



**Helping Build and Leverage Capacity for  
Community Delivery:  
Sector Transformation Strategy**

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# About the Manitoba Non-Profit Housing Association (MNPHA)



The Manitoba Non-Profit Housing Association (MNPHA) is a member-owned provincial association representing over 100 non-profit housing providers that collectively own and manage more than 24,000 affordable homes across 23 communities in Manitoba.

## Vision and Mission

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Our vision is that non-profit housing in Manitoba is secure, sustainable and affordable for all who need it.

Our mission is to support our members to build a thriving, sustainable non-profit housing sector in Manitoba.



## We support our members by:



Providing our members with valuable programs and services that support them to provide safe, secure and affordable housing across Manitoba



Developing the capacity of the non-profit housing sector through professional development opportunities, networking and knowledge exchange



Advocating on behalf of members with government, funders and other stakeholders on issues of importance to the sector



Building partnerships within the non-profit housing sector and with other sectors that support resilience, relevance and innovation

## Executive Summary

The Province of Manitoba has a total of 35,000 subsidized rental housing units in over 200 different communities. Manitoba Housing directly manages 12,229 units out of the stock of 16,525 that they own. The other subsidized units are managed by more than 300 community organizations (non-profits, cooperatives) as well as some private sector property managers.

In 2017 the independent auditing firm of KPMG was engaged to conduct a fiscal performance review of the Province of Manitoba. As part of the Phase 1 Scoping Engagement, KPMG noted escalating costs in Housing and the Employment, Income and Rental Assistance Programs and identified Social Housing as a medium-term transformational opportunity to help contain core government costs and bend the cost curve. The following Phase 2 Business Case - Social Housing includes specific recommendations for cost containment that the Government of Manitoba has been following in subsequent budgets and policies.



At the same time, the Government of Canada's National Housing Strategy, and following bi-lateral agreement with the Province of Manitoba, provided a commitment of cost - matched resources up to 2028. With existing funding agreements between Manitoba and non-profits ending, there is an opportunity to use these new resources to transform not only Manitoba Housing's portfolio but also the landscape of community-led non-profit housing.

Manitoba Housing has developed a three year action plan (2019/20-2021/22) which states its commitment to devolution of their assets by way of transferring management services or selling assets to housing providers where it makes financial sense to do so. It will focus on its role of funder and regulator of social housing, reducing reliance on government and government funding. This action plan addresses the need to modernize and bolster the community housing sector.

Evidence from the experiences of social housing devolution in other countries and provinces points to non-profit organizations being best-suited to manage and/or own these assets. Non-profit organizations have the track record, expertise, community partnerships, and the value-base to maintain the investment in assets while serving households in need. Through a diverse Sector Transformation Committee, interviews with stakeholders, and research on Manitoba and other jurisdictions, MNPHA developed a Sector Transformation Strategy (the Strategy). The Strategy provides a vision for sector transformation, criteria for success, and specifies the roles of non-profit housing providers, MNPHA, and Manitoba Housing. It closely aligns with Manitoba Housing's Three Year Action Plan, identifying broad timelines and potential next steps in devolution based on the existing capacity and developmental needs of the community housing sector to ensure a successful transformation.

Vision for the Strategy



**Non-profit led,  
government supported,  
client centred,  
community integrated,  
well managed  
and governed,  
consistent system of  
housing.**



## Manitoba Housing Three Year Action Plan

identifies that Manitoba Housing intends to help bolster the community housing sector by encouraging voluntary amalgamations that lead to stronger governance, the formation of rational portfolios (size and density), economy of scale, and capacity to meet higher corporate compliance expectations.

## The Strategy

intends that Manitoba will have governance-oriented, regional, non-profit housing corporations that will develop offers to manage and/or own Manitoba housing assets on a regional basis.

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## Regional Non-Profit Housing Corporations

A regional approach leverages existing sector capacity and scale to achieve high standards of business and asset management. Regionalizing housing management responsibilities will therefore become very important as Manitoba Housing divests itself of assets. There are three primary reasons why MNPHA is promoting a regional approach to devolution: the locations of Manitoba Housing's assets, a mismatch between location of assets and of non-profit housing organizations, and the current mission of many non-profit housing organizations.

Their portfolio of direct managed housing has some scattered units in very small communities (less than 100 people, less than 10 units). About 1/3 of Manitoba Housing's units are outside of the 9 most populous communities while only 15% of non-profit units are outside these communities.

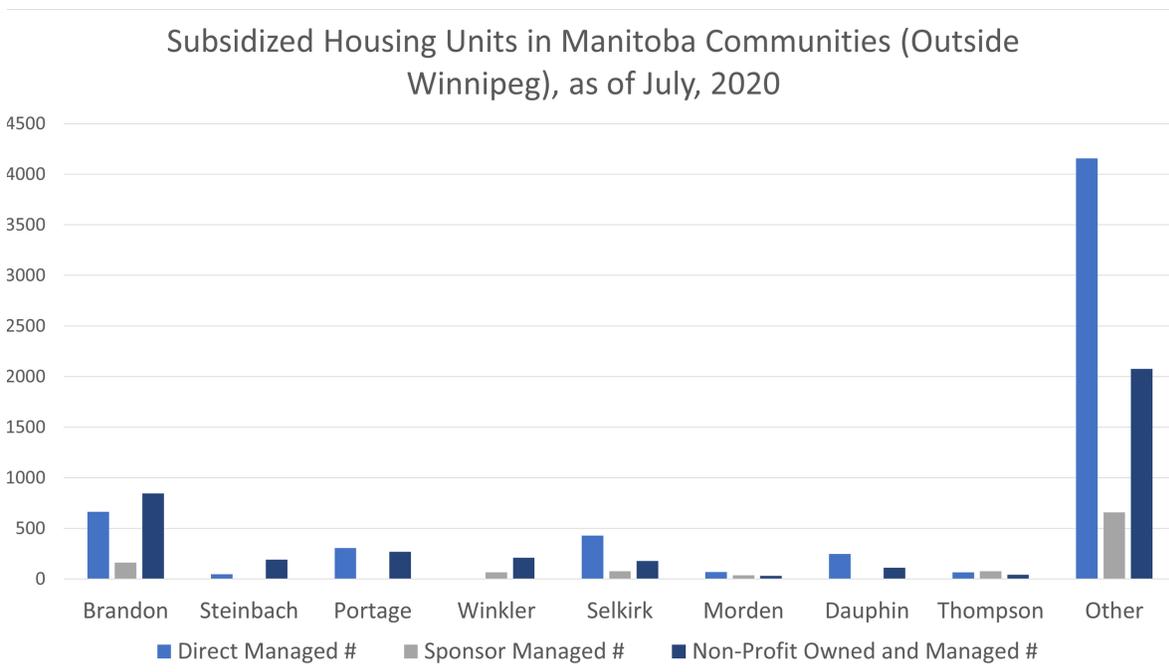
Additionally, in many communities there are no existing housing corporations to work with.

Most non-profit housing organizations don't see themselves as property managers beyond the one to two buildings they already own, since they were developed to serve a specific need or population (e.g. seniors in Brandon or newcomers to Canada). This results in limited interest in putting proposals together for a tender process in some communities, particularly outside of Winnipeg.

In these communities, MNPHA will work with stakeholders including health, finance, education, economic development, business and tenant / social services in the regions to form the partnerships necessary to create new organizations.

Boards of Directors of the regional corporations will be representative of the communities they serve, and may include or be advised by Indigenous community leaders, municipal representatives, and representatives of key sectors such as health, economic development, and education.

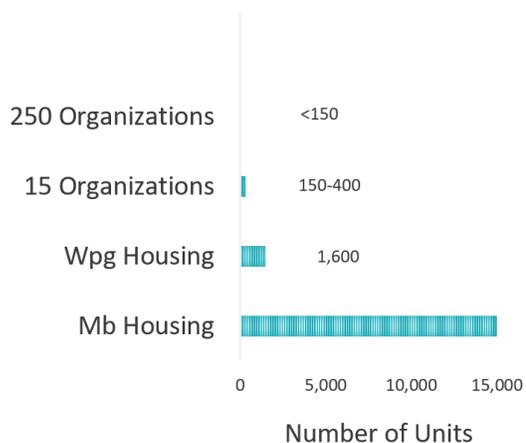
About 1/3 of Manitoba Housing's units are outside of the nine most populous communities, while only 15% of non-profit units are outside these communities. Stakeholders who have experience managing non-profit housing in Manitoba suggest that about 1,000 units are necessary to achieve efficiencies and hire/retain appropriate expertise.



The Regional Housing Corporations will be responsible for:

- negotiating and upholding the purchase/management and financial agreements with Manitoba Housing;
- developing strategic and business plans for the corporations that align with the housing needs and goals in the region;
- establishing/hiring building management;
- developing partnerships or resources to support tenants.

#### SOCIAL HOUSING IN MANITOBA: NUMBER OF UNITS PER ORGANIZATION



Existing / emerging housing corporations will be supported to expand or partner to the greatest extent possible and new organizations developed where gaps exist.

Building ownership will depend on a variety of factors including risk tolerance, experience, market and assets with the goal of making these organizations as self-sufficient as possible over time.

## Manitoba Housing Three Year Action Plan

identifies that Manitoba Housing intends to help bolster the community housing sector through capacity building activities toward mature financial practices and planning, reliable asset management techniques, and dependable supports and services for vulnerable tenants.

## The Strategy

provides that the Regional Corporations, and existing non-profit housing corporations, will be able to access sector services. Some of these services are currently provided by and solely for Manitoba Housing, and the non-profit sector will be able to take advantage of increased scale to support the whole sector.

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### Sector Services

Sector services include governance, asset management, and operational supports that are most effective at a provincial or large scale.

Access to shared services will be critical to increase the capacity of the non-profit sector and successfully and efficiently manage or own the units to be devolved by Manitoba Housing.

They will include education and training, group insurance, central application processing, information technology infrastructure, and tenant support services. Additional services could include repair and unit turnover, security services, and technical services such as asset management and capital planning, and other services to be identified by the sector.



MNPHA is prepared to work with Manitoba Housing to continue to deliver services that are currently provided by Manitoba Housing and establish new ones as required.

New services will be established through a business case.

## Education and Training

One of MNPFA's four pillars of member supports is professional development and knowledge exchange. This includes a board training program for enhanced organizational governance, annual in-person or online workshops, networking events, and an annual conference. Training is delivered to managers and direct service staff on an ongoing basis, often in partnership with Manitoba Housing.



*Manitoba Housing was a sponsor of MNPFA's Building Partnerships Conference, held November 18-19, 2019.*

*The conference provided an opportunity for Manitoba Housing to engage the sector on how to best leverage funding under the NHS bilateral agreement to ensure long term sector sustainability.*

*The conference also facilitated an important discussion with community housing providers regarding their capacity to expand community based housing delivery in partnership with Manitoba Housing." (The Manitoba Housing and Renewal Corporation Three Year Action Plan)*

## Group Insurance

Multi-unit residential properties across the province are facing drastic increases in insurance premiums due to global market hardening. Organizations that have purchased assets from Manitoba Housing have seen budget projections shift as a result. This will pose significant risk to those who are interested in acquiring assets and increasing costs for subsidy and operating agreements.

Last year, MNPFA spoke to provincial counterparts who are currently offering group insurance for their members.

We are working with AON Insurance, a global industry leader, to present options as to how an alternative risk financing program could work for MNPFA's members. We continue to explore whether it will be economically feasible to create such a program. Large scale participation, long-term commitment and an evidence-based program are key factors for success.

## Central Application Processing

A centralized waiting list for affordable housing is the first priority for new shared services.

Manitoba Housing offers a centralized waiting list for their direct managed units with a process that prioritizes people in the highest housing need. As Manitoba Housing devolves management responsibilities, applicants who are seeking affordable housing will face informational and process challenges.

Applicants already report difficulty in accessing non-profit housing because of having to find and apply at each provider separately, many having different requirements.

In the summer of 2019, a network of service providers in Winnipeg who work with people in need of affordable and social housing raised concerns with MNPFA that the existing system for accessing non-profit housing was creating barriers for their clients. They were deeply concerned that Manitoba Housing's plans to exit most aspects of direct management would exacerbate these challenges.

In response, MNPFA brought a speaker from the Registry in Ottawa to Winnipeg to discuss how they have improved access to social housing and data developed through the sector-led initiative. The Board of MNPFA has prioritized the development of a similar initiative. MNPFA has developed a business plan for a Collaborative Affordable Housing Registry (the Registry) which is enclosed.

This initiative will develop, at a minimum, a coordinated application and wait list system for housing providers subsidized by Manitoba Housing. Based on an assessment of the software currently being used, this may expand to fuller use of the HOMS infrastructure.

MNPFA would be the administrator of the Registry guided by a steering committee of representatives from Manitoba Housing, community stakeholders and non-profit housing providers.

MNPFA proposes a phased approach to assuming responsibility for the Registry with priority on responsibility for Manitoba Housing's existing database of applications as follows:

## Potential Registry Timeline (Years 1-4)

### Year One

Registry assumes infrastructure and responsibility for all applications to Manitoba Housing direct managed units.  
Assess, review and improve.

### Year two

Registry will incorporate waiting lists of sponsor managed providers and MNPFA members.  
Assess, review and improve.

### Year Three

Registry will incorporate waiting lists of any non-profit housing provider.  
Assess, review and improve.

### Year Four

Registry will incorporate waiting lists of other affordable housing providers who meet guidelines of the Registry.  
Assess, review and improve

## Manitoba Housing Three Year Action Plan

supports building a culture of independence, including an autonomous Manitoba Non-Profit Housing Association, which can broker amalgamation, provide training, and support providers with sound advice.

## The Strategy

provides that a Transformation Unit will be established as part of MNPHA that will provide business development and improvement services to new and existing housing corporations, and facilitate sector excellence.

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### Transformation Unit

MNPHA will establish a Transformation Unit that will provide business development and improvement services to new and existing housing corporations, and facilitate sector excellence.

Specifically, the Transformation Unit will assist in proposal development for existing or new organizations, support with negotiations with Manitoba Housing, connect with legal, financial, and technical resources, create or enhance governance development and training, planning and policy development, and partnerships development.

It may also act as a catalyst and facilitator where gaps exist in communities or regions, to bring appropriate partners to the table and support them in the creation of the regional housing corporations

The Transformation Unit will regularly convene sponsor management groups to review proposed agreements and processes,

share information and lessons, establish regular communications with Manitoba Housing and support in the negotiations with Manitoba Housing to ensure issues are addressed at a provincial scale when possible. Through funding from the Community Housing Transformation Centre, MNPHA's Transformation Team Lead has been actively working with groups who are, or would like to, manage or own Manitoba Housing assets through this devolution process

Additionally, MNPHA will establish mentorship and advisory services with a pool of strategic advisors who will be available to organizations negotiating management or purchase agreements. These advisory services will be available to the Transformation Unit and the regional housing corporations on an as-needed basis, to join boards of housing corporations, provide consultant services, and resource the non-profit housing sector.

## Criteria for Success

These principles will be used to guide action and initiatives for the sector transformation, and are the criteria we will use to determine whether the strategy is fulfilling the vision of the Sector Transformation Committee.



## Manitoba's Non-Profit Housing Sector

Non-profits have a proven track record of providing safe, affordable housing to low and moderate income individuals and families, many of them for over 30 years. They own and maintain over \$1B in assets, and have business acumen and accomplished advisors.

Non-profit housing is owned by community groups whose sole objective is to provide safe, adequate and affordable housing. They are guided by community groups such as service clubs, ethnic organizations, faith groups, advocates for people with disabilities, as well as municipal councils through their own housing corporations. They therefore bring a diversity of experience and expertise collectively. Individually, there are organizations that have deep population-based expertise that can support Manitobans in specialized ways, whether for refugee settlement, rehabilitation and independent living, or to heal from family violence.

Non-profits are led by volunteer Boards of Directors. There are no investors and therefore no profit motivation, which keeps the rents more stable and affordable than that of private for profit entities. It is efficient and lean: non-profit housing costs less approximately \$1,000 per unit less each year compared with public housing.

As Manitoba Housing begins its transformation, there is fear that the affordability of units will be compromised as organizations may need to house higher income tenants as a result of restrictive budgets and increasing costs.

MNPHA has been providing education to non-profit housing providers, often in collaboration with Manitoba Housing, to ready them for the ends of operating agreements. MNPHA is prepared to continue supporting the non-profit housing community as they navigate the transformation of Manitoba Housing.

## Provincial Government's Support Role

While Manitoba Housing currently acts as a funder and regulator for about half of the social housing stock, having a planned and strategic process of expanding this role is a prerequisite for successful outcomes.

According to the Strategy, Manitoba Housing's role will be to negotiate the transfers to the regional non-profit corporations in such a way that they are set up for long-term success, including sharing information and supporting due diligence.

Housing for the lowest income Manitobans will require a sustained investment. Government will remain responsible for adequately resourcing capital repair and improvement needs through their existing commitments, and develop

agreements that purchase affordability and provide supports, through existing tenant resource budgets, for tenants in need. Manitoba Housing will monitor the compliance and accountability with standards set. In compliance monitoring, the government will support the sector to achieve compliance and high standards of governance and management through resourcing sector development, either through agreements as organizations are established, or through MNPHA's Sector Transformation Unit.

Province-wide sector services will be transferred to MNPHA or other entities under a service purchase agreement.

## Partnership in Transformation



MNPHA is seeking formalization of the partnership with Manitoba Housing that has been informal thus far through a Memorandum of Understanding. This will provide for:

- prioritization of the devolution of assets (whether by transfer of management or sale where appropriate) to non-profit housing providers
- provision that MNPHA, as the representative body for non-profit housing providers, is actively engaged and consulted in developing a transformation strategy in accordance with the Province's Action Plan

This Memorandum of Understanding will clarify the roles and responsibilities of each party in ensuring the transformation achieves a more community integrated, client centred, and effectively managed and governed system of housing in Manitoba.



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