

# Housing

The future of social and affordable housing in Manitoba is at risk. In 2016, the Province commissioned KPMG to conduct a fiscal performance review of social housing in Manitoba which recommends that the government begin to privatize its housing portfolio to help address escalating costs.<sup>1</sup> The Province's 12-month action plan for Manitoba Housing confirms its plans to follow up on KPMG's recommendation.<sup>2</sup> The APB is concerned that this approach will increase housing insecurity and homelessness in Manitoba as it has in other jurisdictions, and takes steps to ensure that all Manitobans can access safe and affordable housing.

Safe and affordable housing is a fundamental human right. It is also the necessary first step in solving homelessness and poverty-related problems. It is a foundational part of the solution to many related social challenges such as crime, addiction, child apprehension and social exclusion. Safe housing is an essential part of any plans to address violence against Indigenous women, girls, and 2SLGBTQIA (Two Spirit, Lesbian, Gay, Bisexual, Trans, Queer, Questioning, Intersexual, and Asexual).<sup>3</sup> Stable access to safe and affordable housing improves mental and physical health, while providing a foundation

from which all Manitobans can participate in their community and access education, training, employment and social services.

Ensuring all Manitobans can access affordable housing is not only the right thing to do, it also makes good economic sense. Investments in affordable housing reduce costs related to homelessness and poverty. For example, a study of homelessness in four Canadian cities found that on average, the annualized cost of institutional responses to homelessness, such as the costs of prison and psychiatric hospitals, can be as high as \$120,000 per person. The annualized cost of emergency shelters can be as high as \$42,000. In contrast, supportive and transitional housing costs up to \$18,000, and providing affordable housing without supports costs up to \$8,000 annually.<sup>4</sup>

In Manitoba, tens of thousands of individuals and families are homeless (Table 1), in core housing need (Table 2), or precariously housed. Those in core housing need do not have access to housing that is an appropriate size for the household, that is in good condition, and/or that costs less than 30 percent of household income. Those who are precariously housed are at risk of homelessness because of a missed paycheque, an illness, or an unexpected expense. It is difficult,

**TABLE 1 Minimum Estimates of Homelessness in Manitoba<sup>5</sup>**

Location	Homeless People
Winnipeg	1519
Thompson	130
Brandon	121

**TABLE 2 Percent and Number of Households in Core Housing Need in Manitoba<sup>6</sup>**

	Percent	Number
Manitoba	11.4	51,130
Winnipeg CMA <sup>a</sup>	12.1	35,760
Brandon CA <sup>b</sup>	7.7	1,755
Steinbach CA	11.7	690
Thompson CA	9.1	440
Portage La Prairie CA	8.9	485
Winkler CA	6.7	670

**a** CMA is Census Metropolitan Area

**b** CA is Census Area

if not impossible, to know how many households are precariously housed. However, we do know that renters are more likely than owners to be in core housing need or precariously housed.

Manitoba has been without a provincial housing strategy for nearly four years. The Province plans to release a housing strategy after finalizing a bilateral agreement that it signed with the federal government under the National Housing Strategy in June 2019. The 10-year agreement invests a cost-shared \$450.8 million into social and community housing. Housing advocates believe this money should be targeted at a multi-pronged approach that provides an adequate supply of low-cost housing and makes existing housing more affordable for low-income tenants through rent subsidies.

### What We Heard

A consultation on housing policies and spending was held in June 2019 in Winnipeg. As well, participants in the APB consultations in Winnipeg and Brandon talked about housing. Par-

ticipants identified several demographics with distinct housing needs, including women, older adults, larger families, Indigenous people, people with disabilities and people who are unhoused. Participants discussed housing quality and security, the increasing cost of housing, the need for additional supports and services, and the relationship between housing, food security, safety, and employment, among other issues. There was some disagreement over whether it is more important to build quality housing, or simply to provide shelter, but overall, the comments expressed strong support for low-cost and social housing — that is, housing that is subsidized. Participants indicated that the Province should preserve and support existing social housing, increase the supply to address ongoing demand, and ensure that tenants have access to resources to support security of tenure.

### Recommendations

Our recommendations draw on the input from the consultations, as well as the work of the Right

to Housing Coalition (a Winnipeg-based coalition that advocates for quality, affordable housing for low-income people in Manitoba). The recommendations include:

**1) Increase the supply of social and affordable housing by funding the construction of new units built by the public, non-profit, and/or co-op housing sectors**

The private market is unable to offer rents that are affordable to Manitoba's most vulnerable residents. Social housing, where rents are geared to tenants' incomes, and affordable rental housing play an important role in housing low-income households. However, there is insufficient social housing to meet demand. Manitoba Housing, for example, had a waitlist of 8,449 applicants in September 2019, an increase of close to 1,600 applicants since January 2019.<sup>7</sup> Increasing the supply of social housing must be a priority.

Manitoba began increasing investments in the construction of social and affordable housing in 2009/10. Between 2009 and 2014, the NDP government committed funding for approximately 790 new social housing units, 710 affordable housing units, and 710 new units with rents geared to income. In 2014, it committed to creating an additional 500 units each of social and affordable housing over a three-year period.

Since the Conservative government was elected in spring 2016, the Province has not committed funding for a single new unit of social housing, and as of October 2017 had committed funding for just over 100 affordable housing units.

New social and affordable housing builds must be prioritized in geographic communities with the greatest need. Vacancy rates have improved for some Manitoba communities, including Winnipeg (2.9 per cent) and Thompson (7.6 per cent). But cities like Brandon, Steinbach, and Winkler continue to have low vacancy rates (1 per cent, 1.3 per cent and 0.8 per cent respectively).<sup>8</sup> As well, vacancy rates are significantly

lower, and housing much harder to find, at the more affordable end of the spectrum. In Manitoba in 2018, the cheapest quartile of rental units had a vacancy rate of 2.3 percent, while the most expensive quartile had a vacancy rate of 4.5 percent.<sup>9</sup> Bachelor suites renting for less than \$500, which meet the needs of single individuals experiencing homelessness, had a 0.7 percent vacancy rate.<sup>10</sup>

New builds must also accommodate the distinct needs of specific demographics. Those experiencing gender-based violence or sexualized violence and exploitation require housing that is designed to optimize their safety (see Municipal Relations chapter for more on gender-based violence), and that is accompanied by trauma-informed supports. Persons with disabilities require housing built to high standards of accessibility. People experiencing homelessness require access to housing with tenancy supports. Youth aging out of the child welfare system require transitional housing with supports that enable them to move into permanent affordable housing. Those leaving the criminal justice system need a proper place to live (see APB section on Criminal Justice) Many large low-income families, including Indigenous, immigrant and refugee families who live with extended family and friends, require housing with three or more bedrooms (see APB section on Newcomers). The Calls for Justice from the National Inquiry into Missing and Murdered Indigenous Women and Girls call for new builds that meet the housing needs of Indigenous women, girls, and 2SLGBTQIA people by providing housing that is safe, appropriate to geographic and cultural needs, and available wherever they reside, whether in urban, rural, remote, or Indigenous communities.<sup>11</sup> All of these housing types are in short supply.

The APB invests \$75 million in the construction of 300 net new social and affordable units annually, including low-barrier transitional and permanent supportive housing, and housing for

newcomers and people with disabilities. New units will be built in a variety of neighbourhoods to offer choice, and near essential services.

*New Capital Expenditure: \$75M*

**2) Maintain the existing supply of social and affordable housing by addressing expiring operating agreements and the aging housing stock.**

As social housing operating agreements expire, subsidies to non-profit and cooperative housing providers also expire. The subsidies in these agreements have enabled housing providers to offer rent-geared-to-income (RGI) and affordable housing. When the subsidies are gone, owners of low-cost units, especially RGI units, often must raise rents to cover costs. Manitoba needs a plan to ensure that there is no net loss of RGI units due to expiring agreements. This should include planning assistance along with a rent subsidy and operational cost supplement program, financed by multiple levels of government, to support the sustainability of non-profit and cooperative housing providers, as well as the RGI units owned and operated by Manitoba Housing. While many agreements have already expired, matters will become a great deal worse after 2020 when the majority of RGI units are threatened by expiring operating agreements. The Community Housing Initiative, part of the National Housing Strategy, includes funding for this purpose. As of March 31, 2019, there were 15,882 RGI social housing units and 663 RGI Urban Native social housing units in Manitoba.<sup>12</sup>

The APB spends \$7.5 million to match CMHC National Housing Strategy funding, to maintain the March 31, 2019, number of social and community housing units. These funds will also increase the capacity of social housing providers as they transition out of their operating agreements. This ensures there is no net loss of RGI housing units due to expiring federal operating agreements.

*New Operating Expenditure: \$7.5M*

**3) Maintain the existing supply of social and affordable housing by preserving the public housing portfolio.**

Manitoba Housing has started to transfer management and ownership of its housing portfolio to the private and non-profit sector rather than invest in costly repairs caused by years of deferred maintenance. It is expected to ramp up transfers in the coming years. However, without ongoing subsidies, giving up ownership creates a risk that the affordability of the housing will not be maintained.

The threat of lost RGI and affordable units is more significant in the private sector than the public and non-profit sectors, as the latter have a social mandate that includes an affordability component. The UK began a process of privatization in the 1980s only to have an all-time high waitlist for public housing and shockingly high rates of homelessness decades later.<sup>13</sup> Likewise, Canada's ongoing housing crisis is linked to the federal government withdrawing from public housing in the 1990s and leaving it to the private sector to fill the need.<sup>14</sup>

*The APB will not sell public housing assets to the private, non-profit, or co-op sectors.*

The quality of Manitoba's public housing stock must be improved to maintain the existing supply and to ensure that it is more comfortable, safe and energy efficient. Manitoba needs a plan for ongoing investments in capital upgrades to roofs, windows, heating and ventilation systems, water and waste efficiency upgrades, major renovations and overall site improvements. These investments also lower Manitoba's greenhouse gases (see section on climate change). These investments help prevent tenants from being exposed to toxic substances and other problems associated with mould, insect infestations, and inadequate heating and insulation. The Province also needs a dedicated strategy to address bed bugs and other pests. Contracting community-based social enterprises who train and employ low-income people produces additional benefits

from Manitoba Housing investments. (See Budget Paper C for more).

Capital repair investments peaked at \$120M in 2015/16 following an extremely conservative 2009 estimation of the need for a \$1B investment over ten years (about \$100M annually) to address the current and deferred capital repair requirements in public housing. Since 2015/16, annual investments have declined each year to \$25.6M in 2018/19. To make up for underspending in this area in previous years, investments of a minimum of \$130M annually are required to meet the estimated need for capital repairs by 2020. Also needed is an estimate of annual investments required beyond 2020. Finally, all public housing must be retrofitted to maximize energy efficiency (saving the province in energy costs) and reducing GHG emissions.

See the APB Conservation and Climate Change chapter and Policy Paper A for more.

The APB invests at least \$130 million annually in capital repairs and maintenance to public housing.

*New Capital Expenditure: \$130M*

#### **4) Maintain programs that provide supports for repairs to private dwellings.**

Until spring 2019, low-income homeowners had access to programs funded jointly by the federal and provincial governments that provided financial support for home repairs. Landlords could also receive financial support for repairs in return for keeping rents at a lower level. In addition to helping restore homes to minimum safety standards, these programs supported seniors and people with disabilities to make modifications that would allow them to remain safely in their homes for longer. This is ethically important, and cost-effective. The 2019 cuts to these programs, which were available to all Manitobans, have strained the remaining home repair programs, which are offered by the City of Winnipeg and available only to people living in designated Winnipeg neighbourhoods.

The APB invests \$6 million to reinstate the home repair and modification programs that were eliminated in 2019 including: the Manitoba Emergency Repair Program for Homeowners; the Homeowner Renovation Assistance Program; the Residential Adaptations for Disabilities Program; the Residential Housing Improvement Program; the Rooming House Assistance Program; and the Shelter Enhancement Program.

*New Operating Expenditure: \$6M*

#### **5) Make the existing supply of housing more affordable through income supports.**

While vacancy rates have increased in some areas of the province, units renting for lower rates are still relatively scarce. This means that most of the housing that is available is unaffordable to very low-income households. For example, a person on Employment and Income Assistance receives \$771 a month to pay for all of their expenses including rent in the private market. With the average cost of a bachelor suite at \$692, a single person spends 90 percent of their income on rent. This does not come close to meeting the needs of Manitoba's homeless or low-income population. The Province has also increased the cost of living in social housing since 2016, with tenant contributions to rent going up from 25 percent of household income to 30 percent.

The Rent Assist income benefit was introduced in 2014 to help low-income people afford rents in the private housing market. Despite this significant investment, Rent Assist still does not provide enough support to enable very low-income Manitobans to afford private market housing. Program changes since 2016 have resulted in many Rent Assist recipients receiving reduced benefits and paying higher rents as well as fewer households being eligible for the program. This kind of demand-side strategy for improving the affordability of housing must ensure that income supports, and subsidies are large enough to alleviate the high private-market rents paid by low-income Manitobans.

The APB spends \$8 million to reinstate the tenant contribution rate in social housing to 25 percent of the household's income.

*New Operating Expenditure: \$8M*

The APB spends \$10 million to reverse changes to the Rent Assist program that have resulted in reduced benefits and eligibility, including returning the regulatory formula for deductible levels to pre-2017 numbers for all Rent Assist recipients. It also uses the National Housing Strategy's Canada Housing Benefit to top up the Rent Assist benefit.

*New Operating Expenditure: \$10M*

**6) Ensure that tenants' security of tenure is protected through strong rent regulations and education.**

Rent regulations are a way of managing the residential rental market to ensure affordability and security of tenure for tenants. They provide procedures and limits for most rent increases; processes for evictions; and options for mediating the relationship between landlords and tenants.

To ensure that tenants are aware of their rights under the Residential Tenancies Act, the Residential Tenancies Branch must support tenants' advocacy networks and tenant education.

The APB provides \$300,000 of funding for the Residential Tenancies Branch to enhance development, distribution and advertising of educational materials about the rights and responsibilities of tenants and landlords. It also provides \$700,000 of funding to enhance the capacity of community-based Tenant Advocates, including education programs for tenant rights and responsibilities.

*New Operating Expenditure: \$1M*

**7) Ensure Manitoba Housing tenants have access to tenant-driven resource centres that offer comprehensive supports on site or nearby.**

A consistent request from Manitoba Housing tenants is for Manitoba Housing to establish a resource centre in each complex. Resource centres offer resources, supports, and capacity-building opportunities for local residents. Evidence shows that resource centres in Manitoba Housing complexes help tenants meet basic needs, provide a meeting place in the community, and enable tenants to learn about and access programs and resources that can lead to new opportunities.<sup>15</sup> Starting with 30 resource centres makes it possible to offer programming across the province, and to develop best practices for establishing more resource centres in future years.

The APB invests \$4.5 million to establish and maintain 30 resource centres in or near Manitoba Housing complexes across the Province.

*Increased Operating Expenditure: \$4.5M*

Total New Operating Expenditures:

*Addressing expiring operating agreements: \$7.5M*

*Maintain program for private housing repairs: \$6M*

*Income supports to increase affordability: \$8M*

*Reverse changes to Rent Assist: \$10M*

*Rental education programs: \$1M*

*Manitoba Housing resource centres: \$4.5M*

**Total: \$37M**

Total New Capital Expenditures:

*Construction of net new social and affordable housing: \$75M*

*Capital repairs and maintenance of public housing: \$130M*

**Total: \$205M**

<sup>1</sup> KPMG. (2017). *Manitoba Fiscal Performance Review Phase 2 Report Business Case – Social Housing*. Retrieved from: [https://www.gov.mb.ca/asset\\_library/en/proactive/fpr-phase-2-7.pdf](https://www.gov.mb.ca/asset_library/en/proactive/fpr-phase-2-7.pdf)

<sup>2</sup> Province of Manitoba. (2019). *Shared Priorities Sustainable Progress: A 12-Month Action Plan for Manitoba Families*. Retrieved from: <https://www.gov.mb.ca/fs/pubs/shared-priorities-sustainable-progress.pdf>

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