Attachment A

Multi-Family Sustainable Housing Infrastructure Program (MSHIP)

Timeline:

- December 12, 2024 - Council to review and approve program parameters
- January 30, 2025 – Program bylaws presented to Council
- April 15, 2025 - Program launch, details made available on City website
- September 1, 2025 - October 31, 2025 - Application intake window
- November 3, 2025 - December 18, 2025 - Project adjudication period
- December 19, 2025 - January 16, 2026 - Projects to receive conditional letters of approval
- December 1, 2026 - Deadline for projects to obtain a building permit

Background

- On December 5, 2023, the Government of Canada, through the Canada Mortgage and Housing Corporation (CMHC), entered into an agreement with the City of Winnipeg for $122.4 million in funding from the Housing Accelerator Fund (HAF).

- City Council has approved the development of an incentive program for infrastructure and service upgrades to support new housing development, as one of eight initiatives to be funded from future installments of the HAF.

- It is expected that the infrastructure program will support construction of more sustainably built multi-family housing.

- The City's HAF contribution agreement with CMHC requires this infrastructure program, that will be called the *"Multi-Family Sustainable Housing Infrastructure Program"* (MSHIP), to be approved in December 2024 and launched in April 2025. This program is expected to support 698 of the 3,166 total incremental permitted housing units that must be created in Winnipeg under the HAF over the next three years.

MSHIP Rationale and Scope

- Water and sewer capacity constraints are a key barrier to housing development in certain areas of the City. In many cases, developers face high infrastructure costs to alleviate these constraints which have rendered several projects unviable from a market perspective.

- The MSHIP will provide funding to developers to help defray their cost of local water, wastewater and land drainage infrastructure investments that are necessary to support construction of high-density sustainable multi-family housing in targeted areas of the City where the existing servicing capacity is a constraint that is preventing the housing development from occurring.

MSHIP Proposed Program Principles

The MSHIP will invite proposals from developers to fund investments in local water, and sewer infrastructure that are required to support new high-density multi-family housing development. Eligible investments include water mains, wastewater and land drainage sewer mains and related infrastructure work.

Eligibility Criteria Includes:

- The proposal must involve local water or sewer infrastructure investment that is required to support new multi-family housing, involving a minimum of 50 units.
- The proposal must support new housing development that is capable of obtaining a building permit by December 2026.
- The proposal must support new multi-family housing developments that are situated along Corridors that are identified in Complete Communities 2.0, within the newly adopted Malls and Corridors Plan Development Overlay, future frequent and rapid transit lines, in proximity to a transit station along the Southwest Rapid Transit Corridor as well as affordable housing to be constructed on surplus City land.
- Proposals must clearly demonstrate that the existing City water and/or sewer infrastructure servicing capacity for the property in question is a barrier to allowing the housing development to occur, to the satisfaction of the Director of the Water and Waste Department.
- The proposal must include a servicing report, stamped and signed by a qualified engineer, which shall outline the infrastructure upgrades required to support the housing development to the satisfaction of the Director of the Water and Waste Department.
- Projects must include a minimum of 10% of the housing units rented at 30% of the median renter income level for the geographic area for at least 10 years, in line with CMHC's Mortgage Loan Insurance Criteria program.
- Projects that include a higher level of affordable housing involving at least 30 percent of the total units rented at < 80 percent of Median Market for the geographic area are eligible to apply for additional capital grants under a future HAF capital grant program and Tax Increment Financing under the Affordable Housing Now program.

Proposal Selection Process:

- As overall program funding will be limited, individual proposals will be evaluated and ranked against each other based on the following:
    - Projects that have required zoning approvals and construction drawings and plans in place will receive a higher ranking compared to projects that do not.
    - Projects involving higher density housing will receive a higher ranking compared to lower density projects.
    - Projects demonstrating a higher commitment to affordable housing will receive a higher ranking compared to those that only meet the minimal affordable housing requirement of the MSHIP.
    - Projects using a Low Carbon and Net Zero Housing Construction in line with the Canada Green Building Council will receive a higher ranking in line with the Community

Energy Investment Roadmap focus on protecting people most vulnerable to fluctuations in energy and heating costs such as renters and social housing.

Funding:

- The total program budget for MSHIP is proposed to be $12 million. (To be funded from third HAF installment.)
- Successful projects will receive up to $10k/unit towards eligible infrastructure costs.
- Funding will not exceed the lesser of the total cost of the infrastructure required or $3 million per project.
- Projects that wish to include affordable levels defined to be 30 percent of the total units rented at <80 percent of Median Market Rent for the area for at least 20 years, may access the HAF Capital Grant Program in addition to MSHIP. However, the total contribution from the HAF Capital Grant Program and MSHIP shall not exceed $5 million per project.