Agenda - Executive Policy Committee - June 4, 2003

REPORTS

Item No. 4 Affordable Housing Initiative Programs and 2003 Housing Rehabilitation Investment Reserve Budget Allocations
File EX (Vol. 15)

STEERING COMMITTEE RECOMMENDATIONS:

On May 27, 2003, the Winnipeg Housing Steering Committee concurred in the administrative recommendation, namely:

1. That the following Affordable Housing Initiative Programs as outlined in Schedule A be approved:
   1 Housing Plans and Advocacy Programs
   2 Neighbourhood Housing Program
   3 Development Cost Offset Program
   4 Downtown Housing Program
   5 Minimum Home Repair Program;

2. That the following Housing Rehabilitation Investment Reserve Budget allocation be approved for implementation in 2003:

   - $250,000 towards each of the designated Housing Improvement Zones including West Broadway, Spence, William Whyte, North Point Douglas and the Downtown (total: $1.250 M Dollars);
   - $140,000 for Flora Place Housing Project;
   - $66,000 for Housing Contingency Reserve; $27,500 for City share of WHHI site office

and forwarded the matter to Executive Policy Committee for information.

RE: AFFORDABLE HOUSING INITIATIVE PROGRAMS AND 2003 HOUSING REHABILITATION INVESTMENT RESERVE BUDGET ALLOCATIONS

SUMMARY:

A report recommending the following:

1. The Affordable Housing Initiative Programs outlined in "Schedule A" be approved and;

2. The Housing Rehabilitation Investment Reserve Funds for 2003 be allocated to support targeted Housing Improvement Zones, the Downtown, Flora Place and future anticipated projects

FOR SUBMISSION TO THE WINNIPEG HOUSING STEERING COMMITTEE FOR APPROVAL

_____

Ray Klassen
Housing Development Manager
Planning, Property and Development Department

May 9, 2003

cc. Harry Finnigan, Director, Planning Property and Development Department
Ian MacKay, Senior Operations Manager, Planning Property and Development

RE: AFFORDABLE HOUSING INITIATIVE PROGRAMS AND 2003 HOUSING REHABILITATION INVESTMENT RESERVE BUDGET ALLOCATIONS

RECOMMENDATION:

1. That the following Affordable Housing Initiative Programs as outlined in "Schedule A" be approved:

    - Housing Plans and Advocacy Program
    - Neighbourhood Housing Program
    - Development Cost Offset Program
    - Downtown Housing Program
    - Minimum Home Repair Program;

2. That the following Housing Rehabilitation Investment Reserve Budget allocation be approved for implementation in 2003:

    - $250,000 towards each of the designated Housing Improvement Zones including West Broadway, Spence, William Whyte, North Point Douglas and the Downtown (total: $1.250 M Dollars).
    - $140,000 for Flora Place Housing Project
    - $66,000 for Housing Contingency Reserve
    - $27,500 for City share of WHHI site office

REASON:

The Housing Steering Committee has the authority to review and approve housing programs and budget allocations under the City's Housing Policy and Implementation Framework.

The Affordable Housing Initiative Programs have been developed to complement the City/Provincial MOU on Affordable Housing approved by Council.

Distribution of the 2003 Housing Investment Reserve totalling $1.6 Million Dollars as outlined, will leverage public and private funding to advance housing plans and priority housing projects within the 4 Housing Improvement Zones, the Downtown, and Flora Place. A contingency will permit administration to respond to anticipated unspecified housing projects in a timely manner

BACKGROUND:

<u>Affordable Housing Initiative Programs (AHI)</u>

A Memorandum of Understanding (MOU) for Winnipeg's Affordable Housing Initiative was approved by Council on September 25, 2002 and was signed by the Mayor and the Minister of Housing and Family Services on April 9, 2003.

The MOU establishes Winnipeg's participation with the Province in the Canada/Manitoba Affordable Housing agreement (signed by CMHC and MHRC in September of 2002). The Affordable Housing Agreement can provide cost-shared funding of up to 40 Million Dollars to Winnipeg over the next 3-5 years.

Winnipeg's AHI will be co-ordinated through WHHI and complement current housing efforts by the City and its housing partners.

Priorities under the AHI agreement include:

- Creating new affordable rental supply;
- Increasing homeownership;
- Ensuring access by low-income families to a new supply through income support options such as rent supplements and down payment assistance;
- Renovating the existing supply, particularly in the inner city.

To support the AHI priorities and enhance the City's Housing Policy commitments in targeted Major Improvement and Rehabilitation Neighbourhoods, the administration has developed complementary housing programs (attached as "Schedule A") for review and consideration by the Housing Steering Committee pursuant to Council approval.

<u>Allocation of 2003 Housing Rehabilitation Investment Reserve Funds</u>

A budget allocation of $1.6 Million Dollars from the Housing Investment Reserve will

- Leverage financial support for priority projects in the Downtown and the 4 designated Housing Improvement Zones of West Broadway, William Whyte, Spence and North Point Douglas;
- Provide initial support for development of new housing for Flora Place and;
- Establish a small reserve to respond to unanticipated housing projects within Major Improvement or Rehabilitation Areas.
- Carry-over of 2002 HIZ commitments to support projects currently in the review/approval process

An allocation of $250,000 from the Housing Rehabilitation Investment Reserve Fund to each of the approved HIZ's and the Downtown will provide the minimum commitment necessary to leverage 2003 priority projects.

In addition to commitments to the HIZ's and the Downtown, funding is also proposed for the redevelopment of Flora Place. On June 21, 200, Council adopted a motion, recommending among other things that:

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

In consideration of the above, consultations have been ongoing and a feasibility study has been completed. The city has been working in partnership with North End Housing Project, Inc. who propose to construct 28 modest new homes on Flora Place which will provide good quality, affordable rental housing for seniors, veterans and persons with disabilities. A City commitment totalling $280,000 to North End Housing Project, Inc is required to enable development to proceed. The project is expected to be implemented in the late fall of 2003. Therefore, an initial allocation of $140,000 is recommended for 2003 with the balance of funds allocated in the 2004 Housing Investment Reserve.

COMMENTS/ANALYSIS:
The total resources available through the Housing Rehabilitation Investment Reserve Fund to date are $5,536,470 while project commitments total $4,111,260.

Details of proposed budget commitments are outlined on "Schedule B" attached.

FINANCIAL IMPACT:
This report does not directly commit any City of Winnipeg resources. A proposed budget outlined below demonstrates how the funding committed to the Housing Investment Reserve can be managed based on the process outlined in this report.

SCHEDULE A: CITY OF WINNIPEG AFFORDABLE HOUSING INITIATIVE PROGRAMS:

Housing Plans and Advocacy Program (see Attachment #1)
Neighbourhood Housing Program (see Attachment #2)
Development Cost Offset Program (see Attachment #3)
Downtown Housing Program (see Attachment #4)
Minimum Home Repair Program (see Attachment #5)

SCHEDULE B: CITY OF WINNIPEG HOUSING INVESTMENT RESERVE FUND ALLOCATIONS 2003

See Attachment #6

HOUSING PLANS AND ADVOCACY PROGRAM

1. OBJECTIVE

1.1 To provide financial assistance and other support for community stakeholders to develop a Housing Plan or Strategy to build local capacity, to undertake housing initiatives, and to provide training and support for home ownership and tenancy.

2. DESCRIPTION

2.1 The City's Housing Policy relies on community stakeholders to be involved in renewal efforts through the development of Housing Plans or Strategies, with the support and assistance of the City's Housing Team. A Housing Plan or Strategy provides a goal or direction to address housing issues in the neighbourhood and helps to outline the necessary steps to achieve these goals. The Housing Plan or Strategy should consider other community elements related to housing and neighbourhood stability. Training and support for homeowner-initiated renovations and tenancy training and support initiatives may also be sponsored within this program.

2.2 Housing Plans or Strategies may include a review of the following:

- Existing conditions, such as:
  - Supply and quality of housing stock
  - Extent and nature of deterioration
  - Socio-economic profiles of the neighbourhood
- Economic conditions, such as:
  - Business viability
  - Assessment values
  - Market values
  - Employment rate
  - Rent to income ratios
- Identification of influences contributing to neighbourhood decline.
- Identification of marketable neighbourhood assets (physical, economic and social).
- A Vision Statement to define the neighbourhood's future and to set five-year targets to increase economic potential.
- Housing Implementation Plan, which will:
  - Define specific strategies and actions, to develop housing and neighbourhood programs that address neighbourhood needs and encourage local employment and economic activity.
  - Identify benefits to the community.
  - Establish local housing standards.
  - Ensure and sustain community involvement and local decision making.

3. ELIGIBILITY CRITERIA

3.1 Projects must be located or working within a designated Major Improvement Area or Downtown.
3.2 Target neighbourhoods are Housing Improvement Zones and Downtown.
3.3 Project proponents must be an incorporated non-profit housing or neighbourhood organization, or community development corporation.

4. ELIGIBLE ASSISTANCE

4.1 The City's Housing Team will work with community stakeholders and provide them with relevant information and planning resources, as required, leading to the preparation of the Housing Plan or Strategy.

4.2 Financial assistance may be available to a community organization to support the following:

- To enable the community to lead in the development and implementation of a Housing Plan or Strategy.
- Neighbourhood public consultation process to support the development of a Housing Plan or Strategy. This may include hiring of a coordinator or community development worker.
- Training, meetings, workshops, facilitators and related methods/resources to build neighbourhood capacity for housing.
- Housing ownership and tenancy support, which could include activities such as pre- and post-ownership training and support, neighbourhood housing database, effective rentership training and support, etc.

4.3 Generally $30,000 would represent the total maximum City contribution towards the development of a Housing Plan or Strategy. An initial contribution of $5,000 may be available to initiate the planning process. The City's contribution may complement funding from other sources.

4.4 These programs should be organized by neighbourhood groups and may seek partnerships with existing institutions and organizations.

5. APPLICATION, REVIEW AND APPROVAL PROCEDURES

5.1 Proponents are encouraged to discuss the project proposal at the earliest possible opportunity with the City representative at the Winnipeg Housing & Homelessness Initiative before an application is submitted.

5.2 All applications for financial and other assistance will be submitted to the City representative at the Winnipeg Housing & Homelessness Initiative for review. The Director of Planning, Property and Development will have authority to approve or reject proposals. All funding requests must be written proposals including information about the applicant (organization and membership), scope of project, stakeholders, a financial analysis including complementary funding sources, nature of innovation, benefits to the community, etc., and include any

other information requested by the Director of Planning, Property and Development.

5.3 An agreement will be prepared to outline the terms and conditions for financial support.

NEIGHBOURHOOD HOUSING PROGRAM

1. OBJECTIVE

1.1 To support implementation of Neighbourhood Housing Plans by addressing inner city housing issues and improving the quality of affordable housing and neighbourhood integrity.

2. DESCRIPTION

2.1 The Neighbourhood Housing Program provides financial assistance for projects that support the development and implementation of affordable housing and that are consistent with Neighbourhood Housing Plans and strengthen neighbourhood stability.

3. ELIGIBILITY CRITERIA

3.1 Projects must be located within a designated Major Improvement Area.

3.2 Target neighbourhoods are Housing Improvement Zones, as designated by the Housing Steering Committee.

3.3 Project proponents must be established housing or community non-profit organizations or for-profit, private sector companies, which have demonstrated neighbourhood support.

3.4 Preference will be given to neighbourhoods that have an approved Neighbourhood Housing Plan. Where there is no approved Neighbourhood Housing Plan, secondary preference will be given to a housing proposal that has been presented to the community in a public manner and has neighbourhood support.

4. ELIGIBLE ASSISTANCE

4.1 The total grant amount per project will be based upon an approved proposal and business plan.

4.2 Funding priority will be given to projects that contribute to further housing rehabilitation in the community, and advance the objectives of the City's Housing Policy.

4.3 Proponents are encouraged to explore creative funding partnerships and unique operating models.

4.4 Eligible project costs will be negotiated on a project-by-project basis to attain the maximum impact. Eligible housing projects may include:

- Projects that promote housing and neighbourhood revitalization
- innovative construction and rehabilitation projects
- community capacity building related to housing

- feasibility studies and market analysis
- evaluation of alternative housing delivery models

5. APPLICATION, REVIEW AND APPROVAL PROCEDURES

5.1 Proponents are encouraged to discuss the project proposal at the earliest possible opportunity with the City representative at the Winnipeg Housing & Homelessness Initiative before an application is submitted.

5.2 All applications for financial and other assistance will be submitted to the City representative at the Winnipeg Housing & Homelessness Initiative for review. The Director of Planning, Property and Development will have authority to approve or reject proposals. All funding requests must be written proposals including information about the applicant (organization and membership), scope of project, stakeholders, a financial analysis including complementary funding sources, nature of innovation, benefits to the community, etc., and include any other information requested by the Director of Planning, Property and Development.

5.3 The specific arrangements for the payment of City funds will be determined on a project-by-project basis.

DEVELOPMENT COST OFFSET PROGRAM

1. OBJECTIVE

1.1 To assist neighbourhood organizations/proponents to plan and implement quality, affordable housing projects by providing financial assistance for pre-development costs and the reimbursement of City fees.

2. DESCRIPTION

2.1 The Development Cost Offset Program provides a grant that is intended to reduce financial barriers that may prohibit the economic viability of a housing project. A variety of municipal charges and fees related to regulation and development add to the cost of a housing project. These charges and fees are eligible to be reimbursed through this program. Pre-development costs associated with planning and design of housing projects may also be eligible for reimbursement.

3. ELIGIBILITY CRITERIA

3.1 Projects must be located within a designated Major Improvement Area or Rehabilitation Area.

3.2 Target neighbourhoods are Housing Improvement Zones.

3.3 Project proponents must be established housing or community non-profit organizations or for-profit, private sector companies, which have demonstrated neighbourhood support.

3.4 Preference will be given to neighbourhoods that have an approved Neighbourhood Housing Plan. Where there is no approved Neighbourhood Housing Plan, secondary preference will be given to a housing proposal that has been presented to the community in a public manner and has neighbourhood support.

4. ELIGIBLE ASSISTANCE

4.1 Eligible costs may include, but are not limited to, the following:

- Project development costs including assessment and feasibility studies, architectural and engineering services, survey fees, legal and search fees, appraisal fees, project management costs and other third party costs may be eligible.
- Land acquisition and assembly costs (including closing costs), site preparation costs for infill development.
- City fees including zoning/variance application fees, building permit application fees, lot grading fees, utility hook-up charges, building demolition fees, central property searches, property taxes during construction or renovation

4.2 The total grant per project will be determined based upon review and approval of a business plan.

4.3 Grants shall be calculated on actual costs of development, either on the basis of written estimates, or invoices from third parties.

4.4 Grants will not exceed 10% of the total value of the project, calculated per housing unit, to a maximum of $5,000.

5. APPLICATION, REVIEW AND APPROVAL PROCEDURES

5.1 Proponents are encouraged to discuss the project proposal at the earliest possible opportunity with the City representative at the Winnipeg Housing & Homelessness Initiative before an application is submitted.

5.2 All applications for financial and other assistance will be submitted to the City representative at the Winnipeg Housing & Homelessness Initiative for review. The Director of Planning, Property and Development will have authority to approve or reject proposals. All funding requests must be written proposals including information about the applicant (organization and membership), scope of project, stakeholders, a financial analysis including complementary funding sources, nature of innovation, benefits to the community, etc., and include any other information requested by the Director of Planning, Property and Development.

5.3 Specific arrangements for the payment of City funds will be determined on a project-by-project basis.

DOWNTOWN HOUSING PROGRAM

1. OBJECTIVE

1.1 To encourage unique and innovative approaches that support downtown housing development and result in quality, affordable housing by providing financial assistance to proponents.

2. DESCRIPTION

2.1 The Downtown Housing Program provides financial assistance either directly or through CentreVenture, for the development and implementation of housing projects, including housing demonstration projects, which use innovative technologies, techniques or approaches to housing; or strengthen the viability and sustainability of the Downtown.

3. ELIGIBILITY CRITERIA

3.1 Projects must be located within Downtown.

3.2 Twenty-five percent (25%) of the units in the project must be affordable.

3.3 Project proponents must be established housing or community non-profit organizations or for-profit, private sector companies, which have demonstrated community support.

3.4 Preference will be given to projects that are supported by an approved Downtown Housing Plan. Where there is no approved Housing Plan, secondary preference will be given to a housing proposal that has been presented to the community in a public manner and has neighbourhood support.

4. ELIGIBLE ASSISTANCE

4.1 The total grant amount per project will be based upon an approved proposal and business plan.

4.2 Funding priority will be given to housing projects that contribute to further revitalization of the downtown, and advance the objectives of the City's Housing Policy.

4.3 Proponents are encouraged to explore creative funding partnerships and unique operating models.

4.4 Eligible project costs will be negotiated on a project-by-project basis to attain the maximum impact. Eligible housing projects may include:

- demonstration projects
- innovative construction and rehabilitation approaches (projects)
- community capacity building related to housing
- feasibility studies and market analysis

- evaluation of alternative housing delivery models

5. APPLICATION, REVIEW AND APPROVAL PROCEDURES

5.1 Proponents are encouraged to discuss the project proposal at the earliest possible opportunity with the City representative at the Winnipeg Housing & Homelessness Initiative before an application is submitted.

5.2 All applications for financial and other assistance will be submitted to the City representative at the Winnipeg Housing & Homelessness Initiative for review. The Director of Planning, Property and Development will have authority to approve or reject proposals. All funding requests must be written proposals including information about the applicant (organization and membership), scope of project, stakeholders, a financial analysis including complementary funding sources, nature of innovation, benefits to the community, etc., and include any other information requested by the Director of Planning, Property and Development.

5.3 The specific arrangements for the payment of City funds will be determined on a project-by-project basis.

MINIMUM HOME REPAIR PROGRAM

1. OBJECTIVE

1.1 Toprovide financial assistance to owner-occupants to undertake minor critical repairs required for continued safe and healthy occupancy of homes.

2. DESCRIPTION

2.1 The Minimum Home Repair Program may provide financial assistance for repairing "minor" but important elements in a house and, which if not repaired, could force an owner-occupied dwelling to become vacant. This program helps to extend the life expectancy of the existing housing stock in designated neighbourhoods.

3. ELIGIBILITY CRITERIA

3.1 Projects must be located within a designated Major Improvement Area or Rehabilitation Area.

3.2 Target neighbourhoods are Housing Improvement Zones. Resources under this program will be allocated by the recognized neighbourhood association. Financial assistance may be available either directly or through a recognized neighbourhood development corporation.

3.3 Only owner-occupied dwellings are eligible for financial assistance under this program.

3.4 Grants may be subject to income limitations.

4. ELIGIBLE ASSISTANCE

4.1 Assistance may be provided for the following minor emergency repairs:

- Heating system (heat exchange)
- Chimney (structural defects to masonry only, or carbon-monoxide)
- Doors and windows (repair only where possible)
- Foundation (minor repairs)
- Re-roof, walls, water damaged floors and ceilings (repairs and partial repairs only, where possible – evidence of leaking required)
- Plumbing (burst pipes, etc.)
- Electrical system (unsafe as determined by an inspector)
- Eavestroughs and fascia (building by-law requirements, repair only)
- Sewer connection (Public Works referral only)
- Lot grading and window wells (Public Works referral only)
- Home repairs required, as a result of City enforcement actions, may also be funded.

4.2 There is no requirement that these repairs bring houses up to minimum property standards. This program is designated to address immediate, critical problems.

4.3 Financial assistance is for contracted labour and for the purchase & shipping of materials.

4.4 Grants will not exceed $3,000 per house.

5. APPLICATION, REVIEW AND APPROVAL PROCEDURES

5.1 Proponents are encouraged to discuss the project proposal at the earliest possible opportunity with the City representative at the Winnipeg Housing & Homelessness Initiative before an application is submitted.

5.2 All applications for financial and other assistance will be submitted to the City representative at the Winnipeg Housing & Homelessness Initiative for review. The Director of Planning, Property and Development will have authority to approve or reject proposals.

5.3 Specific arrangements for the payment of City funds will be determined on a project-by-project basis.

"SCHEDULE B"

City of Winnipeg Housing Investment Reserve Fund Allocations 2003

Approved Funding	2000 Actual	2001 Actual	**2002 Actual**	**2003 Projected**	**2004 Projected**
Contribution from Sinking Fund	1,000,000	-	**-**	**-**	**-**
Transfer from General Revenue Fund	1,000,000	1,000,000	**1,000,000**	**1,000,000**	**1,000,000**
Transfer from Commitment Reserve	1,313,990	-	**-**	**-**	**-**
Interest	55,304	122,285	**44,891**	**36,000**	**36,000**
Total Revenue	3,369,294	1,122,285	**1,044,891**	**1,036,000**	**1,036,000**
Cumulative Revenue	3,369,294	4,491,579	**5,536,470**	**6,572,470**	**7,608,470**
Expenses					
Project Commitments	553,421	2,423,758	**1,121,345**	**1,390,000**	**1,390,000**
Project Commitments transferred from 2002	-	-	**-**	**116,266**	**-**
Project Reserve	-	-	**-**	**66,174**	**-**
Administration	-	-	**12,745**	**27,560**	**40,000**
Total Expense	553,421	2,423,758	**1,134,090**	**1,600,000**	**1,430,000**
Cumulative Expense	553,421	2,977,179	**4,111,269**	**5,711,269**	**7,141,269**
Net Cash Flow	2,815,873	1,514,400	**1,425,201**	**861,201**	**467,201**

NOTES:

Transfer from General Revenue *projected for 2002, 2003, 2004 is expected to be transferred at year-end.*
2003 Project Commitments *include $250,000 to 4 approved HIZ and the Downtown; $140,000 Flora Place*
2004 Project Commitments *includes $140,000 representing balance of Flora Place Housing Projects*
Transferred from 2002 *- Neighbourhood commitments to be allocated*
Project Reserve *provides for anticipated unspecified housing projects*

9-May-03