 2011

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 13, 2011, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Approval of Grants for Multiple Family Residential Projects Previously Conditionally Approved under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007)**

Critical Path: **Executive Policy Committee -- Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
S Dueck	D Joshi	N/A	P Sheegl CAO

RECOMMENDATIONS

That Council approve grants to the project proponents listed in Appendix A in respect of their multiple family residential developments

1) in the amount for which these proponents had previously been eligible under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) ("Program") estimated to be $974,686, to a maximum of $1,730,000

2) utilizing the payment structure set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007); and on the conditions that

   a) these proponents no longer qualify for the Neighbourhood Multiple Family / Mixed-Use Building Grant Program due their an expired conditional approval, and
   b) these proponents meet the eligibility conditions otherwise applicable under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007).

REASON FOR THE REPORT

The Neighbourhood Multiple Family / Mixed-Use Building Grant Program (NMFMUBG Program) established under By-law 122/2007 expired on June 1, 2010. Conditional approvals for these proponents under this program were granted but are due to expire July 21, 2011 as no building permits have yet been applied for or issued. Since an active program no longer exists under which the Public Service can process new applications, it is necessary to request that Council approve the grants.

IMPLICATIONS OF THE RECOMMENDATIONS

- These projects all face expiry of their conditional approvals due to delays in their projects. The details of their delays and their progress to-date are outlined in Appendix B. In some cases, these delays have required the securing of additional funding commitments from other government sources prior to proceeding with the preparation of building plans.
- The Program requires proponents to acquire a building permit within 12 months of initial conditional approval.
- Granting funding equivalent to that previously conditionally approved under the NMFMUBG Program has been identified as a significant element of each project's total financing and would allow these projects to proceed. The applicants indicate that a lack of City funding may put their projects at risk. In three out of five projects, the proponents are not-for-profit organizations and this grant represents only one portion of their funding.
- Three of five of the projects are situated in the area designated as the 'Major Improvement Area' within Plan Winnipeg
- The projects represent 60 condominium units and 64 rental units. Seventy-four units out of a total 124 units would be considered affordable housing.
- The funding for these grants is within the amount previously allocated by Council for use within the NMFMUBG Program.
- The primary reason for including the 12-month deadline in the Program was to ensure that projects that were not proceeding would not 'tie-up' program subscription money while other projects were waiting for approval. In these cases, there is no opportunity for additional proponents to apply for approval as the Program is now closed. Council extended Program subscription levels in July 2010 to ensure that all eligible proponents that had applied prior to the Program ending would receive conditional approval.
- The date Council's approval of this grant will be considered the date of conditional approval as outlined in the By-law.

HISTORY

The Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) (NMFMUBG) was a three-year program that expired on June 1, 2010.

One of the eligibility conditions of the grant as outlined in the By-law is that the conditionally approved projects must have building permits issued within 12 months of the conditional approval.

Council approved a grant for a project at 511 River in September 2010 for a situation equivalent to that which is being proposed for these projects.

FINANCIAL IMPACT

Financial Impact Statement Date: June 27, 2011

Project Name:

Approval of Grants for Multiple Family Residential Projects Previously Conditionally Approved under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007)

COMMENTS:

The recommendations contained in this report are that Council approve grants to the project proponents listed in Appendix A in respect of their multiple family residential developments

1) in the amount for which these proponents had previously been eligible under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007) ("Program") estimated to be $974,686, to a maximum of $1,730,000

2) utilizing the payment structure set out in the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007); and on the conditions that

a) these proponents no longer no longer qualify for the Neighbourhood Multiple Family / Mixed-Use Building Grant Program due their an expired conditional approval, and
b) these proponents meet the eligibility conditions otherwise applicable under the Neighbourhood Multiple Family / Mixed-Use Building Grant Program (By-law 122/2007).

These recommendations will not result in any out-of-pocket costs for the City. The proposed grants are to be financed by and paid out upon realization of increased tax revenues generated by the projects.

As such, there are no financial implications associated with this report.

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

CONSULTATION

Consultation with Department of Legal Services

SUBMITTED BY

Department: Planning, Property and Development
Division: Housing Development
Prepared by: Stan Dueck
Date: *June 28, 2011*
File No. O:\Reports Directive\Housing Development\RIS NMFMUBG Extension.doc

APPENDIX A

Proponent Name	Project Address	Roll Number	Project Type	Number of Units	Estimated Grant	Maximum Grant
Winnipeg Housing Rehabilitation Corporation	422 / 426 Ross Avenue	13071918100	Affordable Condominium project for lower-income home owners	10	$52,997	$150,000
Living Gospel Church	525 William Avenue	13070245000/ 13070244000	Affordable Rental	40	$215,755	$600,000
Streetside Development Corp	750 Tache Avenue	06060183200	Mid-level market condominiums	24	$355,563	$360,000
St. Matthews Non-Profit Housing Inc	641 St. Matthews Avenue	13040975000	Affordable Rental	24	$90,371	$360,000
5999333 Manitoba Ltd	406 River Avenue	12032065000/ 12032067000	Mid-level market condominiums	26	$260,000	$260,000
TOTAL				**124**	**$974,686**	**$1,730,000**

Appendix B

Project	Progress to-date	Reasons for delay	Estimated date of permit application	Estimated date of initial construction
422/426 Ross Ave	- Received Provincial funding committment - Architects engaged	- delay in receiving Provincial funding commitment	September, 2011	Prior to December, 2011
525 William Avenue	- Rezoning and variance hearing in July - Received Provincial funding commitment	- delay in receiving Provincial funding commitment and rezoning process	December, 2011	February, 2012
750 Tache Avenue	- Building plans being prepared	- general backlog of development and construction industry	July, 2011	Fall, 2011
641 St. Matthews Avenue	- Received Provincial funding commitment imminent - Building plans being prepared	- Time to secure Provincial funding - Complicated building and rezoning process for a adapted-use project	July, 2011	Fall, 2011
406 River Avenue	- Development pre-application in process	- Purchase of neighbouring property has expanded project from original 16 units - Project expansion has triggered new development plans, zoning & variance processes	February, 2012	April, 2012