



Right
to Housing

Right to Housing Coalition – 2018 Manitoba Budget Analysis

Budget 2018 further reduces dollars for housing people experiencing housing insecurity and homelessness

Budget 2018 provides a total of approximately \$11M less to the Manitoba Housing and Renewal Corporation (MHRC) compared to last year's budget. This is in addition to the \$150M reduction to MHRC announced in Budget 2017. Right to Housing is concerned that this trend will increase homelessness and housing insecurity and exacerbate the poverty experienced by thousands of Manitobans who do not have access to safe and affordable housing.

The overall \$11M reduction is based on a budgeted \$9M increase to the MHRC for operating costs and a \$20M reduction in capital borrowing by the MHRC. Capital borrowing has been used to invest in initiatives like new social and affordable housing construction and the maintenance of existing stock. Budget 2018 authorizes MHRC to invest up to \$130M. However, this represents less than a third of what the Manitoba government was authorized to borrow in years that it was investing in the construction of 300 units each of social and affordable housing and more than \$100M in the maintenance of the existing stock.

The Right to Housing Coalition called on the Province to provide funding for 300 net new social and affordable housing units built by the public, non-profit and co-op sectors annually. *The Plan to End Homelessness in Winnipeg* says 7,500 units are needed just to house the homeless in Winnipeg, never mind the rest of the province. However, Budget 2018 does not set any target and timeline for



building new social and affordable housing. Nor does it mention a plan for addressing the loss of existing social and affordable housing due to the expiring operating agreements within the non-profit and co-op housing sectors.

The budget also eliminates the Rental Housing Construction Tax Credit. This tax credit was introduced in 2013 to stimulate the construction of rental housing and increase the supply of new affordable rental housing units. The tax credit was worth up to 8% of the capital cost of new rental housing construction by the private, non-profit, and co-op sectors. Eligible projects required at least 10% of constructed units to have affordable rents. It's difficult to get the private sector in the business of supplying affordable rental housing. The elimination of the Rental Housing Construction Tax Credit will not make it any easier.

Budget 2018 does have one positive housing item. Funding has been provided to index Rent Assist to keep up with rising rents in the private market, which low-income Manitobans will need to rely on in the absence of an adequate supply of social and affordable housing.

After the 2016 provincial election, the new government consulted with Manitobans on the development of a new Provincial Housing Strategy. Just last month, the Province released a "what we heard" document summarizing the input received during the consultations. But the Right to Housing Coalition is anxious to see the actual strategy. Coalition supporters wrote to the Province ahead of budget day urging it to release the Provincial Housing Strategy alongside Budget 2018 and allocate funding toward its implementation. However, Budget 2018's only reference to the strategy is in noting that its development is "underway."

The Province is likely waiting for housing negotiations under the federal government's National Housing Strategy to conclude. However, people who are experiencing housing insecurity and homeless cannot wait any longer. As demonstrated in years without a willing federal partner, there is much that the Province can do right now to support social and affordable housing in Manitoba. Manitoba had become a leader in the construction of social housing. Progress was being made with the addition of 1,500 units each of affordable and social housing between 2009 and 2014, and a further commitment to build another 500 of each by 2016.

Now is not the time for Manitoba to step back from investing in social and affordable housing. Coalition supporters wrote to the Province urging it to demonstrate in Budget 2018 that it will match the federal dollars that are on the table through the National Housing Strategy. In November 2017, the Government of Canada announced \$40B dollars over ten years for this strategy, some of which won't make it to Manitoba without matching provincial funding. Reduced spending by the Manitoba government represents a missed opportunity to bring much needed federal support to Manitoba to address housing insecurity and homelessness across the province.

Kirsten Bernas is the chair of Right to Housing's Provincial Working Group