Winnipeg

POLICY TITLE *Real Estate – Declaration as Surplus and Sale of Property*	ADOPTED BY *City Council*	EFFECTIVE DATE *September 29, 2021*
ORIGIN / AUTHORITY *City Council*	CITY POLICY NO *PD-026*	MOST RECENT CONSOLIDATION *May 26, 2022*

1. Purpose:

To incorporate existing housing policies within the Declaration as Surplus and Sale of Property policy and make additional policy refinements.

2. Definitions:

Add:

"Affordable Housing" means a single- or two-family house, or a multi-family or mixed use building where at least 30% of the units are rented for a maximum of 80% of the median market rent as determined by the Canada Mortgage and Housing Company or at Province of Manitoba Affordable Housing Rental Rates as posted annually, or sold at a rate affordable to an individual or family with an income below the Province of Manitoba Affordable Housing Rental Program Income Limits as posted annually;

"Calls for Justice" means the 231 Calls for Justice within the Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women, Girls and Gender Diverse People;

"Distressed Property" means non-City-owned property which uninhabitable due to its condition or is financially burdened to the extent that the owner no longer has the means to maintain the property;

"National Action Plan" is a strategic framework developed to outline specific goals, objectives and actions to drive transformative change to end systemic racism and violence against Indigenous women, girls, and 2SLGBTQQIA+ people;

Replace:

"Parkland" means City park property as defined in the Parks By-law No. 85/2009, but includes golf courses.

With:

> **"Parkland"** means a City-owned property used for park or cemetery purposes on the day the Charter came into force or acquired after that date by the City for park or cemetery purposes;

3. Declaration as Surplus and Sale of Property Policy

Replace **3.2.A.**:

A. Sales must:

i. Obtain the best value for the City, which may or may not be Market Value

- A price less than Market Value may be considered for Sales of Unbuildable Land (Section 3.2(B)(i)), Sales qualifying as an Economic Development Transaction (Section 3.2(B)(v)), Sales to Non-Profit Organizations (Section 3.2(C)), temporary easements, public utility easements, or Sales to an organization established by the City;

ii. Be marketed, except for Direct Sales (Section 3.2(B));

iii. Support orderly development through Council-approved development policies and/or other Council policies;

iv. Be open and transparent, ensuring all prospective Purchasers receive equal information and/or access;

v. Prioritize submissions from Non-Profit Organizations to construct affordable housing on City Property where possible, subject to Section 3.2(C);

vi. Prioritize submissions from for-profit organizations to construct affordable housing on City Property where possible, subject to the Purchaser providing evidence of funding from the Canada Mortgage and Housing Corporation or the Province of Manitoba to ensure affordability targets are met;

vii. Be declared Surplus to the City's needs;

viii. Be approved by Council or its delegated authority, and in all cases, the Ward Councillor will be provided notice of the Public Service recommendation prior to approval.

ix. First be Marketed to Non-Profit Organizations where the City Property was acquired through Tax Sale, excepting condominium or Unbuildable Land Tax Sales where appropriate.

With:

A. Sales must:

i. Obtain the best value for the City, which may or may not be Market Value

- A price less than Market Value may be considered for Sales of Unbuildable Land (Section 3.2(B)(i)), Sales qualifying as an Economic Development Transaction (Section 3.2(B)(v)), Sales to Non-Profit Organizations (Section 3.2(C)), temporary easements, public utility easements, Sales to an organization established by the City ***or Sales that create Affordable Housing***;

ii. Be marketed, except for Direct Sales (Section 3.2(B));

iii. Support orderly development through Council-approved development policies and/or other Council policies;

iv. Be open and transparent, ensuring all prospective Purchasers receive equal information and/or access;

v. Prioritize submissions from Non-Profit Organizations to construct ***Affordable Housing*** on City Property where possible;

vi. Prioritize submissions from for-profit organizations to construct ***Affordable Housing*** on City Property where possible, subject to the Purchaser providing evidence of government funding, or commitment of funding, to ensure affordability targets are met;

vii. Be declared Surplus to the City's needs;

viii. Be approved by Council or its delegated authority, and in all cases, the Ward Councillor will be provided notice of the Public Service recommendation prior to approval***;***

ix. First be Marketed to Non-Profit Organizations ***who intend to deliver Affordable Housing on City Property which is suitable for residential development (excluding condominiums).***

Replace **3.2.B.**:

B. The Public Service is authorized to pursue a Direct Sale, but is not obligated to do so, where at least one of the following criteria is met:

i. Unbuildable Land is sold to an adjacent owner(s)

- The purchase price of the City Property may be Market Value, or a lesser amount if the Purchaser, at their sole cost, consolidates the City Property with non-City Property through a Development Application;

ii. City Property is sold to a government, government agency, or organization established by the City where:

- The Sale aligns with Council direction or a Council mandate;
- The City Property is required for a capital project; or
- The Sale addresses a public need or operational requirement;

iii. The Sale addresses the development of affordable housing as defined in Council-approved development policies and/or other Council policies;

iv. The City Property forms part of a Land Exchange that benefits a Council-approved land acquisition program or is required by a civic department for a public use;

v. The Sale meets the criteria of an Economic Development Transaction

- The Sale must include a covenant to construct to ensure the development is completed;

vi. The Sale facilitates one of the Principles of Reconciliation or one of the Calls to Action;

vii. The Sale addresses a specific recommendation or goal within Winnipeg's Climate Action Plan.

With:

B. The Public Service is authorized to pursue a Direct Sale, but is not obligated to do so, where at least one of the following criteria is met:

i. Unbuildable Land is sold to an adjacent owner(s)

- The purchase price of the City Property may be Market Value, or a lesser amount if the Purchaser, at their sole cost, consolidates the City Property with non-City Property through a Development Application;

ii. City Property is sold to a government, government agency, or organization established by the City where:

- The Sale aligns with Council direction or a Council mandate;
- The City Property is required for a capital project; or
- The Sale addresses a public need or operational requirement;

iii. ***The Sale will facilitate Affordable Housing or mixed-use development that includes Affordable Housing;***

iv. The City Property forms part of a Land Exchange that benefits a Council-approved land acquisition program or is required by a civic department for a public use;

v. The Sale meets the criteria of an Economic Development Transaction

- The Sale must include a covenant to construct to ensure the development is completed;

vi. The Sale facilitates one of the Principles of Reconciliation, one of the Calls to Action***, an objective or goal of the National Action Plan, or one of the Calls for Justice;***

vii. The Sale addresses a specific recommendation or goal within Winnipeg's Climate Action Plan.

Replace **3.2.C.**:

C. The City will consider, where appropriate, sales of City Property to Non-Profit Organizations at below Market Value where:

i. The Tenant is an active, registered Non-Profit Organization;

ii. The Non-Profit Organization provides for activities that are compatible with the City's needs;

iii. The Non-Profit Organization provides a service for which there is a current and projected need in that location;

iv. The Non-Profit Organization must provide evidence of available funding and/or financial commitment to complete the project;

v. The minimum purchase price must be the City's current inventory cost of the City Property;

vi. A reversionary interest in favour of the City is registered against the City Property

- The reversionary interest may be invoked when the City Property has reached the end of the project's life or if the Non-Profit Organization has failed to develop the City Property (covenant to construct);

- The reversionary interest is not applicable to affordable housing providers where City Property is transferred by the affordable housing provider to a third party upon substantial completion of construction of the affordable housing.

With:

C. ***Excluding Affordable Housing Sales,*** the City will consider, where appropriate, sales of City Property to Non-Profit Organizations at below Market Value where:

i. The Tenant is an active, registered Non-Profit Organization;

ii. The Non-Profit Organization provides for activities that are compatible with the City's needs;

iii. The Non-Profit Organization provides a service for which there is a current and projected need in that location;

iv. The Non-Profit Organization must provide evidence of available funding and/or financial commitment to complete the project;

~~***v. The minimum purchase price must be the City's current inventory cost of the City Property;***~~

v. A reversionary interest in favour of the City is registered against the City Property ***that is sold:***

- The reversionary interest may be ***exercised*** when the City Property has reached the end of the project's life or if the Non-Profit Organization has failed to develop the City Property (covenant to construct);

- ~~The reversionary interest is not applicable to affordable housing providers where City Property is transferred by the affordable housing provider to a third party upon substantial completion of construction of the affordable housing.~~

- ***A reversionary interest is not applicable if the City Property is required to be consolidated with non-City Property through a plan of subdivision or plan of survey, unless the reversionary interest is for right-of-way.***

4. Responsibilities

Replace **4.1.**:

4.1 Director of PPD is authorized to:

A. Declare any of the following City Property Surplus to the City's needs

i. Unbuildable Land

ii. City Property acquired through Tax Sale

iii. City Property acquired through Taking Title Without Compensation

B. Subject to Sections 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims up to and including $300,000.00 where:

i. Sale price must be at least 80% of the Appraised Value for all transactions that exceed $10,000.00; and

C. Approve all Sales that have pre-approved prices from the Designated Committee.

D. Transfer the jurisdiction of City Property to another civic department, excluding transfers defined in Section 4.4(D), subject to:

i. The civic department having jurisdiction over the City Property must concur with the transfer.

E. Authorize the demolition or removal of any building or structure on a City Property, except for City Property protected under a by-law, which is:

i. Uneconomic to maintain;
ii. Structurally unsound;
iii. Obtained through tax sale; or
iv. Obtained through taking title without compensation.

F. Authorize the right to an applicant to include City Property within a Development Application, provided that the City Property has been circulated (Section 3.1(A)).

G. Discharge, amend or register caveats on a certificate of title that relate to a Sale:

i. Amendments to a mortgage are permitted only where the amended principal amount does not exceed the original principal amount.

H. Elect to hold a public auction for a Tax Sale, where the City has not exercised its right to purchase the Tax Sale.

I. Negotiate and approve the terms and conditions of the following agreements and documents:

i. Offer to Purchase and/or Purchase and Sale
ii. Land Exchange
iii. Easement
iv. Temporary Easement
v. Enter to Construct
vi. Amending
vii. Assignment
viii. Confidentiality
ix. Letter of Intent
x. Memorandum of Understanding
xi. GST Declaration and Indemnity
xii. Ancillary Agreements or such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

J. Notwithstanding the above, the Director of PPD, at their sole discretion, may refer any matter within their delegation of authority to the Designated Committee.

With **4.1.**:

4.1 Director of PPD is authorized to:

A. Declare any of the following City Property Surplus to the City's needs:

i. Unbuildable Land***;***

ii. City Property acquired through Tax Sale***;***

iii. City Property acquired through Taking Title Without Compensation***.***

iv. Distressed Property acquired through donation or purchase

B. Subject to Sections 4.4(B) and 4.4(C), approve all Sales, Land Exchanges and Sale settlement claims up to and including $300,000.00 where:

i. ***Subject to subsection ii., the*** sale price must be at least 80% of the Appraised Value for all transactions that exceed $10,000.00; ***or***

ii. The sale price can be less than 80% of the Appraised Value for all transactions that deliver Affordable Housing

- ***The Purchaser is required to commence development on the City Property within a timeframe determined by the Director of PPD, otherwise the City Property reverts back to the City.***

C. Approve all Sales that have pre-approved prices from the Designated Committee.

D. Transfer the jurisdiction of City Property to another civic department, excluding transfers defined in Section 4.4(D), subject to:

i. The civic department having jurisdiction over the City Property must concur with the transfer.

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