Minutes – Executive Policy Committee – June 12, 2023

REPORTS

Item No. 12 City of Winnipeg Rapid Housing Initiative (RHI) Round 3 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 3 Rapid Housing Initiative Projects and proponents submitted by the Public Service to Canada Mortgage and Housing Corporation on March 15, 2023 (the "Intermediaries") be confirmed and ratified:

    A. Manitoba Metis Federation Mazoun Infinitii Pakoshayimoohk (Mazoun) "Infinity House of Hope" project at 292-298 Edison Avenue for $5,836,500.

    B. Wahbung Abinoonjiaag project for $1,366,303.

    C. University of Winnipeg Community Renewal Corporation (UWCRC) 2.0 project at 454 Edmonton Street, for 11 units for $6,110,000.

    D. Spence Neighbourhood Association projects at 429 Sherbrook (three units) and 446 Langside (three units) for a total of six units of transitional housing for youth experiencing homelessness for $ 1,850,832.40.

2. That, as the City of Winnipeg has entered into a funding agreement with Canada Mortgage and Housing Corporation for Round 3 of the Rapid Housing Initiative, 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 Public Service be directed to 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 authority be granted to the Chief Administrative Officer to enter into a funding agreement with the Province of Manitoba that allocates up to $5.19 Million dollars to one or more projects outlined under the Rapid Housing Initiative Round 3.

8. That the Public Service report to the Executive Policy 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.

9. 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 Rollins,

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

Carried

COUNCIL DECISION:

On May 30, 2023, Council concurred in the May 16, 2023, recommendation of the Executive Policy Committee and granted an extension of time of 30 days for the Winnipeg Public Service to report back on the matter.

COUNCIL DECISION:

On April 27, 2023, Council concurred in the April 18, 2023, recommendation of the Executive Policy Committee and granted an extension of time of 30 days for the Winnipeg Public Service to report back on the matter.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On April 18, 2023, the Executive Policy Committee submitted the following to Council:

1. That an extension of time of 30 days be granted for the Winnipeg Public Service to report back on the matter.

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

DECISION MAKING HISTORY (continued):

COUNCIL DECISION:

On January 26, 2023, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the City of Winnipeg accept funding from the Government of Canada, through Canada Mortgage and Housing Corporation, for up to a maximum amount of $11,631,916 to help address urgent housing needs of vulnerable Canadians.

2. That the City enter into, execute, and deliver a Rapid Housing Initiative funding agreement with the Government of Canada, through Canada Mortgage and Housing Corporation, and such other agreements as determined necessary by the Director of Legal Services and City Solicitor to implement the intent of the foregoing, and that authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the funding agreement 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.

3. That all funding received from the Government of Canada, through Canada Mortgage and Housing Corporation, for the Rapid Housing Initiative be deposited to the Housing Rehabilitation Investment Reserve.

4. That authority be granted to the Chief Administrative Officer to finalize an Investment Plan that allocates up to $11,631,916 to one or more projects that qualify with the program requirements outlined under the Rapid Housing Initiative and submit that Investment Plan to Canada Mortgage and Housing Corporation on or before the program deadline of March 15, 2023

5. That the Public Service report back to Council in April 2023 regarding the Investment Plan as submitted, for confirmation and ratification by Council.

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

ADMINISTRATIVE REPORT

Title: City of Winnipeg Rapid Housing Initiative (RHI) Round 3 Update

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Geer	M. Jack	C. Kleopfer	M. Jack

EXECUTIVE SUMMARY

The recommended RHI 3 projects total $15,163,635.40 in funding and generate 57 affordable housing units.

On December 7, 2022, the federal government announced that the City of Winnipeg would be eligible for $11,631.916 under Round 3 of the Rapid Housing Initiative to create a minimum of 46 units of affordable housing for 20 years.

In addition to the CMHC funding, the Province of Manitoba partnered with the City of Winnipeg to provide capital funding of $5.19 million to maximize the number of affordable housing units and to ensure the required operational funding and/or wrap-around supports would be provided for these facilities.

On January 17, 2023, Council delegated authority to the CAO to submit an investment plan to the Canada Mortgage and Housing Corporation (“CMHC”) by its March 15, 2023, deadline, with the Public Service directed to report back to Council in April 2023 for confirmation and ratification of the project list.

In addition to direct engagement with proponents that had expressed interest during and since Round 1 and 2 of the RHI, the Public Service posted an Expression of Interest that ended on February 3, 2023, and received 12 project proposals. The Public Service evaluated these proposals and recommends the following four projects, totalling $15,163,635.40 in capital funding and creation of 57 affordable housing units, as follows:

- Manitoba Metis Federation Mazoun Infinitii Pakoshayimoohk (Mazoun) "Infinity House of Hope" project at 292-298 Edison Avenue, for 14 units of transitional housing for Indigenous youth aging out of care for $5,836,500.
- Wahbung Abinoonjiaag project, for 26 units of transitional housing targeting Indigenous women and their children for $1,366,303.
- University of Winnipeg Community Renewal Corporation (UWCRC) 2.0 project at 454 Edmonton Street, for 11 units for women and children for $6,110,000.
- Spence Neighbourhood Association projects at 429 Sherbrook (three units) and 446 Langside (three units) for a total of six units of transitional housing for youth experiencing homelessness for $1,850,832.40.

RECOMMENDATIONS

1. That Council confirm and ratify the following final list of Round 3 Rapid Housing Initiative Projects and proponents submitted by the Public Service to Canada Mortgage and Housing Corporation on March 15, 2023 (the “Intermediaries”):

    A. Manitoba Metis Federation Mazoun Infinitii Pakoshayimoohk (Mazoun) "Infinity House of Hope" project at 292-298 Edison Avenue for $5,836,500.

    B. Wahbung Abinoonjiaag project for $1,366,303.

    C. University of Winnipeg Community Renewal Corporation (UWCRC) 2.0 project at 454 Edmonton Street, for 11 units for $6,110,000.

    D. Spence Neighbourhood Association projects at 429 Sherbrook (three units) and 446 Langside (three units) for a total of six units of transitional housing for youth experiencing homelessness for $ 1,850,832.40.

2. That, as the City of Winnipeg has entered into a funding agreement with Canada Mortgage and Housing Corporation for Round 3 of the Rapid Housing Initiative, 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 Public Service be directed to 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 authority be granted to the Chief Administrative Officer to enter into a funding agreement with the Province of Manitoba that allocates up to $5.19 Million dollars to one or more projects outlined under the Rapid Housing Initiative Round 3.

8. That the Public Service report to the Executive Policy 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.

9. 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 January 26, 2023, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

4. That authority be granted to the Chief Administrative Officer to finalize an Investment Plan that allocates up to $11,631,916 to one or more projects that qualify with the program requirements outlined under the Rapid Housing Initiative and submit that Investment Plan to Canada Mortgage and Housing Corporation on or before the program deadline of March 15, 2023.

5. That the Public Service report back to Council in April 2023 regarding the Investment Plan as submitted, for confirmation and ratification by Council.

On April 27, 2023, Council granted a 30-day extension of time to report back on the matter. On May 16, 2023, Council granted a further 30-day extension of time to report back on the matter.

Council approval is required for the City to enter into grant agreements with the Intermediaries.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendations are approved, the City will advance the funds to the Intermediaries as outlined in Recommendation 1 for project delivery.

HISTORY/DISCUSSION

In 2020, the Government of Canada, through the Canada Mortgage and Housing Corporation ("CMHC"), launched the Rapid Housing Initiative (RHI); a $1 billion program to help address the urgent housing needs of vulnerable Canadians, especially in the context of COVID-19, through the rapid construction of affordable housing. The initiative provides capital contributions (upon signing a funding agreement with CMHC) to expedite the delivery of affordable housing under two streams:

- the first being the Cities stream, to pre-identified municipalities with the highest level of renters in severe housing need and people experiencing homelessness;
- the second being the Projects stream, to municipalities, provinces and territories, Indigenous governing bodies and organizations, and non-profit organizations where applications will be prioritized based on the strength of the application.

Round 1 RHI Funding

On October 27, 2020, it was announced that the City of Winnipeg would be eligible for $12.5 million in RHI funding to create a minimum of 49 units of low-income housing for 20 years.

On October 30, 2020, the City of Winnipeg launched an open Expression of Interest (EOI) process and on November 18, 2020, the Executive Policy Committee approved funding for the following projects:

- Siloam Mission, Project at 300 Princess Street, at an amount not to exceed $1,538,578.
- The Governing Council of The Salvation Army in Canada, Project at 72 Martha Avenue, at an amount not to exceed $2,338,578.
- Winnipeg Housing Rehabilitation Corporation, Project at 260 Toronto Street, at an amount not to exceed $4,330,993.
- New Directions for Children, Youth, Adults and Families Inc., Project at 910 Main Street, at an amount not to exceed $1,450,281.
- Shawenim Abinoojii Inc., Project at 126 Alfred Avenue, at an amount not to exceed $2,838,577.

Round 2 RHI Funding

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. In July 2021 the City of Winnipeg launched an open Expression of Interest (EOI) process and on September 21, 2021, the Executive Policy Committee approved funding for the following projects:

- West Central Women’s Resource Centre, project at 590 Victor Street, for $4,309,035.
- Westminster Housing Society, project at 545 Broadway, for $5,049,000.
- Manitoba Metis Federation, project at 670 Main Street, for $3,417,708.00.

Round 3 RHI Funding

Based on the RHI funding allocated to the City of Winnipeg ($11,631,916), and the provincial contribution of $5.19 million, the Public Service recommends the following four projects:

- Manitoba Metis Federation Mazoun Infinitii Pakoshayimoohk (Mazoun) "Infinity House of Hope" project at 292-298 Edison Avenue, for 14 units of transitional housing for Indigenous youth aging out of care for $5,836,500.
- Wahbung Abinoonjiaag project, for 26 units of transitional housing targeting Indigenous women and their children for $1,366,303.
- University of Winnipeg Community Renewal Corporation (UWCRC) 2.0 project at 454 Edmonton Street, for 11 units for $6,110,000.
- Spence Neighbourhood Association projects at 429 Sherbrook (three units) and 446 Langside (three units) for a total of six units of transitional housing for youth hose experiencing homelessness for $1,850,832.40.

Overall, these projects target the populations identified by CMHC as priorities for Round 3 and provide a total of 57 units and $15,163,635.40. More information on these projects can be found in Appendix A.

Risks

There are a number of risks associated with entering into Intermediary grant agreements for the selected projects. Although the RHI funding agreement with CMHC allows for the City to provide 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.

It is the City's responsibility to ensure the successful completion of the projects and, based upon experience in rounds 1 and 2 of RHI, the City will retain a 12% contingency ($1.8 million) for RHI 3 projects. The City of Winnipeg and the Province of Manitoba expect full utilization of the contingency.

FINANCIAL IMPACT

Financial Impact Statement

Date: June 5, 2023

Project Name:

First Year of Program **2023**

City of Winnipeg Rapid Housing Initiative (RHI) Round 3 Update

	2023	2024	2025	2026	2027
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	$ 15,163,635	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	15,163,635	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

1) Direct Costs represents the Rapid Housing Initiative grant expenditure to the approved 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 as well as from the Province of Manitoba 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. The City expects full utilization of the provincial funding.

3) The City will accept funding from the Government of Canada, through CMHC, as well as accept funding from the Province 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.

Lioubov Gavrilova-Crozier, June 5, 2023

Lioubov Gavrilova-Crozier, CPA, CA
Manager of Finance & Administration
Campus Departments

CONSULTATION

This Report has been prepared in consultation with:

- Canada Mortgage and Housing Corporation
- Community Services Department
- Corporate Finance
- Planning, Property and 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.

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.

C. Municipal tools, resources and partnerships are developed and used to encourage and facilitate affordable housing development.

SUBMITTED BY

Department: Office of the CAO
Prepared by: M. Geer
Date: June 5, 2023

2023 Attachments:

Appendix A - City of Winnipeg Rapid Housing Initiative (RHI) Round 3 Project List and Descriptions

APPENDIX A

City of Winnipeg
Rapid Housing Initiative (RHI) Round 3
Project List and Descriptions

Project Name	Total City of Winnipeg Disbursement	Units
Manitoba Metis Federation - Mazoun Infinitii Pakoshayimoohk (Mazoun) "Infinity House of Hope"	$ 5,836,500.00	14
Wahbung Abinoonjiaag	$ 1,366,303.00	26
University of Winnipeg Community Renewal Corporation (UWCRC)	$6,110,000.00	11
Spence Neighbourhood Association	$ 1,850,832.40	6
TOTAL COW RHI FUNDS	$ 15,163,635.40	**57**

Manitoba Metis Federation - Mazoun Infinitii
Pakoshayimoohk (Mazoun) "Infinity House of Hope"
Address: 292-298 Edison Avenue, Winnipeg MB R2G 0L7
Funding request: $5,836,500.00
Description: The Infinity House of Hope Project at 292-298 Edison Avenue, with 14 units, will be transitional housing for Indigenous youth aging out of care.

Wahbung Abinoonjiaag
Funding request: $1,366,303.00
Description: The Wahbung Abinoonjiaag project, for 26 units of transitional housing targeting Indigenous women and their children.

Spence Neighbourhood Association
Address: 429 Sherbrook, Winnipeg MB R3B 3M2
and 446 Langside Street, Winnipeg MB R3B 2T3
Funding Request: $1,850,832.40
Description: The Spence Neighbourhood Association projects at 429 Sherbrook and 446 Langside for 6 units, will provide transitional housing for youth experiencing homelessness.

University of Winnipeg Community Renewal Corporation (UWCRC) 2.0
Address: 454 Edmonton Street, Winnipeg, MB
Funding Request: $6,110,000.00
Description: 11 units of transitional housing for women and children.