Agenda – Council – December 14, 2023

Report – Standing Policy Committee on Property and Development – November 22, 2023

Item No. 3 Opportunities to Fast-Track Affordable Housing

STANDING COMMITTEE RECOMMENDATION:

On December 5, 2023, 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 the Development Procedures By-Law No. 104/2020 be amended to allow vacant buildings being redeveloped for the provision of affordable housing to exceed dwelling unit density limits of the Residential Multi-Family Large (RMF-L) or Residential Mixed-Use (RMU) zones, provided the redevelopment does not exceed the previously established dwelling unit density (draft amending by-law attached as Schedule A to this report).

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

Agenda – Council – December 14, 2023

Report – Standing Policy Committee on Property and Development – November 22, 2023

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On December 5, 2023, 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 22, 2023, 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.

ADMINISTRATIVE REPORT

Title: Opportunities to Fast-Track Affordable Housing

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

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Veitch (Acting)	H. Borys	N/A	M. Jack

EXECUTIVE SUMMARY

In November 2020, as part of the Menu of Options for an Affordable Housing Strategy, Council directed the Public Service to *"establish an administrative process to fast track development applications that include affordable housing."* In 2021, The Planning Amendment and City of Winnipeg Charter Amendment Act ('Bill 37') introduced legislated service standards which dictated required timelines for certain development application approvals. In this context, the Public Service has determined affordable housing development applications cannot be simply moved to the "top-of-the-pile," as it puts other applications at risk of not meeting legislated timelines. That said, there are opportunities that can ultimately expedite affordable housing.

Council recently approved the City's Housing Accelerator Fund (HAF) application, which creates opportunities that will ultimately fast-track affordable housing. Three specific HAF initiatives will seek to accomplish this: an Affordable Housing Concierge service will guide affordable housing developers through City procedures; digitized applications will improve processing times; and rapid amendments to zoning by-laws will increase as-of-right housing options, encourage infill opportunities, and enable more flexible zoning entitlements. These rapid zoning amendments will inform the comprehensive review of the Winnipeg and Downtown Winnipeg zoning by-laws, which has also been proposed to be launched through HAF. As part of this future re-write, the new by-laws can include definitions of affordable housing uses and establish specific regulations that would support faster approval processes for these uses. Later this year, the Public Service will report back to Council on HAF program implementation.

In the meantime, the Public Service is recommending an amendment to an existing by-law to expedite redevelopment of vacant buildings. A proposed amendment to the Development Procedures By-law is attached to this report to remove dwelling unit density limits where a vacant building is being redeveloped for the provision of affordable housing.

RECOMMENDATIONS

1. That the Development Procedures By-Law No. 104/2020 be amended to allow vacant buildings being redeveloped for the provision of affordable housing to exceed dwelling

unit density limits of the Residential Multi-Family Large (RMF-L) or Residential Mixed-Use (RMU) zones, provided the redevelopment does not exceed the previously established dwelling unit density (draft amending by-law attached as Schedule A to this report).

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

REASON FOR THE REPORT

On November 26, 2020, as part of the Menu of Options for an Affordable Housing Strategy report, Council directed:

3. That the Public Service be directed to establish an administrative process and fast track development applications that include affordable housing (Tool 10).

IMPLICATIONS OF THE RECOMMENDATIONS

There are no immediate implications to the recommendations of this report. Should Council concur with the recommendations included in this report, the Public Service will implement necessary bylaw changes to implement the identified recommendations.

Additional opportunities discussed in the report will be operationalized through the Housing Accelerator Fund, if approved by CMHC, and the Public Service will report back to Council later this year on these initiatives.

HISTORY/DISCUSSION

In November 2020, Council directed the Public Service to establish an administrative process to fast track development applications that include affordable housing. Recent provincial initiatives have affected the City's development approval processes. In 2021, The Planning Amendment and City of Winnipeg Charter Amendment Act ('Bill 37') introduced legislated service standards which dictate required timelines for certain development application approvals and the execution of development agreements. Affordable housing development applications cannot be simply moved to the "top-of-the-pile," as it would put other applications at risk of not meeting legislated timelines.

That said, there are a number of opportunities that can ultimately expedite affordable housing developments, including offering additional support. In preparing this report, various City departments and divisions were consulted to understand the current context, timelines, and in particular, the impacts of Bill 37, as well as learnings from the Rapid Housing Initiative (RHI) process. Discussions with non-profit developers occurred to gain insights on challenges and recommendations. The Public Service also held conversations with other cities across Canada that have implemented changes to expedite affordable housing.

The non-profit sector is increasingly being relied upon to build affordable housing. Often, these organizations have little experience navigating the development process, while some are more

experienced. However, all have shared that the process can be challenging. While some of these challenges are experienced by all developers (including for-profit), the specific challenges of non-profit developers include funding timelines, a limited ability to bear risk, and that groups are doing this work "off the side of their desk." Timelines are especially acute as most projects will not receive funding until municipal approvals are in place (i.e. Canada Mortgage and Housing Corporation's funding under the National Housing Strategy); this leaves many paying fees or pre-development costs upfront, and prior to approval, adding significant risk to non-profit agencies and volunteer-run boards.

Further, affordable housing is not defined in either of the City's current zoning by-laws. This leaves projects to be treated the same as all residential proposals despite the fact that some models of affordable housing do not easily fit within these definitions (i.e. on-site supports). There are also specific zoning barriers to redeveloping vacant buildings, as buildings lose their non-conforming use rights after being vacant for more than 12 months (s. 244(1) of the Charter). This typically affects older multi-family buildings that had legally-established dwelling unit densities under former zoning by-laws. When buildings lose the protections of a legally-established non-conforming use, they cannot be redeveloped to the previous dwelling unit density without a rezoning.

The Development Procedures By-Law No. 104/2020 (the "DPB") was amended in 2021 to allow for more flexibility to vary development density for vacant buildings without requiring a full rezoning. However, under the existing DPB regulations, there are still instances where vacant buildings are unable to re-establish the number of units that existed prior to the loss of the non-conforming use protections. The Public Service is recommending an amendment to the DPB which would allow the original density to be restored if a vacant building is being redeveloped for the provision of affordable housing.

Options to Address Challenges

1. Prioritize Affordable Housing Applications

One option to fast-track is to implement a "top-of-the-pile" approach to prioritize affordable projects. In the City of Victoria, staff were unsure whether this type of prioritization had a significant effect on timelines. In Toronto and Vancouver, prioritization has had a larger effect, but this comes with whole divisions dedicated to supporting streamlining of applications.

The Public Service's view is that there is no opportunity to prioritize affordable housing since all projects are facing tight timeframes to meet the new provincially-legislated timelines. As part of the HAF application, there is a proposal to digitize applications and explore other enhancements, such as increasing staff capacity, to improve processing times.

2. Dedicated Supports and Education

Vancouver, Calgary, Montréal and Toronto all have programs that offer a dedicated team to support affordable housing projects through the application process. These programs offer a centralized intake that pairs proponents with a key contact (or team) for pre-application support to trouble-shoot and assist the proponent. The team coordinates across departments and works with the developer to keep the project moving smoothly towards occupancy.

Non-profits emphasized the importance of having a single point of contact. The City's HAF Application included creating an Affordable Housing Concierge that can act as a single point of contact within the City to help proponents plan their application, communicate considerations at different stages, and help to interpret feedback from internal stakeholders. Drawing from the service challenges faced by Indigenous developers and the City's commitment to Truth and

Reconciliation Calls to Action, the City should also factor in relationship-building and cultural competency as key characteristics of a supportive Concierge position.

3. Regulatory Reforms

The City could create definitions for affordable housing and other specific regulations in the Winnipeg and Downtown Winnipeg zoning by-laws to help provide greater clarity. Other zoning tools and system improvements could also be examined to expedite approvals and enable affordable housing without requiring a rezoning.

The City of Victoria allows social housing to be developed without requiring a rezoning as long as the project conforms with the Official Community Plan and is in a residential zone. This is expected to cut 11 months from the development process. The City of Edmonton has specific definitions for various scales of ‘supportive housing’ or ‘limited supportive housing’ that have different approval criteria depending on the zone. The City of Vancouver pre-zoned certain areas so that affordable housing does not need to undergo a rezoning; this approach has its pros and cons in the Winnipeg context and would need to be explored in further detail.

As a first step, the amendment to the DPB recommended in this report may expedite the redevelopment of Winnipeg’s vacant buildings into affordable housing. Currently, buildings that remain vacant for more than a year may lose their right to the previous density as zoning regulations change over the course of time. When a building is redeveloped, it must conform to current zoning regulations which might not accommodate the same unit count, without a rezoning. By allowing affordable housing providers to meet prior densities, it can make projects more financially feasible and save time associated with a rezoning.

As part of the HAF application, rapid amendments to zoning by-laws will increase as-of-right housing options, encourage infill opportunities, and enable more flexible zoning entitlements. These rapid zoning amendments will inform the comprehensive review of the Winnipeg and Downtown Winnipeg zoning by-laws.

As part of this future re-write, the new by-laws can include definitions of affordable housing uses and establish specific regulations that would support faster approval processes for these uses.

FINANCIAL IMPACT

Financial Impact Statement

Date: August 18, 2023

Project Name:

Opportunities to Fast-Track Affordable Housing

COMMENTS:

The recommendation contained in this report would likely result in higher density, affordable housing than would otherwise be the case. All things being equal, higher density housing typically results in greater municipal property tax revenue than equivalent lower density housing. However, there are numerous variables involved in determining future municipal tax revenues such that the amount is not reasonably determinable at this time. Additionally, civic costs avoided that are associated with homelessness, which presumably would be mitigated to some degree, are also not reasonably estimable at this time. As such, for the purposes of this analysis, there are no direct financial implications associated wtih the recommendation contained in this report.

Mike McGinn August 18, 2023

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services, as to legal issues.

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 G.5 Housing, a number of goals are outlined and in particular:

1.5 Explore ways to reduce developer costs associated with the creation of new affordable housing such as:

a. Reducing regulatory barriers;
b. Reducing development approvals costs and associated delays

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

This key direction discusses policies the City can explore that are in this report.

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: Planning, Property & Development
Division: Urban Planning and Design
Prepared by: Lissie Rappaport, Housing Program Specialist
Stefan Hodges, Housing Program Specialist
Date: September 29, 2023

Attachments:

1. Schedule A – Draft Amending By-law