Agenda – Executive Policy Committee – March 17, 2026

REPORTS

Item No. 13 Downtown Heritage Residential Conversion Grants – Additional Project

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That funding of up to $5 million from the fourth instalment of the Housing Accelerator Fund be approved and transferred to CentreVenture Development Corporation for the purpose of providing a Heritage Residential Conversion Grant to the Marlborough Hotel Project subject to the following conditions being met:

    A. The Marlborough Hotel Project receiving a full building permit by November 1, 2026; and

    B. The City receiving its fourth payment of HAF Funding in accordance with the HAF Contribution Agreement between the City and Canada Mortgage and Housing Corporation.

2. That the City enter into, execute, and deliver an agreement with CentreVenture Development Corporation, as required, to administer the Heritage Residential Conversion grant ("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 the Chief Administrative Officer be delegated authority 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 foregoing.

ADMINISTRATIVE REPORT

Title: Downtown Heritage Residential Conversion Grants – Additional Project

Critical Path: Executive Policy Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

On October 30, 2025, Council approved $2 million from the City's Housing Accelerator Fund (HAF) for a Pilot Heritage Residential Conversion Program that was run by CentreVenture. CentreVenture added $2.65 million from Gail Parvin Hammerquist funds (which it manages for designated heritage resources downtown).

CentreVenture opened applications for the program in November 2025.

On January 27, 2026, CentreVentre announced four projects approved under the program. These projects will create 297 new housing units. Projects are required to obtain a building permit by November 1, 2026.

Since the announcement, CentreVenture has approached the City to advise that an additional project had qualified under the program, but sufficient funding was not available.

CentreVenture is requesting an additional $5 million to support the Marlborough Hotel Project. This project includes the conversion of a 110-Year-old Heritage Building to create 307 housing units. The development will also include bars, restaurants and a sky view banquet hall. Forty units within the development are proposed to be affordable.

Under the City's Agreement with the Federal HAF, the City is required to achieve 14,101 net new building permitted housing units by December 4, 2026. The City is also required to achieve additional targets including units near Frequent Transit. The City is at 78 percent units overall, but only 66 percent towards the goal for Units near Frequent Transit. The Public Service is closely monitoring progress. An additional grant for a downtown project of this size would help the City reach its Transit targets.

While the timelines with the project are tight, the development could be a major boost for the downtown and include over 300 units near Frequent Transit. It could spark more development in the area and restore an underutilized heritage building at a key location. Funds for the project would be contingent on it meeting the building permit timeline.

RECOMMENDATIONS

1. That funding of up to $5 million from the fourth instalment of the Housing Accelerator Fund be approved and transferred to CentreVenture Development Corporation for the purpose of providing a Heritage Residential Conversion Grant to the Marlborough Hotel Project subject to the following conditions being met:

    A. The Marlborough Hotel Project receiving a full building permit by November 1, 2026; and

    B. The City receiving its fourth payment of HAF Funding in accordance with the HAF Contribution Agreement between the City and Canada Mortgage and Housing Corporation.

2. That the City enter into, execute, and deliver an agreement with CentreVenture Development Corporation, as required, to administer the Heritage Residential Conversion grant ("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 the Chief Administrative Officer be delegated authority 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 foregoing.

REASON FOR THE REPORT

Council approval is required to allocate additional HAF funds to the Heritage Residential Conversion Pilot Program for CentreVenture and the Marlborough Hotel Project.

IMPLICATIONS OF THE RECOMMENDATIONS

If Council approves the recommendations, funding for the Heritage Residential Conversion Pilot Program will be increased for the purposes of administering a grant to the Marlborough Hotel Project, subject to the City receiving the funds and a building permit for the project being issued by November 1, 2026. The grant would be administered by CentreVenture in accordance with the Heritage Residential Conversion Grant Program and the CAO will be equipped to amend the existing grant program agreement with CentreVenture or enter into a new agreement, as required, to administer the funds in accordance with this report, reflecting this new approval. Council delegated the CAO ability to negotiate other terms of this agreement with the original approval on October 30, 2025. CentreVenture's receipt of funds would also be contingent on the City receiving year four HAF Funds from CMHC.

While there is a risk the proponent may not secure the permits in time, the funds would not flow if they don't achieve this critical milestone. There is another important risk that if the City does not meet its targets under the HAF Agreement, the CMHC is entitled to withhold funding from the year four funds.

HISTORY/DISCUSSION

In 1999, Council created CentreVenture 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. On March 12, 2024, Council approved the revised CentreVenture mandate, including that they focus on assisting the City, private developers and not-for-profit developers in the delivery of primarily residential housing construction targets and the rehabilitation of heritage buildings 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 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 goals are to accelerate projects to construction within the timeframe of the HAF Agreement.

On October 30, 2025, Council approved $2 million to Centre Venture to administer a Pilot Program for Downtown Heritage Residential Conversions. CentreVenture matched the HAF contribution with $2.65 million from Gail Parvin Hammerquist (GPH) funds – a fund administered by CentreVenture specifically dedicated to designated heritage resources downtown. While the original approval indicated a commitment of $2 million in GPH funds, in early 2026, CentreVenture committed an additional $650,000 to the program.

On November 6, 2025, CentreVenture launched applications to the Downtown Heritage Residential Conversion Grant Pilot Program. On January 27, 2026, CentreVenture announced the approval of four projects under this pilot program, creating 297 new residential units in downtown Winnipeg through an investment of $4.65 million.

Approved projects include:

- St. Charles Hotel, 235 Notre Dame Avenue — 140 units ($2,100,000)
- MAWS Garage / Sandford Development, 291 Bannatyne Avenue — 114 units ($1,710,000)
- 290 Garry Street — 28 units ($435,000)
- Alloway Lofts, 179 McDermot Avenue — 14 units ($350,000)

Since the announcement, CentreVenture has approached the City indicating that an additional project applied to, and qualified under, the program. As the funds have been fully committed to four projects outlined above, CentreVenture is requesting an additional $5 million to support this project:

- The Marlborough Hotel project includes the conversion of a 110-year-old heritage building to 307 residential units. It would add vibrancy to the downtown core. This, coupled with bars, restaurants and a sky view banquet hall would become a downtown anchor. Forty units within the development are proposed as affordable.

If Council approves this additional allocation, CentreVenture's support for the project will follow all the same requirements of the original program criteria (outlined in Appendix 1), including, particularly, the deadline to achieve a building permit by November 1, 2026.

Support for a project of this size is similar to the support the City has provided for other Downtown Transformational Projects, including Wehwehneh Bahgahkinahgohn (373 units or $10 million in HAF Grant) and Portage Place Redevelopment (216 units or $10 million in HAF Grant) and the Forks Railside (91 units or $2 million in HAF Grant). While all these projects have components beyond the housing units, the Marlborough Hotel Project will also include the revitalization of an underutilized heritage building, including commercial space (bars, restaurants, banquet hall). It can also have other spin-off effects on revitalizing this downtown block.

As the City's deadline for building permits under the HAF is rapidly approaching, supporting an additional project will help to ensure the City meets the targets near transit. While there is a risk the project will be unable to achieve the timelines, funds are recommended to be awarded only if the project can meet the Building Permit Deadline.

The HAF Agreement with CMHC includes an Overall Target of 14,101 Units, as well as "Additional Targets" including:

- 7,529 multi-unit near Frequent Transit
- 1,026 Missing Middle Units
- 1,553 Other Multi-unit Housing
- 9.6 percent of the overall goal are Affordable (or, 1,354 units)

As of February 4, 2026, the City has achieved 10,975 new units (78 percent towards the overall target). The City has already surpassed the three-year target for each Missing Middle (214 percent) and Other Multi-unit Housing (147 percent) targets. In December 2025, the City was at 96 percent the target for affordable housing.

The City is only at 66 percent towards the goal for units near frequent transit. If the City meets or surpasses the overall target, but falls short of the one of the "additional targets" in the agreement, CMHC could withhold funds from Year Four dollars. The Public Service is closely monitoring progress towards units near frequent transit.

If this allocation is approved, CentreVenture will administer the funds including agreements and finance processing, as part of the rest of their program administration.

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

FINANCIAL IMPACT

Financial Impact Statement

Date: March 3, 2026

Project Name:
Downtown Heritage Residential Conversion Grants – Additional Project

First Year of Program **2027**

	2027	2028	2029	2030	2031
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	$ 5,000,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 5,000,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	5,000,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:
Direct Costs represent an expenditure of up to $5 million to CentreVenture Development Corporation to fund The Marlborough Hotel Project. Funding is available through the 2027 projected budget of the 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 Department
- Legal Services Department

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: March 3, 2026

Attachment:

Appendix 1: Details of Council-Approved Heritage Residential Conversion Pilot Program

Appendix 1: Details of Council-Approved Heritage Residential Conversion Pilot Program

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

- designated heritage resource;
- located in Downtown Winnipeg;
- vacant and/or underutilized building;
- redevelopment includes primarily residential use and net new units, with a minimum of 5 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.

Applications were accepted between particular dates in Fall 2025, following Council approval. Applications were 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 were 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.