Agenda – Council – December 15, 2022

Report – Standing Policy Committee on Property and Development – November 30, 2022

Item No. 6 Update on Initiatives to Accelerate Affordable Housing

STANDING COMMITTEE RECOMMENDATION:

On December 7, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That this report outlining current housing activities be received as information.

2. That quarterly verbal reporting on the Affordable Housing Strategy to the Standing Policy Committee be concluded.

3. That the Public Service provide ongoing annual reports on the matter to the Winnipeg Housing Steering Committee.

4. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development – November 30, 2022

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 7, 2022, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On November 30, 2022 the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

On July 4, 2022, the Standing Policy Committee on Property and Development, Heritage and Downtown Development directed the Winnipeg Public Service to report back in 60 days on the steps that are being taking to accelerate housing in the City of Winnipeg.

ADMINISTRATIVE REPORT

Title: Update on Initiatives to Accelerate Affordable Housing

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch	J. Kiernan	N/A	M. Jack

EXECUTIVE SUMMARY

At the July 4, 2022, Standing Policy Committee on Property and Development, Heritage and Downtown Development meeting, the Public Service was asked to report back on activities the City is undertaking to support the acceleration of housing. This report is in response to that direction and outlines activities that the City's Housing Unit has undertaken to accelerate affordable housing over the last few years and also serves as an update on the status of implementation of the *Menu of Options for an Affordable Housing Strategy* report, adopted by Council on November 26, 2020.

The information in this report provides a summary of activity, including existing established programs, newly-launched programs, and upcoming activities planned on our housing initiatives/ programs. These activities include the administration of several housing programs under the Housing Rehabilitation Investment Reserve (HRIR); the Rapid Housing Initiative (RHI); Creating Affordable Opportunities in Housing Improvement Zones (HIZs) program; and the recently launched Affordable Housing Now Program to leverage Canada Mortgage and Housing Corporation (CMHC) funding opportunities under the National Housing Strategy. Future work involves continued partnership with senior levels of government and completing the specific actions identified in the *Poverty Reduction Strategy* and the *Menu of Options* reports.

In 2022, total funding commitments to date from the above programs will result in the development of 180 units of affordable and transitional housing. Fifty-seven of these units are from the Round 2 RHI program and 153 units will be funded with support from the Affordable Housing Now Program, which will provide 229 housing units in total. It is expected that the number of applications approved under Affordable Housing Now will rise in 2022 as additional applications are currently being reviewed. Funding from the HRIR also provides modest support for affordable housing projects, mostly in the form of property improvements; however, money can be allocated to support new housing development. Based on approved proposals, it is also estimated that at least 100 properties will be repaired/enhanced through HRIR funding committed in 2022. Final reports are not complete at this time. Uptake in the Creating Affordable Opportunities in HIZs has been slower than expected.

RECOMMENDATIONS

1. That this report outlining current housing activities be received as information.

2. That quarterly verbal reporting on the Affordable Housing Strategy to the Standing Policy Committee be concluded.

3. That the Public Service provide ongoing annual reports on the matter to the Winnipeg Housing Steering Committee.

4. That the proper officers of the City do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

On November 26, 2020, Council concurred in the recommendation of the Standing Policy Committee on Property and Development, Heritage and Downtown Development and directed the Public Service to provide quarterly verbal updates on the Affordable Housing Strategy.

On July 4, 2022, the Standing Policy Committee on Property and Development, Heritage and Downtown Development directed the Winnipeg Public Service to report back in 60 days on the steps that are being taken to accelerate affordable housing in the City of Winnipeg.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

HISTORY/DISCUSSION

Since 2020, the City has advanced a number of initiatives to support affordable housing in Winnipeg, including:

- The completion of a Comprehensive Housing Needs Assessment.
- The *Menu of Options for Affordable Housing* report, adopted by Council on November 26, 2020, which outlined tools and made recommendations on activities to support affordable housing and identified priorities and phasing.
- Approval by Council of the Affordable Housing Opportunities in Housing Improvement Zones Program on January 28, 2021, which provides surplus City-owned lands to non-profit housing providers in the City's Housing Improvement zones at reduced rates, as well as opportunities for $1 lots for net zero development, and further expansion of boundaries for net zero development at Council's direction.
- The adoption by Council of the Affordable Housing Now (AHN) Program on March 24, 2022, to leverage federal funding under the National Housing Strategy.
- Playing a lead role in contract administration of the Major Cities Stream of the Rapid Housing Initiative Rounds 1 and 2 (Round 3 detailed information expected soon);
- The continued administration of the City's Housing Rehabilitation Investment Reserve (HRIR) which provides $1 million annually to support housing and revitalization in the

designated Housing Improvement Zones as well as support for Indigenous housing providers.

- The development of partnerships with senior levels of government by way of a Memorandum of Understanding (MOU) between CMHC and the City for the Affordable Housing Now Program and participation on a Winnipeg-Manitoba working group on affordable housing.
- Direct participation with key housing stakeholders through representation on committees of End Homelessness Winnipeg and the Winnipeg Housing Rehabilitation Corporation.
- As of Summer/Fall 2022, three positions were posted – two in the Planning, Property and Development Department (PPD), and one in the Indigenous Relations Division (IRD). All positions are temporary with funding ending in December 2023. As of October 2022, the two positions in PPD have been filled, while the IRD position is in process.

This report provides details on the impact of housing initiatives identified above, challenges that exist, and the focus of upcoming future housing activities. The table below provides a statistical summary of all programs where funding has been allocated. The table reflects activity in the first three quarters of 2022.

2022 YTD (Sept. 30) – Overall Housing Activity	
HRIR Activities Funded	11
Total Number Properties Repaired (HRIR)	Data n/a
Total New Housing Projects Funded (HRIR or AHN)	2
Total Number of new housing units	229
Number of affordable housing units	108
Number of social housing units	0
Number of transitional housing units	15
Number of supportive housing units	0
Number of City-owned properties marketed for sale	10
Number of City-owned properties sold	0

Housing Rehabilitation Investment Reserve (HRIR)

Winnipeg's housing and community support programs continue to fund housing and community development activities in the five Housing Improvement Zones, as well as an Indigenous Housing Program. Beyond the update provided below, full statistical reporting for 2022 is not complete as funded projects are ongoing. All HRIR activity is reported to the Winnipeg Housing Steering Committee (WHSC) on an annual basis. Appendix A: HRIR Summary of Activity – 2021 provides a detailed summary of HRIR activity for the 2021 year as reported to the WHSC.

> **Fall 2022 Update:** Year-to-date in 2022, approximately $631,498 has been committed for 11 housing activities. These projects represent housing coordination activities in HIZ, repairs of Indigenous-owned affordable housing units, and small grants for property improvements for owners and landlords across the HIZ. Results of these activities will be reported by proponents by project completion. Based on past years, and 2022 funding similar projects, it is estimated at least 100 properties will be renovated/repaired.

The Affordable Housing Opportunities in Housing Improvement Zones Program

The Affordable Housing Opportunities in Housing Improvement Zones program was approved by Council on January 28, 2021, and provides City-owned surplus lands located in HIZ to non-profit housing providers at a discount. Through this program, lots are marketed to proponents at no less than 50 per cent of the assessed value.

A maximum of six lots offered under this program may be sold for as little as $1 each for affordable housing developments that meet net zero energy efficiency standards to the satisfaction of the City's Office of Sustainability to support the City-led Local Energy Access Program. As per a Council decision on February 24, 2022, the boundary for $1 lots for net zero development has been extended beyond the HIZ to include applicable properties located within the Map of Energy Poverty/High Poverty Areas indicated in that report.

The lack of uptake by non-profit housing providers may suggest the discounts are not enough to create viable projects at this time. The Public Service will continue to monitor the situation and explore ways to enhance its success including discussing barriers with non-profit providers, as well as exploring additional partnerships where possible. The situation is also exacerbated by COVID-19 cost implications and inflation.

> **Fall 2022 Update**:
> In the first three quarters of 2022, 10 city-owned properties were listed, and 0 were sold.

Rapid Housing Initiative (RHI)

In partnership with Canada Mortgage and Housing Corporation (CMHC), the City of Winnipeg has now administered two rounds of the RHI Program. This program is led by the City's Assets and Project Management (APM) Department, with support from PPD.

RHI Round 1 projects are all nearly 100% complete and occupied. Round 2 projects remain under construction. Both rounds represent a total of 134 new affordable housing units for vulnerable persons. Regular reporting on project progress by APM is scheduled in December 2022. Appendix B provides a summary of RHI projects.

Status of items in the Menu of Options Report requiring future reports

On November 26, 2020, the *Menu of Options for an Affordable Housing Strategy* was presented to Council which outlined tools and made recommendations on activities to support affordable housing. The following four activities were recommended for further implementation.

I. Affordable Housing Now (Tool #12 – Partnerships)

The Affordable Housing Now (AHN) Program offers $2 million in the form of grants as well as $50 million in Tax Increment Financing (TIF) opportunities of up to 80% of municipal incremental tax increases arising from development. The Program is eligible to those participating in, and

therefore meeting all requirements of, CMHC funding programs under the National Housing Strategy for the development of new affordable housing. Eligible projects in the Downtown and Housing Improvement Zones may receive up to 25 years of TIF, and projects located elsewhere may receive up to 15 years of TIF. All non-profit housing providers accepted into the Program will receive a TIF of 25 years. This consideration will also be extended to the rehabilitation of vacant buildings under the Program where financial need is demonstrated. It is noted that CentreVenture Development Corporation is assisting with early implementation aspects of the program such as application intake and viability assessments. Forty percent of the TIF funds allocated to the program are within the Downtown (excluding the Sports Hospitality Entertainment District area).

Fall 2022 Update: The AHN was approved by Council on March 24, 2022, and was launched to the public on April 8, 2022. Since its launch, the AHN has provided conditional approval for two projects with both a TIF and capital grants, to the maximum outlined in Appendix C. This will support the development of a total of 229 new units of housing, including 123 units of affordable housing – 15 of which are transitional housing for women and children.

In both projects, rents for affordable units will be at 59% of Median Market Rent (MMR). This is a very affordable rate, making units accessible to individuals with limited incomes, including those receiving Employment and Income Assistance (EIA).

AHN was the first priority of the Menu of Options report. Future reports back to Council on the other specific initiatives will occur, including fast tracking applications for affordable housing, reducing parking requirements for affordable housing, as well as public education. While progress continues on these tools, each are discussed briefly in turn:

Housing Speaker Series (Tool #4 – Education and Engagement)

Speaking events in 2022 focused on the promotion of the Affordable Housing Now Program, presenting to the Manitoba Non-Profit Housing Association, CMHC Prairies Team, and local community network events.

Eliminate/Reduce Parking Requirements for Affordable Housing (Tool #3 – Zoning Regulation)

Ongoing dialogue with affordable housing providers and developers is underway to determine appropriate paths and opportunities to reduce the impact of parking requirements on affordable housing projects. Data is being gathered on recent development parking ratios and current parking demand at different levels of affordability.

Fast track development applications that include affordable housing (Tool #10 – Administrative Actions).

This tool is currently being explored further and is being used to some degree in the implementation of Rapid Housing Initiative. This has been in the form of priority zoning reviews for projects as well as additional assistance during the permit approvals and development

process. The Technical Team for the RHI continues to meet bi-weekly to facilitate and support the funded projects by helping applicants to understand and resolve issues as they arise. A similar process may be applied to other affordable housing projects.

Other Activities

Future activity on housing issues also includes direction from the City's Poverty Reduction Strategy, where PPD is identified as the lead on developing inventories of surplus land for affordable housing and vacant buildings.

Vacant Buildings Inventory

In response to the Poverty Reduction Strategy's Implementation Plan (2021-23) **Goal #2, Action #3:**

> *'Establish an inventory of vacant multi-unit residential buildings and identify barriers and challenges for re-occupancy. Explore partnership opportunities with building owners and other governments that aim to see suitable properties rehabilitated as affordable rental housing.'*

Work is underway to analyze characteristics of vacant buildings and explore potential options for redevelopment, informed by best practices research on barriers, challenges, and funding opportunities.

Partnerships

The Public Service has also been working at establishing relationships with other levels of government to work collaboratively on shared housing priorities. To this end, the Public Service participates in monthly tri-lateral meetings organized by CMHC to share information on housing activities. The City's partnership with CMHC is continually growing and includes partnership through the delivery of RHI, as well as an MOU to work collaboratively to achieve positive outcomes in the delivery of the AHN program and National Housing Strategy programs.

The City is also partnering directly with the Provincial government by way of a City-Provincial Working Group to collaborate on shared areas of interest. This has led to the informal development of a Density Bonus pilot project where the Public Service has supported a modest increase in development dwelling unit density for a proposed private rental development in exchange for some of the units being rented at Provincial affordability rates. These units will be monitored through an agreement between the property owner and the Government of Manitoba. It is hoped that more units of affordable housing in the private rental market can be developed through this process.

FINANCIAL IMPACT

Financial Impact Statement

Date: October 12, 2022

Project Name:

Update on Initiatives to Accelerate Affordable Housing

COMMENTS:

There are no direct financial implications associated with this report as it is to be received as information.

Mike McGinn Oct. 12, 2022
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- n/a

OURWINNIPEG POLICY ALIGNMENT

This report is in alignment with *OurWinnipeg 2045* policies:

4.4 Affordable and Supportive Housing Options
Enable collaborative partnerships that provide a continuum of existing or new affordable housing, making use of municipal supports such as fiscal, regulatory and measurement tools to ensure those most in need have increased access throughout the resident and building life-cycle.

5.2 Affordable and Supportive Housing Options
Conserve and increase development of a continuum of affordable and supportive housing throughout the city as a fundamental human right.

6.39 Affordable and Supportive Housing Options
Facilitate affordable and supportive housing in all neighbourhoods, through a continuum of private and non-profit housing development that includes a mix of sizes, forms and tenures; resilient, low-carbon, and energy-efficient construction; adaptable, universal design accessibility; and proximity to integrated and, sustainable transportation options.

This report is also in alignment with *Complete Communities 2.0*:
In section C.1 Downtown:
3.0 Ensure inclusive housing and services Downtown reflects the diversity of Winnipeg's population.

3.1 Continue to facilitate residential development and residential rehabilitation or reinvestment through strategic use of incentives (such as Tax Increment Financing) that advance affordable housing and address additional Downtown housing needs.

3.3 Develop tools to help incorporate affordable, accessible, and other housing options into new development.

In section G.5 Housing, a number of goals are outlined that the subject activities in this report help to achieve:
1.0 Support diverse housing options in each neighbourhood or neighbourhood cluster throughout the city.

2.0 Collaborate with other levels of government and other partners to renew and regenerate Winnipeg's housing stock.

3.0 Establish partnerships with the private, not-for-profit and government sectors to provide affordable housing throughout the city, with a particular focus on locations near a variety of transportation options.

4.0 Support the integration of supportive housing within residential neighbourhoods, with a particular focus on locations near a variety of transportation options.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in accordance with the Winnipeg Climate Action Plan:

Key Direction 4.1 Increase Strategic Infill Development that Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service (p. 43)
This key direction mentions policies the City can explore that are also discussed in this report including density bonusing, parking reductions, developing City-owned lands, assembling land for resale, partnering on development, or using City funds to leverage private investment.

Key direction 5.2 – Improve energy performance of new buildings (p.47).
Support for the development of affordable housing through Affordable Housing Now only approves new builds/conversions with improved energy efficiency targets, as per CMHC requirements.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The report is in accordance with the Poverty Reduction Strategy (PRS) which identifies affordable Housing as a Life Pole (p.38).

In particular it aligns with:

Goal 2: The City Actively Plans for and Partners in Affordable Housing and its 10-year Objectives including:

A. The City's capacity and commitment to advancing affordable housing initiatives are increased.
B. The urgent housing needs of shelterless residents are addressed through proactive, multi-sectoral partnerships.
C. Municipal tools, resources and partnerships are developed and used to encourage and facilitate affordable housing development.
D. Existing affordable rental housing stock is maintained and improved.

SUBMITTED BY

Department: Planning, Property & Development
Division: Urban Planning and Design, and Real Estate and Land Development
Prepared by: Noah Yauk, Housing and Neighbourhood Revitalization Coordinator
Lissie Rappaport, Housing Program Specialist
Date: October 20, 2022

Attachments:
Appendix A: HRIR Summary of Activity - 2021
Appendix B: Summary of RHI Projects
Appendix C: Affordable Housing Now Funding Commitments

Appendix A: HRIR Summary of Activity – 2021

- 17 new projects were approved by the Director of the Planning, Property and Development Department for a total of $746,400 from the HRIR fiscal budget.

Number of Approved Housing Rehabilitation Investment Reserve Grants by Type:

Grant Programs	**Number of Applications**	**Amount ($)**
Housing Coordination: • West Broadway Community Organization • Centennial Community Improvement Association • Spence Neighbourhood Association • North End Revitalization Inc.	4	$153,000
Indigenous Housing (Renovations): • KeKiNan Centre Inc. • Kinew Housing Inc. • Kanata Housing Corp. • North End Housing Project	4	$215,000
Capacity Building: • William Whyte	1	$10,000
Exterior Repair Programs: • Centennial Community Improvement Association • North End Revitalization Inc. • Spence Neighbourhood Association • West Broadway Community Organization	4	$220,000
Housing Development • UWCRC 2.0 – 308 Colony St • Housing Opportunity Partnership (Cent/ WW) • Westminster Housing Society	3	$144,000
Other: • Centennial Community Improvement Association (back lane property addressing)	1	$4,400
TOTAL	**17**	**$746,400**

Impact on Housing by the Numbers 2021 – HRIR Funded Projects

Project Name (HRIR Property Improvements – Indigenous Program)	**# of existing Housing Units to be Impacted**	**Project Description**
Kinew Housing Reno - 2021	7	Renovating four residential properties for rental to Indigenous families.
Kekinan- Robinson - 2021	60 (indirect)	New furniture in the lobby/ seating area and in the TV room used by Indigenous seniors.
NEHP – 2021	15+	Renovating six residential properties for rental to Indigenous families, with additional sites to be identified
Kanata – 2021	4	Renovating four residential properties for rental to Indigenous families.
Subtotal	**86**	
Project Name (HIZ Property Improvement Program)	**# of existing Housing Units to be Impacted**	
SNA PIP - 2021	76	Cover the costs of providing grants to property owners for small exterior fix-ups to residential properties
WBCO PIP 2021	32	Cover the costs of providing grants to property owners for small exterior fix-ups to residential properties
CENT PIP - 2021	14	Cover the costs of providing grants to property owners for small exterior fix-ups to residential properties
NERI WW PIP - 2021	25	Cover the costs of providing grants to property owners for small exterior fix-ups to residential properties
Subtotal	**147**	
Project Name (HIZ – Housing Program – New Development)	**# Housing Units that will be Constructed**	
HOP Infills - 2021	3	Help cover the costs incurred for constructing three new infill homes for sale as affordable housing

UWCRC 2.0 308 Colony	108	Support the creation of 108 new affordable housing units in a newly proposed 214-unit mixed income building
545 Broadway Housing Development*	21 (*also part of RHI 2.0)	Help cover the costs incurred for constructing a building with 21 affordable housing units
Subtotal	**132**	
Total HRIR	**365**	

Legend:

Renovation Activity

New Housing Supply

Appendix B: Summary of RHI Projects

Round 1 (Nov 2020)

Administration of **$12,497,007** for (i) new construction of Modular Housing; (ii) conversion of non-residential into affordable housing; or (iii) acquisition of abandoned buildings for rehabilitation into affordable housing;

Siloam Mission	**20 units**
Salvation Army	**13 units**
Winnipeg Housing Rehabilitation Corporation	**17 units**
New Directions	**9 units**
Shawenim Abinoonjii	**18 units, 24 beds**

Round 2 (Oct 2021)

Administration of **$12,775,743.00** for (i) new construction; (ii) conversion of non-residential; (iii) Disrepair/abandoned building rehabilitation.

Manitoba Metis Federation	**20 units, 24 beds**
West Central Women's Resource Centre	**16 units, 34 beds**
Westminster Housing Society at 545 Broadway -	**21 units**

Appendix C: Affordable Housing Now Funding Commitments

New housing projects funded	2
Number of units under development	229
Number of affordable housing units	108
Number of social housing units	0
Number of transitional housing units	15
Number of supportive housing units	0
Total value of grants committed	$ 400,000
Total value of TIFs (over full eligibility term)	$ 5,290,788