

The Manitoba Non-Profit Housing Association (MNPHA) represents almost 150 non-profit housing providers, and associated organizations/private-sector partners, representing over 24,000 units of affordable and social housing across 23 communities in Manitoba. MNPHA supports its members in building a thriving, sustainable non-profit housing sector in Manitoba. The four pillars of support are the provision of membership services; advocacy with government, funders and other stakeholders; sector development through professional development opportunities and education; and building partnerships within and outside the sector.

The 2020 budget outlined priorities for social housing transformation over the next five years. These major changes to housing delivery require planning, collaboration, and capacity building that have been somewhat paused due to the necessary focus on responding to the COVID-19 pandemic. If the pandemic has demonstrated anything, it is that housing is a crucial aspect of healthcare: it functions as the primary form of prevention and decreased contagion, and as a crucial aspect of treatment. It could be argued that it is much the same way for many illnesses that cost government billions of dollars each year. People experiencing homelessness have higher rates of illness, from epilepsy to angina to migraine headaches. Therefore, while devolution of public housing to the non-profit sector takes place, it should not replace the need to create a greater supply of deeply affordable housing that is available to the lowest income Manitobans.

The five budget recommendations MNPHA submitted in 2020 have not changed dramatically this year; while many things have changed due to the pandemic, the long-term financial needs of the community housing sector remain.

1. **New Supply of deeply affordable housing.** Initiatives by the Federal government to quickly address the homelessness crisis that has become more visible in the past year demonstrate the ambition of the non-profit sector to innovate and quickly create new units for those in need. The Rapid Housing Initiative will create at least 88 new units of housing for people exiting homelessness, yet, on any given night there are at least 1,500 people experiencing homelessness in the Winnipeg. The provincial government can partner to leverage this, and other resources, along with the energy of the non-profit housing community to create more units quickly. The need is great throughout the province, including for people with needs beyond housing, such as assisted living for seniors who wish to remain in smaller communities, and needs the market is not addressing, such as homes for larger families, particularly in newcomer and Indigenous households.

Funding for new community housing, in the form of grants and low-cost financing, are both needed to create new affordable units. Additionally, and at a minimum until new programs are available, Manitoba can introduce a renewed version of the Rental Housing Construction Tax Credit to increase new supply at minimal cost to the province. This credit would remove the PST from affordable, non-profit housing development, thereby decreasing the costs of development by 7%, and giving the non-profit sector leverage to access other funding sources such as the National Housing Co-Investment Fund. Currently, tenants living in units that are supported by capital grants are not eligible to receive Rent Assist. This prevents organizations from stacking benefits in order to make housing deeply affordable to those with the lowest incomes.

Budget recommendation: Introduce a new Rental Housing Construction Tax Credit, waiving PST on development of new non-profit housing units with a long-term (20+ years) affordability



requirement. Affordability definitions would need to vary based on the funding available for development and operations at the time. This would support a number of projects aligned with Government priorities that MNPHA members are hoping to construct in the next 1-3 years. Expand Rent Assist eligibility so units receiving capital grants can be available for lower income populations.

2. **Work collaboratively with the non-profit housing sector to maintain affordability post-operating agreement.** With operating agreements ending, many non-profit providers will need ongoing support from government to be able to provide housing at the deepest affordability levels. There are costs to the health and well-being of individuals, families, and communities if rents increase and low-income people are forced to leave their homes, likely facing housing insecurity and potentially homelessness.

In 2020, the budget indicated that the department will “leverage federal funds under the National Housing Strategy to modernize the portfolio (for example, through capital upgrades, expansion, divestments, income-mixing) and reduce reliance on government subsidies.” Generally, for a project to be self-sustaining, at least 80% of the units must be rented at market rates; this would mean that most community housing providers will need to charge rates higher than Rent Assist to pay the operating costs of a building, without taking into consideration the capital repair needs many organizations have. For organizations that have agreements requiring 100% Rent-Geared-to-Income rents, transforming to a mixed market program may be unfeasible, and in instances where it is possible and desirable, a transition period is needed. Either way, without adequate planning and financial support, the viability of the project could be at risk and there would be a devastating loss of housing affordability for lower income Manitobans.

Budget Recommendation: Manitoba Housing and the non-profit sector to work together to create a plan on how to best use the funding available through the National Housing Strategy over the remaining 9 years to preserve housing for those in need, including long-term planning for rent subsidies to maintain affordability.

3. **Invest in capital repairs and maintenance in community housing.** In 2009, a chronic shortfall in capital funding for social housing (including Manitoba Housing) was estimated at \$1B. While repair and maintenance funding increased for a period, it is declining again. Social housing providers, including Manitoba Housing, need capital investments to keep housing safe and clean. Beyond safe and clean, the community housing sector prides itself on maintaining homes that provide dignity and a sense of self-worth to the families and individuals who live there. Making repairs and upgrades in the face of increasing costs combined with stagnant budgets has been impossible, increasing the capital deficit and pushing the costs off to a later date.

Budget recommendation: Target a portion of the National Housing Strategy funding to renewal and repair of existing social housing stock.

4. **Provide consistent and stable funding for supports in housing.** Tenants often live in community housing due to complex poverty, which includes experiences with child welfare systems, health and mental health challenges, family violence, and migration to a new community. As the *Improving Access and Coordination of Mental Health and Addictions Services: A Provincial Strategy for All Manitobans* (Virgo Planning and Evaluation Consultants,

Inc., 2018) report states, the “provision of adequate housing and housing-related supports, now considered a core component of the Substance Use Addictions/Mental Health service continuum, also provides an economic return on the financial investment.” However, some individuals and families require a connecting point to service continuums, in addition to an affordable housing unit. A number of organizations currently receive funding to provide for tenant supports through Regional Health Authorities in the form of Tenant Resource Coordinators or Tenant Support Workers - these vital positions that support tenants with physical, social, or mental health needs have been maintained over time, but it has been years since this funding has been re-evaluated or made available to new organizations/organizations that have seen an increase of tenants with higher needs. As the Government of Manitoba undertakes significant changes to the provision of mental health and addictions services, and services to seniors and families, it is important to consider housing as a social determinant of health and that provide preventative services where the highest need Manitobans currently live.

Budget recommendation: Operating budgets should be allowed to include consistent funding for sufficient staffing to offer tenant support and connection to resources as needed; alternatively, shared tenant resource models, funded by Manitoba Housing, could also be established.

- 5. Continue to partner with the non-profit housing sector on community delivery of social housing.** While the 2020 budget stated that “housing will work with the non-profit and municipal sectors to ensure they have the capacity to take on a growing housing portfolio, and ensure that vulnerable people are not put at risk” the resources attached to undertaking such a major transformation have yet to be confirmed. While social housing, and the funding needed to create and maintain it is a responsibility of governments, the non-profit sector is committed to doubling capacity so it can own, operate, and maintain this housing so that it is affordable, forever. The non-profit housing sector is resilient and resourceful at providing stable, high-quality, affordable homes for Manitobans in need. The sector brings equity, expertise, and networks that add value to the public investments. This transformation is an opportunity for the government to demonstrate a forward-looking approach to housing that preserves the decades of public investments in the assets.

Budget recommendation: MNPFA has developed a three-pronged strategy for the transformation of social housing: transferring Manitoba Housing Assets into regional Community Housing Corporations; professionalizing the community housing sector through a transformation team so community housing operators can manage day-to-day operations; and developing sector-wide services to take advantage of economies of scale across the province. MNPFA is seeking initial support from government to develop a process to implement this strategy.