

MNPCHA's Provincial Budget Recommendations

Manitoba's non-profit housing sector is ready to work with the Government of Manitoba to end chronic homelessness in our province and continue its legacy of providing dignified, affordable homes for more than 15,000 households. To do this, we aim to be the government's preferred partner in delivering Manitoba's social housing, and the sector needs adequate capital, operating, and tenant support funding that catches up and keeps pace with both inflation and the immense social challenges tenants are facing. Building on the successes we saw in the 2024 budget, MNPCHA has recommendations for this to continue in 2025.

1. The Non-Profit Housing Sector as a Partner in Social Housing Delivery

The new funding model addressing expired operating agreements includes flexibility and lowers administrative burdens, supports and incentivizes good business practices through adequate capital fund allocations and surplus retention, and recognizes that costs increase on an annual basis.

All funding models for non-profit housing, including sponsor management agreements and any new agreements, should be modelled off the successful new funding model, and include the same principles. The clearest-cut example of the need for change is in budgeting for sponsor managed buildings. Rather than skilled public servants (portfolio officers) and dedicated property managers spending time working collaboratively on important work such as improving the safety of buildings or reducing evictions, they waste resources and good will debating fixed costs, putting together documentation, and waiting for approvals. Adequate funding would change this system, and transform housing delivery just as the new funding model has started to do.

2. Repairs and Capital Funding

Due to the age of Manitoba's community housing stock and funding agreements that did not permit adequate capital reserves, 70% is considered in 'fair condition.' Non-profits are in the position of making the difficult choice between raising rents (if permitted), sometimes to an amount out of reach to their existing tenants, or putting off important capital projects – roofs, HVAC systems, building envelope work, and security improvements, until a time that it will be even more expensive. This creates a huge risk and a bigger cost down the road.

Preserving and renewing Manitoba's non-profit housing is an affordable investment in the legacy that has been created over the past 50 years. There is a three-year window of opportunity for Manitoba with matched funding for social housing through the bilateral agreement of the National Housing Strategy. The Manitoba government should use this opportunity to develop a funding program to significantly reduce the existing capital deficit within non-profit housing to meet the needs of the next generation of Manitobans.

Last year, the provincial budget included funding for capital repairs in buildings that non-profits are managing under sponsor management agreements, and permitted them to undertake these repairs themselves rather than requiring that Manitoba Housing do the capital work. MNPCHA recommends increasing the budget for capital repairs to these buildings, and at the same time, trusting the partners in the non-profit sector to take on this work effectively and efficiently.

Modeled off a successful approach in British Columbia, the sector has the capacity through MNPFA to improve its capital planning beyond only the sponsor managed buildings. MNPFA can provide effective asset management services for all non-profit providers, allowing for better long-term planning and prioritization. This would include supporting building condition assessments and energy audits, and developing long-term capital plans with organizations to ensure the capital deficit is addressed in a strategic and cost-effective manner.

3. Supports within Community Housing

The A Way Home Plan to End Chronic Homelessness in Manitoba speaks well to the need for person-centred supports to end homelessness. But the need for supports for people currently living in encampments, or even those who were formerly homeless, is the tip of the iceberg.

MNPFA applauds the work of the Government of Manitoba to begin developing a predictable funding model for new supportive housing and transitional housing for people at risk of homelessness. This needs to be expanded to all community housing, including housing for seniors and families, who also require support to thrive.

To prevent eviction, reduce social isolation, and provide resource connections for tenants to build healthy and safe communities, we recommend a target averaging one tenant support worker per 100 units in independent living. Increasing and making tenant support funding streams permanent will allow organizations to hire, train, and retain the skilled employees needed to achieve positive social outcomes for tenants.

4. New Housing Development

The Government of Manitoba's new funding portal for community housing development, Housing Starts Here, is a welcome step to streamlining development. MNPFA looks forward to seeing projects move from a vision to dream homes in a shorter timeline with less frustration.

The approach to funding new development is a model that should be scaled to meet the demand for affordable housing. The 2024 budget targeted only 1/3 of what is required in a given year, meaning that we continue to fall further behind. Evidence shows that the provincial government must create 10,000 affordable, community-owned (non-profit, cooperative, and public) units over ten years to meet the current need.

The summary of our budget recommendations is that Manitoba is on the right track. New funding programs and approaches are more efficient and effective because they are based on trust, partnership, and an 'all hands on deck' approach to addressing the housing crisis we face. The non-profit housing sector would like two things: to see the principles of the new approaches be applied to old models too, and a significant scaling up of the funding, so more Manitobans can be supported to thrive in healthy, dignified, safe homes.