Agenda – Executive Policy Committee – May 13, 2025

REPORTS

Item No. 6 City of Winnipeg Rapid Housing Initiative (RHI) Round 3 – Distribution of Program Contingency Funds

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the distribution of additional Rapid Housing Initiative Round 3 grant funding, to the UWCRC 2.0 Inc. approved project at 454 Edmonton Street, be approved in the amount of $359,012.25

2. That, subject to the approval of Recommendation 1, the City enter into, execute and deliver an agreement with UWCRC 2.0 Inc. for the additional funding and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements"), and that authority be delegated to the Chief Financial Officer to negotiate and approve the terms and conditions of the agreement and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City

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

ADMINISTRATIVE REPORT

Title: City of Winnipeg Rapid Housing Initiative (RHI) Round 3 – Distribution of Program Contingency Funds

Critical Path: Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
G. Patton	G. Patton	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

On June 22, 2023, Council approved the distribution of $15,163,635.40 in capital grant funding to four proponent groups under agreements between the City of Winnipeg, the Canada Mortgage and Housing Corporation (CMHC) and the Province of Manitoba (Province) for the delivery of the Rapid Housing Initiative (RHI) Round 3 program.

The total available RHI Round 3 funding is $16,822,141.05 and is comprised of $11,631,916.00 in funding from CMHC and $5,190,225.05 in funding from the Province.

A program contingency allowance of $1,658,505.65, funded by the Province's allocation, was maintained by the City to address any realized project risks during the delivery of the RHI Round 3 Program.

The UWCRC 2.0 Inc. (University of Winnipeg Community Renewal Corporation) approved project at 454 Edmonton Street, currently under construction, has realized a number of project risks and changes where the current project funding is insufficient to address the estimated final project cost.

The Public Service is recommending the distribution of $359,012.25 in additional grant funding, funded by the RHI Round 3 Program contingency, to the UWCRC 2.0 Inc. project, to address the project risks encountered. The Province is supportive of this recommendation.

RECOMMENDATIONS

1. That the distribution of additional Rapid Housing Initiative Round 3 grant funding, to the UWCRC 2.0 Inc. approved project at 454 Edmonton Street, be approved in the amount of $359,012.25

2. That, subject to the approval of Recommendation 1, the City enter into, execute and deliver an agreement with UWCRC 2.0 Inc. for the additional funding and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements"), and that authority be delegated to the

Chief Financial Officer to negotiate and approve the terms and conditions of the agreement and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor / Director of Legal Services to protect the interests of the City

3. 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

Council approval is required for the City to award the additional grant funds and enter into agreements with the recipient.

IMPLICATIONS OF THE RECOMMENDATIONS

If the recommendation is approved, the City will amend the current RHI Round 3 Program grant agreement with UWCRC 2.0 Inc. to add the additional funding.

If the recommendation is approved, the City will maintain an RHI Round 3 Program contingency fund of $1,299,493.40, available to approved projects under the program. Further reports to Council will be required should additional requests for project contingency funding be made to the City. The Province of Manitoba will also need to concur in any additional funding requests.

HISTORY/DISCUSSION

In 2020, the Government of Canada, through Canada Mortgage and Housing Corporation (CMHC), launched the Rapid Housing Initiative (RHI), a $1 billion program to help address urgent housing needs of vulnerable Canadians, especially in the context of COVID-19, through
the rapid construction of affordable housing. The initiative provides capital contributions (upon the signing of a funding agreement with CMHC) under two streams to expedite the delivery of affordable housing.

CMHC announced its list of eligible municipalities for a third round of RHI funding via its Cities stream on November 10, 2022; the City of Winnipeg was included alongside 40 other municipalities.

On November 10, 2022, the City of Winnipeg was informed that it would be eligible for $11,631,916 to create a minimum of 46 units of affordable housing. All units are required to remain affordable for at least 20 years.

On January 26, 2023, Council approved the acceptance of the Round 3 funding from CMHC and directed the Public Service to submit a finalized investment plan to CMHC on or before the
program deadline of March 15, 2023.

On June 22, 2023, Council confirmed the final list of Round 3 projects which were submitted by the Public Service to CMHC on March 15, 2023. Council also approved the acceptance of up to $5.19 million from the Province of Manitoba and the allocation of this funding to one or more projects under the RHI Round 3 Program.

The current Council-approved grant funding to RHI Round 3 proponents has been allocated as per the following table:

Proponent Name	Total Disbursement	Total Units
Wahbung Abinoonjiiag Inc.	$1,366,303.00	26
Manitoba Metis Federation Inc. (Mazoun)	$5,836,500.00	14
UWCRC 2.0 Inc.	$6,110,000.00	11
Spence Neighbourhood Association Inc.	$1,850,832.40	6
Total RHI Round 3[1]	$15,163,635.40	57

Note 1: The total RHI Round 3 funding of $16,822,141.05 is comprised of $11,631,916.00 in funding from CMHC and $5,190,225.05 in funding from the Province of Manitoba. A project contingency allowance of $1,658,505.65 is being maintained by the City to address any realized proponent project risks during construction

It is the City's responsibility to ensure the successful completion of the RHI Round 3 projects and, based upon experience in rounds 1 and 2 of RHI, the City maintained a contingency fund to address realized risks for RHI 3 projects.

The City also maintains the responsibility to ensure compliance with the CMHC RHI Round 3 funding agreement for the duration of the agreed length of terms.

The UWCRC 2.0 Inc. (University of Winnipeg Community Renewal Corporation) project at 454 Edmonton initiated work at the site with an agreed estimated budget that included a contingency. As the project has progressed, a number of required contract change notices related to building code changes / compliance, building permit delays, unanticipated historical property site conditions, and low bid received costs versus budget have resulted in project cost increases.

The UWCRC 2.0 Inc. has requested a distribution of funds from the RHI Round 3 program contingency being maintained by the City of Winnipeg. Upon review of the submitted request from UWCRC 2.0 Inc., the Public Service is recommending additional grant funding be provided, in the amount of $359,012.25. As the project is still under construction, project risk management is still ongoing.

Any subsequent funding requests by UWCRC 2.0 Inc., or other approved RHI Round 3 proponent, will be evaluated by the Public Service. Any grant funding changes required will be forward to Council for their consideration in subsequent administrative reports.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 27, 2025

Project Name:

First Year of Program 2025

City of Winnipeg Rapid Housing Initiative (RHI) Round 3 – Distribution of Program Contingency Funds

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 359,012	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	359,012	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Amount to be managed within existing budget	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs represent the distribution of $359,012 in additional grant funding from the Rapid Housing Initiative (RHI) Round 3 Program to UWCRC 2.0 Inc to address project risks that have been encountered. The additional grant funding will utilize the program contingency allowance that was maintained by the City to address any realized project risks during the delivery of the RHI Round 3 Program.

Beth Anema on behalf of Mike McGinn on March 27, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

- Planning, Property and Development Department - Housing and Neighbourhood Revitalization Coordinator
- Legal Services

OURWINNIPEG POLICY ALIGNMENT

Economic Prosperity

- **Objective** - Address poverty as an unacceptable and costly outcome of systemic barriers, through collaboration with the community and government bodies.
- **Policy 3.12 - Poverty Reduction** - Support the reduction of poverty and homelessness through a community economic development approach that addresses systemic barriers to opportunity and participation, particularly in areas of highest need.

Good Health and Well Being

- **Objective** - Support positive health outcomes through the built and natural environments.
- **Policy 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.

Social Equity

- **Objective** - Uphold human rights so that no one is left behind.
- **Policy 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**.**

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity #1 Corporate Leadership:
Key Direction 1.9 Work with Indigenous Communities, the Province, and the Federal Government to Advance Climate Action

- Collaborate with senior levels of government for increasing investment in programs supporting climate action.
- Leverage funding from the province and federal governments to advance climate action.
- Engage Winnipeg's Indigenous population on issues around climate change.

Strategic Opportunity #2 Empower Community Leaders and Collaborate with Stakeholders
Key Direction 2.3 Create Conditions to Enable Community Climate Action

- Develop and implement a strategy to empower and celebrate community-led climate action success by advising on funding opportunities, technical expertise and facilitating organization/industry/government linkages.
- Encourage and partner to advance innovative pilot and demonstration projects.

Strategic Opportunity #5 Low Carbon and Energy Efficient Buildings
Key Direction 5.2 Improve Energy Performance of New Buildings

- Provide resources and incentives such as property tax relief or permit cost reduction program to building owners that demonstrate high energy efficiency

Key Direction 5.4 Build Climate Equity
Build partnerships with key stakeholders such as the local neighbourhood associations, Building Urban Industries for Local Development (BUILD) and Centre for Aboriginal Human Resources Development (CAHRD) to build local capacity and equity.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information presented in this report align with and advance the Winnipeg Poverty Reduction Strategy (2021 – 2031) as follows:

They embody the following Guiding Principles:

- We will Uphold Human Rights
- We will Honour Relationships and Reconciliation with Indigenous Peoples
- We will Address Systemic Oppression, Trauma and Social Inequity
- We will Promote and Maintain the Welfare of All Residents
- We will Develop Trust and Meaningful Partnerships to find solutions and drive change.

They align with the following **Goals and Objectives**:

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

Related 10-year Objectives:
B. The urgent housing needs of shelterless residents are addressed though proactive, multi-sectoral partnerships.

SUBMITTED BY

Department: Assets and Project Management
Division: Office of the Director
Prepared by: Geoffrey Patton, P.Eng
Date: March 28, 2025
File No: N/A

Attachments: N/A