

A step back on social housing in Manitoba

Budget 2017 provides \$150M less for the development and maintenance of social and affordable housing compared to last year's budget. Groups like the Right to Housing Coalition are concerned that this will increase homelessness and perpetuate the poverty experienced by the thousands of Manitobans who cannot get ahead and enjoy a decent quality of life because they cannot access safe and affordable housing.

The shortage of rental housing available to low-income Manitobans is not a new problem. For many years now, Right to Housing has been calling on the Province to commit to 300 new social housing units built by the public, non-profit and co-op sectors. This number represents the provincial share of what it would take for all levels of government to work together to meet the need. The previous government delivered on a commitment to add 300 units annually for five years beginning in 2009.

Budget 2017 does not set any target and timeline for building new social housing. Of particular concern is the amount available for capital – that is for investing in new supply and in the maintenance of existing supply. Budget 2017 provides up to \$149 million for capital. This is down from \$280 million in 2016, and it is roughly a third of what was available on an annual basis when the Province was investing in a capital program that delivered 1,500 units between 2009 and 2014.

The budget mentions \$12.8 million to improve housing supply and quality through a Social Innovation Fund. Much of this funding is expected to go toward improving quality, which is not a bad thing in and of itself. But it does not address the need for new supply. Even if all of the \$12.8 million went to supply alone, it would barely be enough to add another 50 social housing units to the market.

Addressing the supply problem is only part of the solution. The other part is ensuring that low-income Manitobans have access to income supports that enable them to afford the rents that are being charged in the housing that is available. Budget 2017 continues to invest in Rent Assist, a program that provides an income benefit to low-income Manitobans to top up their rent. Its budget line was increased, in part to be able to index the benefit to keep up with rising rental costs. But the benefit itself will not be enhanced. Rent Assist has certainly helped make housing more affordable for low-income Manitobans, but its maximum benefit amount is not high enough to cover the rental cost of much of the housing that is available in the private market. As a result, many families continue to live under the threat of homelessness.

Budget 2017 also reduces the provincial government's contribution to Manitoba Housing's operations and programs by \$20 million. Historically, Manitoba Housing's revenue sources have been split roughly three ways between rental revenues, federal government contributions, and provincial government contributions. It's not yet clear why the Province has reduced its share. Perhaps it is due to rising federal contributions, but the intention of enhanced federal investments is surely not to enable provincial governments to spend less. Rather, the intention is to build off of provincial investments.

Now is not the time for Manitoba to step back from investing in affordable and social housing. It should be taking advantage of the opportunity presented by having a federal government that is interested in supporting provinces and municipalities to address their housing challenges. Reducing spending at this time misses the opportunity for the two levels of government to collaborate to put a dent in Manitoba's affordable housing crisis.

Manitoba had become a leader in the construction of social housing in the last several years. Progress was being made to help prevent falling further behind meeting Manitoba's affordable housing needs. That progress appears to have been stalled.

Budget 2017 noted that the government is developing a new provincial housing strategy. We will be looking to this document for a target and timeline on the construction of social housing. In the meantime, Right to Housing will continue to promote the need for new social housing in Manitoba both to the government and the broader public in order to get us back on track toward ensuring all Manitobans can access safe and affordable housing.

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