

Minutes – Council – November 23, 2023

Minute No. 5

Report – Executive Policy Committee – November 14, 2023

Item No. 2 Homes for Heroes Foundation – Tax Increment Financing Grant

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That this report be received as information.

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DECISION MAKING HISTORY:

Moved by His Worship Mayor Gillingham,

That the recommendation of the Executive Policy Committee be adopted
by consent.

Carried

David Grant submitted a communication with respect to the matter.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 14, 2023, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

COUNCIL DECISION:

On September 29, 2023, Council concurred in the recommendation of the Executive Policy Committee.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On September 21, 2023, the Executive Policy Committee considered the Council Motion of July 13, 2023, and recommended to Council:

1. That the Winnipeg Public Service be directed to report back in up to 60 days on the following:
 - A. That a Tax Increment Financing Grant be approved to the Homes for Heroes Foundation or its legal designate, equal to 80 percent of the incremental municipal property taxes for 15 years in respect of the affordable housing development on the property as identified on Misc. Plan 14268/19.
 - B. That the annual grant referenced in Recommendation 1 begin the year after an occupancy permit is issued and final assessment is obtained for the entire property.
 - C. That the grant referenced in Recommendation 1 be conditional on the Homes for Heroes Foundation or its legal designate entering into a Tax Increment Financing

Grant Agreement with the City in a form satisfactory to the City Solicitor/Director of Legal Services.

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DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION (continued):

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

COUNCIL DECISION:

On July 13, 2023, Council ruled automatic referral of the following motion to the Executive Policy Committee:

Moved by Councillor Wyatt,
Seconded by Councillor Browaty,

WHEREAS the Homes for Heroes (HFH) Foundation is planning to build 20 affordable rental homes for veterans on a one-acre site in Transcona, to be acquired from The City of Winnipeg;

AND WHEREAS in May, 2022 City Council approved the sale of the subject site to the HFH Foundation for \$83,500.00;

AND WHEREAS the HFH Foundation has also secured funding for this project from the Federal Government's Reaching Home Initiative, The Province of Manitoba and private sponsors;

AND WHEREAS the HFH Foundation is interested in obtaining municipal Tax Increment Financing (TIF) support for this project;

AND WHEREAS a requirement of the City's Affordable Housing Now program is that proponents must obtain financial support through Canada Mortgage and Housing Corporations' National Housing Strategy, which the HFH Foundation is not pursuing, thereby making this project ineligible for TIF support under the Affordable Housing Now Program By-law No. 14/2022;

AND WHEREAS the Affordable Housing Now program offers municipal TIF support of up to 15 years for affordable housing projects located outside of the downtown;

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DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

THEREFORE BE IT RESOLVED:

1. That a Tax Increment Financing Grant be approved to the Homes for Heroes Foundation or its legal designate, equal to 80 percent of the incremental municipal property taxes for 15 years in respect of the affordable housing development on the property as identified on Misc. Plan 14268/19.
2. That the annual grant referenced in Recommendation 1 begin the year after an occupancy permit is issued and final assessment is obtained for the entire property.
3. That the grant referenced in Recommendation 1 be conditional on the Homes for Heroes Foundation or its legal designate entering into a Tax Increment Financing Grant Agreement with the City in a form satisfactory to the City Solicitor/Director of Legal Services.
4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Homes for Heroes Foundation – Tax Increment Financing Grant

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Dryburgh	M. Jack	N/A	M. Jack

EXECUTIVE SUMMARY

In September 2023, Council concurred in the recommendation of the Executive Policy Committee directing the Public Service to report back in up to 60 days on a Tax Increment Financing (TIF) grant to the Homes for Heroes (HFH) Foundation equal to 80 percent of the incremental municipal taxes for 15 years in respect of the affordable housing development on the property identified on Misc. Plan 14268/19.

The HFH project involves building 20 small homes located north of Transcona Boulevard to provide temporary housing and support services for veterans to help them find jobs and permanent homes. The capital cost of this project is estimated at \$4 million. HFH has secured funding for this project from the Province of Manitoba and the private sector. Council has approved the sale of City land at below market value to support this project. The estimated incremental municipal property taxes for this project are about \$16,000.00/year at full build out.

The City's Affordable Housing Now (AHN) program offers capital support and TIF grants equal to 80 percent of the incremental municipal taxes generated for up to 25 years to support qualifying affordable housing projects across the City. TIF support under AHN is conditional on the project applying for, and ultimately receiving funding support from a program under Canada's National Housing Strategy.

At the time that Council directed the Public Service to report back on a TIF for HFH, it was understood that this project was not seeking funding under the National Housing Strategy, which would make it ineligible for consideration of TIF under AHN. However, the Public Service has since reached out to HFH which has confirmed they are planning to apply for funding from the National Housing Strategy for their project, which would allow HFH to apply for TIF support under the AHN. HFH has also indicated that TIF support from the City of Winnipeg is required to ensure the success of this project.

It is therefore recommended that HFH apply to the City for TIF support through the regular process under the AHN program, rather than Council considering TIF support for this project on a one-off basis outside of the AHN program.

RECOMMENDATIONS

1. That this report be received as information.

REASON FOR THE REPORT

On September 29, 2023, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Winnipeg Public Service be directed to report back in up to 60 days on the following:
 - A. Council approve a Tax Increment Financing Grant to the Homes for Heroes Foundation equal to 80 percent of the incremental municipal property taxes for 15 years in respect of the affordable housing development on the property as identified on Misc. Plan 14268/19.
 - B. That the annual grant in recommendation A. begin the year after an occupancy permit is issued and final assessment is obtained for the entire property.
 - C. That the grant in recommendation A. be conditional on the Homes for Heroes Foundation entering into a Tax Increment Financing Grant Agreement with the City in a form satisfactory to the City Solicitor/Director of Legal Services.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to receiving this report as information.

HISTORY / DISCUSSION

On September 29, 2023, Council concurred in the recommendation of the Executive Policy Committee directing the Public Service to report back in up to 60 days on a Tax Increment Financing (TIF) grant to the Homes for Heroes (HFH) Foundation equal to 80 percent of the incremental municipal taxes for 15 years in respect of the affordable housing development on the property identified on Misc. Plan 14268/19.

The HFH project involves building 20 small homes located north of Transcona Boulevard to provide temporary housing and support services for veterans to help them find jobs and permanent homes. The capital cost of this project is estimated at \$4 million. HFH has secured funding for this project from the Province of Manitoba and the private sector. Council has approved the sale of City land at below market value to support this project. The estimated incremental municipal property taxes for this project are about \$16,000.00/year at full build out.

The City's Affordable Housing Now (AHN) program offers capital support and TIF grants of 80 percent of the incremental municipal taxes generated for up to 25 years to support qualifying affordable housing projects across the City.

The AHN program was approved by Council to complement and support housing projects that also qualify through programs delivered by Canada Mortgage and Housing Corporation under Canada's National Housing Strategy. TIF support under the AHN is conditional on the project applying for, and ultimately receiving funding from a program under Canada's National Housing Strategy.

At the time that Council directed the Public Service to report back on a TIF for HFH project, it was understood that this project was not seeking funding under the National Housing Strategy, which would make it ineligible for consideration of TIF support under AHN. However, the Public Service has reached out to HFH which has now confirmed they are planning to apply for funding from the Co-Investment Fund program under Canada's National Housing Strategy for their project, which would allow HFH to apply for TIF support under AHN.

HFH has undertaken similar projects for veterans in Calgary and Edmonton that have benefited from municipal tax relief in these cities. HFH indicates that TIF support from the City is required to ensure the success of this project in Winnipeg.

It is therefore recommended that HFH apply to the City for TIF support through the regular process under the AHN program, rather than Council considering TIF support for this project on a one-off basis outside of the AHN program.

FINANCIAL IMPACT

Financial Impact Statement

Date: **October 10, 2023**

Project Name:

Homes for Heroes Foundation-Tax Increment Financing Grant

COMMENTS:

There are no financial implications in receiving this report as information.

Sheridel Faderon for R. Bernard

Randy Bernard, CPA, CMA

Manager of Finance & Administration (Campus)

Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with the departments listed below, and they concur with its content.

- Property, Planning and Development
- Assessment and Taxation

OURWINNIPEG POLICY ALIGNMENT

Goal: Good Health and Well-Being

- 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.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report aligns with the Climate Action Plan and its Goals and Objectives, and it was determined that this Plan is not applicable to this report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Section 5: Poverty Reduction Goals and Objectives

Goal 2 - The City actively plans for and partners in affordable housing.

SUBMITTED BY

Department: Office of the Chief Administrative Officer

Prepared by: Matt Dryburgh Senior Manager, Economic Development and Policy

Date: Oct 13, 2023