



# Right to Housing

## **Right to Housing Coalition Submission to the Manitoba Government regarding Budget 2025**

### **Right to Housing Recommendations for Budget 2025**

Housing is not just a basic human need, essential to survival, health and well-being - it provides a foundation from which we can improve education and employment outcomes, reduce crime, improve physical and mental health, address issues connected to substance use, and reunite families involved with Child and Family Services. Additionally, we cannot end poverty and homelessness without ensuring access to housing.

Thousands of people are unable to find stable housing in Manitoba. The private rental market is unaffordable to people experiencing homelessness. For example, renters in the lowest quartile of incomes spend 51% of their income on housing. This has escalated the demand for non-market, social housing where rents are capped at 30% of household income. More than 6,000 households were on the waitlist for social housing as of May 2024. With nowhere else to go, many people stay with friends, family, in shelters, or outside. According to the 2022 point in time count, more than 1,200 people experience homelessness on any given night in Winnipeg alone. Another 4,000 more are conservatively estimated to be experiencing hidden homelessness. But Manitoba's plan to end chronic homelessness includes no new commitment to expand the social housing supply.

Since the federal government reduced spending on social housing in the early 1990s, the Manitoba government has relied almost exclusively on the private market to produce low-rent housing. It is clear that this 30-year-old experiment has failed. All levels of government must do what is necessary to address the housing crisis for low-income renters and reinvest in social housing. We urge the Manitoba government to do its part beginning with the following investments in Budget 2025:

- 1. A capital and acquisition fund to add 1,650 rent-geared-to-income social housing units in 2025/26 owned by public, non-profit, and co-op housing providers, as part of a long-term commitment to add 10,000 social housing units by 2034.**
- 2. A \$232M capital maintenance fund plus an operating subsidy fund to protect existing social housing and ensure no units are lost due to disrepair or lack of subsidies.**
- 3. Funding to ensure social housing tenants can access highly trained addictions, mental health and primary care professionals as well as community support workers to stabilize tenancies and achieve other goals.**

The factors contributing to housing insecurity and homelessness are complex. Solutions must include investments in mental health and substance use supports as well as in poverty

reduction measures. But none of these solutions will be effective if people can't access affordable housing and sufficient income to meet all of their basic needs. People who rely on Employment and Income Assistance (EIA) as their main source of income are particularly vulnerable. EIA provides a single individual only \$274 per month (approx. \$9/day) to pay for all expenses outside of rent (eg. clothing, toilet paper, food). That's barely enough to buy a single fast-food meal, let alone to provide for all the necessities of a well-balanced life. These dismal EIA rates trap people in poverty, leaving them in a constant state of crisis and at risk of losing their housing.

The Right to Housing Coalition supports Make Poverty History Manitoba's calls for the following income related actions in Budget 2025:

- Annual increases to EIA starting in Budget 2025 to bring incomes to 75% of the Market Basket Measure of poverty by 2030, and index benefits to inflation after that time.
- Increase the EIA earnings exemption to \$500 and reduce the clawback rate to 50% in Budget 2025 and 30% in Budget 2026.
- Commit to creating a Liveable Basic Needs Benefit.

### **Detailed Right to Housing Recommendations**

Right to Housing's recommendations for Budget 2025 come from the [Right to Housing Coalition's Social Housing Action Plan](#), released in September 2023 to address housing insecurity and homelessness. The plan is based on decades of research and consultation. Its [5 pillars](#) focus on expanding and preserving the supply of social housing with supports, strengthening rent regulations and tenant protections, and creating training and jobs for low-income people in the construction and maintenance of social housing. These pillars have been endorsed by more than [90 organizations](#).

#### **1. A capital and acquisition fund to add 1,650 rent-gear-to-income social housing units in 2025/26 owned by public, non-profit, and co-op housing providers, as part of a long-term commitment to add 10,000 social housing units by 2034.**

According to the housing needs analysis conducted by the Manitoba Non-Profit Housing Association in 2023, Manitoba requires at least 10,000 additional units of social housing to meet the housing needs of the lowest-income Manitobans. This includes people whose income comes from social assistance, disability benefits, or seniors benefits – as well as the working poor. To meet this need, Right to Housing called on the Manitoba government to commit to adding 1,000 social housing units annually over 10 years beginning in Budget 2024. Budget 2024 committed to adding 350 new social housing units. As a result, a commitment of 1,650 new units is needed in Budget 2025 to ensure we don't fall further behind.

The Manitoba government will need a plan that explores all opportunities for expanding supply through new construction, the acquisition and redevelopment of existing properties, and the use of public land banking and land trusts. A funding mechanism is required to ensure new supply can operate with rent-gear-to-income rents for as long as it is needed. New units can also be generated relatively quickly by repairing existing public and non-profit housing units that are vacant and in need of repair. New units must not be acquired by moving tenants out of existing Manitoba Housing units and into other housing with the support

of a rent subsidy. As we saw with the pause in the Canada Manitoba Housing Benefit, relying on rent subsidies leaves low-income renters vulnerable to a sudden loss of income that can lead to eviction and homelessness.

At least half of new units should be publicly owned and the remainder owned by non-profit, co-operative, and Indigenous-led housing providers. New units should be prioritized for communities, populations, and household sizes with the greatest need. Newly constructed units should be built to the highest efficiency and performance standards.

## **2. A \$232M capital maintenance fund plus an operating subsidy fund to protect existing social housing and ensure no units are lost due to disrepair or lack of subsidies.**

New social housing supply will not help reduce housing insecurity and homelessness if we don't prevent the loss of existing units. There are social housing units in Manitoba that sit vacant or have been demolished because of inadequate investment in capital repairs and maintenance. Publicly owned units have been sold to the private sector and no longer offer affordable rents. Non-profit social housing providers have had to increase rents or sell their properties to the private sector when government subsidies were not renewed or replaced after they expired.

The Manitoba government must prevent future losses to ensure new social housing supply results in a net gain. According to the Manitoba Non-Profit Housing Association, this requires investing in a \$1.5B capital maintenance fund over 10 years to bring existing buildings up to standard. To meet this need, Right to Housing called on the Manitoba government to invest \$150M in Budget 2024. Budget 2024 invested \$67.8M to modernize and improve existing social housing. As a result, an investment of \$232M is needed in Budget 2025 to ensure we don't fall further behind.

Manitoba must take additional steps to prevent the loss of existing social housing. This includes retaining ownership of public housing assets and implementing a new funding mechanism to sustain rent-geared-to-income rents and the operation of social housing when operating subsidy agreements expire. It also includes passing legislation to prevent the sale of non-profit owned social housing that has received government funds to for-profit housing providers.

## **3. Funding to ensure social housing tenants can access highly trained addictions, mental health and primary care professionals as well as community support workers to stabilize tenancies and achieve other goals.**

People living with low incomes face barriers accessing physical and mental health care, food, transportation, childcare, education, training, and employment. Poverty also increases the risk of gender-based violence, physical and mental illness, facing issues with substance use, and involvement with the child welfare and justice systems. These experiences can threaten tenancies and trap people in poverty and homelessness.

Manitoba's community support workers (e.g. housing support workers, community outreach workers) help low-income households stabilize their tenancies by connecting them to resources for landlord-tenant mediation, basic needs, hoarding, budgeting, and pest management. These support workers also help households address day-to-day needs and

achieve other goals by connecting them to resources related to income, family reunification, newcomer settlement, reintegration from incarceration, Indigenous cultural practices, health, trauma, mental health, substance use, childcare, education, job training, and employment.

There are not enough community support workers (CSWs) in Manitoba to effectively meet the demand for services and these positions experience high turnover. Manitoba must provide funding to hire additional CSWs. Building a strong pool of CSWs also requires recruiting and retaining staff who have the skills to meet the unique service needs of people who experience homelessness and housing insecurity. This means additional funding is needed to offer permanent positions with adequate wages and benefits to attract skilled workers.

CSWs are not often trained to provide supports related to health, mental health, and substance use, which are in high demand. Instead, CSWs refer participants to addictions, mental health and primary care professionals but these are in short supply. Without access to these supports, many social housing tenants end up getting evicted from their homes. Manitoba must invest additional resources to ensure social housing tenants can access highly trained healthcare professionals to deliver supports related to health, mental, and substance use when needed. These healthcare professionals should be trained and given a mandate to provide holistic care, ensuring that the services offered can also address the social determinants of health.

The Manitoba government can help prevent evictions and homelessness by increasing and stabilizing funding to expand proven models for delivering supports to social housing tenants. This includes funding for resource centres located onsite or nearby, funding to operate transitional and permanent supportive housing with onsite staffing, and funding for mobile support workers that can meet tenants where they are at.

### **Financing Social Housing**

Manitoba has the institutional and legislative framework to embark on an ambitious social housing investment plan. Using the Manitoba Housing and Renewal Corporation (MHRC), it should commit to the following four investment priorities:

#### **1. Invest in public infrastructure by taking on lower-interest government debt and provide grants, loans (forgivable or low interest), and low-interest mortgages with long amortization periods**

- Borrowing allows Manitoba to invest in public-housing assets that offset government debt on the balance sheet. It would allow Manitoba to establish a long-term capital fund to create 1,000 net new social housing units annually for 10 years. Borrowing would also allow Manitoba to fund a provincial capital maintenance fund to bring existing social housing buildings up to code and support the ongoing maintenance needs of new social housing units.
- New units could be constructed or acquired from existing properties to be repurposed for social housing.
- Using self-supporting debt (revenues from rent) helps cover a portion of the cost of government borrowing.

- As a federal election approaches, Manitoba must act urgently to take advantage of existing federal programs such as those under the National Housing Strategy and provide matching funding when required.
- Manitoba needs to advocate for new federal programs to support the expansion and preservation of social housing for as long as needed.

## **2. Provide operating funds**

- Be ready to jump on new federal programs that provide operating subsidies and co-invest as needed. Preference should be given to programs that provide long-term operating agreements covering full-building operating costs and allow for rent-geared-to-income units. Although less encompassing, rent supplements tied to non-profit units can also be used to expand the number of rent-geared-to-income units.

## **3. Build land and housing assets**

- Increase land bank holdings to ensure sufficient land is available for new social housing development today and in the future. Downtown surface parking lots owned by the province are low-hanging fruit.
- Establish an acquisition fund for the purchase of naturally occurring affordable housing and expand the menu of building acquisitions to include empty office buildings, hotels, and motels that can be converted into apartments.
- Establish a vendor tax credit for vendors that sell to the non-profit or public housing sectors to give social housing providers a leg up in acquiring rental properties from the private sector and/or in the acquisition of office buildings.
- Consider a right of first refusal policy so the Province and/or nonprofits have a better chance of acquiring rental properties from the private sector. The vendor tax credit would apply to sellers who use the right of first refusal option.

## **4. Support the non-profit sector**

As a partner of the Manitoba Non-Profit Housing Association, MHRC is well positioned to provide more support, including technical, and resources to the sector. It should:

- Collaborate with the non-profit housing sector to facilitate community land trusts, housing co-ops, acquisition of existing properties, and new construction. Grants and loans, such as those provided by the BC government, are essential for building equity that allows the provider to seek further financing for new builds and/or acquisition of existing buildings.
- Provide loan guarantees and letters of credit to help non-profits secure financing and protect non-profits in the case of mortgage default. For example, a loan guarantee issued to the Thompson Lions Seniors Manor Non-Profit Housing Coop Inc. was called by the mortgagor. MHRC paid off the debt and took over the mortgage.
- Continue using Tax Increment Financing and other tax credits to make it easier for non-profit social housing providers to stack financing
- Continue providing proposal development funding to help the non-profit sector hire and train staff, and build capacity to plan and execute new housing developments.

## **Benefits of Investing in Social Housing**

- Building assets (housing) helps offset the cost of borrowing on the Crown's balance sheet. Assets can be further leveraged for more borrowing for more construction and/or housing programs.
- Governments, including Crown corporations, can always borrow at a lower interest rate than the private sector, and obtain or offer longer amortization periods. The rent the Crown collects provides a stream of revenue to help pay for the cost of building and maintaining new units. Government investment removes the need to make a profit, estimated between four and eight percent, freeing up more revenue to cover costs.
- Housing poorly-housed or unhoused Manitobans has far reaching social and economic benefits. It can reduce costs in healthcare and policing. It can increase family stability, leading to improved education and employment outcomes for kids and their parents.
- MHRC can implement procurement policies to support social enterprises that train and hire multi-barriered workers who otherwise have no attachment to the labour force.
- Large government expenditure stimulates the economy through increased spending and employment. In a report commissioned by the Canadian Housing & Renewal Association, Deloitte found that "bringing Canada's community housing stock to the OECD average by 2030 would boost economic productivity by a staggering 5.7% to 9.3%." The increase in productivity would come from the improvement in social conditions noted above which, in turn, would lead to non-inflationary economic growth.
- When governments work together, they can take advantage of co-funding opportunities, increasing the value of every dollar spent. They can also work more effectively by sharing resources and expertise.

There is a growing consensus that the housing crisis won't be solved without all levels of government committing to, and reinvesting in, social housing. A 2023 Scotiabank report called on governments across the country to "double the supply of social housing" stating that "the moral case to urgently build out Canada's anemic stock of social housing has never been stronger". Committing to the investment priorities identified above would allow Manitoba to address this moral challenge.

## **Who We Are**

The Right to Housing coalition is a group of individuals and organizations concerned about housing insecurity and homelessness experienced by low-income renters in Manitoba. The coalition calls on all levels of government to prioritize investments in social housing to ensure all low-income renters in Manitoba can access a home that is affordable, safe, secure, and culturally appropriate.

For more information contact: Kirsten Bernas, Chair, Provincial Working Group, Right to Housing Coalition - [provincial@righttohousing.ca](mailto:provincial@righttohousing.ca)