Minutes – Executive Policy Committee – September 21, 2021

REPORTS

Item No. 3 City of Winnipeg Rapid Housing Initiative (RHI) Round 2 Federal Funding Update

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the following final list of Round 2 Rapid Housing Initiative Projects and proponents, submitted by the Public Service to Canada Mortgage and Housing Corporation on August 31, 2021, be confirmed and ratified:

    A. West Central Women's Resource Centre, project at 590 Victor Street, for $4,309,035.00;

    B. Westminster Housing Society, project at 545 Broadway, for $5,049,000.00;

    C. Manitoba Metis Federation, project at 670 Main Street, for $3,417,708.00; (the "Intermediaries").

2. That, subject to the City entering into a funding agreement with Canada Mortgage and Housing Corporation for Round 2 of the Rapid Housing Initiative, that a Rapid Housing Initiative Grant be approved and funded from the Housing Rehabilitation Investment Reserve to each of the Intermediaries as outlined in Recommendation 1.

3. That the grants to the Intermediaries be for 100% of Rapid Housing Initiative eligible costs up to the maximum grant value in Recommendation 1.

4. That the City enter into, execute and deliver a grant agreement with each of the Intermediaries and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing (the "Ancillary Agreements").

5. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the grant agreements with the Intermediaries and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the Director of Legal Services and City Solicitor to protect the interests of the City.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

6. That the Director of Asset and Project Management work with the Intermediaries with the aim to ensure that all selected projects are managed and delivered on time and within their respective capital budgets.

7. That the Public Service report to the appropriate standing committee on the progress of these projects on a semi-annual basis during construction and annually thereafter to ensure that the objectives of these projects and the terms of their underlying agreements are being achieved.

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

DECISION MAKING HISTORY:

Moved by Councillor Gilroy,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Browaty, Gillingham, Gilroy, Mayes, Rollins	7
Nay:		0

Carried

COUNCIL DECISION:

On July 22, 2021, Council concurred in the July 20, 2021, recommendation of the Executive Policy Committee, which included the following recommendation:

5. That the Public Service report back to Council in September 2021 regarding the Investment Plan as submitted, for confirmation and ratification by Council.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On July 20, 2021, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: City of Winnipeg Rapid Housing Initiative (RHI) Round 2 Federal Funding Update

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Jack	M. Jack	C. Kloepfer	M. Jack

EXECUTIVE SUMMARY

On July 19, 2021, the federal government announced that The City of Winnipeg would be eligible for $12,775,743 under Round 2 of the Rapid Housing Initiative to create a minimum of 51 units of affordable housing for 20 years. On July 22, 2021, Council delegated authority to the CAO to submit an investment plan to the Canada Mortgage and Housing Corporation ("CMHC") by its August 31, 2021 deadline, with the Public Service directed to report back to Council in September 2021 for confirmation and ratification of the project list.

In addition to direct engagement with proponents that had expressed interest during and since Round 1 of the RHI, the Public Service held an additional one-week open Expression of Interest where it received an additional five project proposals. Upon reviewing the applications in their totality, the Public Service has determined that three projects meet the eligibility requirements and submitted the same to CMHC on August 31, 2021:

- West Central Women's Resource Centre project at 590 Victor Street, for 16 units of transitional housing targeting Indigenous and newcomer women and their children exiting situations of violence, for $4,309,035.00
- Westminster Housing Society project at 545 Broadway, for 21 units of affordable housing for members of the 2SLGBTQ+ community, for $5,049,000.00
- Manitoba Metis Federation project at 670 Main Street, for 22 units of affordable housing for Metis citizens, for $3,417,708.00

RECOMMENDATIONS

1. That Council confirm and ratify the following final list of Round 2 Rapid Housing Initiative Projects and proponents submitted by the Public Service to Canada Mortgage and Housing Corporation on August 31, 2021:

    A. West Central Women's Resource Centre, project at 590 Victor Street, for $4,309,035.00;
    B. Westminster Housing Society, project at 545 Broadway, for $5,049,000.00;
    C. Manitoba Metis Federation, project at 670 Main Street, for $3,417,708.00;

(the “Intermediaries”).

2. That, subject to the City entering into a funding agreement with Canada Mortgage and Housing Corporation for Round 2 of the Rapid Housing Initiative, that a Rapid Housing Initiative Grant be approved and funded from the Housing Rehabilitation Investment Reserve to each of the Intermediaries as outlined in Recommendation 1.

3. That the grants to the Intermediaries be for 100% of Rapid Housing Initiative eligible costs up to the maximum grant value in Recommendation 1.

4. That the City enter into, execute and deliver a grant agreement with each of the Intermediaries and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

5. That authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the grant agreements with the Intermediaries and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City.

6. That the Director of Asset and Project Management work with the Intermediaries with the aim to ensure that all selected projects are managed and delivered on time and within their respective capital budgets.

7. That the Public Service report to the appropriate standing committee on the progress of these projects on a semi-annual basis during construction and annually thereafter to ensure that the objectives of these projects and the terms of their underlying agreements are being achieved.

8. 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 July 22, 2021, Council delegated authority to the CAO to submit an investment plan to CMHC by its August 31, 2021 deadline, with the Public Service directed to report back to Council in September 2021 for confirmation and ratification of the project list. Council approval is also required for the City to give grants and enter into grant agreements with the Intermediaries.

IMPLICATIONS OF THE RECOMMENDATIONS

If the above recommendations are approved, the City will accept funding from the Government of Canada, through CMHC, in order to then fund projects advanced by the third-party Intermediaries for project delivery.

There are a number of risks associated with entering into Intermediary grant agreements for this purpose. Although the RHI funding agreement with CMHC allows for the City to provide the funding to third-party Intermediaries to carry out the housing projects, the terms of the

agreement indicate that the City shall remain at all times primarily liable to CMHC for the fulfillment of all obligations under the RHI funding agreement. The City could be required to repay grant funds to CMHC in the event that any of the final projects of the Intermediaries fail to meet the requirements of the RHI funding agreement or in the event that an Intermediary breached any other term of the agreement, including reporting requirements, during the 20-year affordability period. Although the City can enter into third party agreements with the Intermediaries setting out their responsibilities, this ultimate responsibility to CMHC would remain with the City in the event that an Intermediary was unable to repay any required amount of their individual grant.

An additional risk is that the City would have no external insurance coverage in the event that the City makes any accidental or intentional errors in fulfilling reporting requirements to CMHC as the City is self-insured for such issues. The City can require in its grant agreements with the third-party Intermediaries that they are required to purchase errors and omissions insurance; however, their coverage would be void in the event that an Intermediary intentionally made a misrepresentation, in which case the City would be held liable by CMHC as per the RHI funding agreement. The City would not have external insurance coverage for this event and would be held financially liable to CMHC.

HISTORY/DISCUSSION

On July 19, 2021, the federal government announced that The City of Winnipeg would be eligible for $12,775,743 to create a minimum of 51 units of affordable housing for 20 years. The deadline for the City to submit a formal investment plan to secure this $12,775,743 was August 31, 2021. Considering that Council's last meeting prior to summer prorogue would not allow time for application review, and in order to allow the Public Service time for due diligence, on July 22, 2021 Council delegated authority to the CAO to submit to CMHC an investment plan by deadline, with the Public Service reporting back to Council in September 2021 for confirmation and ratification of the list.

Upon receiving delegated authority, the CAO directed the Public Service to engage in a one-week open Expression of Interest (EOI) on its external public-facing website to solicit additional applications. This is the same process that was used in the first round of RHI funding in 2020. The intent was to ensure that the City had actively canvassed as many projects as possible.

Five additional projects came in via the EOI, of which only one was determined to be eligible either due to CMHC's expediency (project must be completed within 12 months) or identified operating budget requirements. Therefore, the Public Service had a total of 5 projects to consider.

Additionally, the Public Service engaged both Manitoba Housing and End Homelessness Winnipeg to review and discuss the final list of projects. The expertise and perspectives of both organizations were crucial in the overall evaluation process.

Based on the total funding allocated to The City of Winnipeg ($12,775,743), minimum required net new units (51), and priority populations for Round 2 (25% women, and women and children fleeing violence; and then indigenous populations and black Canadians) the Public Service has selected three projects:

- West Central Women's Resource Centre
    - 590 Victor Street

    - 16 net new units of transitional housing
    - Focused on Indigenous and newcomer women and their children exiting situations of violence
    - Total funding from RHI: $4,309,035.00
- Westminster Housing Society
    - 545 Broadway
    - 21 net new units of affordable housing
    - Focused on members of the 2SLGBTQ+ community
    - Total funding from RHI: $5,049,000.00
- Manitoba Metis Federation
    - 670 Main Street
    - 22 net new units of affordable housing
    - Focused on Metis citizens
    - Total funding from RHI: $3,417,708.00

Overall, these projects target the populations identified by CMHC as priorities for Round 2 – women and their children fleeing violence, and indigenous peoples; provide a total of 59 units and $12,775,743. More information on these projects can be found in Appendix A.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 1, 2021

Project Name:

City of Winnipeg Rapid Housing Initiative (RHI) Round 2 Federal Funding Update

First Year of Program 2021

	2021	2022	2023	2024	2025
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 12,775,743	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	12,775,743	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1) Direct Costs represents the total Rapid Housing Initiative grant expenditure to the Intermediaries. Payments to Intermediaries will be made on a claims basis from the Housing Rehabilitation Investment Reserve.

2) Incremental Revenue/Recovery represents the grant revenue to be received from Canada Mortgage and Housing Corporation to be deposited to the Housing Rehabilitation Investment Reserve. Any amounts not paid out based on eligible expenditures are required to be returned to the Canada Mortgage and Housing Corporation.

3) The City will accept funding from the Government of Canada, through CMHC, and in turn enter into grant agreements with Intermediaries for project delivery. The City remains at all times primarily liable to CMHC for the fulfilment of all obligations under the RHI funding agreement. The City could be required to repay grant funds to CMHC in the event that an intermediary failed to meet the requirements of the RHI funding agreement or in the event that an Intermediary breached any other term of the agreement, including reporting requirements, during the 20 year affordability period.

(Approved electronically by F.Dela Cruz)
Fernando Dela Cruz, CPA, CGA
Acting Mgr. of Finance & Admin. (Campus)

CONSULTATION

This Report has been prepared in consultation with:

Canada Mortgage and Housing Corporation
Legal Services (as to legal issues)
Community Services Department
Corporate Finance
Planning, Property & Development Department
Assets and Project Management Department

OURWINNIPEG POLICY ALIGNMENT

01-3 PROSPERITY
Direction 5: Demonstrate visionary civic leadership and commitment to sustainable long-term planning

01-4 HOUSING
Direction 1: Support diverse housing options in each neighbourhood or neighbourhood cluster throughout the city
Direction 2: Collaborate with other levels of government and other partners to renew and regenerate Winnipeg's housing stock
Direction 3: Establish partnerships with the private, not-for-profit and government sectors to provide affordable housing throughout the city, with particular focus on locations near a variety of transportation options

03-1 OPPORTUNITY
Direction 3: Work with community partners to foster an inclusive and equitable community
Direction 4: Work within municipal service areas as a collaborator on poverty reduction.
Direction 5: Acknowledge that Aboriginal Winnipeggers bring a diverse richness of cultures, traditions, languages, teachings, values, skills and perspectives to our city
Direction 9: Collaborate with developers, community organizations and other partners to foster an age-friendly and accessible urban environment

03-2 VITALITY
Direction 2: Deliver a coordinated, integrated, and seamless service response to address community needs and priorities that contribute to building healthy communities
Direction 3: Work in partnership with communities to identify and address neighbourhood issues

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #1 Corporate Leadership:
Key Direction 1.9 Work with Indigenous Communities, the Province, and the Federal Government to Advance Climate Action

- Collaborate with senior levels of government for increasing investment in programs supporting climate action.
- Leverage funding from the province and federal governments to advance climate action.
- Engage Winnipeg's Indigenous population on issues around climate change.

Strategic Opportunity #2 Empower Community Leaders and Collaborate with Stakeholders

Key Direction 2.3 Create Conditions to Enable Community Climate Action

- Develop and implement a strategy to empower and celebrate community-led climate action success by advising on funding opportunities, technical expertise and facilitating organization/industry/government linkages.
- Encourage and partner to advance innovative pilot and demonstration projects.

Strategic Opportunity #5 Low Carbon and Energy Efficient Buildings

Key Direction 5.2 Improve Energy Performance of New Buildings

- Provide resources and incentives such as property tax relief or permit cost reduction program to building owners that demonstrate high energy efficiency

Key Direction 5.4 Build Climate Equity

- Build partnerships with key stakeholders such as the local neighbourhood associations, Building Urban Industries for Local Development (BUILD) and Centre for Aboriginal Human Resources Development (CAHRD) to build local capacity and equity.

SUBMITTED BY

Department: Office of the CAO
Prepared by: Michael Jack
Date: September 1, 2021

Attachments:

Appendix A - City of Winnipeg Rapid Housing Initiative (RHI) Round 2 Project List and Descriptions

City of Winnipeg
Rapid Housing Initiative (RHI) Round 2
Project List and Descriptions

Project Name	Total City of Winnipeg Disbursement	Units
West Central Women's Resource Centre	$ 4,309,035.00	16
Westminster Housing Society	$ 5,049,000.00	21
Manitoba Metis Federation	$ 3,417,708.00	22
TOTAL COW RHI FUNDS	$ 12,775,473.00	**59**

West Central Women's Resource Centre

Address: 590 Victor Street, Winnipeg MB R3G 1R2

Funding request: $4,309,035.00

Description: The West Central Women's Resource Centre Transitional Housing Project at 590 Victor Avenue, with 16 units, will create safe, supportive and culturally-appropriate transitional housing units for women exiting violence. UWCRC 2.0 will serve as the project manager during construction and as the property manager for the project once complete. The project will be owned and operated by the West Central Women's Resource Centre (WCWRC). The existing three-story residential building at 590 Victor will be converted within the 12-month time frame required by CMHC for RHI-supported projects into 16 units compromised of a mix of three-bedroom, two-bedroom, and one-bedroom units set at 30% of tenants' incomes. The building will also include spaces for tenant programming, a secure children's play space and staff offices. The minimum stay in the transition units would be ninety days, with the intention of WCWRC to assist in transitioning the majority of residents to long-term housing within a two-year period.

Westminster Housing Society

Address: 545 Broadway, Winnipeg MB R3C 0W1

Funding request: $5,049,000.00

Description: The Westminster Housing Society project at 545 Broadway, with 21 units, will develop on the western half of the site, adjacent to Wilson House, a municipally designated historic building occupying the eastern portion of the site. In partnership with the West Broadway Community Organization and Rainbow Resource Centre, Westminster Housing Society will focus through this project on addressing the specific affordable housing needs within the local 2SLGBTQ+ community. The collective vision is to develop an integrated project that not only provides safe, affordable housing to this community, but also provides associated program supports. In addition to the affordable housing component supported by RHI, long-term concepts for the site envisions its transformation into a community hub, whereby RRC would occupy both the ground floor of the new building and Wilson House and deliver programming to residents of the new project and the wider community. The broader project concept has significant potential to animate the site and contribute to the long-term conservation and adaptive re-use of Wilson House.

Manitoba Metis Federation

Address: 670 Main Street, Winnipeg MB R3B 1E4

Funding Request: $3,417,708.00

Description: The Manitoba Metis Federation project at 670 Main Street, for 22 units, will provide Metis citizens who are homeless or at risk of homelessness with direct support services and a housing first approach. Leveraging funds with Reaching Home for staffing, rent subsidies, equipment, and building operations, the project will include studio, 1 and 2 bedroom supportive housing units. Tenants will be Intensive Case Managed by MMF staff. MMF Department of Health and Wellness will design mental health and addiction support program, with assistance from MMF Metis Employment and Training Department for job readiness programming.