



Analysis: Manitoba Non-Profit Housing Association



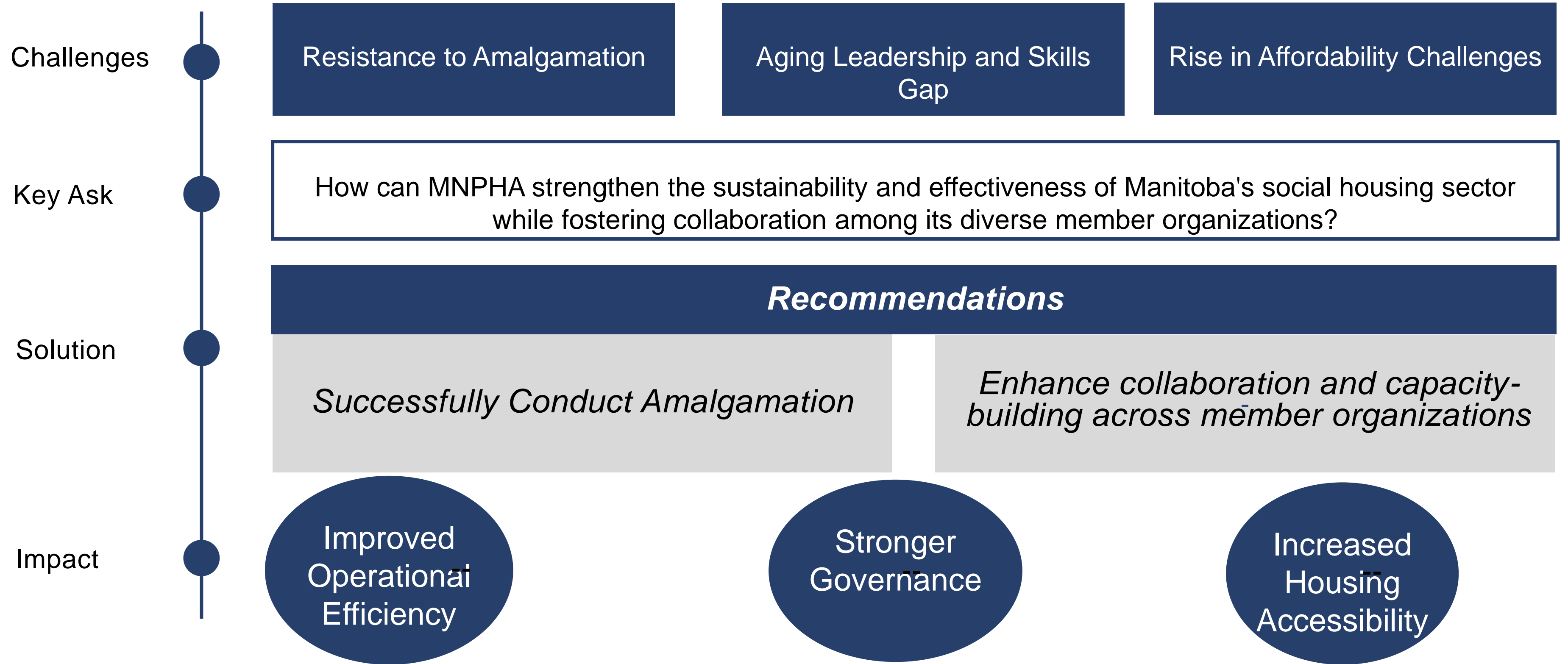
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Syed Wasti

An Overview

Executive Summary



Insights

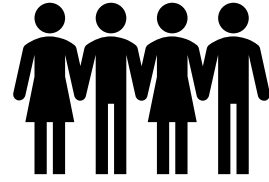
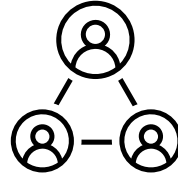


Strategy 1

Strategy 2

Impact

Key Stakeholders and Their Needs/Concerns

Stakeholder Analysis

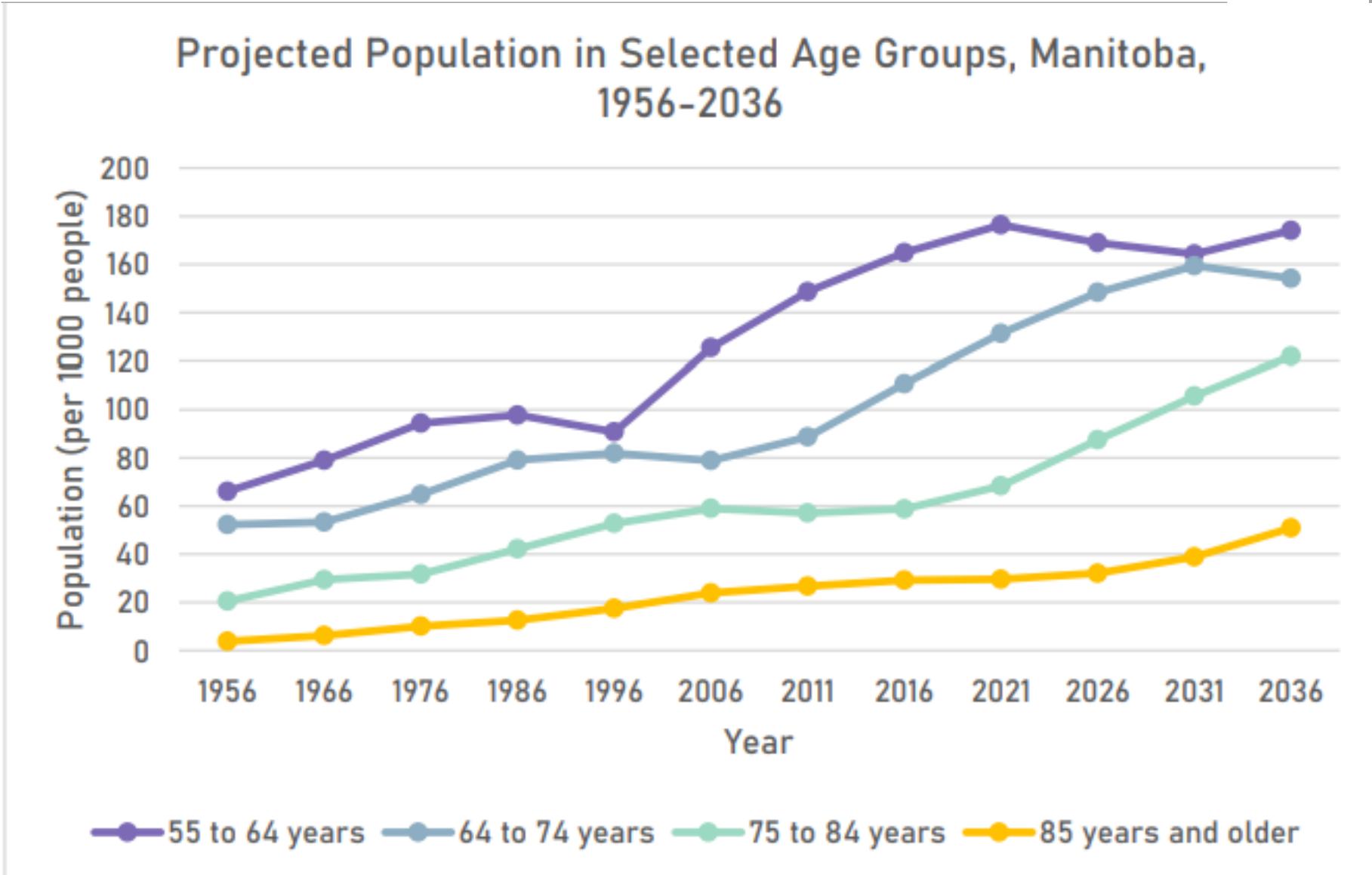
	Member Organizations	MNPHA Executive Team	Tenants	Government Bodies
				
1 Needs	<ul style="list-style-type: none"> Financial Stability Operational Efficiency 	<ul style="list-style-type: none"> Strategic Direction Member Buy-In 	<ul style="list-style-type: none"> Affordable Housing Security of Tenure 	<ul style="list-style-type: none"> Sustainable Social Housing System Policy Alignment
2 Concerns	<ul style="list-style-type: none"> Loss of Autonomy Increased Bureaucracy 	<ul style="list-style-type: none"> Member Resistance Alignment of Goals 	<ul style="list-style-type: none"> Increased Rents Loss of Community 	<ul style="list-style-type: none"> Increased Financial Burden Regulatory Complexity

Successful Amalgamation requires addressing stakeholders' concerns about autonomy, affordability, and financial sustainability while ensuring clear strategic direction and support.

Increasing Need for NFP Housing in Manitoba

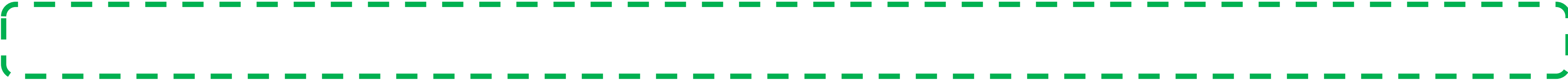
Insights

Title



Title

- Growing aging population, will require additional low-cost housing
- Manitoba residents aged 65+ expected to increase 21% by 2026
- In 2021, more than 50% of the total value of properties with multiple residential units was held by for-profit businesses in Manitoba (59.4%)



How Amalgamation Can Assist NFP Housing Providers

- Leveraging economies of scale to lower operations pricing throughout all housing providers
- Will have increased influence in attracting skilled and experienced professionals
- Financial ability to bail out struggling housing units who would otherwise have to sell assets to for profit real estate to remain financially viable
- Enhanced Operational efficiency through shared services by centralizing administrative functions such as HR, IT, and financial management streamline operations and reduce duplication of effort.
- Improved tenant services through amalgamated organizations can offer more diverse and specialized tenant programs, such as support services for seniors or vulnerable populations, and more housing options

Amalgamation drives financial stability, operational efficiency, and enhanced tenant services through shared resources and economies of scale.

Introducing:

Amalgamation

1

**Evaluating & Selecting the
Optimal Amalgamation
Strategy**

Evaluation Matrix

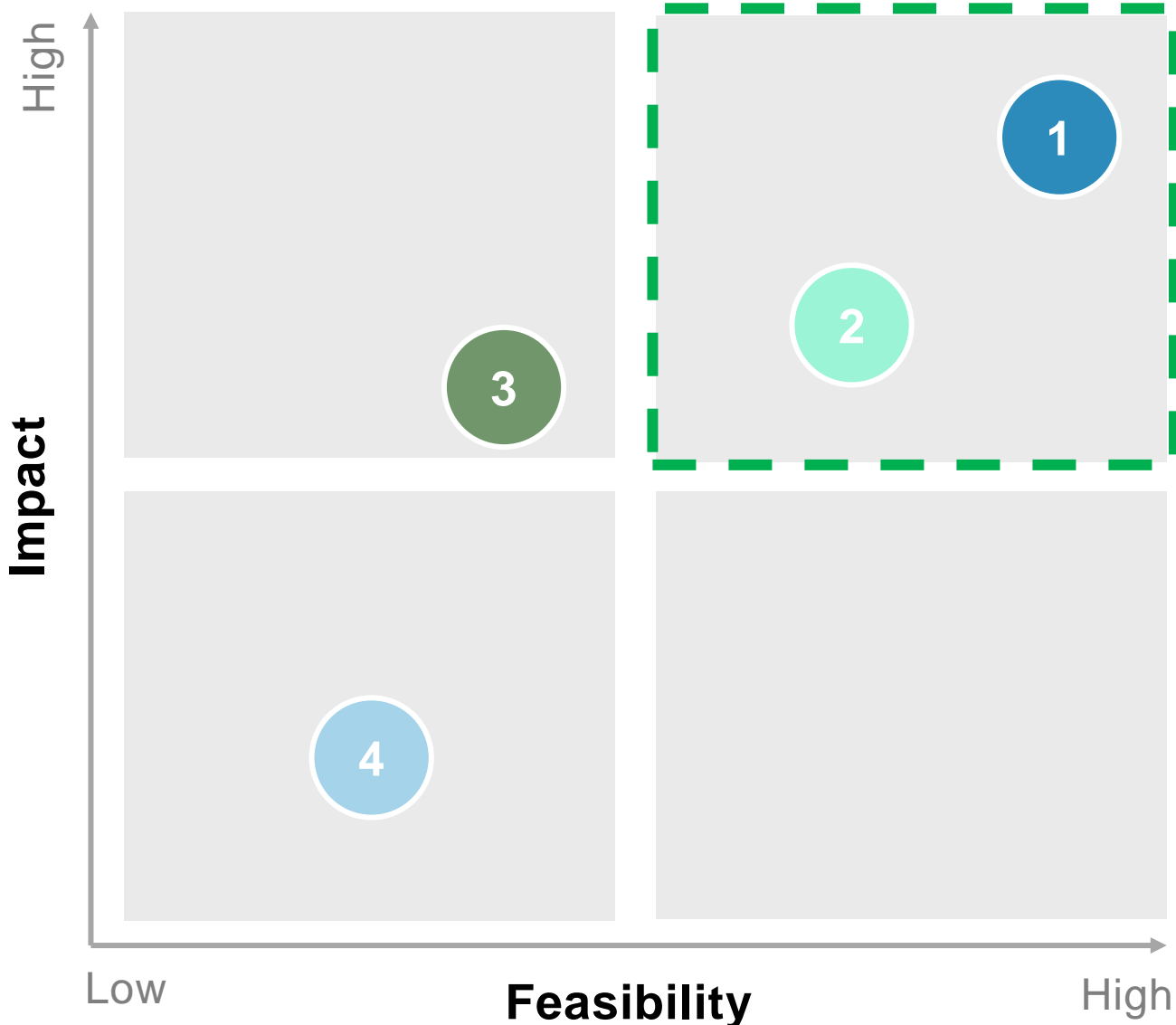
Evaluation Matrix

Key Decision Criteria

- Financial Sustainability
- Autonomy Retention
- Operational Efficiency
- Tenant Satisfaction
- Ease of Implementation



Recommendation Analysis



Amalgamation Models

- 1 Federated Amalgamation
- 2 Partial Amalgamation
- 3 Shared Services
- 4 Full Amalgamation

Federated model balances financial sustainability, autonomy, and operational efficiency while addressing stakeholder needs effectively, making it the most viable option.

Decision Matrix

Implementation

SCALE	
1	Poor
2	Difficult
3	Moderate
4	Good
5	Excellent

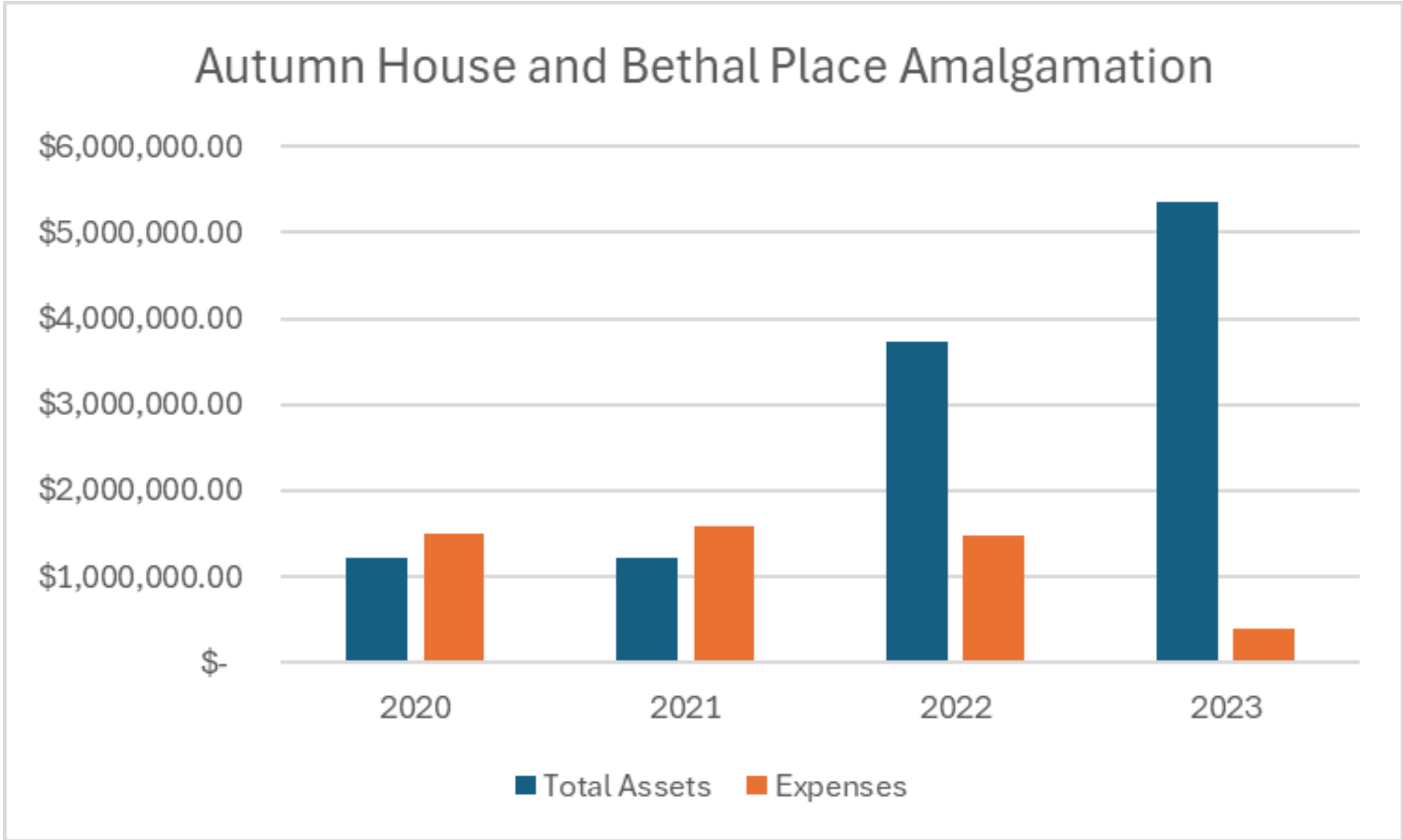
Recommendation
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Criteria	Key Stakeholders	Weightage (%)	Federated Amalgamation	Partial Amalgamation	Shared Services	Full Amalgamation
Financial Stability	1. MNPHA Leadership 2. Member Organizations 3. Government Funders	30%	4	3	3	5
Autonomy Retention	1. Member Organizations 2. MNPHA Leadership	20%	5	3	4	1
Operational Efficiency	1. MNPHA Leadership 2. Member Organizations	20%	4	4	3	5
Tenant Satisfaction	1. Tenants 2. Member Organizations	15%	4	4	5	3
Implementation Ease	1. MNPHA Leadership 2. Member Organizations	15%	5	3	4	2
Total Weighted Score		100%	4.6	3.6	3.9	4.1

Federate Amalgamation

Proof of Concept

Recommendation

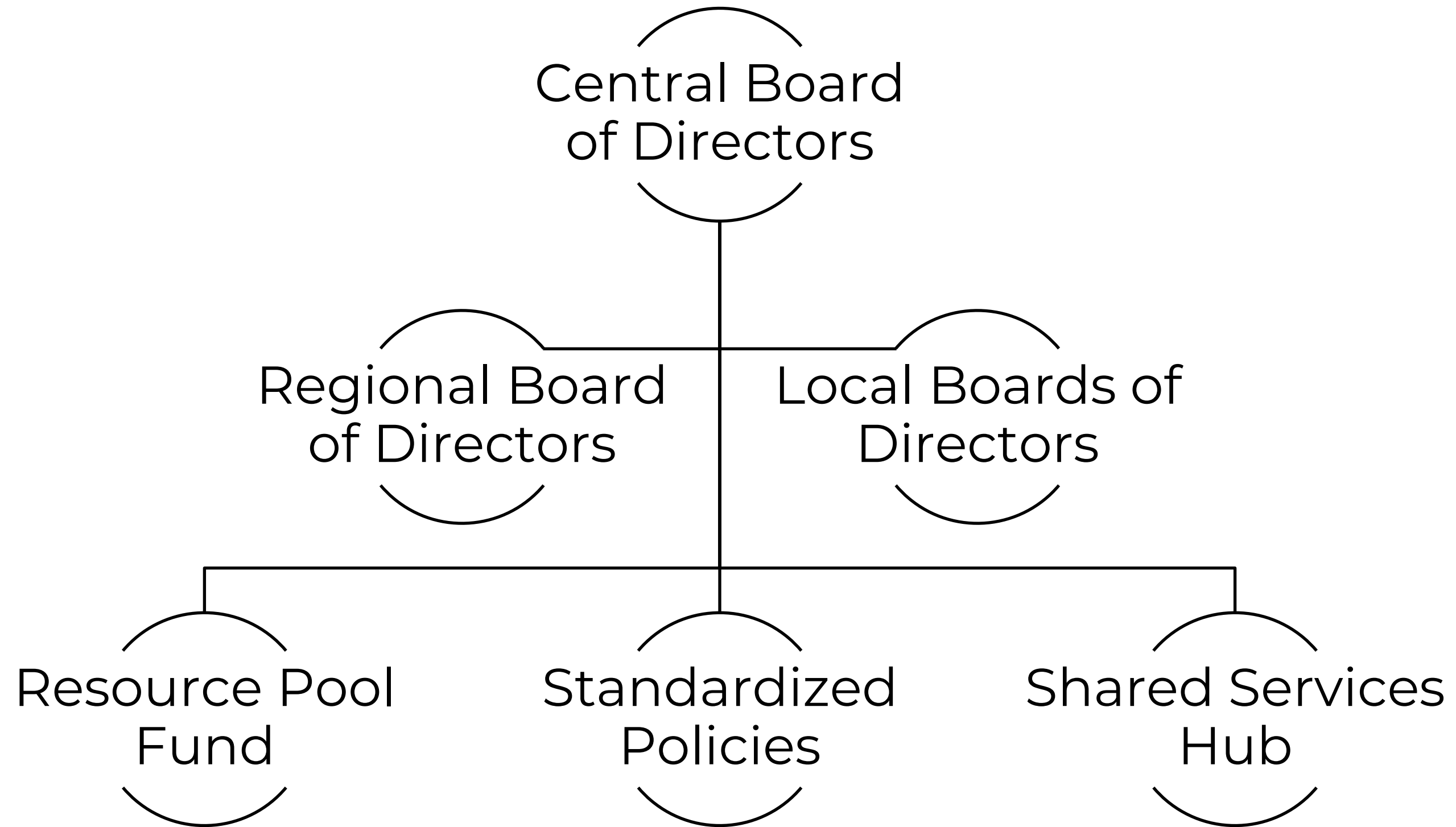


By amalgamating, there was a 44% increase in Total Assets and a 73% decline in expenses

What makes it work?

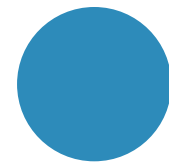
- 1 Increased Pool of Resources**
Combining financial assets, property portfolios, and human resources creates a stronger foundation for growth and sustainability.
- 2 Cost Efficiencies through Economies of Scale**
Consolidating operations reduces duplications of administrative functions, bulk purchasing power lowers cost, and shared expertise rise
- 3 Unified Strategy and Strengthened Advocacy**
Amalgamation aligns organizations under a shared strategy, organization has greater influence for government funding, standardized service enhances tenant satisfaction

Organization Structure

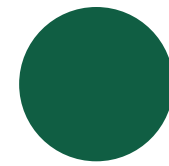


5-Year Plan

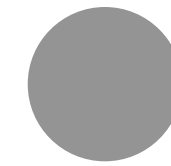
Timeline



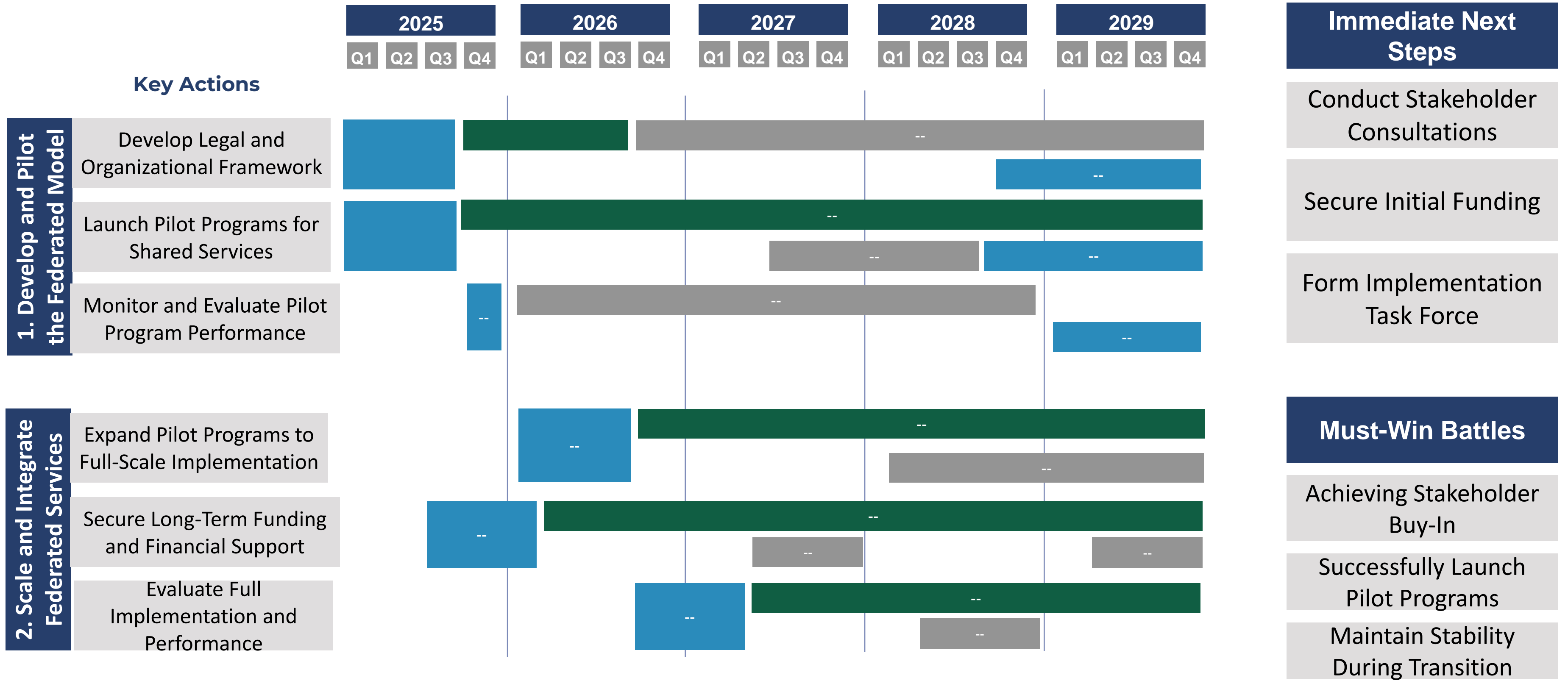
Develop



Implement



Evaluate



Insights

Strategy 1

Strategy 2

Impact

Our Proposal to Member Organizations

Eligibility

- A registered nonprofit organization in the social service sector
- Programs and services for Winnipeg residents
- Organizations align with our values
- Strong ability to partner with others

Community fund

“Pool of donations from a large funding base which is distributed to partner agencies”

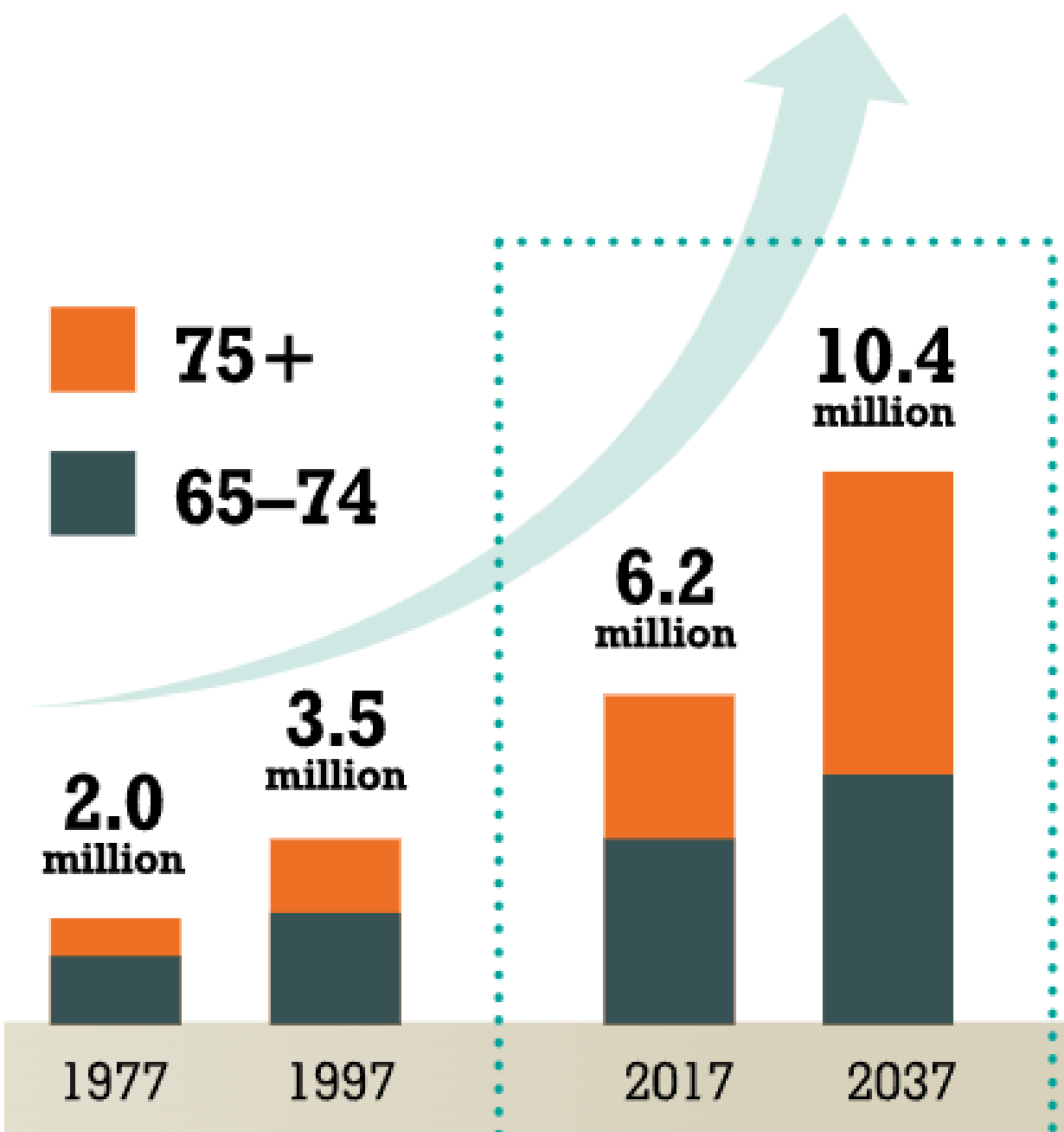
- Multi-year funding agreement which provides stability
- Large donor basis so stable funds and growing yearly
- New partners are taken on when funding grows like it has been from POC

Proposal

- Propose annual funding for struggling non-profits, and increase in communal investment for rent relief fund
- Based on POC this is within the asking range (projected 20% reduction in expenses)
- Show we are dedicated to the partnerships



How This Benefits Our Member Organizations



Mutual Beneficiary Approach

Existing Issues	Solutions
Board absences due to aging members.	Amalgamation offers a larger pool of skilled volunteers.
Non-profits risk selling assets to private firms.	Shared resources keep struggling organizations afloat.
Limited funding reduces growth capacity.	Collaboration improves access to grants and aid.
Rising rents worsen affordability crises.	Unified planning helps stabilize and lower rents.

Insights

Strategy 1

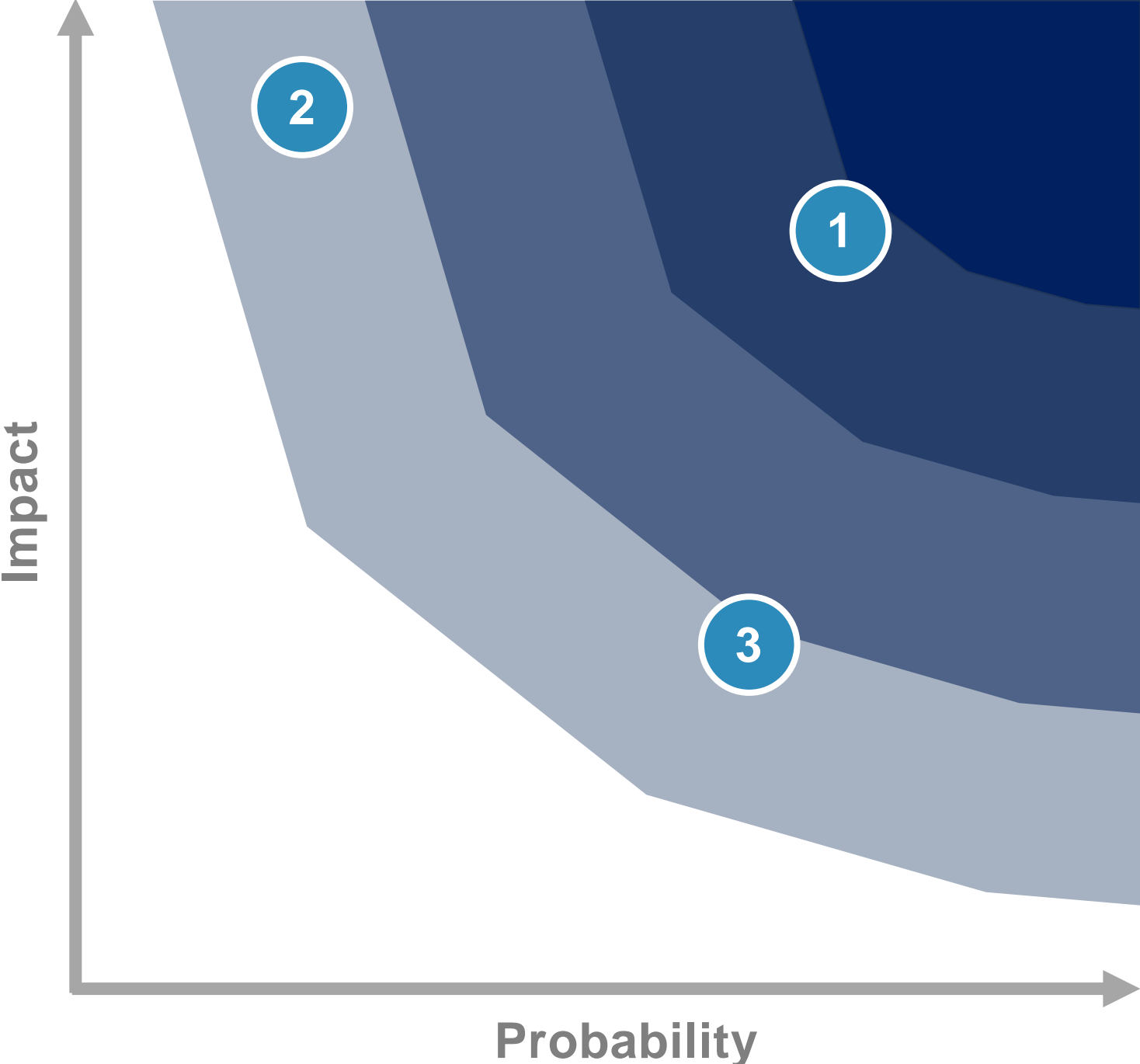
Strategy 2

Impact



Key Risks

Risks & Mitigations



RISKS

MITIGATIONS

1

Larger organizations resist partnering



Run a pilot program to show benefits.

2

Smaller organizations lack capacity to navigate amalgamation processes.



Offer amalgamation support services.

3

Mismatched goals among member organizations hinder collaboration.



Develop a standardized framework for shared governance

Measuring Success - Goals

Increase Financial Sustainability

Achieve a **20% increase in funding** by Year 5.

Volunteer Base

15% annual improvement in tenant satisfaction scores.

Corporate Sponsorships

Achieve **15-20% reduction in operational costs**.

Key KPI's

15-20% reduction in operational costs by Year 5.

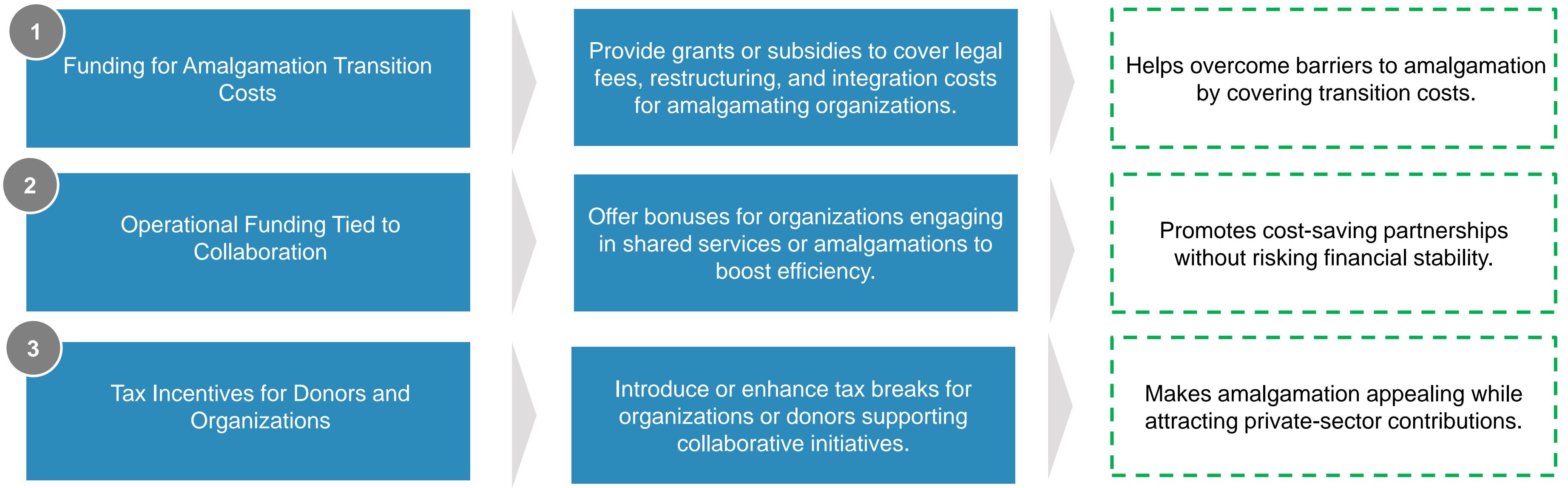
Achieve **20% annual increase** in funding, resulting in **100% cumulative growth** over five years.

Achieve **15% improvement in satisfaction** each year.

Ensure **80% participation** of member organizations in federated services by Year 5.

Achieve a **20% reduction in response times** for maintenance and tenant support requests by Year 5.

Incentives MNPHA Should Advocate to Funders and Regulators



MNPHA can provide:

Amalgamation Support Program



Provides hands-on support for legal, financial, and operational integration during amalgamation.



Simplifies amalgamation, reduces barriers, and enhances member collaboration.

Insights

Strategy 1

Strategy 2

Impact

Projected Revenue

Financial Analysis

Projected Revenue

Revenue Drivers

- Increased Access to Grants
- Reduced Administrative Overheads

Key Assumptions

- Success of proposals for strategic partnerships
- Funding towards community funds and a consistent rise in donations

MNPHA	Current Year		Forecast Period			
	2024	2025	2026	2027	2028	2029

Income Statement Projection

Revenue (Budget)	\$ 2,880,896	\$ 2,618,514	\$ 2,400,000	\$ 2,521,000	\$ 2,772,000	\$ 3,105,000
Grants	\$ 169,473	\$ 227,895	\$ 418,450	\$ 615,320	\$ 825,760	\$ 1,012,540
Rent Relief Program	\$ 1,299,800	\$ 1,087,342	\$ 894,675	\$ 1,019,860	\$ 1,051,220	\$ 1,098,350
Housing Support Initiative	\$ 1,337,156	\$ 1,198,450	\$ 982,312	\$ 705,125	\$ 489,670	\$ 352,890
Membership	\$ 54,166	\$ 68,430	\$ 81,745	\$ 115,780	\$ 148,920	\$ 182,630
Other	\$ 20,301	\$ 36,397	\$ 22,818	\$ 64,915	\$ 256,430	\$ 458,590

Projected Expenses

Financial Analysis

Projected Expenses

Expenses	2024	2025	2026	2027	2028	2029
Housing Support Initiative	\$ 1,168,735	\$ 1,145,360	\$ 1,202,628	\$ 1,262,760	\$ 1,237,505	\$ 1,212,754
Rent Relief Program	\$ 1,142,702	\$ 1,085,567	\$ 1,139,845	\$ 1,196,838	\$ 1,136,996	\$ 1,080,146
Salaries and Related Benefits	\$ 263,188	\$ 255,292	\$ 260,398	\$ 265,606	\$ 262,950	\$ 260,321
Grants and Partnership Expenses	\$ 18,210	\$ 19,121	\$ 20,077	\$ 21,080	\$ 22,134	\$ 23,241
Other	\$ 261,269	\$ 253,031	\$ 260,622	\$ 271,047	\$ 260,185	\$ 265,389
Total Expenses	\$ 2,854,104	\$ 2,758,371	\$ 2,883,570	\$ 3,017,331	\$ 2,919,770	\$ 2,841,851
Net Earnings	\$ 26,792	\$ 243,230	\$ (386,039)	\$ (355,413)	\$ (147,770)	\$ 263,149

Key Assumptions

- Successfully meet demand during heightened need for services (2026 – 2028)
- Sufficient aid through government grants and tax incentives

Cost Drivers

- Rise in Senior Population
- Increase Funding for Partners
- Creating and Managing New Collaborative Programs

Insights

Strategy 1

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Impact

Appendix

<https://mra-mb.ca/wp-content/uploads/A-Betrayal-of-Trust-Lions-Place.pdf>
https://www.gov.mb.ca/asset_library/en/proactive/fpr-phase-2-7.pdf
https://publications.gc.ca/collections/collection_2023/ccdp-chrc/HR34-7-2022-eng.pdf
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<https://www.extrapreneurservices.com.au/amalgamation-green-flag-or-white-flag>
<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/changes-your-business/amalgamation.html>
<https://ised-isde.canada.ca/site/corporations-canada/en/not-profit-corporations/amalgamating-not-profit-corporations>

Thank you for your time!
Any Questions?