



Right  
to Housing

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December 17, 2018

Thank you for the opportunity to participate in the pre-budget consultation process.

The Right to Housing Coalition is a Winnipeg-based group of individuals and 58 supporting organizations concerned about the shortage of affordable (including social) housing. We partner with all three levels of government to develop housing policies and programs.

Safe and affordable housing is a fundamental right. Stable access to safe and affordable housing improves mental and physical health, and helps improve population health. Housing stability also provides a foundation from which Manitobans can participate in their community and access education, training, employment and social services. Improving access to affordable housing is critical to addressing and preventing many social problems including homelessness, poverty, crime, and social exclusion.

Ensuring all Manitobans can access affordable housing is not only the right thing to do, it also makes economic sense. Investments in affordable housing generate government savings by reducing costs related to homelessness and poverty. A study of homelessness in four Canadian cities found that the cost of institutional responses to homelessness such as prison and psychiatric hospitals can be as high as \$120,000 per person annually, and the cost of emergency shelters as high as \$42,000 annually. In contrast, supportive and transitional housing costs up to \$18,000, and affordable housing without supports costs up to \$8,000.<sup>1</sup> Clearly, cost savings are realized by investing in affordable housing instead of traditional institutional responses.

Finally, the creation of affordable housing generates employment and training opportunities that can be used strategically to benefit people that are often shut out of the workforce, including social housing tenants. This helps generate new tax revenues and keeps money circulating in the local economy.

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<sup>1</sup>[https://www.homelesshub.ca/sites/default/files/attachments/Cost\\_of\\_Homelessness\\_Pomeroy\\_English.pdf](https://www.homelesshub.ca/sites/default/files/attachments/Cost_of_Homelessness_Pomeroy_English.pdf)

Please see our recommendations for Budget 2019 below. They do not adequately address the unique housing challenges and needs of Indigenous Manitobans. Right to Housing strongly urges the Province to demonstrate its commitment to reconciliation by partnering with Indigenous communities to ensure that the provincial housing policies and budgetary decisions address their unique challenges and needs.

### **Provincial Housing Strategy**

Manitoba has been without a provincial housing strategy for nearly three years. This is unacceptable given the rates of core housing need and the fact that at least 1,500 people experience homelessness on any given night in Winnipeg alone.<sup>2</sup> It is understood that the Province is negotiating a bilateral housing agreement with the Federal government, but this does not excuse the Province from taking leadership in the interim.

### **Recommendations for Budget 2019:**

- **Invest resources in a comprehensive provincial housing strategy.**

### **Affordability of Housing**

The Province of Manitoba must improve the affordability of housing through a multi-pronged approach that employs both supply-side and demand-side strategies:

- 1) **Increase the supply** of social and affordable housing by funding new public, non-profit, or co-op housing builds.
- 2) Make the existing supply of housing more affordable through **income supports**.
- 3) **Maintain the existing supply** of social and affordable housing.

**1) Increased Supply** - Social housing, where rents are geared to income, and affordable rental housing play an important role in the housing continuum. The Right to Housing Coalition prioritizes increases to the supply of social housing, as the private market is unable to offer these low rents that are in high demand by Manitoba's most vulnerable citizens, including people experiencing homelessness. Any effort to properly address homelessness begins with ensuring that there is an adequate supply of housing available to house the homeless.

Manitoba's housing strategy must set a target and timeline for net new social and affordable housing builds by the public, non-profit, and co-op sectors based on need.

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<sup>2</sup> [http://streetcensuswpg.ca/wp-content/uploads/2018/10/2018\\_FinalReport\\_Web.pdf](http://streetcensuswpg.ca/wp-content/uploads/2018/10/2018_FinalReport_Web.pdf)

Despite provincial investments in new social and affordable housing over several years, there has been a net loss of units per capita since 2002. Between 2002 and 2015, the number of social housing units per capita dropped from 31 units per 1,000 people to 27 units per 1,000 people. At least 5,000 net new units are needed to bring social housing back to the 2002 per capita level. An additional 300 units per year are needed just to keep up with population growth. All levels of government must work together to meet this need.

New builds must be prioritized in geographic communities where supply is most lacking. Vacancy rates have improved for some Manitoba communities, including Winnipeg (2.9%). But cities like Brandon, Steinbach, and Winkler continue to have low vacancy rates (1%, 1.3% and 0.8% respectively).

New housing developments are extremely complicated to plan and execute. Communities with the greatest housing needs often lack the capacity to respond to requests for expressions of interest and to take advantage of available financial supports. Manitoba's housing strategy must include a plan to build the capacity of non-profit and co-op housing providers to plan and execute new social and affordable housing developments.

Provincial policies are needed to support and incentivize the non-profit, co-op and private sectors in supplying rental housing at social and affordable rates. But this alone is insufficient. The private market, in particular, underserves many Manitobans and the Province must step in to provide those demographics with an adequate supply of public rental housing. New social and affordable public builds must therefore also be prioritized to accommodate the unique needs of low-income people, women, newcomers, Indigenous people, persons with disabilities, people experiencing homelessness, and youth exiting out of the care of Child and Family Services.

Women facing multiple barriers including domestic violence require access to housing that is planned and designed to optimize their safety, 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 supports to help secure their tenancy. Youth aging out of the care of Child and Family Services require transitional housing with supports that enable them to move into permanent affordable housing.

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. Private market rents at that unit size are too high for many of these families. Those who turn to subsidized housing cannot find units with three or more bedrooms - the vacancy rate for a three-bedroom unit in the cheapest quartile of Winnipeg apartments was only 1.1% in October 2017,

approximately seven vacant units. The private market does not meet the housing needs of the aforementioned demographics.

### **Recommendations for Budget 2019:**

- **Reverse rent increases experienced by Manitoba Housing tenants since 2016.**
- **Invest in 300 net new social and affordable housing units built by the public, non-profit and co-op sectors annually so that Manitoba does not continue to fall behind.**
- **Prioritize new builds in geographic communities where supply is most lacking.**
- **Prioritize new builds that accommodate the unique needs of demographics that are underserved by the private market (e.g. low-income people, women, newcomers, Indigenous people, persons with disabilities, people experiencing homelessness, and youth exiting out of the care of Child and Family Services).**
- **Invest in building the capacity of non-profit and co-op housing providers to plan and execute new social and affordable housing developments.**

**2) Income Supports** – While vacancy rates have increased in some geographic communities, units renting for lower rates are still relatively scarce – meaning that most of the housing that is available is unaffordable to very low-income households. The most recent data available shows that the cheapest quartile of Thompson apartments has a vacancy rate of 0.9% compared to 5.1% for the most expensive quartile. Bachelor suites, which meet the needs of single individuals experiencing homelessness, have a 0.9% vacancy rate in the cheapest quartile of Winnipeg apartments – just eight vacant units. This does not come close to meeting the needs of Winnipeg’s homeless population.

Demand-side strategies like Rent Assist and other income supports and subsidies help improve the affordability of private, non-profit, and co-op housing across the province. The Province must not claw back Rent Assist after the launch of the Canada Child Benefit. Ongoing investments in Rent Assist are critical to assisting low-income Manitobans, on and off EIA, with housing costs. Despite this significant investment, Rent Assist still does not provide enough support to enable very low income Manitobans to afford the expensive private market housing that is relatively abundant and recent reductions in benefits are having a negative impact on housing affordability. The pursuit of this kind of demand-side strategy for improving the affordability of housing must ensure that income supports and subsidies are large enough to meet the needs of very low-income Manitobans. Demand-side strategies must also prioritize portable benefits, like Rent Assist. While Rent Supplements are an important piece of the housing affordability puzzle, their effectiveness depends on time-limited agreements that can cause tenants to lose their

housing or move into core housing need when agreements are not renewed. Portable benefits stay with the tenant and provide them with greater choice when it comes to their housing.

### **Recommendations for Budget 2019:**

- **Reverse changes to the Rent Assist program and reinstate the previously legislated formula for calculating Rent Assist.**
- **Invest in demand-side strategies such as income supports and subsidies that are designed to be portable and to fully close the housing affordability gap for very low income Manitobans.**

**3) Maintaining the Existing Supply** - Manitoba's housing strategy must include a plan to address critical threats to maintaining the existing supply of social and affordable housing:

- (a) **Expiring operating agreements**
- (b) **An aging provincial housing stock**
- (c) **Asset transfer**

(a) **Expiring Operating Agreements** - Federal operating agreements with housing providers are expiring. The subsidies in these agreements enable housing providers to offer rent-geared-to-income (RGI) and affordable housing. Some providers will not be viable without the subsidies and will increase rents, reducing Manitoba's supply of RGI housing. Manitoba's housing strategy must include a plan to ensure that there is no net loss of RGI units due to expiring agreements. This should include planning assistance and a rent subsidy and operational cost supplement program to support the sustainability of non-profit and co-operative housing providers, as well as the RGI units owned and operated by Manitoba Housing. While many agreements have already expired, the real crisis will begin after 2020 when the majority of RGI units are threatened by expiring operating agreements. The Province should endeavour to partner with other levels of government to design and deliver this new cost-shared rent subsidy and operational cost supplement program.

### **Recommendations for Budget 2019:**

- **Proactively engage with housing providers and other levels of government and invest to ensure there is no net loss of rent-geared-to-income housing units due to expiring federal operating agreements.**

(b) **Aging Stock** - The quality of Manitoba's public housing stock must be improved to maintain existing supply and to ensure that housing is more comfortable, safe, and energy efficient. *The Plan to End Homelessness in Winnipeg* identifies the need to encourage increased provincial funding to maintain existing social housing stock to meet the needs of the homeless population in particular. Manitoba's housing strategy must 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 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. In 2009, the Province estimated the need for \$100M in annual investments over ten years to address the current and deferred capital repair requirements in public housing. While it has taken several years to ramp up to that level of annual investment, the Province invested more than \$120M in 2015/16. To make up for under spending in this area in previous years, investments of at least \$126M annually are required to meet the estimated need for capital repairs by 2020 and this must be reflected in Manitoba's housing strategy. Also needed is an estimate of annual investments required beyond 2020.

#### **Recommendations for Budget 2019:**

- **Invest at least \$126M annually to meet the estimated need for capital repairs and maintenance in public housing units by 2020.**
- **Estimate and plan to meet the need for annual investments in capital repairs and maintenance in public housing beyond 2020.**

(c) **Asset Transfer** - The transfer of public housing assets to the private, non-profit, and co-op sectors creates a potential risk of losing RGI housing units. Any sale to the non-profit and co-op sector must come with a transparent mechanism for ensuring the sustainability of RGI units. The threat of loss is more significant in the private sector when compared to the public and non-profit sectors, as the latter at least tends to 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 Europe's highest rate of homelessness decades later. Canada's ongoing housing crisis is linked to the federal government withdrawing from public housing in the 90s and leaving it up to the private sector to fill the need. The Right to Housing Coalition does not support the sale of public housing assets to the private sector.

## **Recommendations for Budget 2019:**

- **Do not transfer public housing assets to the private sector.**
- **Ensure the sustainability of rent-gearred-to-income units if public housing assets are transferred from the public sector to the non-profit and/or co-op sectors.**

## **Leveraging Housing Investments for Targeted Job Creation**

Investments in affordable housing stimulate the economy. Construction, maintenance, renovations, and energy/water efficiency upgrades create training and jobs opportunities. Manitoba's housing strategy should ensure that these opportunities are intentionally provided to Manitobans who have been shut out of the workforce, including some social housing tenants. This approach will generate new tax revenues, reduce poverty and its associated costs, keep money circulating in the local economy, and provide Manitobans with a pathway out of public housing. Manitoba Housing has contracted with social enterprises to complete a portion of its maintenance work and capital refresh projects. It currently aims to purchase over \$6M annually in goods and services through social enterprise, although it's uncertain whether that full amount will be spent this fiscal year. Manitoba Housing has collaborated with the social enterprise sector to identify an achievable goal of \$10M annually in purchasing through social enterprise. The bulk of this annual investment represents capital spending that Manitoba Housing would undertake anyway. This relationship with Manitoba Housing enables social enterprises to provide training and job opportunities for people facing significant barriers to employment, many who live in public housing, who may otherwise be on social assistance or involved in the criminal justice system. Investments in social enterprise have proven their value with an average 2.32 to 1 social return on investment.

## **Recommendations for Budget 2019:**

- **Ensure Manitoba Housing reaches \$10M annually in purchasing from social enterprise in 2019/20.**
- **Work with the social enterprise sector to set achievable annual targets for purchasing from social enterprise beyond 2019/20.**

**Housing with Supports** - There is great value in mixed-income housing, but the benefits of social housing developments should not be overlooked. Social housing can provide services where private housing does not. Manitoba's housing strategy must ensure that Manitoba

Housing tenants have access to comprehensive and tenant-driven resources and opportunities (e.g. mental health services, literacy training, job training, education, childcare, and healthcare) either onsite or nearby. Social housing tenants must also be given opportunities to connect with one another so they can share skills, information, and resources that build their individual and collective capacity. This approach not only improves tenants' quality of life, but also helps them move toward financial independence, which assists tenants in transitioning out of public housing. Providing housing with supports, in particular to the homeless population, is a key piece of the *The Plan to End Homelessness in Winnipeg*. While these individuals will benefit from the types of resources and opportunities identified above, Manitoba's housing strategy must also ensure that people experiencing homelessness have access to unique supports to become stable tenants and to maintain their housing.

Much of Manitoba's public housing is in the inner city where there is a strong foundation and concentration of services and supports for low-income Manitobans. However, many low-income Manitobans live in public housing outside of the inner city and in rural areas where programs and services are relatively scarce.

Family Resource Centres located in Manitoba Housing complexes are a model of best practice for improving access to information and services for tenants living outside of the inner city. The Province of Manitoba should explore the potential for ensuring that mobile resources and services can be provided in smaller urban communities where Manitoba housing tenants are not geographically concentrated.

#### **Recommendations for Budget 2019:**

- **Invest in ensuring that social housing tenants who face multiple barriers have access to comprehensive and tenant-driven resources and opportunities either onsite or nearby (e.g. mental health services, literacy training, job training, education, childcare, and healthcare).**
- **Invest in ensuring that people experiencing homelessness and other tenants facing multiple barriers have access to additional and unique supports to become stable tenants and to maintain their housing.**