Agenda – Council – February 27, 2025

Report – Standing Policy Committee on Property and Development – February 6, 2025

Item No. 2 Sale of 395 Pacific Avenue for Affordable Housing (Point Douglas Ward)

STANDING COMMITTEE RECOMMENDATION:

On February 18, 2025, 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 Chief Administrative Officer be delegated authority to authorize Land Acquisition Programs for non-City property necessary to implement Affordable Housing under the Land Enhancement Office as part of the Housing Accelerator Fund (HAF) and such authorization be subject to existing delegations of authority for transaction approval.

2. That, subject to approval from two-thirds of all Council members (pursuant to subsection 205(2) of The City of Winnipeg Charter), the sale of 395 Pacific Avenue for $1.00 be approved for affordable housing.

3. That the City enter into, execute and deliver Purchases and/or Sale Agreement(s) for the properties detailed in Schedule A for $3 and such other agreements determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

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

Pursuant to Section 205(2) of The City of Winnipeg Charter, disposal of land owned or acquired by the City for park or cemetery purposes requires approval by two-thirds of all Members of Council.

Report – Standing Policy Committee on Property and Development – February 6, 2025

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 18, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

David Grant submitted a communication in opposition to the matter.

STANDING COMMITTEE RECOMMENDATION:

On February 6, 2025, 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.

The following persons submitted communications with respect to the matter:

- David Grant
- Pam Lucenkiw

ADMINISTRATIVE REPORT

Title: Sale of 395 Pacific Avenue for Affordable Housing

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

AUTHORIZATION

Author	Department Head	CFO	CAO
M. Lennon	S. Armbruster, Interim CAO	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

On September 26, 2024, Council approved that the Chief Administrative Officer (CAO) be delegated the authority to declare seven City-owned properties intended for affordable housing as surplus. 395 Pacific Avenue is one of the above-noted properties.

This decision is crucial in order for the City to meet its commitment under the Housing Accelerator Fund (HAF) agreement to add 931 new affordable units, and to support the Land Enhancement Office (HAF Initiative #4), whose purpose is to bring City-owned land to the market for the creation of affordable housing.

The property at 395 Pacific Avenue is parkland and requires Council approval to sell. 395 Pacific Avenue is adjacent to two other vacant properties that the Public Service intends to acquire (for $3 in total) consolidate through a subdivision application, and sell for development of affordable housing (see Schedule A).

Delegating authority to the CAO to authorize land acquisition programs for the purposes of affordable housing will allow for the creation of affordable housing opportunities in a timely manner in order to meet the timelines under the HAF agreement.

RECOMMENDATIONS

1. That the Chief Administrative Officer be delegated authority to authorize Land Acquisition Programs for non-City property necessary to implement Affordable Housing under the Land Enhancement Office as part of the Housing Accelerator Fund (HAF) and such authorization be subject to existing delegations of authority for transaction approval.

2. That, subject to approval from two-thirds of all Council members (pursuant to subsection 205(2) of *The City of Winnipeg Charter*), the sale of 395 Pacific Avenue for $1.00 be approved for affordable housing.

3. That the City enter into, execute and deliver Purchases and/or Sale Agreement(s) for the properties detailed in Schedule A for $3 and such other agreements determined necessary by the City Solicitor/Director of Legal Services to implement the intent of the foregoing (the “Ancillary Agreements”).

4. 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

Pursuant to section 205(2) of *The City of Winnipeg Charter*, two-thirds approval by Council is required to sell parkland and cannot be delegated.

As per Section 3.1 A. ii. of the *Real Estate – Acquisition of Property* policy, the purchase of non-City property must form part of an approved Land Acquisition Program. Council approval is required to delegate approval for land acquisition programs.

IMPLICATIONS OF THE RECOMMENDATIONS

If the Recommendations of this report are approved, the Public Service will be in a position to assemble development sites for the purposes of affordable housing. The CAO will have the authority to determine which sites should be acquired, subject to the approval of terms and conditions by the appropriate delegated authority.

The original land cost of the 395 Pacific Avenue is $3,500, and the estimated market value is $117,000. The two additional properties will be acquired for an estimated total of $3, and the final consolidated property will be sold for $1.

HISTORY/DISCUSSION

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).

The HAF funding is based on the City achieving 3,166 net new building permitted housing units and 14,101 in total (including 10,935 units projected to be permitted without HAF). These new units include 931 affordable units.

Initiative #4 of the City's HAF application proposed the creation of the Land Enhancement Office whose purpose is to bring City-owned land to the market for the creation of affordable housing.

On September 26, 2024, Council approved that the Chief Administrative Officer be delegated the authority to declare the following City-owned properties intended for affordable housing as surplus, subject to the circulation requirements set out in the Declaration as Surplus and Sale of Property Policy:

i. 825 Tache Avenue
ii. 795 William Avenue
iii. 395 Pacific Avenue
iv. 425 Osborne Street
v. 1350 Pembina Highway
vi. 545-569 Watt Street
vii. 22 Granite Way

The *Real Estate – Declaration as Surplus and Sale of Property Policy* defines Affordable Housing as a single- or two-family house, or a multi-family or mixed use building where at least 30 percent of the units are rented for a maximum of 80 percent 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.

The property located at 395 Pacific Avenue is classified as parkland. In order to sell parkland, the City requires a vote of 2/3 of all Council members, as per section 205(2) of *The City of Winnipeg Charter*. The Parks and Open Spaces Division is supportive of the sale due to the large number of small parks within the immediate area.

The property at 395 Pacific Avenue is adjacent to two vacant parcels that the Public Service wishes to acquire (for $3 in total) and consolidate in order to create a larger parcel for the creation of affordable housing units. The City will consolidate the parcels through a subdivision application.

The vacant parcels noted above, and included in Schedule A, are as follows:

- The unaddressed parcel on Pacific Avenue under Roll number 13080212000, owned by The Manitoba Housing and Renewal Corporation (MHRC), and
- The parcel located at 385 Pacific Avenue, owned by Winnipeg Habitat for Humanity Inc.

Acquiring non-City property consists of authorizing a land acquisition program (one or more properties) and subsequent individual transaction approvals. Allowing the CAO to authorize a land acquisition program related to affordable housing eliminates an administrative report to Council. The Public Service will continue to rely on existing delegations of authority when the terms of specific purchases are negotiated - any acquisition over $700,000 or above 125 percent of appraised value will continue to require approval from Standing Policy Committee on Property and Development.

The Public Service completed an appraisal of 395 Pacific Avenue to determine the opportunity cost of the sale. The appraisal indicated a market value of $117,000. The highest and best use of the appraisal is low-density residential based on its current zoning. A sale of 395 Pacific Avenue will close upon completion of the eventual subdivision and rezoning.

Adopting the recommendations in this report will create the best value to the City by allowing the Public Service to acquire the parcels adjacent to 395 Pacific Avenue identified in Schedule A, and consolidate these parcels with 395 Pacific Avenue to sell for $1.00 for the development of affordable housing.

FINANCIAL IMPACT

Financial Impact Statement

Date: December 24, 2024

Project Name:

Sale of 395 Pacific Avenue for Affordable Housing

First Year of Program **2025**

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 3,503	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	$ 1	-	-	-	-
Net Cost/(Benefit)	$ 3,502	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Impact to Reserve	$ 3,502	$ -	$ -	$ -	$ -

Additional Comments:

Direct costs represent the original land cost (book value) of $3,500 plus an estimated $3 to acquire two parcels adjacent to 395 Pacific Avenue. Incremental revenue represents the nominal $1 sale proceeds. Estimated current market value of the property is $117,000. The net $3,502 loss on sale will be absorbed by the Land Operating Reserve's unallocated equity.

Randy Bernard

Randy Bernard, CPA, CMA
Manager of Finance & Administration (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Planning, Property & Development

OURWINNIPEG POLICY ALIGNMENT

This report is in alignment with the OurWinnipeg 2045 goals, objectives and policies as follows:

Economic Prosperity
Objective 3: Address poverty as an unacceptable and costly outcome of systemic barriers, through collaboration with the community and government bodies.

Social Equity
Objective 2: Build social cohesion through community development solutions, coordinated, effective partnerships, and responsive service delivery.

City Building
Objective 3: Facilitate development opportunities that complete established communities, and plan communities as complete and connected from the outset.

Policy:
1.16 Equitable Funding Distribution
3.12 Poverty Reduction
3.15 Community Capacity Development
4.4 Affordable and Supportive Housing Options
5.2 Affordable and Supportive Housing Options
5.3 End Homelessness
5.6 Equitable Service Access
6.2 Complete Communities Characteristics
6.39 Affordable and Supportive Housing Options

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Key Direction 4.1 – Increase Strategic Infill Development That Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service

> Action: Explore opportunities for the City of Winnipeg to take a more direct role in advancing mixed use development that may include developing City-owned lands, assembling land for resale, partnering on development, or using City funds to leverage private investment

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The funding is supported by objectives under the City of Winnipeg's Poverty Reduction Strategy and aligns with both Life Poles of *Indigenous Children, Youth and Families* and *Affordable Housing*.

Goal 2: The City Actively Plans for and Partners in Affordable Housing

- Objective B: The urgent housing needs of shelterless residents are addressed through proactive, multi-sectoral partnerships
- Objective C: Municipal tools, resources and partnerships are developed and used to encourage and facilitate affordable housing development.

Goal 4: Community Well-Being Supports for those in Greatest Need are Increased

- Objective A: The immediate needs of residents experiencing homelessness or at risk of homelessness are met through collaboration with community partners and other levels of government.

SUBMITTED BY

Department: Office of the Chief Administrative Officer
Prepared by: Mike Lennon, HAF Program Support Specialist
Date: December 16, 2024
File No:

Attachments:

Schedule A – Map of Subject Properties

Schedule A – Map of Subject Properties

