

The Manitoba Non-Profit Housing Association (MNPHA) is an association of almost 150 non-profit housing providers as well as associate organizations/private-sector partners, representing over 24,000 units of affordable and social housing across 23 communities in Manitoba. MNPHA supports its members to build a thriving, sustainable non-profit housing sector in Manitoba. The four pillars of this support are the provision of membership services; advocacy with government, funders and other stakeholders; sector development through professional development opportunities and education; and building partnerships within and outside the sector.

In 2019, the Government of Manitoba signed a bi-lateral agreement with Canada under the National Housing Strategy committing a combined \$450.8m to preserving and developing social housing in the province over the next 10 years. This investment is significant for the non-profit housing sector and we look forward to working with governments over the next decade to ensure these and other resources are efficiently and effectively dedicated to the benefit of Manitobans in need of affordable housing, in a long-term and sustainable manner. MNPHA has developed five recommendations, covering both suggestions for partnership between the non-profit and public sectors, and specific program options, for the Government to consider in the 2020 Provincial Budget:

1. **New Supply of deeply affordable housing.** Despite an increasing population, and increased demand for social and affordable housing, there has been no new supply of housing that is affordable to those living in poverty in the past three years, and very limited supply in the years prior. According to the *Manitoba Fiscal Performance Review Phase 2 Report Business Case - Social Housing* (KPMG, 2016), demand outpaced availability for Manitoba Housing by between 15% (in Southern Rural Manitoba) to 60% (in The Pas and Thompson).

Through the National Housing Strategy, the province has committed to increasing the supply of housing by 15% over the 10 years of its agreement with the Government of Canada. While significant, even with such an increase the gap between need and supply of affordable housing projected to grow as housing costs rise faster than wages.

To further increase supply at no cost to the province, Manitoba can introduce a renewed version of the Rental Housing Construction Tax Credit. This credit would remove the PST from affordable, non-profit housing development, thereby decreasing the costs of development by 7%, and giving the non-profit sector leverage to access other funding sources such as the National Housing Co-Investment Fund. The previous version of the Rental Housing Construction Tax Credit may have been too broad, as it supported both private and non-profit housing at median market rent, housing that could possibly have been developed even in the absence of such a program.

Budget recommendation: Introduce a new Rental Housing Construction Tax Credit, waiving PST on development of new non-profit housing units with a long-term (20+ years) affordability requirement. This would support a number of projects aligned with Government priorities that MNPHA members are currently hoping to construct in the next 1-3 years.

2. **Work collaboratively with the non-profit housing sector to maintain affordability post-operating agreement.** With operating agreements ending, many non-profit providers will need ongoing support from government to be able to provide housing at the deepest affordability levels. There are costs to the health and well-being of individuals, families, and communities, if

rents increase and low income people need to leave their homes. We need to work together to plan how to best use the funding available through the National Housing Strategy over the next 10 years to preserve housing for those in need, including long-term planning for rent subsidy agreements.

3. **Invest in capital repairs and maintenance in community housing.** In 2009, a chronic shortfall in capital funding for social housing (including Manitoba Housing) was estimated at \$1b. While repair and maintenance funding increased for a period, it is declining again. Social housing providers, including Manitoba Housing, need capital investments to keep housing safe and clean, but also critically, to offer homes that provide dignity and a sense of self-worth to the families and individuals who live there.

Budget recommendation: Target a portion of the National Housing Strategy funding to renewal and repair of existing social housing stock.

4. **Provide consistent and stable funding for supports in housing.** Tenants often live in community housing due to complex poverty, which includes experiences with child welfare systems, health and mental health challenges, family violence, and migration to a new community. As the *Improving Access and Coordination of Mental Health and Addictions Services: A Provincial Strategy for All Manitobans* (Virgo Planning and Evaluation Consultants, Inc., 2018) report states, the “provision of adequate housing and housing-related supports, now considered a core component of the Substance Use Addictions/Mental Health service continuum, also provides an economic return on the financial investment.” However, some individuals and families require a connecting point to service continuums, not simply an affordable housing unit. A number of organizations currently receive funding for tenant supports through Regional Health Authorities in the form of Tenant Resource Coordinators or Tenant Support Workers - these vital positions for tenants with physical, social, or mental health needs have been maintained over time, but it has been years since this funding has been re-evaluated or made available to new organizations/organizations that seen an increase in tenants with higher needs. As the Government of Manitoba undertakes significant changes to the provision of mental health and addictions services, and services to seniors and families, it is important to consider housing as a social determinant of health and provide preventative services where the highest need Manitobans currently live.

Budget recommendation: Operating budgets should be allowed to include consistent funding for sufficient staffing to offer support and connection to resources as needed.

5. **Continue to partner with the non-profit housing sector on community delivery of social housing.** The non-profit housing sector is resilient and resourceful at providing stable, high-quality, affordable homes for Manitobans in need. The sector brings their equity, expertise, and networks that add value to the public investments. MNPHA is well prepared to build on this capacity so that the sector continues to develop and thrive in a sustainable way. Non-profit ownership and management has been proven to be cost-effective, and provides good outcomes for tenants; the sector is committed to owning, operating, and maintaining housing that is affordable in perpetuity and will do so at a greater scale with the support of the Government of Manitoba through the next decade while the social housing sector transforms.

Budget recommendation: For the non-profit sector to effectively deliver social housing services, public investment in building operations, whether through sponsor-management agreements, rent supplement agreements, or other funding arrangements, needs to include increases in budgets tied to inflationary costs so the sector can keep up with increasing costs.