



# FASTFACTS



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## Winnipeg Budget 2005 Bad news for the inner city

Mayor Katz will soon begin to move ahead with his promise to slash business taxes. No doubt this will make many business owners smile, but what will be the cost?

It appears that the first thing to go will be the City's commitment to inner city revitalization and more specifically, affordable housing.

In 2000 the City of Winnipeg signed an agreement with the Provincial and Federal governments and the Winnipeg Housing and Homelessness Initiative (WHHI) was born. The WHHI was to be a 'single window' to address declining housing stock in designated inner city neighbourhoods in Winnipeg. The City's contribution was \$7 million over five years with \$2 million available immediately. In 2003, Mayor Murray signed a Memorandum of Understanding with the Federal and Provincial

governments, committing an additional \$17 million over 5 years.

While far from perfect, the WHHI has made some gains in providing community groups with single window access to a number of federal, provincial and city programs. The WHHI is not sufficient, but it has been an important first step. While the provincial and federal governments might be slow to take the next step, they at least seem to understand that the magnitude of the problem is significant and more must be done. Mayor Katz, on the other hand, thinks that he can quietly walk away from inner-city

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development without anyone noticing.

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inner-city, Mayor Katz has his lawyers looking for ways to get the city out of the commitment.

### **Not the City's responsibility?**

Mayor Katz will likely argue that affordable housing is not his government's responsibility. But cities such as Edmonton, Saskatoon and Montreal have long known that affordable housing is everyone's problem. The City of Saskatoon has led the way by providing support for the Saskatoon Housing Investment Fund for affordable housing. The City of Edmonton has shown leadership in their commitment to the Edmonton Housing Trust Fund. Through *Solidarité 5 000 logements*, the City of Montreal is committed to providing direct funding to cooperatives and non-profits to develop affordable housing.

### **Business tax cuts could be money better spent**

The Mayor presents the case that business taxes must be cut to promote downtown development. If ever there was a time that this was not the case, it is now. New shops have been popping up regularly in the exchange district. Portage Place is showing signs of life again and business activity will likely increase further once the thousands of Manitoba Hydro employees move to their new location on Portage Avenue. The MTS Centre, the new Winnipeg Library and the Red River Campus are adding to the liveliness of downtown. Even Mr. Katz's ballpark has contributed to a new energy.

Living downtown is also gaining in popularity as we see an increase in warehouse conversions and the development of Riverside Drive.

This is all good news. But this activity does not benefit the families living in the inner city that are in dire need of affordable and adequate housing—particularly low-income rental housing. What's more, the interests of the city as a whole are tied in with the interests of older neighbourhoods near the city centre. If the city promotes the development of the commercial core, but neglects the viability of adjacent neighbourhoods, the likely outcome will be a shopping and entertainment district, threatened by - and heavily barricaded against - the poverty, misery and social ills that surround it.

There is no money in this year's budget for housing and City revenue will decline by \$2million as a result of the business tax cut. Loss of revenue will continue to grow as Katz fully implements his business tax cut plan. This is money that could be much better spent by revitalizing the communities surrounding the downtown that continue to struggle.

Inner-city development and rehabilitation of housing benefits our entire community and the City needs to take an active role. In his preamble to the preliminary 2005 City Budget, Mayor Katz talks of a vision for a city that is "growing, competitive, safe and fun". This sounds lovely. But a city that turns its back on its inner city is not going to be safe and it certainly isn't fun for the people living there.

Mayor Katz says a budget process is "about the priorities of our citizens" and it is a means to "respond to the needs and expectations of those who elected us"

I am not sure which citizens this budget speaks to. Certainly not those of us who believe in a healthy inner-city and certainly not those of us living in the inner city.

- Shauna MacKinnon is the Director of the CCPA in Manitoba

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