Agenda – Council – May 22, 2025

Report – Standing Policy Committee on Community Services – May 5, 2025

Item No. 3 Contribution Agreement with the Government of Canada - Short-Term Rental Enforcement Fund

STANDING COMMITTEE RECOMMENDATION:

On May 13, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Community Services and submitted the following to Council:

1. That a grant of up to $769,499 from His Majesty the King in Right of Canada, as represented by the Minister of Housing, Infrastructure and Communities, for enhancements to the City Short-Term Rental Accommodations (STRA) Program, be approved.

2. That the City enter into, execute and deliver a contribution agreement with His Majesty the King in Right of Canada, as represented by the Minister of Housing, Infrastructure and Communities (the "Agreement") 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").

3. 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.

4. That, subject to approval of Recommendation 1 and 2, an incremental increase to the Community Services Department operating budget in an amount equivalent to the grant funding received, be approved.

5. That, subject to approval of Recommendation 1 and 2, up to three temporary FTE(s) to be used to deliver the STRA Program enhancements as outlined in this report, be approved.

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

Report – Standing Policy Committee on Community Services – May 5, 2025

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 13, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Community Services and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 5, 2025, the Standing Policy Committee on Community Services concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Contribution Agreement with the Government of Canada - Short-Term Rental Enforcement Fund

Critical Path: Standing Policy Committee on Community Services – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
W. Yee	C. Fernandes	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

The Public Service is able to receive up to $767,499 in grant funding from the Housing, Infrastructure and Communities Canada (HICC) Short-Term Rental Enforcement Fund (STREF). Funding is for the period April 1, 2025 to March 31, 2027.

Funding will enhance the Short-Term Rental Accommodations (STRA) Program by adding up to three temporary staff (FTEs). The STRA Program launched April 1, 2024.

To receive the funding, the City:

- must enter into an agreement with the Federal Government, and;
- perform the activities set out in its funding application.

This Public Service recommends Council approve the funding and the agreement.

RECOMMENDATIONS

1. That a grant of up to $769,499 from His Majesty the King in Right of Canada, as represented by the Minister of Housing, Infrastructure and Communities, for enhancements to the City Short-Term Rental Accommodations (STRA) Program, be approved.

2. That the City enter into, execute and deliver a contribution agreement with His Majesty the King in Right of Canada, as represented by the Minister of Housing, Infrastructure and Communities (the “Agreement”) 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”).

3. 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.

4. That, subject to approval of Recommendation 1 and 2, an incremental increase to the Community Services Department operating budget in an amount equivalent to the grant funding received, be approved.

5. That, subject to approval of Recommendation 1 and 2, up to three temporary FTE(s) to be used to deliver the STRA Program enhancements as outlined in this report, be approved.

6. 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 grant funding and to enter into an agreement with the Government of Canada to receive funding under the STREF.

Council approval is also required to increase the department's FTE and salary and benefit amounts for 2025, 2026 and 2027.

IMPLICATIONS OF THE RECOMMENDATIONS

The City will use this funding to further enhance the existing STRA Program that was implemented in Winnipeg on April 1, 2024. The costs of the enhancements will be covered by the grant funding and will have no impact on the current operating budget for the STRA Program.

The City will be required to adhere to funding criteria established by HICC.

HISTORY/DISCUSSION

The Government of Canada, through HICC, has created the STREF, as Canada needs more long-term housing. The federal government is taking action to crack down on non-compliant short-term rentals which are keeping homes off the market across the country.

The STREF aims to limit short-term rentals that take away units from the long-term market across the country. The program provides grant funding to municipalities and Indigenous communities with existing strict regulatory regimes to support the local enforcement of short-term rental restrictions in an effort to make long-term housing units available in Canada.

HICC issued its Call for Proposals on December 6, 2024, and the City submitted its proposal for consideration. The City's proposal was recommended for approval by HICC, and approval of the proposal was received on March 3, 2025.

The total amount of the grant funding is up to $767,499 which is broken down as follows:

- $360,659 in 2025-26; and
- $406,840 in 2026-27

The objective of the proposed enhancements is to protect new and existing units in the long-term housing stock by increasing capacity for better enforcement and compliance of the STRA Program, which includes ensuring existing and future STRA operators comply with the Community Safety Business Licensing By-law (By-law). The enhancements to be implemented over the grant period include, but are not limited to, the following:

1. Identify gaps within the three existing bylaws (Community Safety Business Licensing By-law, Accommodations By-law, and Zoning By-law), conduct enforcement research, and implement an evaluation/performance measurement framework. This will potentially lead to bylaw revisions and operational adjustments;

2. Provide additional enforcement staff to support enforcement activities directly aligned with the funding objectives;

3. Provide one Innovation Technology (IT) programmer to meet the objectives of the program;

4. Add additional IT infrastructure to existing system to address identified gaps, including capturing bookings for unlicensed properties, providing real-time alerts for related activities, to help meet the objectives of the By-law and the STREF funding;

5. Deploy advanced tools or enhance our existing reporting system with an advanced web portal for data-driven insights and enforcement planning;

6. Redesign the application and taxation portals to enhance system integration by leveraging our Application Programming Interface (API), ensuring greater robustness, efficiency, and real-time data exchange;

7. Improve the functionality of the current Amanda system for compliance monitoring, licensing, taxation, and rental activity management;

8. Implement a scheduling system to streamline the coordination of inspections, allowing for better resource management and improved compliance monitoring.

The City’s proposal included costs for temporary staffing, office computers for staff, and IT software to meet its project goals, which are detailed below. Identified staffing includes one FTE temporary Enforcement and Policy Analyst, one FTE temporary Licensing Enforcement Inspector, and one FTE temporary IT Programmer Analyst.

Expenses Short-Term Rental Enforcement Fund (STREF):

STREF - Program Estimated Expenses			
	2025/26	**2026/27**	**Total**
1.00 FTE - Enforcement and Policy Analyst *	$75,963	$115,500	$191,463
1.00 FTE - Licensing Enforcement Inspector **	$76,416	$85,500	$161,916
Shift Premiums for Enforcement Inspectors	$4,000	$5,000	$9,000
1.00 FTE - IT - Programmer Analyst ***	$93,484	$95,500	$188,984
Total Staffing Cost	**$249,863**	**$301,500**	**$551,363**
Office Setup Costs (furniture, computers etc.)	$5,500	$0	$5,500
Car allowance for Enforcement Inspector	$3,500	$3,500	$7,000.00
****Rental Activity Monitoring Module	$29,169	$31,210	$60,379.00
**** 24/7 Hotline Module	$21,877	$23,408	$45,285.29
****AMANDA – Host Compliance Integration	$6,750	$7,222	$13,972
ESRI Setup and Configuration	$1,000	$0	$1,000
Professional Services (Granicus/Launch IT)	$28,000	$25,000	$53,000
Data Analytics tools	$15,000	$15,000	$30,000
Total Other Operating Costs	**$110,796**	**$105,340**	**$216,136**
Total Estimated Expenditures	**$360,659**	**$406,840**	**$767,499**
Staffing positions Includes salaries and benefits **Enforcement and Policy Analyst position to start in July 2025* ***Licensing Enforcement Inspector to start in May 2025* ****IT Programmer Analyst to start in April 2025* *****7% increase annually for software* *Amounts are based Gov of Canada April 1 - March 31 year end*			

Program costs of the City will be covered by the funding provided by HICC; therefore, the administration of the project will be cost neutral to the City's budget.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 21, 2025

Project Name: **First Year of Program** **2025**

Contribution Agreement with the Government of Canada - Short-Term Rental Enforcement Fund

	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	$ 270,494	$ 395,295	$ 101,710		
Less: Incremental Revenue/Recovery	270,494	395,295	101,710		
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts					
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs include all program costs (salaries and benefits and related operating expenses) as outlined in the table on page 4 of this report. Direct costs are fully funded by the Government of Canada under the Housing, Infrastructure and Communities Canada (HICC) program.

No additional mill rate (tax support) funding is required.

Ozzy Garrett, CPA, CGA - Mar 21/25
Ozzy Garrett, CPA, CGA
Manager of Finance & Administration
Community Services Department

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services
- Innovation & Technology
- Assessment and Taxation

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

Objective 1.: Establish and implement priority actions through evidence-informed decision-making processes

> *Policy 1.4 Integrated Knowledge and Resources:* Coordinate inter-departmental systems, projects and resources, making the best use of internal and external expertise to better understand service needs, find the most appropriate solutions, optimize resources, and maximize community outcomes.

City Building

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

> *Policy 6.2 Complete Communities Characteristics:* The characteristics of complete communities must be identified and defined in Complete Communities, and will include, at minimum, equitable access to: safety and security, affordable housing for all incomes, local employment opportunities, health-supportive amenities, access to nature, social interaction opportunities, sustainable transportation options, and digital communication technology infrastructure to align with this Plan's goals.

Alignment with *Complete Communities Direction Strategy 2.0*

Vision: The City of Winnipeg is planned and designed based on a logical Urban Structure that focuses growth and change to enhance existing assets, to create complete communities and complete existing communities, and to ensure a socially, environmentally, and economically sustainable future through the integration of transportation planning, land uses, built forms, and urban design.

> *Principle 1:* Creating complete communities and completing existing communities - enhancing their existing infrastructure and assets in ways that make most amenities for daily living universally accessible - will be key to making our city attractive and competitive.
>
> *Principle 7:* The implementation of Complete Communities recognizes the complexity of cities and the people within them and aims for an approach that promotes resilience and adaptability.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (CAP), and it was determined that the CAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

This initiative supports PRS **Goal 2** (The City Actively Plans for and Partners in Affordable Housing). As the number and condition of short-term rentals affects housing availability and affordability, strengthening the City of Winnipeg's regulatory approach can have a positive, though indirect impact on the affordable housing market.

SUBMITTED BY

Department: Community Services Department
Division: Licensing & Bylaw Enforcement
Prepared by: Terry Cormier
Date: March 27, 2025
File No: CmS-2025-15

Attachments:

None