Minute No. 436
Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – June 6, 2017

Item No. 9 Undertaking a Comprehensive Housing Needs Assessment for Winnipeg

COUNCIL DECISION:

Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development Committee and adopted the following:

1. That up to $75,000 from the Housing Rehabilitation Investment Reserve ("HRIR") to conduct a Comprehensive Housing Needs Assessment, under the Administrative authority of the Director of Planning, Property and Development as the Fund Manager, be approved.

2. That, for the purposes of recommendation 1, Council waive the HRIR operating parameters that the Reserve:

    A. Will not fund projects directly, but fund programs with annual and multi-year horizons.

    B. Will provide funding for major programs involving participation from the other levels of government.

    C. Fund Manager will negotiate contribution agreements with City and external program managers to define limits, terms and other parameters of funding as well as program criteria, performance measures and program review provisions.

    D. A component of the Reserve Fund will operate as a revolving fund and receive incremental tax revenues from projects that it has funded. Internal procedures will be developed that will trace and transfer these incremental revenues.

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

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DECISION MAKING HISTORY:

Moved by Councillor Orlikow,

That the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development be adopted.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 14, 2017, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On June 6, 2017, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

STANDING COMMITTEE RECOMMENDATION:

On March 7, 2017, the Standing Policy Committee on Property and Development, Heritage and Downtown Development granted an extension of time of up to 90 days for the Winnipeg Public Service to report back on the matter.

STANDING COMMITTEE DECISION:

On December 5, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service:

1. That the recommendation of the Winnipeg Housing Steering Committee concurred in and the Winnipeg Public Service be directed to:

    a. Determine the proposed components of, and estimated costs associated with, the development of a Housing Needs Assessment for the City of Winnipeg that, upon completion, will identify strategic actions to increase the supply of affordable housing;

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DECISION MAKING HISTORY (continued):

STANDING COMMITTEE DECISION (continued):

b. Report back to the appropriate committee of Council within 90 days with recommendations with respect to the proposed components of, and funding source for, a Needs Assessment;

c. Make recommendations to the appropriate committee of Council, once the Needs Assessment is completed, regarding the establishment of an affordable housing program(s);

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

STANDING COMMITTEE RECOMMENDATION:

On July 5, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development passed the following motion:

WHEREAS the Winnipeg Housing Implementation Plan adopted by Council on April 30th, 2014 empowers the Winnipeg Public Service to develop new programs for consideration by Council that support affordable housing in the city of Winnipeg;

THEREFORE BE IT RESOLVED that the Standing Policy Committee on Property and Development, Heritage and Downtown Development direct the Winnipeg Public Service to:

1. Work with the Winnipeg Housing Steering Committee to develop a new housing program to support projects which include co-op and non-profit housing and have significant affordable & social housing components using financial tools such as Tax Increment Financing if appropriate and that the proposed program be designed to enable partnering with new and existing Federal & Provincial housing programs.

2. Report back to the Standing Policy Committee on Property and Development, Heritage and Downtown Development in 120 days.

ADMINISTRATIVE REPORT

Title: Undertaking a Comprehensive Housing Needs Assessment for Winnipeg

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Smith	J. Kiernan	M. Ruta	D. McNeil

EXECUTIVE SUMMARY

Standing Policy Committee on Property and Development, Heritage and Downtown Development (SPCPDHDD) passed a motion on July 5, 2016 that the Public Service work with the Winnipeg Housing Steering Committee (WHSC) to develop a new housing program that supports development of projects that include affordable housing, using a variety of tools including Tax Increment Financing if appropriate. It was determined in collaboration with the WHSC that a better understanding of Winnipeg's housing supply and demand would increase effectiveness of a program to encourage housing development where it is most needed. The WHSC recommended that the Public Service explore scope, timing and cost of undertaking a Comprehensive Housing Needs Assessment for Winnipeg.

The City has never conducted a Comprehensive Housing Needs Assessment. Findings indicate that conducting a Comprehensive Housing Needs Assessment is complex. Components will include evaluation of housing supply, demand and policy considerations across the city. Housing demand and supply will be evaluated further by regions within the city, by housing unit size (# bedrooms) and cost. Data may come from various sources and will need to be evaluated for accuracy and consistency. A contract will be necessary to collect and evaluate data, to draw conclusions on which decisions can be made, and to prepare a final document. Based on an estimate provided by an educational institution with expertise in this field, the project will cost approximately $75,000 and will take 10 - 12 months to complete, once the project is initiated.

Carrying out a Comprehensive Housing Needs Assessment would require dedication of up to $75,000. No funding source is currently available, and use of unallocated funds in the Housing Rehabilitation Investment Reserve requires Council approval.

RECOMMENDATIONS

1. That Council approve up to $75,000 from the Housing Rehabilitation Investment Reserve ("HRIR") to conduct a Comprehensive Housing Needs Assessment under the Administrative authority of the Director of Planning, Property and Development as the Fund Manager.

2. That, for the purposes of recommendation 1, that Council waive in this instance the HRIR operating parameters that the Reserve

    - *will not fund projects directly, but fund programs with annual and multi-year horizons;*
    - *will provide funding for major programs involving participation from the other levels of government;*
    - *Fund Manager will negotiate contribution agreements with City and external program managers to define limits, terms and other parameters of funding as well as program criteria, performance measures and program review provisions; and*
    - *a component of the Reserve Fund will operate as a revolving fund and receive incremental tax revenues from projects that it has funded. Internal procedures will be developed that will trace and transfer these incremental revenues.*

3. That the proper officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On December 5, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service:

1. That the recommendation of the Winnipeg Housing Steering Committee be concurred in and the Winnipeg Public Service be directed to:
    a. Determine the proposed components of, and estimated costs associated with, the development of a Housing Needs Assessment for the City of Winnipeg that, upon completion, will identify strategic actions to increase the supply of affordable housing;
    b. Report back to the appropriate committee of Council within 90 days with recommendations with respect to the proposed components of, and funding source for, a Needs Assessment;
    c. Make recommendations to the appropriate committee of Council, once the Needs Assessment is completed, regarding the establishment of an affordable housing program(s);
2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

IMPLICATIONS OF THE RECOMMENDATIONS

Conducting a Housing Needs Assessment for the city would provide direction for strategic development of housing based on supply and demand, within the context of City policy direction.

Conducting a Comprehensive Housing Needs Assessment would delay implementation of a housing program if that program is based on findings of the Housing Needs Assessment.

HISTORY/DISCUSSION

History

On July 25, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development (SPCPDHDD) directed the Public Service to, "Work with the Winnipeg Housing Steering Committee to develop a new housing program to support projects which include co-op and non-profit housing and have significant affordable & social housing components using financial tools such as Tax Increment Financing if appropriate and that the proposed program be designed to enable partnering with new and existing Federal & Provincial housing programs."

The Public Service met on multiple occasions with members of the Winnipeg Housing Steering Committee (WHSC) to discuss this opportunity to establish an effective program that encourages strategic development of new housing where it is needed most. It was agreed that to make decisions that maximize benefits of a new program, the City requires better data on housing supply and both existing and projected demand to determine what types of housing are most needed in specific areas of the city. The WHSC passed a motion directing the Public Service to explore components, costs and funding sources related to a study, and to make recommendations to "the appropriate committee of Council" (later determined to be SPCPDHDD).

On December 5, 2016 the SPCPDHDD concurred with recommendations of the WHSC to determine the proposed components of, and estimated costs associated with, the development of a Comprehensive Housing Needs Assessment for the City of Winnipeg. The motion further directed the Public service to make recommendations with respect to the proposed components of, and funding source for, a Needs Assessment.

Discussion

Cross Jurisdictional Review

Needs assessments have been conducted in several cities in Canada and the U.S., and six completed studies were reviewed. Documents all included some combination of:

- Demography: population size and characteristics (age, household size, type, income, etc.), population segments (seniors, students, people with disabilities, low-income households, Indigenous peoples, newcomers, etc.);
- Economic influence: employment and income, households in core housing need, etc.;
- Existing housing stock: market vs. non-market, rental vs. homeownership, single-family vs. multiple family, housing conditions; and
- Projected growth: population, population segments, growth by geographic region, etc.

In some cases, a population centre was studied as a whole while in others (especially in larger centres), there was some degree of geographic analysis. One study in particular, conducted in Halifax in 2015, provided a thorough outline of study components, and this structure was used as a foundation for recommendations for a Winnipeg study.

Recommended Study Components
A Comprehensive Housing Needs Assessment for Winnipeg will evaluate housing supply and demand along the entire housing continuum (market and non-market housing) to identify the gaps and anticipate future needs. It will provide a framework from which to plan for housing now and in the future, and would include:

- Collection and analysis of data on current housing supply and demand;
- Analysis of current and projected population demographics by area;
- A housing affordability analysis by area;
- An environmental scan of potential market changes and their impacts; and
- Correlation with policy objectives related to transit oriented design, neighbourhood revitalization and Complete Communities.

Ideally, analysis will be possible not only for the city as a whole, but also for geographic regions within the city. The study should also be repeatable so that the analysis can be revised on a regular basis. Attachment 1 provides a draft outline of the proposed study.

Proposed Approach
Conducting a comprehensive Housing Needs Assessment will include an evaluation of housing supply and demand, and of policy considerations across the city. Housing demand and supply will be further evaluated by regions within the city, by housing unit size (# bedrooms) and by cost.

Data sources to consider include:

- Canada Mortgage and Housing Corporation
- Census data from neighbourhood profiles
- Custom data reports from Statistics Canada and/or Canada Mortgage and Housing Corporation
- City of Winnipeg Department of Assessment and Taxation
- Manitoba Non-Profit Housing Association
- Conference Board of Canada projections
- Winnipeg REALTORS
- Existing housing studies

It will be necessary to award a contract to an external service to collect and evaluate data, to draw conclusions on which decisions can be made, and to prepare a final document.

Researchers at an educational institution with expertise in housing research were contacted to discuss study parameters and to estimate time requirements and cost associated with the study. Upon analysis, they were able to provide an estimate for a basic study of overall needs, with additional time and cost for breakdown within regions of the city, purchase of customized reports from CMHC and/or Statistics Canada, analysis of future growth impacts, consideration of incentive tools and consideration of municipal policy objectives in context of identified needs. Based on their estimates, the project with all elements will cost approximately $75,000 and will take 10 - 12 months to complete.

It is recommended that funding for this project be sourced from the Housing Rehabilitation Investment Reserve (HRIR); however, the current operating parameters of the HRIR do not specifically allow this type of expenditure. Accordingly, it is recommended that Council waive the operating parameters for this project. Information on the HRIR is provided in Attachment 2. Funding will also be pursued from the Province of Manitoba and from the Canada Mortgage and Housing Corporation, which if available may be used to offset expenses charged to the HRIR.

Integration with Policies and Initiatives
The Winnipeg Housing Policy, approved by Council on September 25, 2013, supports the creation of diverse housing and reinforces the need for better data on Winnipeg's housing stock. The policy's first objective is to encourage new housing development that:

a. Creates diverse housing options throughout the city that include a range of sizes, forms and tenures of housing to accommodate a range of incomes and household types;
b. Reflects Universal Design principles and "visitability' standards;
c. Establishes a sufficient supply of affordable, adequate and suitable housing throughout the City that meets the needs of the population of Winnipeg;
d. Creates growth in areas that support social, economic and environmental sustainability (Transformative Areas);
e. Supports a pedestrian and transit friendly environment, including higher residential densities near services and on transit corridors; and
f. Creates Complete Communities or completes existing communities.

The City of Winnipeg Housing Policy also provides (in Section IV Evaluation and Review) a list of indicators to be used to review the housing environment in Winnipeg to determine areas of need, and to guide development of programs. A Comprehensive Housing Needs Assessment will provide analysis that addresses indicators regarding housing supply, demand and projected needs of Winnipeg's growing population.

The City has never conducted a comprehensive housing needs assessment. The City did complete a Neighbourhood Indicators Study in 2000 that assessed conditions in Winnipeg's existing and emerging neighbourhoods; however, the focus of that study was to identify areas in need of rehabilitation and renewal. The proposed Comprehensive Housing Needs Assessment would measure housing supply and demand in all areas of the city with a goal of identifying opportunities to increase quantity and diversity of housing, with a focus on affordable housing, in areas where housing supply is inadequate to meet the needs of Winnipeg residents.

A Comprehensive Housing Needs Assessment would also support municipal initiatives promoting a more strategic approach to housing development. In particular, the study could impact development of an infill policy, promotion of secondary suites in detached single-family dwellings, implementation of impact fees for new development, transit-oriented development, and participation with the Province in providing tax-based grants for housing development in Winnipeg's downtown.

The two senior levels of government are embarking on development of new housing strategies and related programs. In 2016, the Government of Canada initiated its process with a national survey and consultation to identify priorities and opportunities in housing development. According to the survey, the most important themes to emerge were: low income and groups with distinct housing needs; cost of housing in Canada's largest cities; building a stronger affordable housing sector; and social housing renewal and subsidized housing. Specifically, affordable and accessible housing, sustainable housing and communities and integration of vulnerable populations were raised consistently regarding housing in both urban and rural environments. The Government of Canada dedicated funds to housing development in its 2016 budget, most of which will flow through the provincial Investment in Affordable Housing fund, but some of which will provide low interest loans to developers.

The proposed 2017 federal budget identifies $11.2 billion over 11 years that is committed for affordable housing and homelessness initiatives. These investments will be made as part of the forthcoming National Housing Strategy (NHS). One of the main elements of the NHS will be provision of $5 billion over 11 years through a National Housing Fund. This will include:

- A new co-investment fund that will be established to pool resources among many housing partners, including governments, the private sector and community organizations, to prioritize large-scale community renewal projects;
- Expansion of direct lending for new rental housing supply and renewal; and
- Support for innovations in affordable housing through up-front capital contributions available to affordable housing providers for innovations.

The Federation of Canadian Municipalities also established priorities and recommendations to share with the federal government to improve local decision-making and coordination of locations for social housing, flexible funding and operating agreements terms and conditions, Indigenous housing providers, leveraging surplus land for non-profit housing developers and expanding the Homelessness Partnering Strategy.

The Province of Manitoba is developing a new housing strategy and will presumably develop new funding programs to support affordable housing development. It is therefore strategically prudent for the City to develop programs to support development that may be complementary to coming federal and provincial programs and strategies.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 21, 2017

Project Name:

Undertaking a Comprehensive Housing Needs Assessment for Winnipeg

First Year of Program 2017

	2017	2018	2019	2020	2021
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					
Direct Costs	$ 37,500	$ 37,500	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 37,500	$ 37,500	$ -	$ -	$ -
Less: Existing Budget Amounts	37,500	37,500	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs in 2017 & 2018 represent the estimated $75,000 consulting fees for the comprehensive housing needs assessment. The contract term is assumed to be from July 1, 2017 to June 30, 2018. Funding for the study will be provided from the Housing Rehabilitation Investment Reserve Fund. No budget adjustment is required.

"Original signed by"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Materials Management Division, Corporate Finance Department
- Legal Services Department (as to Legal matters)

OURWINNIPEG POLICY ALIGNMENT

Introductory text in the section, 01-4 Housing states, “Housing is a cornerstone of healthy communities and of a strong city; it is a basic need and is central to our quality of life. The City of Winnipeg is forecasting significant population growth over the next 25 years, and housing solutions will be needed to accommodate this growth. We need to plan for new homes and for the upkeep and efficient use of existing homes.” (p.54)

The Direction 1 statement is, “Support diverse housing options in each neighbourhood or neighbourhood cluster throughout the city.” (p.54)

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Urban Planning
Prepared by:	Dave Dessens, Winnipeg Housing Policy Coordinator
Date:	April 24, 2017
File No:	O:\Reports Directive\Planning and Land Use\Urban Planning Reports\Housing Development\RIS - Undertaking a Comprehensive Housing Needs Assessement.docx

Attachments:

1: Proposed outline for Winnipeg’s Housing Needs Assessment
2: Housing Rehabilitation Investment Reserve

Attachment 1

Housing Needs Assessment for the City of Winnipeg
Proposed Outline

I. Introduction
   a. Context and Background
   b. Purpose and Objectives
   c. Study Approach
      i. Data Sources and Limitations
      ii. Geographic Regions of Study Area
      iii. Continuum of Housing to be considered

II. Housing Demand Analysis
   a. Population Trends and Projections
   b. Population Growth
      i. Age of Population
      ii. Specific Population Groups
   c. Household Trends and Projections
      i. Household Growth
      ii. Households by Geography
      iii. Households by Size
      iv. Households by Type
      v. Household by Tenure
   d. Economic Context
      i. Unemployment Rates and Labour Force Activity
      ii. Employment and Emerging Industries
      iii. Average and Median Household Income
      iv. Incidence of Low Income
      v. Income Assistance
   e. Vacancy Rate by Region
   f. Summary of Housing Demand in Winnipeg

III. Housing Supply Analysis
   a. Overall Housing Supply
      i. Dwelling Trends and Types
      ii. Housing Starts by Type
      iii. Age and Condition of Dwellings
   b. Market housing supply
      i. Market Ownership Housing
      ii. Market Rental Housing
      iii. Residential Development Potential
   c. Non Market Housing
      i. Subsidized Housing
      ii. Supportive Housing
      iii. Emergency and Transitional Housing
   d. Housing for Specific Population Groups
      i. Seniors Housing
      ii. Accessible Housing
      iii. Student Housing
      iv. Indigenous Housing

- v. Newcomer Housing
- e. Summary of Housing Supply in Winnipeg

IV. Housing Affordability
- a. Income Spent on Shelter
- b. Core Housing Need
- c. Ownership and Rental Affordability
- d. Housing Gaps by Type and Location
- e. Summary of Housing Affordability in Winnipeg

V. Housing Gaps Analysis and Future Needs
- a. Planning and Housing Policies Affecting Supply
  - i. OurWinnipeg and Complete Communities
  - ii. Winnipeg Housing Policy
  - iii. Homelessness Partnering Strategy Community Plan for Winnipeg
- b. Market Projections
  - i. Growth
  - ii. Aging Population
  - iii. Immigration
  - iv. Other
- c. Summary and Conclusions

VI. Growth Priorities and Recommendations for Incentive Programs

Attachment 2

Housing Rehabilitation Investment Reserve

The Housing Rehabilitation Investment Reserve (HRIR) was established in principle by Council on March 15, 2000 to fund City Housing Programs, particularly capital intensive programs, with the exception of those funded through the current budgets. Council implemented the HRIR on June 21, 2000 with the following Operating Parameters:

- The Reserve will not fund projects directly, but Fund programs with annual and multi-year horizons.
- It will provide funding for major programs involving participation from the other levels of government.
- The Reserve Fund Manager will negotiate contribution agreements with City and external program managers to define limits, terms and other parameters of funding as well as program criteria, performance measures and program review provisions.
- A component of the Reserve Fund will operate as a revolving fund and receive incremental tax revenues from projects that it has funded. Internal procedures will be developed that will track and transfer these incremental revenues.

While funds from the HRIR have been used primarily for these purposes since it was established, the Reserve has also been used to fund activities that promote development of affordable housing and neighbourhood renewal. In particular, funding from the HRIR has been used to support public housing forums in partnership with other levels of government. Funds from the HRIR were also used in 2012/2013 to cover consultant costs for developing a new Winnipeg Housing Policy.

The City allocates funds to the HRIR each year from the Operating Budget, in the amount of $1 million per year. These funds are further allocated to Indigenous housing ($200,000) and to five Housing Improvement Zones ($160,000 per zone). If funds are not dedicated to projects in the year for which they are provided, they become available for eligible expenses that are not restricted to their original allocation. At the time of this report, the HRIR holds approximately $230,000 in unallocated funds.

Precedence has been established for using funds from the HRIR to pay planning and consultation costs related to housing; however, authority to continue using the HRIR in this manner is ambiguous. These municipal activities are not specifically allowed in operating parameters regarding use of the Reserve. Council approval is required to waive in this instance the operating parameters to allow funds from the HRIR be used to pay costs related to carrying out the Comprehensive Housing Needs Assessment.