MNPHA's 2026/27 Provincial Budget Recommendations

Achieving affordability for Manitoba households, increased economic productivity, healthier and safer communities, and reduced need for emergency health care services, all require affordable, safe, and dignified housing available across Manitoba's diverse communities. Manitoba's non-profit housing sector is providing this for more than 15,000 households. To continue and increase our impact, the sector needs adequate capital, operating, and tenant support funding that catches up and keeps pace with both inflation and the immense social challenges tenants are facing. With the National Housing Strategy (NHS) likely to change in 2028, there are just two provincial budgets left to leverage its resources and transform social housing delivery toward a more resilient and empowered housing sector.

1. The Non-Profit Housing Sector as a Partner in Social Housing Delivery

Providing safe, dignified housing that is affordable to those in the greatest need requires funding programs that cover the full cost of this service, and partnerships to reduce costs where possible. Manitoba's new funding model addressing expired operating agreements includes flexibility and lowers administrative burdens, supports and incentivizes good business practices through portfolio funding, adequate capital fund allocations, and surplus retention, and recognizes that costs increase on an annual basis.

All funding models for non-profit housing, including sponsor management agreements and any new agreements, should be modelled off the successful new funding model, and include the same principles. The clearest-cut example of the need for change is in budgeting for sponsor managed buildings. MNPHA estimates that the shortfall in funding for administration and maintenance for sponsor management is $2-3M annually (note that we are waiting to receive data on previous spending to confirm this estimate). The shortfall leads to wasted time and loss of goodwill as non-profit sponsors request and wait for approval to cover fixed costs. Budgets recognizing the real costs of social housing provision could lead to collaboration between government and non-profit leadership on meaningful activities such as safety improvements or eviction prevention. Adequate funding would transform housing delivery from an administrative endeavour to one where non-profit leaders can use their skills and commitment to serve their communities.

2. Repairs and Capital Funding

Due to the age of Manitoba's community housing stock and funding agreements that did not permit adequate capital reserves, 70% is considered in 'fair condition.' Non-profits are in the position of making the difficult choice between raising rents (if permitted), sometimes to an amount out of reach to their existing tenants, or putting off important capital projects – roofs, HVAC systems, building envelope work, and security improvements, until a time that it will be even more expensive. This creates a huge risk and a bigger cost down the road.

MNPHA has a proposal to develop and provide capital planning and energy management services to strengthen the non-profit housing sector. These essential services are currently delivered in an inconsistent and reactive manner, with wide variances in capacity. Centralized expertise would optimize the use of limited funds and increase the ability of organizations in the province to leverage federal funding opportunities as they arise. Combining capital planning and energy management services will preserve and improve the aging housing stock to reduce the risk of loss or extended vacancies, and support the Manitoba Government in achieving its housing, homelessness, and climate

objectives. There is a two-year window of opportunity for Manitoba with matched funding for social housing through the bilateral agreement of the NHS. The Manitoba government should use this opportunity to develop a funding program to significantly reduce the existing capital deficit within non-profit housing to meet the needs of the next generation of Manitobans, while working with the Federal Government to develop a NHS 2.0 to sustain the capital repairs and modernization necessary.

3. Supports within Community Housing

MNPHA applauds the work of the Government of Manitoba to begin developing a predictable funding model for new supportive housing and transitional housing for people at risk of homelessness. It takes time for new models to be developed and implemented, however, a number of organizations have shared challenges of needing to carry significant risk and use their own limited funds to pay for staff to provide housing and support quickly while waiting for agreements and cost reimbursement from government partners.

Support for people exiting encampments or other experiences of homelessness is intensive and urgent. And it is the tip of the iceberg. To prevent eviction, reduce social isolation, support elders to age in community, and provide resource connections for tenants to build healthy and safe communities, we recommend a target averaging one tenant support worker per 100 units in independent living. Additionally, with Manitoba's Poverty Reduction Strategy focusing on seniors, there is a clear need for an assisted living program for low-moderate income seniors. Increasing and making tenant support funding streams permanent will allow organizations to hire, train, and retain the skilled employees needed to achieve positive social outcomes for tenants.

4. New Housing Development

With Build Canada Homes launching, there is an opportunity for Manitoba to increase social housing at greater scale and speed than ever. The Government of Manitoba can take a lead in supporting projects to get to the shovel-ready stage through land acquisition and pre-development funding and through filling funding and financing gaps. This means funding and financing approvals that are flexible, fast, and responsive to the diversity of viable projects meeting housing needs, not only those addressing homelessness.

The 2024 and 2025 budget targeted only 1/3 of what is required in a given year, meaning that we continue to fall further behind. Evidence shows that the provincial government must create 10,000 affordable, community-owned (non-profit, cooperative, and public) units over ten years to meet the current need.

With greater fiscal challenges potentially on the horizon, MNPHA understands that governments need to prioritize investments in initiatives that grow the economy while reducing future costs. Housing is one of those rare investments that builds local economies and creates good jobs, and achieves a multitude of health and social policy goals that benefit from high public support. With two years left of the NHS, and the new Build Canada Homes initiatives, Manitoba has a window of opportunity to significantly scale up successful new initiatives, while transforming social housing delivery to be more resilient to economic challenges in years ahead.