

2. Housing

Many cities across Canada are recognizing that leaving the housing market solely to developers and real estate investors has not met everyone’s housing needs, and the resulting gaps negatively impact on multiple aspects of a city’s development. Cities that acknowledge the importance of housing on urban dynamics include Edmonton, which has a department of Housing and Economic Sustainability and cities like Regina and Vancouver which have Mayoral-led task forces on housing. According to the City of Winnipeg’s 25 year plan: “Housing is a cornerstone of healthy communities and of a strong city; it is a basic need and is central to our quality of life” (City of Winnipeg, 2011, p.54). Nonetheless, our municipal housing policies and practices need to be improved if we are to take this statement seriously.

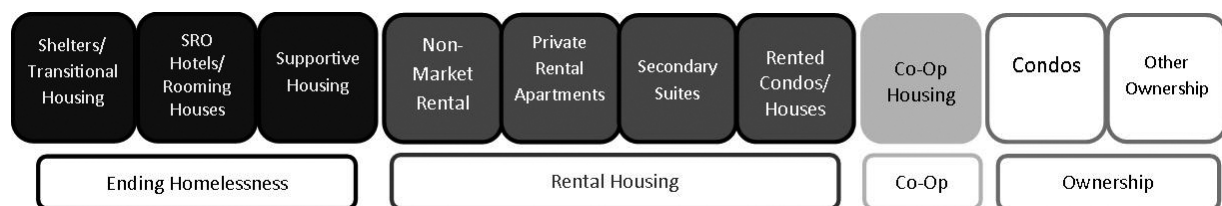
There are a variety of housing types that are needed for a community to meet the needs of its diverse residents (see Housing Continuum, below). While there is recognition in Winnipeg’s planning documents that a range of options is desirable, the City’s Planning and Property Development Department activities and budget show that providing this range of housing has not been a priority. There is continuing reliance on developers to determine what type of housing will be built, and no serious support for those developers who do fill housing gaps. Currently, a large portion of Winnipeg’s capital budget supports regional infrastruc-

ture for new developments, effectively funding the development of new, market-priced homes. Although the Province of Manitoba’s Bill 7 allows for inclusionary zoning, giving the City new powers to regulate development or raise money for affordable housing, the City has generally chosen not to employ its ability to make those capital investments conditional on developers including other types of housing in new communities.

The rental market is particularly important given that Winnipeg’s growing population has increasing proportions of new immigrants and Aboriginal people who are all more likely to live in rental units, especially upon first arriving in the City. In Winnipeg, about 30 per cent of the population lives in rental housing, yet on average less than 20 per cent of new housing development has been rental over the past 10 years. This has helped create what is shown in the chart below, a major reduction in the proportion of rental units per 100 persons.

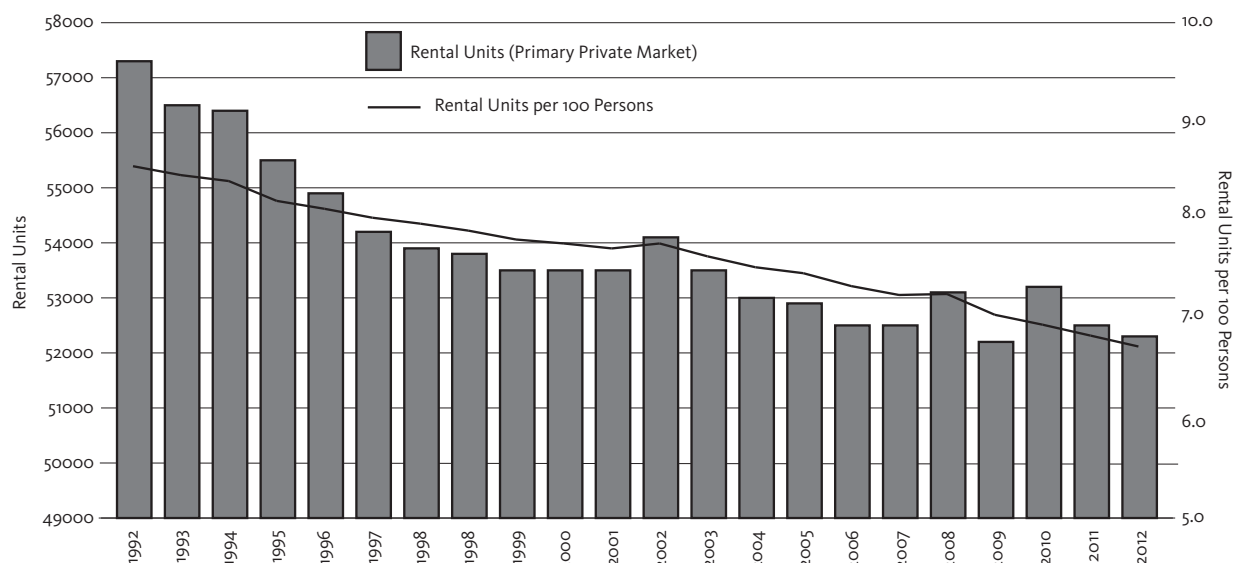
Despite the fact that Winnipeg’s population growth requires a significant shift in the way housing is provided, little has changed in the rental market in Winnipeg since the last Alternative Municipal Budget. The number of rental units when compared to the population has continued to decline, the vacancy rate continues to be below a healthy 3 per cent (2.5 per cent in October 2013), and the average two bedroom unit is unaffordable for over 25 per cent of Winnipeg families (Brandon, J., 2014). Although there are rent controls in place in

FIGURE 2 The Housing Continuum (City of Vancouver, 2012)



Note that while the above continuum appears as a linear model, there is no definitive type of housing or movement through the continuum for any one person. All types of housing are required; some individuals will move throughout the continuum while other will stay put in one category.

FIGURE 3 Rental Units per Population, Winnipeg



SOURCE: Adapted from Brandon, J. 2014.

TABLE 9 Affordability of Average Rents (2013)

Household Income (\$)	Monthly Affordability Range	Bachelor (\$554)	1 Bedroom (\$727)	2 Bedroom (\$939)	3 + Bedroom (\$1162)	Proportion of Winnipeg house-holds (2010)	Proportion spending more than 30 % on shelter
Under 10,000	250	Not affordable	Not affordable	Not affordable	Not affordable	5.2 %	91.9 %
10,000–19,999	250–500	Not affordable	Not affordable	Not affordable	Not affordable	7.9 %	69.7 %
20,000–29,999	500–750	Not affordable < \$22,160	Not affordable < \$29,080	Not affordable	Not affordable	8.9 %	49.8 %
30,000–39,999	750–1000	Affordable	Affordable	Not affordable < \$37,560	Not affordable	9.9 %	28.0 %
40,000–59,999	1000–1250	Affordable	Affordable	Affordable	Not affordable < \$46,480	18.1 %	14.0 %
60,000 and up	1250–1500	Affordable	Affordable	Affordable	Affordable	50.0 %	2.3 %

SOURCE: Brandon, J. 2014; Winnipeg and Manitoba Housing Data: <http://policyfix1.files.wordpress.com/2014/01/14-01-15-winnipeg-and-manitoba-housing-stats2.pdf>

Manitoba, the average cost of a two-bedroom apartment increased by 6.4 per cent from 2012 to 2013 (Canada Mortgage and Housing Corporation, 2013).

In 2011, 37.5 per cent of renter households spent more than one third (30 per cent) of their income on housing, putting them at risk of losing that housing (Statistics Canada, 2011).

Plans and Policies Related to Housing in Winnipeg

The City of Winnipeg updated its Housing Policy last year to be consistent with the *Our Winnipeg* and Complete Communities Development Plan, and is currently in the process of developing an implementation strategy. The policy, like the development plan, is broad and flexible. This

may be useful for adapting to change over the long-term but it also subjects affordable-housing planning to political whims rather than sensible policy decisions that consider the importance of having a range of housing options, and which allow the City to develop these options.

While there are many things a city can do to facilitate housing development that fall outside of a budget, including land donations, regulatory measures, and capacity building with community agencies, budgets are an indicator of a city's tangible commitment. As can be seen in Winnipeg's 2014 budget, our city has chosen to reduce its capacity to engage in partnership and facilitation of affordable housing development over time. The Alternative Budget re-commits the City to its role as a leader in housing development.

Facilitation and Leadership

Regardless of whether one supports the direction that CentreVenture, Winnipeg's downtown development corporation has taken, it is an example of the City providing a development mandate with strong financial and political support to an agency which has facilitated large development initiatives in downtown Winnipeg. Winnipeg's Neighbourhood Renewal Corporations, though with smaller budgets and at times less political support, have similarly facilitated remarkable change in Winnipeg's inner-city neighbourhoods. An Affordable Housing Development Corporation, with a mandate from Council to develop affordable housing throughout the city, and resources to do so, could make substantial progress on reducing Winnipeg's affordable housing crisis and would complement the work of the Renewal Corporations. It may be possible to do this through the already established Winnipeg Housing Rehabilitation Corporation (WHRC), though because this is an independent agency, the mandate and funding would have to be negotiated. We are suggesting an increase of funding, guaranteed over 5 years, to the WHRC at the same level as the funds provided to Cen-

treVenture (\$540,000). This would allow the WHRC to develop a comprehensive affordable housing plan and provide the financial resources to implement it.

New Expenditures:

- Increase to Winnipeg Housing Rehabilitation Corporation Affordable Housing Plan: \$360,000

Affordable Housing Development and Addressing the Needs of the Population in Core Housing Need

Financial incentives for affordable housing developments are a critical form of support provided by a majority of cities in Canada. The City of Winnipeg should increase the amount it provides to housing development. The AMB allocates \$4.25M per year for affordable housing. This would be funded through the inclusionary zoning opt-out fee described below. This funding, if provided as a \$15,000 per unit grant aligned with Provincial grants and the Federal Affordable Housing Initiative, would support an additional 200 units of affordable housing in Winnipeg in the first year.

New expenditure:

- Affordable Housing Rehabilitation and Development Investment Reserve: \$4.25M

The City of Winnipeg is the administrative body or "Community Entity" for the Federal Homelessness Partnering Strategy. This role comes with increased resources to the Housing Branch, and is an opportunity for the City to take a leadership role in ending homelessness in Winnipeg. Rather than simply administering grants based on calls for proposals, many cities across Canada have leveraged their role as the Community Entity to fill identified housing and program gaps, such as developing supportive housing, and increasing capacity in the not-for-profit sector to develop and implement housing first support teams. This work may require an increase in the

City's administrative costs, but it would be well worth the investment. As the funds for this program come from the Federal Government, this requires a shift in the way the City currently operates within its existing budget rather than changing the amount being spent.

Neighbourhood Revitalization

Winnipeg's housing renewal initiatives, with neighbourhood-based housing coordination and renovation grants in targeted areas, is arguably the most successful feature of the previous housing policy. The administrative costs of these programs have been low, and the improvements to inner city neighbourhoods are evident. These include increased housing values and significant reductions in vacant and boarded properties. They have also improved a number of affordable properties, including rental properties that would otherwise have been torn down or sold. The results of the housing renewal initiatives have not, however, been as great as was anticipated by community organizations. The first Neighbourhood Housing Plans, most of them developed about 10 years ago, plan for new developments and programs which would have required increases to funding over time. This funding was never provided, and many of the larger initiatives, especially affordable housing developments, could not be realized. Funding for neighbourhood renewal should continue and be increased; the following explains how.

Increase Options to Fund Housing Activities

The two investment reserves that currently fund housing renewal and development are not projected to increase in Winnipeg's 2014 Budget. The administration and consultants developing the new Winnipeg Housing Policy were specifically mandated to identify new and alternative funding mechanisms to increase the capacity of The City to address housing issues.

The Alternative Budget proposes that neighbourhood revitalization activities continue to be

funded by \$2.4m per year from general revenue, as these activities increase the property values and therefore the taxes coming from these neighbourhoods by at least that amount. In order to support affordable housing development at the scale required to improve the housing situation, more funds are required. Inclusionary zoning is a new tool that municipalities in Manitoba have to increase affordable housing. This would require that a portion of all new development include affordable housing. While this tool has tended to be effective at increasing the amount of affordable home ownership in new, large scale developments, it can also be implemented in a way that raises money for an investment reserve. That money can then be used to fill specific housing gaps, like specialized and rent-g geared-to-income rental housing.

Under the inclusionary zoning policy, some developers may choose to build affordable housing themselves. Those who prefer not to participate would have the option of an "inclusionary zoning opt-out fee." In 2013, there were 4,250 residential housing starts, meaning the average fee would only be about \$1,000 per new unit, or about 0.027 per cent of the cost of the home (based on median prices of new single detached homes in 2013)(Canada Mortgage and Housing Corporation, Fall 2013). To be equitable, the amount of affordable housing required, and therefore the opt-out fee, should be progressive, based on the price of the overall development. These funds, estimated above at \$4.25M would go to an Affordable Housing Rehabilitation and Development Investment Reserve so they remain focused on affordable housing even if they are not fully utilized every year.

New Revenue:

- Inclusionary zoning opt-out fee: \$4.25M

Conclusion

The City, through the development of an implementation plan for a new Housing Policy, is

showing some initiative to take on the affordable housing challenges most cities in Canada are currently facing. But without increases in funding, the Housing Policy will have limited ability to facilitate the development of affordable housing at the scale required. The Alternative Budget proposes realistic and proven funding solutions. With political and financial support, The City of Winnipeg could dramatically improve housing options for all of its residents.

Total expenditures and revenues

- Inclusionary zoning opt-out fee will raise: (\$4.25M)
- Increase Funding for Winnipeg Housing Rehabilitation Corporation Affordable Housing plan: \$360,000
- Affordable Housing Rehabilitation and Development Investment Reserve \$4.25M
- Net new expenditure: \$360,000