



SECTOR TRANSFORMATION: BACKGROUND RESEARCH AND INFORMATION



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PREPARED BY TOM CARTER

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Sector Transformation: Background Research and Information

1.0 Introduction

Manitoba Housing is planning to move from a direct service provider to a funder and regulator of housing over the next four to five years. The Manitoba Non-Profit Housing Association (MNPHA) is committed to acquiring some, or all, of the public housing assets of the Corporation for the non-profit sector to manage or own. Accepting management and/or ownership of this social housing portfolio is a very significant undertaking and adds additional building, tenant, financial, marketing and other management responsibilities to the current duties of non-profit sector in the Province.

Non-profits will increasingly find they must pay greater attention to building, tenant, financial and agreement details in order to ensure an adequate transfer of knowledge during the portfolio handover. The handover will be complex for all parties, and problems are likely to arise if non-profits are not adequately prepared.

This document outlines much of the information that may be necessary to help ensure a smooth transfer of responsibility. This information was compiled during interviews and consultations with members of Non-Profit organizations in the Province and in other Provinces, some have already accepted management responsibility of public housing. Interviews were also conducted with some municipal officials and other individuals with a related housing background. A review of documentation from various non-profits and government and private sector housing organizations was also part of the work. In addition, a data base highlighting many of the characteristics of the public and non-profit portfolios was developed.

Although there was not always consensus from those who participated in the interviews, nearly all participants felt the more information available the better. This document provides a considerable amount of information and background discussion that will prove useful as the process of sector transformation unfolds.

The document is divided into three sections:

Section A

- Provides suggestions on what information is required on buildings and tenants to ensure a smooth handover. It identifies both the data needed and the data that is readily available (provided by the government in previous RFP processes to transfer management);
- It identifies the characteristics important in assessing non-profit capacity – a list of indicators to measure capacity;
- It indicates what financial information would be useful to obtain prior to and during the transfer of public housing units; and,
- Highlights some basic community information that will be useful.

Section B

- Discusses a possible handover or transformation unit MNPHA might consider to streamline the transfer process, ensuring minimal confusion and a more complete response to the anticipated RFPs as well as a more satisfactory transfer of units to smaller non-profits;
- Discusses the formation of larger regional non-profits, particularly in rural areas where public housing projects are smaller and local non-profits may not have the interest or capacity to take on additional portfolio responsibilities;

- Presents background information on the experience of similar transfers in other jurisdictions and countries; and,
- Includes a section summarizing general comments on the transfer process received during the interviews.

Section C

- Provides background information on the data base that links public and non-profit projects by community and includes data on project size, building type, client type, centre population, provincial health care district and other relevant information.

The information in this document should inform the development of transformation strategies and help streamline the handover process.

SECTION A

2.0 What do Non-Profits Need to Know About the Building?

There was a wide range of opinions on what people felt they would like to know about the building prior to undertaking a commitment to manage the property. A few felt little information was required and they would just deal with the circumstances once they had management responsibility. Others felt a much more comprehensive knowledge of the building was necessary. There was general agreement, however, that if properties were purchased as opposed to just a take-over of property management responsibilities much more detail would be required. Some suggested a complete history of the building should be collected if purchase was the option chosen.

The documentation below leans toward the comprehensive side of opinion. A considerable amount of information is considered essential. Manitoba Housing provides some project details when they release an RFP and this information is noted in red in the profile sheets. However, the information provided with the RFP is very general and provides no indication of the condition of the building, recent inspections, or repairs and the level of debt. Manitoba Housing then provides much more information to the successful bidder on the RFP during negotiations associated with the handover of the units.

There will be data challenges. Much of the data is not readily available and will require detailed work on the files as well as building inspections. These activities will require time and budget funding.

PORTFOLIO PROFILE: PROJECT/BUILDING DETAILS

LOCATION AND NUMBER OF UNITS

1. Address _____
2. Are there multiple locations? If so
list _____

3. # of Units _____
4. Zoning Classification of Property _____
5. Adjoining land uses: _____
6. Community Characteristics. Are there parks/play areas nearby _____ Is there bus service near the project? _____ Is there shopping services close to the project? _____

BUILDING AND BEDROOM TYPE

1.Type of building:

- single detached _____
- Semi/duplex _____
- townhouse/rowhouse _____
- motel type _____
- low rise apartment _____ # of storeys _____
- high rise apartment _____ # of storeys _____

2. Number of units by bedroom type:

___ bachelor, ___ one bedroom ___ two bedrooms ___ three bedrooms
___ four bedrooms ___ five plus bedrooms ___ studio

3. Are there any vacant units? If so list number and type.

STRUCTURAL ASPECTS OF THE BUILDING

- 1. Age of Building _____
- 2. Type of roof and roofing material _____ when last replaced _____
- 3. Windows: double pane _____ triple pane _____ when last replaced _____
- 4. Nature of Exterior Cladding: brick___ stucco___ wood___ masonry veneer___
- 5. Plumbing: copper piping yes___ no___ date of last major upgrade _____
- 6. Wiring, electrical: Copper wiring yes___ no___ Aluminium wiring yes___ no___
- 7. Individual units have electrical panels yes___ no___
- 8. Type of insulation _____
- 9. R value of insulation _____
- 10. Do units in non-apartment buildings have: basements___ crawl space___ neither___

SECURITY FEATURES

- 1. Are security cameras installed: yes___ no___ at what locations___
- 2. Nature of access to the building if apartments: key card___ password___ etc.
- 3. No of exits and locations _____
- 4. Does the building contain a fire alarm system yes___ no___
- 5. Do individual units contain smoke detectors yes___ no___
- 6. Do individual units contain carbon monoxide detectors yes___ no___

BUILDING SYSTEMS/FACILITIES

- 1. Type of Heating System: gas___ oil___ electricity___ hot water___
- 2. Do individual units have metres? Yes___ No___
- 3. How many elevators in the building _____. Do they service all floors _____?
- 4. Laundry facilities: In suite _____ Common laundry facilities _____ how many _____
- 5. Air conditioning: yes___ no___ type of system___

BUILDING SERVICES AND AMENITIES

- 1. Is the building wheel-chair accessible? _____ yes _____ No
- 2. Parking: no of surface spaces_____ underground spaces_____ plug in available _____ spaces for visitors _____
- 3. Is there commercial space: yes_____ no_____
- 4. If there is commercial space/leases indicate for what type of activity (ies) occupy the space (list)

- 5. Do the residential leases include: fridge ___ stove ___ heat ___ hydro ___ water ___ sewer ___ parking ___ cable ___ telephone _____
- 6. Does the project have balconies: yes_____ no_____
- 7. Is there a resident caretaker _____ Contract caretaker _____
- 8. Is there a common area or community space _____
- 9. What does the common area/community space contain: TV with cable _____ Room with computers _____ Pool table _____ Vending machines _____ Public washroom _____ Bingo machine _____ Exercise machines _____ Shuffle Board _____
- 10. Is there a common green space for the project _____

BUILDING CONDITION, CAPITAL REPAIRS AND REPLACEMENTS

- 1. Have building and unit inspections been completed? Yes_____ No_____
- 2. Date of last inspection _____
- 3. Is a copy of last Inspection Report available: yes _____ no _____
- 4. Unit repairs required _____
- 5. Recent unit repairs completed _____
- 6. Have there been recent improvements to the interior or exterior of the building? Yes____ No____
- 7. If there have been recent improvements list the type of improvements that have occurred.

- 8. Have there been any major capital projects in the last 5-10 years. Yes_____ No_____
- 9. If so what type of capital repairs have been undertaken. List below with amount spent on each capital expenditure: _____

- 10. What is the general condition of the units?

11. What are some of the general maintenance issues that will have to be address when responsibility for the units is transferred?

12. Is there any work currently in progress or that would have to be undertaken immediately? In progress_____

Needs to be done immediately

All of the above are standard items of information that organizations would want to know and have in their files if they were purchasing or taking over management of buildings. The list is probably not complete.

It should be noted that RFPs from government, to date, have been for management transfers only, and roles and responsibilities for capital planning and repairs depends on the option non-profits choose in the sector transformation process. If non-profits take over management responsibilities only, then Manitoba Housing retains ultimate responsibility for capital planning and repairs. However, if non-profits move to take ownership of units then responsibilities for capital planning and repairs will rest with the non-profit going forward. Under this last option non-profits might want considerably more information – more of a complete building history approach.

CMHC provides a very comprehensive **Capital Replacement Planning Manual** that provides housing organizations with effective tools (including on-line workbooks and spreadsheets) for planning for capital replacements in their housing portfolio.

It can be found on-line at

https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pdfs/content/en/63171_en_w_acc.pdf

3.0 What do I Need to Know About the Tenants?

PORTFOLIO PROFILE: TENANT CHARACTERISTICS

Non-profits will want some of the following basic tenant characteristics prior to accepting management responsibility of units.

TENANT CHARACTERISTICS

1. What type of tenants does the project/projects contain? Number of:
 - a. Seniors couples _____ singles _____
 - b. Family couples _____ one child _____ two children _____ three children _____ four or more children _____
 - c. Lone parents _____ one child _____ two children _____ three children _____ four or more children _____
 - d. Non-senior singles _____
 - e. Cognitively impaired _____
 - f. Physically impaired _____
 - g. Number in wheelchairs _____
 - h. Mixed _____
2. How many tenants are on?
 - a. EIA _____
 - b. Other forms of income or housing subsidies _____
3. Information on identified medical or other issues that put them at risk should be collected for each tenant? (what is allowed under privacy regulations)
4. Is emergency/family contact on file? Yes _____ No _____

ADMINISTRATIVE FEATURES

5. Is there an application form on file that provides basic demographic and socio-economic information such as age, income, family contacts, etc. Yes _____ No _____
6. Is this information in a data base management system? Yes _____ No _____
7. When was the last update of tenant incomes and what is the current income used to calculate rent/subsidy? Information should be available for each tenant.
8. What has been the length of occupancy for each tenant? Are there long-term tenants?
9. Is a rent roll available? Yes _____ No _____
10. How many people are currently on the waiting list? _____
11. How many evictions and terminations have been done in the last year?
12. Is there an active tenant's organization? Yes _____ No _____
13. Is smoking allowed in the suites? _____ yes _____ no
14. Are the tenants in the non-profits' current project(s) a good fit with the tenants in the project(s) to be taken over? If not, what are the major differences?

TENANT SERVICES

15. For each tenant receiving outside services the service and the organization providing the service should be identified.

- | | | |
|-----------------------------|---------|--------------------|
| a. Meals on wheels | # _____ | organization _____ |
| b. Home care | # _____ | organization _____ |
| c. Handi transit | # _____ | organization _____ |
| d. Bathing/personal hygiene | # _____ | organization _____ |
| e. Shopping trips | # _____ | organization _____ |
| f. Hair care | # _____ | organization _____ |
| g. Foot care | # _____ | organization _____ |
| h. Etc. | # _____ | organization _____ |

It should be noted that Manitoba Housing may not have information on services tenants receive or may not be able to disclose it because of privacy regulations. However, it may be available from various community wellness initiatives or other resident support services in the community. Generally, tenant resource co-ordinators work closely with these organizations.

The above information should be collected for the public housing projects that are part of the “transfer” to the non-profit sector.

When assessing non-profit capacity, much of the same information on tenant characteristics should also be collected for their existing portfolio. This would provide some good background on the organization’s capacity to handle the requirements of the new units they will have to manage. It would also provide information on how good a “fit” the new projects to be taken over will be with the non-profits existing tenant portfolio.

4.0 Does Our Non-profit have the Necessary Capacity to Manage Additional Units?

NON-PROFIT GOVERNANCE

Successful non-profits operate on the basis of a number of guiding principles and features of good governance. The material below highlights both important principals and features of good governance.

Guiding Principles: *(compiled from various sources including non-profit organizations in other provinces)*

- Our priority as a property management organization is to serve and take the best possible care of our tenants and provide the best possible care and maintenance of our housing properties.
- We are committed to ensuring a healthy work environment and supporting personal and professional development opportunities for staff.
- We promise to work collaboratively to support and strengthen the capacity of other organizations that serve our tenants and help maintain our properties.
- We are committed to respecting diversity in all its aspects – within our tenant population and within the community we serve. We focus our efforts on inclusive approaches, policies and management practices.
- We maintain a strong social conscience, building networks with different community resources and agencies to connect clients with community resources as the need arises.
- Accountability and financial responsibility are a priority for our organization.
- We ensure that our tenants are never marginalized or silent in the decision-making process.
- Opportunities are always provided to test and challenge ones own and others' views.
- Conflict is inevitable and will be used as a source of creativity.
- We strive to provide quality, well maintained, safe housing for today and tomorrow.

Good Governance Practices *(compiled from various sources including non-profit organizations in other provinces)*

Non-profit Board Governance is the combination of systems, guidelines, and processes used to make decisions, hold decision makers accountable and take actions. It is the process of making and implementing decisions. Governance for non-profits should have a dual focus: achieving the organization's social mission; and, ensuring the organization is viable. Public trust and accountability are essential in governance. Connections (networking governance) with community, tenants, governments, other non-profit organizations, service organizations and other organizations involved in housing and community services is also essential.

The environment today is more dynamic, fluid and complex than ever before. The new communications and social media environment have created a new governance environment. Boards are more open to scrutiny and criticism. A single organization can no longer appropriately match the scale and level of skills necessary to deal with today's substantive issues and problems. The capacity to network is key. Developing collaborations and partnerships is crucial.

Guidelines to help Boards achieve good governance are outlined below:

BOARD STRUCTURE

- Boards should be made up of different stakeholders in the community.
- Ensure that Board members reflect the diversity of the community.
- Ensure that the Board members have the range of skills and experience necessary to effectively run the organization and manage the portfolio of units. Such skills/professions might include a lawyer, engineer, someone working in the health care field, someone with property management experience, someone with financial experience, etc.
- Always plan ahead for Board succession.

BOARD PLANNING

- Develop a mission statement.
- Prepare a strategic plan.
- Prepare policy statements as part of the strategic plan.
- Policy and strategy making should be used to educate Board and staff members to further goals of the organization.
- Continually monitor and evaluate the organizations work and performance relative to the policies and objectives as outlined in the strategic plan.
- Regularly assess whether the work of the organization is still relevant in a changing world.

BOARD ADMINISTRATION

- Develop an effective senior management team.
- Opportunities should be provided for face-to-face contact and discussion between Board members and staff.
- There should always be a clear distinction between and separation between the duties and responsibilities of Board and staff. Boards are there to govern, staff are there to manage based on the policies and management directives of the Board.
- Ensure that appropriate organizational policies and structures are in place.
- Policies should be developed to control work and ensure staff and agents/contractors act in the best interest of the Board and the organization in general.
- The organization should ensure that the beliefs, principles and objectives of the organization are shared by staff and Board members.
- Maintain fiscal responsibility in raising and managing income and approving and monitoring budgets.
- Develop a comprehensive conflict of interest policy.
- Maintain detailed corporate minutes.
- Provide regular and comprehensive orientation, information and training workshops for staff, new hires, Board members and, where appropriate, tenants in the project.

BOARD NETWORKING

- Develop and maintain effective partnerships and communications with the community, service organizations that respond to tenant needs, organizational members within MNPHA and other important stakeholders.

- External stakeholders should be viewed as instrumental resources upon which the organization can draw to further the goals of the organization.
- Where possible and appropriate meet the needs of external stakeholders.
- Ensure transparency to members, funders, stakeholders, community and service organizations, staff, and the general public.

Good Governance Model



DETERMINING NON-PROFIT CAPACITY

There are many different indicators that should be collected when determining the capacity of a non-profit and its ability to take over responsibility for management of additional units. Many such indicators are listed below.

The Characteristics of the Current Portfolio

1. Number of projects in the current portfolio _____
2. Number of units in the current portfolio _____
3. Type of projects that are part of the portfolio:
 - a. Life-lease _____
 - b. Subsidized seniors _____
 - c. Subsidized families _____
 - d. Independent living _____
 - e. Special needs living _____
 - f. Co-operative housing _____
 - g. Affordable non-profit housing _____
 - h. Other _____
4. Do you have buildings near the location of buildings that will be taken over? Yes____ No ____
5. Does the project to be taken over align with current projects of the non-profit? If not explain

6. What type of structures do you currently manage? Provide # of units.
 - a. High rise _____
 - b. Low rise apartment _____
 - c. Townhouse _____
 - d. Motel type _____
 - e. Duplex/semi _____
 - f. Scattered single-detached _____
7. Does the non-profit provide programs other than housing (serving immigrant needs, youth services etc.) yes_____ no_____
8. If yes, list

Characteristics of the Board

1. How many years has the non-profit been in existence? _____
2. Does the non-profit have a Board of Directors? Yes ____ No ____
3. How many members on the Board? _____
4. Provide the names and titles of Board Members.

Name _____	Title _____
Name _____	Title _____
Name _____	Title _____
Name _____	Title _____

Name _____ Title _____

Name _____ Title _____

5. What sectors/organizations in the community do they represent (if any)?

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

6. What particular skills do Board members bring to the organization

- a. Lawyer _____
- b. Engineer _____
- c. Finance _____
- d. Health Care _____
- e. Construction _____
- f. Administration _____
- g. Real Estate _____
- h. Computer, data base mgt _____
- i. Media _____
- j. Other (specify) _____

7. How often do the Board of Directors meet. _____

8. Where do the Board members come from? This community (#)_____, Other communities (list)

9. Are there tenants on the Board of Directors Yes _____ No _____ Provide if available.

10. Does the Board belong to any organization? Kinsman? Legion? Elks? Etc.

11. Is the Board more governance or management style? Explain.

12. Do you publish an annual report? Yes _____ No _____

13. Can you provide a copy of the organization's By-laws? Yes _____ No _____

14. Does the Board have a Strategic Plan? Yes _____ No _____

Characteristics of the Tenants

1. Type of clients by number of units:

- a. Families _____
- b. Seniors _____
- c. Singles (non-senior) _____
- d. Physically/cognitively challenged _____
- e. Other special needs _____
- f. Mixed _____

2. Is there a resident/tenant organization? Yes _____ No _____

3. How many households are on the waiting list _____

4. What is the approximate tenant turnover annually _____

5. Are there organized tenant entertainment/recreational events? (list)

- a. _____
- b. _____
- c. _____
- d. _____
- e. _____

6. Are there any tenant issues likely to arise as a result of the takeover? List

7. What services (from outside organizations) are tenants currently receiving?

- a. Meals on Wheels _____
- b. Handi-transit _____
- c. Foot-care _____
- d. Wellness checks _____
- e. Hair/nails care etc. _____
- f. Home care _____
- g. Grocery shuttle _____
- h. Other (list) _____

Characteristics of the Staff

1. List current members of your staff and their current positions:

- a. Administrative _____
- b. Property management _____
- c. Repair/maintenance _____
- d. Caretakers _____
- e. Financial _____
- f. Service procurement _____
- g. Tenant relations/liaison _____
- h. Tenant support worker _____
- i. Secretarial _____
- j. Tenant resource co-ordinator _____
- k. Data base management _____
- l. Other _____

2. List years of experience with the non-profit for each staff member listed above.

3. How many staff are full time _____ Part time _____

4. Does the caretaker(s) live on-site? Yes _____ No _____

5. Do you have a corporate secretary? Yes _____ No _____

6. What is the annual staff turnover rate? _____

7. What is your organization's annual payroll? _____

8. What is the organization's annual budget? _____

9. In the last financial year how much rental revenue did you collect _____

10. Will the employees of the project to be taken over be retained? If yes, which ones _____
If no, which ones _____

11. Does your organization have volunteers that are not Board Members. If so describe number and activities _____

Administrative Characteristics and Functions

1. Activity reports produced:
 - a. Arrears monthly quarterly annual
 - b. Vacancies monthly quarterly annual
 - c. Marketing monthly quarterly annual
 - d. Housing registry/waiting list monthly quarterly annual
 - e. Maintenance monthly quarterly annual
 - f. Financial monthly quarterly annual
 - g. Other monthly quarterly annual
2. Office Management Characteristics
 - a. Is the office system fully automated (YARDI, etc.) yes No
 - b. Are staff computer literate? yes No
 - c. Is there a computerized office system yes No
3. Are seasonal maintenance inspections (spring and fall) carried out? Yes No
4. Does the organization have a website? Yes No
5. Tenant landlord relationships:
 - a. Do you have a "Policy, Rules and Regulations" attached to tenancy agreements?
Yes No
 - b. A statement of tenant responsibilities Yes No
 - c. A statement of landlord responsibilities Yes No
 - d. A statement of emergency procedures Yes No
 - e. Frequently asked questions Yes No
 - f. Application instructions Yes No
 - g. Approval process Yes No
 - h. Renewal requirements Yes No
 - i. How rent is determined Yes No
6. Do you administer tenant trust and banking accounts and on-line banking? Yes No
7. Are tenant satisfaction cards completed after response to a tenant complaint? Yes No
8. Are tenant entrance and exit interviews conducted? Yes No
9. Does the organization take responsibility for organizing outside services tenants might require?
Yes No
10. Does the organization have a capital replacement plan? Yes No
11. Does the organization have a capital reserve fund? Yes No
12. Has the organization managed a capital repair or major renewal project in recent years?
Yes No

Future Plans and Challenges

1. Does the organization have any plans to invest in new projects? If so, describe the planned initiative.

2. What challenges do you anticipate your organization will face in the future?

Community Characteristics

Although community characteristics are not indicators that measure a non-profit's capacity, they are important in determining the viability of projects currently in the community or projects that might be part of future expansion plans. A few characteristics key to project success are noted below. Collection of community characteristics would likely only be necessary for smaller centres.

If the demand for housing in a community is in question, then a more comprehensive need and demand study should be undertaken.

1. What is the population of the community? _____
2. What has been the population change over the past five years? Number _____ Percent Change _____
3. What is the senior population in the community? Number _____ Percent _____
4. How has the senior population changed over the last five years? Number _____ Percent _____
5. Does the Community have:
 - a. A hospital _____
 - b. A medical clinic _____
 - c. Retail Services (list) _____
 - d. Recreational services (list) _____
 - e. Meals on wheels _____
 - f. Handi-transit _____
 - g. Home Care _____
 - h. Schools (list) _____
 - i. List other relevant services _____
6. Does the community share services with nearby communities? Explain

7. Are there any community issues likely to arise as a result of the takeover? List

8. How many non-profit and public housing projects are there in the community? List.

9. How many private rental projects are there in the community? List.

5.0 Financial Considerations on Handover

PORTFOLIO PROFILE: FINANCIAL CONSIDERATIONS

When taking over management of public housing units from the Government of Manitoba there are a number of key questions and types of financial information the non-profit sector should pursue. The following outlines some of these basic questions:

1. What is the current rental revenue of the project? Monthly _____ Annual _____
2. What is the current annual subsidy flow? _____
3. Is this subsidy flow a fixed figure or does it vary to cover the difference between costs and revenues? _____
4. If subsidy amounts are fixed how are shortfalls handled?

5. What is the length of the current subsidy agreement? _____
6. What responsibilities will the non-profit have with respect to funding or will the Province remain the funder of subsidies required? Cost of all major repairs and upgrading? Services tenants may require? etc.

7. Will the project require a mixed income approach to meet costs because of subsidy limitations?

8. Will non-profits be allowed to blend their entire portfolio to meet costs or share costs between social housing and non-profit affordable housing? _____
9. Are units RGI? All _____ Some (what proportion) _____
10. If units are not RGI, how are rents set? Low end of market _____ To meet project costs _____
11. Will any major repairs required be complete before hand over? _____
12. What is the estimated repair cost per unit? _____
13. How will the cost of on-going major repairs be handled? Annual budget to the Province?

14. How will the cost of emergency repairs be handled?

15. Are buildings insured? What company _____ Self-insured _____
16. What will be the nature of financial reporting? _____ How often? _____
17. Will the current staff be able to handle the additional financial processing of invoices, etc.
Yes ___ No ___
18. Does the project have the financial means to cover additional capital costs?
Yes _____ No _____
19. What is the level of project debt?
 - Mortgage debt _____
 - Capital expenditures debt _____ (should include past capital expenditures still registered as debt plus expenditure for necessary upgrades on handover)
 - Assessed/appraised value _____ (Date of this assessment/appraisal)
 - Project Equity _____ (Assessed/appraised value minus mortgage and capital debt)
20. What is the market value of the project? _____

21. What are the projected labour costs associated with the operating of the project?

22. Is a copy of the last project financial report available? _____

23. What were the property taxes for last tax year _____ taxes in lieu _____

This data would be required for each project prior to or on the handover date. However, if the negotiations include a number of projects that will be managed by a particular non-profit then the figures (debt, equity, cost of repairs, etc.) should be determined for the total number of projects/units in the transfer package as this could significantly affect the equity/debt position of the non-profit. It would also be useful to include the same information on the current portfolio of the non-profit to arrive at total equity, debt, etc.

SECTION B

6.0 The Handover Team

The information obtained during the interviews, and from a review of a considerable amount of documentation, suggests that MNPHA would be best served by forming a separate unit (**a Sector Transformation Unit**) to manage the transfer of social housing units. Experience from a number of other jurisdictions also supports such an approach.

This unit would prepare the initial bid for some or all of the projects in the RFP, then work with local or regional non-profit organizations to transfer responsibility to these organizations over a period of time, which could vary depending on the capacity of these local or regional non-profits.

Without such a unit some people (and experience elsewhere) felt that some of the units would be lost to private sector property management agencies or there would be no interested bidders at all. There is the strong possibility that non-profits in the communities or regions where RFP units are located would not be interested in bidding on the RFP or would not even have the capacity to develop a bid.

This Sector Transformation Unit would work under the general direction of the MNPHA Board of Directors and could include members of the Board as well as the Executive Director of MNPHA. However, it would also have to include staff with expertise in training and capacity development for non-profits, policy development and research, information technology and data base development, finance, and procurement and preparation of proposals. Government liaison as well as liaison with communities, non-profit groups, municipalities, in some areas Indigenous Organizations, possible funders and other interested stakeholders would be an important function of this unit (see diagram following).

Such a unit might have to be in place for a considerable length of time – until responsibility for all social housing units has been transferred and local or regional non-profits have the capacity to manage without the support of this Sector Transformation Unit.

An analysis of the characteristics of the portfolio also supports the formation of such a unit. There are several communities that contain public housing units but no non-profit units or non-profit organizations to consider acquiring or managing assets. As noted above not all non-profits, even where there are organizations, are interested in taking on responsibility for additional units. A Sector Transformation Unit would be able to take on the responsibility for responding to bids/preparing proposals in these situations. In the areas outside major centres projects are small and in widely scattered centres often kilometres apart. With the possible lack of interest and often lack of capacity of small non-profits in such areas the Sector Transformation Unit could take on the responsibility for developing larger regional non-profits (discussed in more detail later) and preparing bids with the assistance of these larger regional non-profit organizations. It is possible that without such a Unit a number of opportunities to take over responsibility for public housing units will be lost.

Although the discussion in the above paragraph refers more specifically to situations in small centres in rural and possibly northern and remote communities, the need for such a Unit extends to even larger communities with larger public housing projects and perhaps more than one non-profit organization. Non-profits, even in these larger communities, will not always be interested or not have the capacity to respond. It has to be acknowledged that people who work on behalf of smaller non-profits are mainly volunteers, many have other full-time jobs so have little time to spare for detailed work on responding to RFPs and dealing with expanded portfolios. Many are also retired and have little interest in taking on additional responsibility. Help from a Sector Transformation Unit will certainly be necessary in many areas and situations.

Such a Unit would be able to collect and compile the necessary information and be in a better position to anticipate problems and difficulties. They could also act as a central contact for applications during the initial phases of the handover and be in a better position to apply consistent policies and procedures across the Province. However, there was also some concern that such a unit might unnecessarily slow the process.

Such a unit would cost money and this money would have to come from somewhere – governments, credit unions, CMHC co-investment fund, other initiatives under the National Housing Strategy, organizations like the Winnipeg Foundation, regional development money from the Provincial Government, Association of Manitoba Municipalities, borrowing it from banks or credit unions and consider it an investment in the long-term protection of the social housing portfolio then charging a small fee on rents to repay the loan, etc.

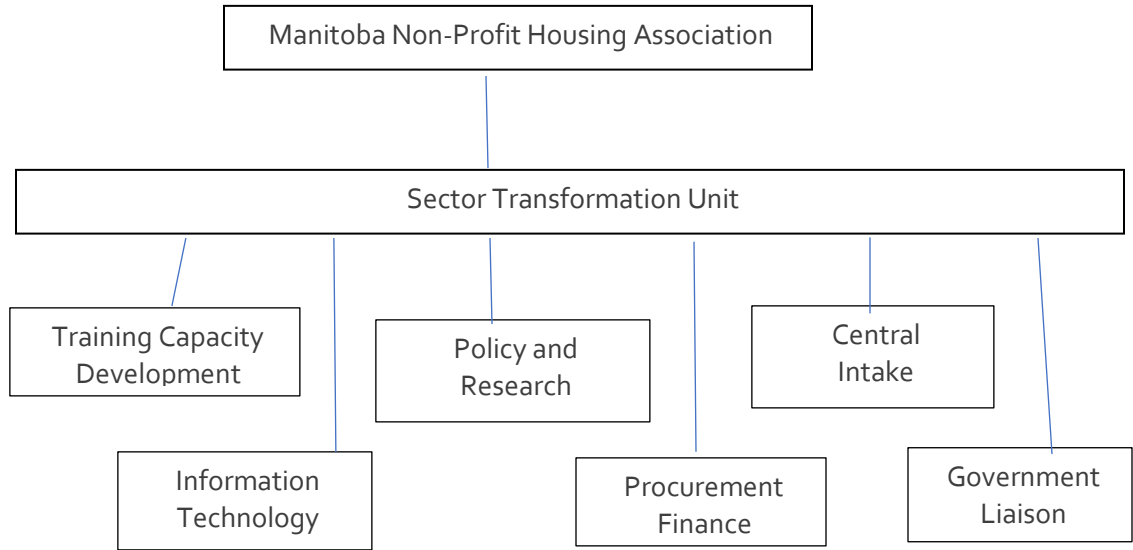
Although setting up such a unit would come at considerable cost it might be the best way to ensure that the bulk of the social housing portfolio remains in non-profit hands and remains affordable in the future. Many non-profits outside the City of Winnipeg may not have the capacity or even the interest in participating in the RFPs that are released over the coming months. This could result in a number of projects being lost to the non-profit sector and to the affordable housing portfolio in general.

Governments in other jurisdictions have provided various types of assistance during similar transformation processes. The types of assistance have included:

- Ensuring public housing units are in good condition, often at considerable expense;
- The introduction of initiatives to provide training and build capacity of non-profit organizations who are assuming expanded portfolio responsibilities;
- Bringing the various relevant departments together to work with municipalities to enhance and strengthen the housing transformation process;
- Undertaking need and demand studies in areas where there are chronic vacancies or limited demand to explore other housing options or portfolio reductions;
- Providing short term funding to provincial or state non-profits to establish new local or regional non-profits or to fund various necessary activities during the transformation process;
- Providing detailed information on portfolio characteristics – buildings, tenants, financial details, recent capital expenditures and other necessary information;
- Continuing to fund social enterprise initiatives that help repair projects in the portfolio, work with tenants, etc. These organizations, as well as meeting various needs within the public housing portfolio use these initiatives for employment training, job creation and other community building initiatives; and,
- Generally, work to ensure a smooth transformation process and to protect the long term affordability of the public housing stock.

More support for the development of a Sector Transformation Unit is contained in the discussion in the following sections.

Transformation Structure



7.0 Government Transfer of Responsibilities for Social Housing – A Broader Perspective

Over the past couple of decades governments in many countries and some provinces in Canada have transferred responsibility for public housing to other agencies – generally community-based non-profits, although in some cases private property managers. These transfers generally involved responsibility for management of the units, although in some cases properties were sold to the organizations.

Several concerns have been raised about this process and the majority of these are documented below. **Although there are a significant number of concerns, most of them justified to some extent, it must be acknowledged that not all the transfers led to negative consequences for tenants of the housing or the general value and utility of the social housing stock. In most situations the role public housing has played has been protected.**

Transfer Concerns

1. One of the greatest concerns is the **loss of public housing stock**. Loss is most significant when social housing projects are sold to the private housing sector and disappear from the social housing portfolio entirely. At last count somewhere in the order of 900 units of social housing have been sold to the private sector in Manitoba. This reduces the housing available for the growing number of people in need. It should be acknowledged that some of these units were vacant at the time of sale because of their poor condition but the government made the decision to sell them as opposed to repairing and renovating them.
2. As the stock of social housing declines, the remaining portfolio becomes a social safety net for the most marginalized in society, often with an increasingly number of very low-income people. The portfolio becomes housing of last resort before some end up on the street or in homeless shelters.
3. Turnover in the social housing that remains also declines as the lower income tenants have fewer opportunities to move up the housing continuum. The social housing tenant population becomes increasingly confined to those unable to compete effectively for affordable housing (usually in the non-profit sector) or adequate and suitable private sector housing.
4. This can change the nature of public housing to a tenant base that requires a higher level of social supports. Although the portfolio certainly continues to serve a need, many of the tenants need much more than a stable, affordable housing option. Without adequate supply or, if the supply is focused on supporting only those in very high need, the role of public housing as an affordable stable housing option in which tenants can work to improve their economic circumstances and move up the housing continuum is diminished.
5. When management of the social housing stock is turned over to the private sector for management often it does not work well for the tenants. Some private sector housing agencies are often not as well connected to social service agencies as non-profit or public housing providers, and tenant needs are not always addressed. They may have the housing expertise but lack experience in addressing the needs of tenants that require a range of services beyond housing. Particularly as some of the tenants – families, seniors or those with physical and mental health challenges need a range of services.
6. Many non-profits who do take over public housing units struggle to maintain the current level of subsidies in the projects and meet operating and capital cost requirements. This can lead to what

many refer to as **income creep**. Often when organizations like non-profits take over management from governments the agreements associated with the take over do not guarantee sufficient subsidy dollars to meet costs and still maintain RGI rents. To meet costs, organizations accept higher income tenants from the waiting list so rent dollars are higher even when applying the RGI approach. The lower income tenants are left on the waiting list, some without access to housing they can afford end up homeless on the street. The average income of tenants in the project or portfolio rises and accommodation of lower income tenants, which should be a priority is neglected.

7. Some non-profits have also been forced to forgo RGI rents entirely in some units and rent to higher income tenants charging low end of market rents. They simply need the revenue from higher rents to meet operating costs. When RGI rents are ignored in favour of higher income tenants and higher rents the approach is often referred to as the **Robin Hood Concept**. Take from the rich so you can continue to accommodate some of the poorer tenants on the waiting list.
8. The problem of income creep and the Robin Hood approach speaks to the issue of the substance of agreements when units are turned over to non-profits for management. Unless the agreements protect increasing subsidy requirements that address the difference between costs and rental revenue then organizations are forced to select tenants that have higher incomes and yield higher rents. This has been a problem that has occurred in many jurisdictions. Subsidy guarantees in agreements that protect and support RGI rents are crucial to any successful turnover of social housing units.
9. The issue of **lack of capacity** has also been raised as a problem. This is generally associated with smaller non-profits, often in smaller centres. Some, although not all, smaller non-profits **lack staff with expertise in building management and maintenance, tenant service needs and long- term planning and financial management**. Often in smaller communities the number of units is too small to financially support the property management and tenant services required.
Size matters.
10. Lack of capacity is not a characteristics of all small non-profits but what seems to be the situation in many jurisdictions is that many small non-profits have considerable capacity in building and tenant management but lack capacity in broader issues of governance, particularly forward planning and policy development. Forward planning and policy development are crucial capacity characteristics when portfolio increases are likely as they would be if these smaller non-profits were chosen to manage or acquire Manitoba Housing assets.
11. This lack of capacity becomes particularly obvious when tenants with different characteristics become part of the organization's new portfolio – the addition of senior's units to a portfolio that has been entirely families, for example. Unfamiliarity with seniors' services needs and lack of connections with organizations who provide the needed services can create a difficult transfer experience with tenants often being inadequately served.
12. In many jurisdictions it seems that most non-profits have been managing tenants with higher incomes (families and seniors), fewer service needs, and fewer mental, physical, and social challenges than may be the case with tenants of public housing projects. Managing tenants with greater needs requires new types of expertise and sometimes non-profits, particularly smaller non-profits just lack the capacity.
13. National, state, or provincial non-profit organizations find they must be prepared to work with the smaller local non-profits to build capacity and provide leadership until such time as local organizations have the skills to manage on their own. Provision of leadership and expertise in areas such as financial management, tenant needs and services, building maintenance and capital repairs, relationships with community organizations, building management and governance (planning, policy development and on-going evaluation) are particularly important.

14. The problem of capacity is often addressed if there are strong national or provincial organizations who are prepared to take the lead when transfer of government social housing stock takes place. Some provincial, state, and national organizations have taken the initial responsibility in unit transfers working with smaller local and regional non-profits until they have the capacity to manage on their own. These last two points are particularly important in the support for the development of a Sector Transformation Unit.
15. Geography can, and does, play a role in capacity issues. In countries where there are many small communities that are widely scattered such as in Australia, the Prairies, Maritimes and the North in Canada and the more remote parts of the Scandinavian countries and the United States there are many small centres. They can contain very small numbers of public and/or non-profit units. Generally, not enough to meet a threshold required to provide the level of revenue, services, and portfolio management that is required. Non-profit organizations in these small communities are not always very viable. In addition, there are not always people with the skills and expertise in these small communities or the services that are required to provide the management and service skills needed.
16. In some areas the development of regional non-profit structures has addressed the problem of small organizations in small scattered communities. Pooling resources and skills from a number of communities and amalgamating smaller community-based non-profits into a larger non-profit that serves a region helps provide the expertise, the resources and more viable portfolio numbers.
17. Again, the discussion in the last couple of points supports the development of a Sector Transformation Unit and work to develop larger regional non-profits.
18. There is a great deal of discussion on what is an optimum size (unit numbers) for a non-profit provider. Much of the literature suggests a portfolio of between 1000 and 1500 units. To reach a portfolio of this size in Manitoba would require regional non-profits that cover large geographic areas – The Interlake, The Southwest, Parklands, South Central, South West, etc. However, regional non-profits on this sort of Geographic level may also make a lot of sense from a capacity perspective.
19. However, the literature does go on to say that optimum size depends a great deal on agreements reached with governments, particularly as it relates to on-going subsidy allocations. Non-profits with as few as 125 units operate successfully from a financial perspective if subsidies to protect RGI rents are guaranteed for many years. However, there is more to successful operation of a portfolio than meeting the bottom line – meeting tenant needs, planning for growth, etc. It seems there is considerable consensus that organizations operating with less than 100 units face significant challenges from a fiscal survival, meeting tenant needs and viability perspectives.
20. Experience elsewhere suggests there are a number of advantages to merging small local non-profits into larger regional units. The benefits include:
 - Increased organizational capacity and ability to be strategic and innovative;
 - Specialized staff better able to provide a range of services, address tenant and building needs;
 - Better able to retain well qualified staff (full-time, higher salaries);
 - Makes borrowing more attractive to lenders if the organization wants to expand its portfolio;
 - Improves economies of scale in purchasing and procurement;
 - Permits cross-subsidization within the portfolio;
 - Improved cash flow and generation of more revenue; and,
 - Ability to make a wider social impact.
21. It was also noted that there are some downsides to mergers:

- There are upfront financial costs, paying for studies, lawyers, hiring experts, adjusting salaries for existing staff, etc.
 - Adjusting to change, growth, new staff, community opinions, etc.; and,
 - Public perceptions, community reaction or reluctance to co-operate, general concerns about getting bigger, losing community connectiveness.
22. A common concern expressed by many non-profits and some private sector agencies who have taken over management or ownership of social housing units is the poor condition of the stock. Relatively few public housing units have been built in the last two to three decades and repairs and upgrading of the existing portfolio has been neglected in many jurisdictions (European countries often being the exception). The condition of the stock in many places has been described as “pathetic”. Much of the stock in Manitoba does not escape this characterization. Unless hand-over or sales agreements provide funds for significant capital repairs, agencies taking over the units struggle to maintain subsidy levels and meet the cost of significant upgrades. Upgrades are often necessary to protect tenant health and safety.
 23. Vacancies in smaller communities both nationally and internationally is also noted as a problem. Shifting demographics, the decline of smaller communities as population shifts to larger urban centres and a general lack of adequate services and employment opportunities are major factors behind project vacancies. Many non-profits have struggled with this problem and re-purposing units for other clients than those the units were designed for is not always easy, sometimes impossible. Often there is no market to sell the units. Demolition is often the only option.
 24. Some of Canada’s and Manitoba’s public housing stock is located in neighbourhoods with serious social and economic problems. This is also the case in many other countries in the world. Often this location is by design as these areas are home to low-income households who need the housing. In some communities, neighbourhoods have changed over time and housing projects find themselves in very different environments than when they were constructed. Regardless, agencies managing housing in these locations find they regularly must deal with community issues. Not all non-profits have the experience or capacity to operate effectively in such environments. However, it is argued that this may also be the case with government housing management agencies. Location also impacts the ability to implement mixed income approaches if this were an objective of non-profit organizations.
 25. Governments have used the public housing portfolio as a vehicle for social procurement. Social procurement is using your assets (in this case the social housing portfolio) or services to create workforce development goals like job training and job creation. In Manitoba, for example, Manitoba Housing contracts with social agencies that provide job training and workplace learning to have these agencies repair and maintain social housing units. This work becomes a pathway into the regular workforce for those involved. Some social agencies locally, nationally and internationally have expressed the concern that if/when management or ownership of the social housing portfolio moves into the non-profit or private sector these opportunities will be lost. New management or ownership will simply contract with the private sector for such services. There are examples of this happening.

8.0 Moving Forward: Comments Regarding the Agreement/Transfer

1. The vast majority of people interviewed would prefer that if the non-profit sector takes on responsibility for parts or all of Manitoba Housing's public housing portfolio (the direct managed units) that the agreement be to manage as opposed to purchase of the units. Based on experience from other jurisdictions this also seems to be the best approach. Ownership may be an option down the road, but most would be uncomfortable with going the ownership route directly.
2. When the B.C. Government started shifting responsibility for public housing to the non-profit sector, the units were generally sold to the non-profits but the capital to purchase the units was generally provided by the government. The transfer process has slowed considerably in B.C. recently because outside of the major urban centres many of the non-profits have neither the interest or capacity to accept responsibility for an expanded portfolio, despite what is considered a strong agreement that protects the subsidy flow.
3. Although purchase could be an option in the future few felt comfortable with taking this step at this time. There was considerable concern that the organization(s) would be purchasing a portfolio that was generally in "pathetic" condition. There was also concern that there was not a lot of "leveraging" value, particularly in smaller centres but also in some of the projects in larger communities. Leveraging funds to expand the non-profit portfolio is a reason to purchase but if the value is not there, why bother?
4. Several people interviewed commented that not enough capital had been invested in portfolio repairs and upgrading in Manitoba and the condition of the portfolio continued to decline in many centres. Some projects, according to people were beyond saving and investing in upgrades would be a waste of time and money. The condition of the stock makes it imperative that in any transfer of responsibility to the non-profit sector be accompanied by an investment in capital upgrades and an agreement that ensures funds for future improvements from government be guaranteed. Such a commitment is particularly crucial if purchase of the units is the option chosen.
5. There was also general agreement that the take-over process should be gradual, a modest number of units at a time. The possible size of one anticipated RFP of 2,500 units was a concern for many. Too many units, too fast, which would outstrip the organizations capacity. There was preference for unit lots of a 100 or smaller. If the Province proceeds with RFPs containing a large number of units, it would make sense for MNPHA to develop the Sector Transformation Unit that has been proposed in this report.
6. There is a concern that large RFPs (2500 if that is the case) could result in considerable loss of public housing units, perhaps to private management firms, because many smaller non-profits may not bid on the units in their particular community. Most MNPHA non-profit members are currently not organized to handle an RFP of this size, too much background work would be necessary to respond to a bid of this size. Again, this concern seems to support the need for a Sector Transformation Unit and perhaps formation of regional non-profits.
7. There were some suggestions that MNPHA should negotiate directly with the government to take over the portfolio as opposed to having them put out RFPs. This seems like a worthwhile option to pursue. Some people felt that if the Province proceeds with RFPs they (the Government) will feel obligated to give some projects to the private sector if the private sector expresses an interest. The private sector is likely only going to be interested in larger projects in the major urban centres. MNPHA should make every effort to negotiate instead of bidding on RFPs.
8. There was a very significant degree of concern that there was a real capacity deficit in some non-profit organizations in many smaller communities, although this problem was not limited to

smaller organizations in smaller communities. However, in the smaller communities it is generally the case that people involved in the non-profit organizations are doing other jobs. Their work with the non-profit may be of a volunteer nature. They may be good at the actual property management but there are more aspects to governance than property management. Smaller non-profits, it was suggested, have less capacity when it comes to policy development and long-term planning, which are very necessary elements of governance if they are increasing the size of their portfolio.

9. There is also the concern that in the smaller non-profits there is little specialized staff expertise. People acting as tenant liaison people, providing caretaking services, and other activities to keep projects running may be volunteers with other jobs.
10. In the smaller communities where there are smaller projects, and smaller non-profit organizations people's strong preference would be for the formation of "regional" non-profit organizations. These regional organizations would manage a number of projects in several communities which would provide portfolios of sufficient size to achieve economies of scale, provide the ability to draw on a range of services in a number of communities (health services are regionally based and organized), provide a portfolio of sufficient size to support hiring staff with more specialized training and experience in property management and tenant services, and provide more potential to structure a Board of Directors with a range of experience and connections to service agencies important to good project management. The advantages of such mergers have been pointed out in other parts of this report.
11. A couple of people interviewed also suggested that regional non-profits might also be necessary in Winnipeg (based on certain areas of the City) if the larger non-profits in Winnipeg did not express any interest in adding to their current portfolios.
12. There are some strong organizations in rural areas, and they should be the focus of developing stronger regional non-profits.
13. Several people commented that it is always best to keep project management as close to the community as possible;
14. It was suggested by many that northern areas, and northern non-profits are really challenged. They tend to focus entirely on property management and neglect the other aspects of governance. They will need much more support in the transformation process.
15. Most people felt that MNPHA should act as an umbrella group or set up a unit that would work with non-profits during the transfer of units. This unit should:
 - Help set up regional non-profits;
 - Work to build capacity and provide training for these regional non-profits, and non-profits in general;
 - Act as a liaison between non-profit groups and government during and after the transfer process;
 - Provide IT support, help with data collection, undertake evaluation and policy development;
 - Provide property management training and support;
 - Ensure a general level of consistency in the application of policies and property/tenant management and support;
 - MNPHA or this unit should be the conduit in the transfer;
 - This unit would prepare the response or responses to the RFP(s);
 - It is important to get municipalities involved, perhaps not in a funding sense but to help set up and assist local and regional non-profits;
 - Help local and regional non-profits access trades;
 - Put out regional RFPs to help keep costs in line, larger contracts mean better rates;

- Work with Indigenous organizations in both large and small centres and particularly in northern and remote areas if RFPs include units in these areas; and,
- Generally, manage the transformation process.

It should be noted that this has been the general approach in other jurisdictions in Canada and beyond. Provincial or state organizations have provided leadership, guidance, training and policy development support to the member non-profits in the jurisdictions. Some people suggested that MNPFA should set up a separate unit that would initially take over responsibility for the units in successful RFPs or negotiations and gradually work with the local and/or regional non-profits to transfer management on a gradual basis as they develop the capacity to manage the units. This approach would take a significant number of staff and substantial amounts of money. It would also take considerable time. Five or more years would not be out of the question. Some felt that such a “unit” might have to be a permanent feature as guidance, capacity building, monitoring, research, and education, etc. would always have to be a strong and on-going role for the provincial organization.

16. There was consensus that structuring the terms of the agreement was an all-important exercise.

Key elements that should be in the agreement included:

- A guarantee that the subsidy flow would protect and maintain the RGI nature of rents and be sufficient to prevent “income creep”;
- That the condition of the stock be improved to an “acceptable standard” prior to hand-over or sufficient funding allowance (capital allocation) be part of the agreement to make the necessary capital repairs. There must be money provided for big ticket items that need repair;
- The agreement should be long-term – 20 to 25 years. Several people noted that if agreements were not long-term, five to ten years down the road projects might need considerable capital investment and if the agreements were no longer in place or did not guarantee funding for future capital repairs, non-profits would be “on the hook” for increased costs and have little choice but to raise rents;
- That the level of debt (mortgage and debt related to capital repairs) be clearly documented and subsidies sufficient to retire the debt and meet on-going operating costs without sacrificing the RGI nature of the rents or the condition of the units;
- If management fees are part of a transfer agreement it is important to ensure that there is an escalator clause for these fees as management costs are certain to rise;
- That the non-profits be allowed to leverage the projects to raise additional funds if they have the capacity to expand their portfolio; (*generally applies only if they own the project*). It was pointed out by some of the people interviewed that the value/equity in many of the projects will be very limited and these projects would not be a great asset when trying to borrow additional funds;
- That non-profits be allowed to run a surplus and capital replacement reserves (money set aside for large capital projects including the cost of major building components or money for future expansion of the portfolio);
- That full disclosure of project conditions, recent capital repairs, pest inspections and treatments, tenant characteristics, vacancies, turnover rates, waiting list information and other project and tenant characteristics be provided to the non-profit prior to handover. A more complete documentation of the information needed is provided in other components of the report;
- Some people felt a full history of the building (repairs, capital projects, changes etc.) should be provided;

- That all tenant files be turned over upon signing the agreement. It is important that non-profits know the characteristics of the tenants; and,
 - That agreements should contain an option to purchase.
17. Governments, using their housing portfolio, including the Manitoba Government, have supported various social enterprise organizations. Particularly important have been those social enterprise operations that provide skills training and job readiness building repair and maintenance. Concerns have been raised that funding for these enterprise organizations will end when non-profits take over management of government housing portfolios. This is not just a local concern but is an issue that has been raised in other provincial jurisdictions and beyond Canada where the same shift in responsibility for public housing has occurred or is occurring. Non-profits, it was suggested should continue to apply and promote economic development principles.
 18. There were several suggestions that there was a need for greater standardization, particularly in the smaller communities. Some non-profits tend to “go their own way” in smaller communities. This should not be the case when non-profits are managing public housing units. There should be a standardized application across all communities, a centralized data base, centralized contact system, centralized waiting list, etc. This would help ensure that policies are applied consistently across the Province. This, however, would require that an agreed upon set of outcomes be monitored and data collected on such aspects as evictions, tenant outcomes, maintenance standards, tenant selection criteria, and tenant prioritizations, etc.
 19. There were some suggestions that MNPHA would have to work closely with community groups, municipal governments and other community organizations as well as the local non-profits. Transfer of responsibility for units is not going to work well unless there is community buy-in. This is probably more important outside of Winnipeg. Projects become much more part of the community in smaller centres.
 20. Concern was also raised that MNPHA did not have a strong presence amongst many non-profits in the Province. A relatively small number of provincial non-profits are members of the organization. This limits the capacity of MNPHA to work closely with many provincial non-profits during the transformation process. It also makes capacity building within the sector more difficult. There were suggestions that the provincial organization should undertake a more significant campaign to build awareness of MNPHA and the benefits that it can provide to large and small non-profits.
 21. On many occasions during the interviews the poor condition of the public housing stock was raised. Comments of this nature came from not just members of the MNPHA Board but from municipal representatives, representatives of smaller non-profits in the Province, municipal administrators, and people with general housing backgrounds. Although it was acknowledged that many public housing projects were well maintained and managed, there was concern that in some centres there was a lack of adequate management, maintenance, and marketing of projects. Units were in poor condition, there were vacancies and little effort seemed to be made to fill vacant units and day-to-day management seemed slow to address problems in a timely manner. Rectifying these problems was considered as a major challenge if non-profits proceeded to take over parts of the public housing portfolio.

Although some concerns were raised about the transformation process many positive ideas were provided that if implemented should facilitate the shift of public housing units to the non-profit sector. Generally, the idea of non-profits taking on responsibility for managing parts of the public housing portfolio was viewed as a step in the right direction and the best way to protect the long-term sustainability of the portfolio.

SECTION C

9.0 Development of a Data Base

During the work on this project a data base has been developed that links the public housing portfolio and the non-profit portfolio by centre. Data elements for both public and non-profit projects are noted below.

For public housing:

- Project name
- Project address
- Building type
- Number of units
- Client type: senior, family, and single person (special needs)
- Management type: direct by Manitoba Housing or by a sponsor
- Centre

For non-profit housing:

- Project name
- Project address
- For some projects, the building type
- Client type: senior, family, single person (special needs)
- Number of units
- Management agency
- Contact name
- Phone number
- E-mail address

For all projects:

- The centre population is provided (based on 2016 census)
- The health care region in which the centre is located

Manipulation of this data base will provide a wealth of information including:

- The number of public and non-profit units in each centre;
- The client types these projects accommodate;
- The number of units in each portfolio by client type can be generated;
- The number of units by project size can be generated;
- The number of units in each centre in the province can be determined, how many are public, non-profit, for families, seniors, special needs etc.
- What percentage of each portfolio is in larger centres like Winnipeg, Brandon, Portage and other major centres?
- The portfolios can be broken out by centre size;
- Portfolio numbers by health care districts can be determined;
- The number of public housing units that are direct managed and sponsor managed is available;
- The public housing portfolio can be broken out by building type;
- The number of centres that have public housing projects, but no non-profit projects or organizations can be determined;

- The number of units managed by major management agencies and the centres they are in can be generated;
- The contact information for non-profit projects will be useful when preparing RFPs, perhaps developing regional non-profits, and working in general with non-profits throughout the Province;
- Groups of non-profits can be organized on a small region basis (smaller than health care districts) if such regional approaches are necessary and unit numbers, client types, etc. in these regions for both public and non-profit portfolios can be calculated; and,
- Additional data can be added to the data base as it becomes available or is needed.

The data base, particularly the non-profit component has been drawn from about five different sources. Not all these sources provide current information. **Although the accuracy of the data is reasonably good there will still be a need for additional checking, verification and particularly updating.** This is particularly the case with some of the contact information. **This is a data base under construction.**

This data base will be of considerable value as the process of transformation unfolds, particularly when it comes to working with non-profit groups in particular areas, developing regional approaches and structuring proposals. It will also help facilitate on-going communications with the non-profit sector in the Province and build a better understanding of its size and characteristics.

A few simple tables have been provided to illustrate how the data can be manipulated. The numbers in the tables should be considered as **preliminary.**

Table 1 provides a breakdown of the units in the nine most populous centres in Manitoba by management type – direct and sponsor. It illustrates that:

- 74% of public housing units are managed directly by Manitoba Housing, 26% are managed by non-profits or private sector organizations;
- 51% of the direct managed units are in Winnipeg and 75% of sponsor managed units;
- 57% of the entire public housing portfolio is in Winnipeg;
- Brandon contains 5.4% of direct managed and 3.8% of sponsor managed units and 5% of the entire portfolio; and,
- Overall, 66% of the total direct managed portfolio units and 85% of sponsor managed units are in the nine most populous centres.

Centre	Direct Managed		Sponsor Managed		Total	Population	
	#	%	#	%	#	%	#
Total	12,229	74.0	4,296	26.0	16,525	100	
Winnipeg	6,252	51.1	3,223	75.0	9,475	57.3	788,489
Brandon	663	5.4	162	3.8	825	5.0	58,003
Steinbach	47	0.4			47	0.2	15,829
Portage	304	2.5			304	1.8	13,304
Winkler			66	1.5	66	0.4	12,591
Selkirk	429	3.5	75	1.7	504	3.0	10,278
Morden	67	0.5	36	0.8	103	0.6	8,668
Dauphin	246	2.0			246	1.5	8,457
Thompson	65	0.5	76	1.8	141	0.8	13,678
Total	8,073	66.0	3,638	84.7	11,711	70.9	

Source: Manitoba Housing Portfolio Statistics:2020

Table 2 provides a distribution of public housing units by centre and client type and illustrates that:

- 28% of the units managed directly in Winnipeg are for seniors, 72% for family but for sponsored managed units 81% are for seniors and only 19% for families; and,
- Reviewing the statistics in the table clearly illustrates that the majority of units managed directly are for families, whereas the majority of units managed by sponsors are for seniors in the nine most populous centres.

Centre	Direct Managed Units			Sponsor Managed Units		
	Total	% Senior	% Family	Total	% Senior	% Family
Winnipeg	6,252	28	72	3,223	81	19
Brandon	663	34	66	162	100	0
Steinbach	47	0	100	0	0	0
Portage	304	48	52	0	0	0
Winkler		0	0	66	100	0
Selkirk	429	35	65	75	100	0
Morden	67	36	64	36	100	0
Dauphin	246	78	22	0	0	0
Thompson	65	0	100	76	100	0

Source: Manitoba Housing and Portfolio Statistics: 2020

Table 3 provides a distribution of non-profit units by the nine most populous centres. It illustrates that:

- Winnipeg contains 70% of all non-profit units based on these figures; and,
- The nine most populous centres contain 85% of all non-profit units – only 15% are in other centres, generally centres with less than 5,000 people.

Centre	# of Units	% of Units
Winnipeg	9,455	70.5
Brandon	844	6.3
Steinbach	189	1.4
Portage	267	2.0
Winkler	209	1.6
Selkirk	176	1.3
Morden	30	0.2
Dauphin	111	0.8
Thompson	41	0.2
Other Centres	2,076	15.5
Total	13,398	100.0

Source: Manitoba Housing Portfolio and Non-Profit Data Base

Table 4 provides a distribution of public and non-profit units by size of centres. It illustrates that:

- 68% of public housing units and 84% of non-profit units are in centres with 10,000 or more people;
- 5% of the public housing portfolio and just under 2% of the non-profit portfolio are in centres with 5,000 to 9,999 people;
- Almost 5% of both public and non-profit units are in centres with 2,500 to 4,999 people;
- A surprising 8% of the public housing units are in centres with 500 to 999 people;
- Almost 5% of public housing units are in centres with 200 or less people; and,
- The statistics illustrate that the non-profit portfolio is much more concentrated in larger centres than the public housing portfolio.

These few simple tables illustrated just a small number of the data items that can be extracted from the data base to characterize the public and non-profit portfolios.

Centre Size	Public Housing Units		Non-Profit Unit	
	#	%	#	%
10,000 plus	11,286	68.3	11,304	84.4
5,000-9,999	834	5.0	224	1.7
2,500-4,999	795	4.8	654	4.9
1,000-2,499	851	5.1	586	4.4
500-999	1,284	7.7	386	2.9
200-499	718	4.3	183	1.4
Under 200	757	4.6	61	0.5
Total	16,525	100.0	13,398	100.0

Source: Manitoba Housing Portfolio and Non-Profit Data Base

Appendix One: Sources of Interviews

Interviews for the projects came from the following sources:

- Eight members of the MNPHA Board;
- Two members of Manitoba Housing;
- Two members of the Ontario Non-Profit Housing Association;
- Two members of the B.C. Non-Profit Association;
- One member of the Alberta Non-Profit Association;
- An Ex CEO of the Saskatchewan Housing Corporation;
- A previous employee of Saskatchewan Housing, Manitoba Housing and B.C. Housing;
- Eight members of Non-Profits in Manitoba;
- Six Municipal representatives in Manitoba;
- Two housing consultants; and,
- One international housing academic.

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