Agenda – Executive Policy Committee – October 21, 2025

REPORTS

Item No. 2 Pilot Downtown Heritage Residential Conversion Grants

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That an expenditure of up to $2 million, funded by the first instalment of the Housing Accelerator Fund, be transferred from the withdrawn project to CentreVenture Development Corporation to administer Heritage Non-Residential-to-Residential Conversion grants, as described in Appendix I of this report.

2. That the City enter into, execute and deliver an agreement with CentreVenture Development Corporation to administer the Heritage Residential Conversion grants 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 Administrative 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 the Proper Officers of the City be authorized to do all things necessary to implement the intent of the forgoing.

ADMINISTRATIVE REPORT

Title: Pilot Downtown Heritage Residential Conversion Grants

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
L. Rappaport	J. Dunford	T. Graham	J. Dunford

EXECUTIVE SUMMARY

On March 12, 2024, Council approved the CentreVenture Development Corporation (CentreVenture) mandate, including focus on residential development within the official boundaries of Downtown, consistent with CentrePlan 2050 and the Housing Accelerator Fund (HAF) objectives.

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 by December 2026. On May 30, 2024, Council approved the HAF Grant Program By-law and the City subsequently awarded projects through two rounds of funding.

One project conditionally approved for funding under Round One of the City's HAF Grant Program was withdrawn. The Public Service recommends the funds be re-allocated from that project ($2 million) to CentreVenture to administer pilot grants for Downtown Heritage Residential Conversions. CentreVenture will match the HAF dollars with $2 million from the Gail Parvin Hammerquist Grant fund (a fund administered by CentreVenture specifically dedicated to designated heritage resources downtown).

CentreVenture will administer the grants, including intake, financial processing, and coordination with other incentive programs.

It is estimated this program could support the redevelopment of approximately four heritage buildings, creating approximately 150 residential units. Eligible projects must secure building permits by November 1, 2026, aligned with the City's HAF timeline. Grants of up to $25,000 per unit will be available, with evaluation criteria emphasizing the conservation of heritage buildings, vacancy duration, and neighborhood impact (including affordability).

RECOMMENDATIONS

1. That an expenditure of up to $2 million, funded by the first instalment of the Housing Accelerator Fund, be transferred from the withdrawn project to CentreVenture Development Corporation to administer Heritage Non-Residential-to-Residential Conversion grants, as described in Appendix I of this report.

2. That the City enter into, execute and deliver an agreement with CentreVenture Development Corporation to administer the Heritage Residential Conversion grants 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 Administrative 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 the Proper Officers of the City be authorized to do all things necessary to implement the intent of the forgoing.

REASON FOR THE REPORT

Council approval is required to reallocate unused HAF funds to a new activity, and to enter into an agreement with CentreVenture Development Corporation to administer grants for Heritage Residential Conversions.

IMPLICATIONS OF THE RECOMMENDATIONS

If Council approves the recommendations, the CAO will be authorized to enter into an agreement with CentreVenture to disburse the funds for Heritage Residential Conversion grants as outlined in this report. CentreVenture would proceed to launch the program and begin accepting applications for housing developments to secure building permits by November 2026.

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) over a three-year period.

On March 21, 2024, Council approved the first round of funding for the HAF Grant Program with a $25 million contribution. On December 12, 2024, Council approved an additional commitment of $17 million for the second round, as well as funding for three Downtown Transformational Projects. The goal of both rounds of programs and Downtown Transformational Projects is to accelerate projects to construction, and within the timeframe of the HAF Agreement, securing building permits by December 5, 2026.

One project conditionally approved for funding under Round One of the City's HAF grant program was withdrawn and the project is not moving forward. The recommendation is to allocate the funds originally allocated to that project ($2 million) to Centre Venture to administer pilot grants for Downtown Heritage Residential Conversions. CentreVenture will match the HAF dollars with another $2 million from the Gail Parvin Hammerquist Grant fund (a fund administered by CentreVenture specifically dedicated to designated heritage resources downtown).

As the City approaches year three of the HAF program, and with that, the deadline of achievement of Building Permits, any grant funding focused on unit targets will need to focus on projects that have quicker lead time from concept to building permit. Downtown Conversion projects can respond to that timeline.

In 1999, Council created CentureVenture as an arms-length agency of the City of Winnipeg, whose mandate is to provide leadership in the planning, development, coordination, and implementation of projects and activities in the downtown. It has also played a role in the retention, improvement, and use of designated heritage buildings through an allocation of the Gail Parvin Hammerquist (GPH) Fund. Since 2010, CentreVenture has received 80 percent of this fund on an annual basis to be used for these purposes.

On March 12, 2024, Council approved the revised CentreVenture mandate, including that they focus on assisting the City of Winnipeg, private developers and not-for-profit developers in the delivery of primarily residential housing construction targets within the official boundaries of Downtown (or any additional designated areas designated during this mandate cycle), consistent with CentrePlan 2050 and the HAF objectives.

While conversion of heritage buildings to residential has been successful for many buildings in past decades, there are a handful of properties where redevelopment was unable to be accomplished even with prior incentive programs. Further, the City's long-standing incentive programs, such as Tax Increment Financing (TIFs), which support heritage, housing, and redevelopment efforts, are based on an assumption that development will lead to an increase in property taxes. With conversions from non-residential-to-residential uses, the increase in property tax is sometimes not as large and, therefore, the incentive is not as effective to accelerate development.

Providing sufficient incentives to facilitate conversion to residential use could be the catalyst to conserve these important heritage resources. The conservation of heritage buildings is worthy of investment because these buildings represent Winnipeg's development history and embody architectural significance. This contributes to sense of place, film and tourism economy, and to the preservation of cultural heritage. Furthermore, compared to building new, the adaptive reuse of buildings is a sustainability practice that helps fight climate change by reducing waste and carbon emissions. The Exchange District National Historic Site has the highest concentration of heritage buildings in Winnipeg.

With HAF dollars, combined with other incentive programs that could be stacked, it can be possible to achieve the level of incentive that could accomplish the redevelopment of a handful of these critical heritage properties and also contribute to the City's policy goal of increasing downtown residential density.

This program is proposed as a pilot to respond to City and CentreVenture direction related to both housing and heritage preservation. Any financial incentive program has the potential to shift market dynamics. While the goal is to see an uptick in downtown residential growth overall, the City will need to monitor impacts on other forms of downtown growth, ensuring a balance is maintained between adaptive reuse and new infill construction. The Public Service will also need to monitor the impacts on the availability and affordability of Class C commercial space that is essential for fostering new businesses.

Proposed Grant Parameters

CentreVenture, in collaboration with the City of Winnipeg, is proposing to launch a pilot this fall that could aid in the conservation of vacant and derelict heritage buildings in downtown Winnipeg. This pilot has the potential to create an additional 150 units of housing in the Downtown by breathing new life into heritage buildings.

The Public Service recommends that $2 million in HAF Grant funds be committed to seed this pilot. CentreVenture will match the funds with $2 million from the Gail Parvin Hammerquist Heritage Grant fund. CentreVenture has also approached the Province of Manitoba to partner through their Heritage Resources Conservation Grant program and has requested an additional $2 million. At this time, the Provincial funds are not confirmed.

The anticipated launch is October or November 2025, subject to Council approvals.

CentreVenture will run an open program application process, with a targeted approach to vacant and underutilized heritage buildings to be redeveloped as housing. The criteria would be as follows:

- designated heritage resource;
- located in downtown Winnipeg;
- vacant and/or underutilized;
- redevelopment includes primarily residential use and net new units, with a minimum of five units;
- redevelopment to comply with City of Winnipeg policies and by-laws, including compliance with the *Winnipeg Downtown Zoning By-law No. 100/2004;*
- plans are to be consistent with the *Standards and Guidelines for the Conservation of Historic Places in Canada; and*
- building permit must be released by November 1, 2026.

This $4 million program ($2 million HAF; $2 million in Gail Parvin Hammerquist Heritage Grant)[1] could be augmented by stacking the following incentive programs:

- The City's Heritage and Economic Development Incentive (TIF) Program
- The Province's Manitoba Works Capital Incentive (TIF) Program
- The Province's Rental Housing Construction Tax Credit

Applications would be accepted between particular dates in Fall 2025, following Council approval. Applications will be reviewed and conditionally approved projects will be required to receive a building permit by Nov. 1, 2026.

[1] Up to an additional $2million could also be provided by the Province of Manitoba's Heritage Resources Conservation Grant program.

Projects could receive up to $25,000 per unit.

Projects will be evaluated on their financial viability based on an analysis of the pro forma and other financial documentation. Project viability will also be evaluated on a ready-to-construct basis. Projects must demonstrate that building permits can be approved within the timeline. Additional 'points' would be awarded for the length of time that the heritage building has been vacant, the degree to which heritage conservation efforts are being made, the impact of the redevelopment’s vibrancy on the neighbourhood, compliance with zoning by-law, and the inclusion of affordable units.

Adjudication of project applications will be reviewed by a panel comprised of the Public Service (HAF and Heritage staff), provincial designates and CentreVenture staff.

CentreVenture will administer all the funds including intake, agreements and finance processing.

The Public Service will report back to Council on this initiative as part of its ongoing HAF annual reporting.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 16, 2025

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

Downtown Heritage Residential Conversion Grants

	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	$ 2,000,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 2,000,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	2,000,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Direct Costs represent the funds transferred to CentreVenture Development Corporation to administer Heritage Non-Residential-to-Residential Conversion grants. Funding is available through the approved 2025 Housing Accelerator Fund Reserve.

Randy Bernard

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

CONSULTATION

This Report has been prepared in consultation with:

- Planning Property and Development
- Legal Services

OURWINNIPEG POLICY ALIGNMENT

HOUSING
3 Establish partnerships with the private, not-for-profit and government sectors to provide affordable housing throughout the city, with a particular focus on locations near a variety of transportation options.

DOWNTOWN
2.2 Facilitate the redevelopment of vacant or underutilized properties, such as surface parking lots, to support increased residential and mixed-use development, when servicing allows, to achieve a sustainable, inclusive and vibrant Downtown.
3.1 Continue to facilitate residential development and residential rehabilitation or reinvestment through strategic use of incentives (such as Tax Increment Financing) that advance affordable housing and address additional Downtown housing needs.

Environmental Resilience
2.14 Heritage Conservation – Conserve heritage resources that illustrate the broad range of heritage values… while supporting efforts towards carbon neutrality, energy efficiency, and embodied carbon reduction.

Economic Prosperity
3.7 Heritage Investment – Facilitate the economic viability of heritage conservation by working with agencies, partnerships, and government bodies… to provide leadership and to incentivize the conservation of heritage resources.

City Building
6.43 Heritage Conservation – Conserve heritage resources to celebrate sense of place… through community history, architecture, civic identity and cultural perspectives.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

This report is in alignment with the following:

Key Direction 4.1 Increase Strategic Infill Development that Provides Access to and Capitalizes on Existing and Planned Corridors with Frequent Transit Service (p. 43)

Key direction 4.2 – Ensure New Areas of Growth are Designed According to the Principles of Complete Communities (p. 44).

Key direction 5.2 – Improve energy performance of new buildings (p.47).

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information and recommendations presented in this report align with the Winnipeg Poverty Reduction Strategy (2021 – 2031) Guiding Principles, and specifically the Affordable Housing Life Pole, and Goal 2: The City Actively Plans for and Partners in Affordable Housing.

SUBMITTED BY

Department: Office of the CAO
Division: Housing Accelerator Fund
Prepared by: Lissie Rappaport
Date: August 27, 2025

Attachments:

Appendix I: Details of Proposed Grants for Heritage Residential Conversion Pilot

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CentreVenture, in collaboration with the City of Winnipeg, is proposing to launch an exciting pilot this fall that could aid in the restoration of vacant and derelict heritage buildings in downtown Winnipeg. This pilot has the potential to create an additional 150 units of housing in the Downtown by breathing new life into heritage buildings.

Total funds available for the program are $4 million ($2 million HAF + $2 million from Gail Parvin Hammerquist Heritage Grant funds. CentreVenture has also approached the Province of Manitoba to partner through their Heritage Resources Conservation Grant program and has requested an additional $2 million. At this time, the Provincial funds are not confirmed.

CentreVenture will run an open program application process, with a targeted approach to vacant and underutilized heritage buildings to be redeveloped as housing. The criteria would be as follows:

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- building permit must be released by November 1, 2026.

Applications would be accepted between dates to be identified in Fall 2025, following Council approval. Applications will be reviewed and conditionally approved projects will be required to receive a building permit by Nov. 1, 2026.

Projects could receive up to $25,000 per unit.

Projects will be evaluated on their financial viability based on an analysis of the pro forma and other financial documentation. Project viability will also be evaluated on a ready-to-construct basis. Projects must demonstrate that building permits can be approved within the timeline. Additional 'points' for longstanding vacant Heritage building, impact to neighbourhood, vacancy, and heritage, and inclusion of affordable units, would be part of the scoring metrics.

Adjudication of project applications will be reviewed by a panel comprised of the Public Service (HAF and Heritage resources), provincial designates and CentreVenture staff.

CentreVenture will administer all aspects of the grants, including intake, financial processing, and coordination with other incentive programs.