



# 2006

2006 MANITOBA  
ALTERNATIVE PROVINCIAL  
BUDGET

Investing in  
Tomorrow, *Today*



CCPA  
CANADIAN CENTRE  
for POLICY ALTERNATIVES  
CENTRE CANADIEN  
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## IV Housing

### Housing: a basic right

It is internationally recognized that shelter is a basic human right. Yet in Manitoba a growing number of people are homeless or deemed to be in core need, meaning that they are living in housing that is either in need of major repair, has an insufficient number of bedrooms for family size, or costs the family more than 30% of its income.

Community-based organizations (CBOs) working with low-income residents in Winnipeg have identified housing as one of the most critical issues. Consultations with women across the province have revealed that a lack of affordable quality housing is the number one concern of women from a variety of backgrounds, and statistics confirm that there is a growing problem. Women (particularly Aboriginal women, seniors, new immigrants and women trying to leave abusive relationships), people with disabilities and single parents are overrepresented among the poor and are most affected by the shortage of low-cost housing.

According to 2001 census data, 11.6% or 45,400 Manitoba households are in core housing need. The Manitoba Urban Native Housing Association estimates that there are currently 4,000 families with approximately 15,000 children on waiting lists for their housing. Thousands of households are on the Manitoba Housing Authority public housing waiting list. Wait lists have tripled since 1995 and instead of growing to meet the need, the number of Manitoba units is shrinking. The City of Thompson lost 5 units to fire in 2004, and these have yet to be replaced. While wait times depend on a number of variables, some will wait up to 4 years for housing.

There has been much research on the state of housing in Manitoba: the need is great and grow-

ing. The problem is exacerbated as the increasing price of gas and oil will continue to push up building and operating costs. Low-income households are the hardest hit.

All levels of government agree that there is a problem, but recent attempts to address the situation have been meagre and the situation continues to deteriorate. The provincial government rightly notes that it needs the federal government at the table. However, it is irresponsible for the Manitoba Government to continue to allow the situation to deteriorate.

Since 2000 the Province of Manitoba has re-entered the affordable housing business through its partnership with the federal government in the Affordable Housing Initiative (AHI), and through grants provided through the Neighbourhoods Alive! initiative. Recognizing the need for housing in the North, the Province introduced a Northern Housing Strategy in 2000. Unfortunately, virtually no new low-cost rental housing has been created because the strategy does not take the unique needs and challenges of the North into consideration. Quite simply, housing development costs more in the North and the grants available through the AHI are not sufficient to encourage investment.

The Affordable Housing Initiative, the primary tool currently available, is focused on providing capital grants for private sector or community-based development that is primarily geared toward home ownership. And while this intervention has helped address the housing needs of some moderate-income households in the south, it has not produced housing for the thousands of households living below the poverty line. Housing advocates are consistent in their analysis that capital programs targeted at the private sector are insufficient. Decent housing that is affordable to low-income households requires long-term government subsidies. Adding to the supply of moderately priced hous-

ing does not make more units available for low-income people.

The problem is that the interventions so far being used are not part of a comprehensive strategy. The Alternative Provincial Budget proposes a multi-layered intervention strategy to address both supply (new units) and demand (income).

### A comprehensive strategy

The rate of production of new social housing in Manitoba has been but a trickle for several years. Low-income residents tell us that social housing is what they need. Public housing is inadequately maintained and many women report feeling unsafe. For these reasons the Alternative Provincial Budget makes revitalizing and expanding the public housing stock a priority.

In 2004, The Manitoba Housing Authority suggested a 5 year maintenance and improvement plan that would cost \$83.9 million over 5 years just to repair the declining supply. But they don't have the funds to meet their targets. In 2003/04, the Province spent \$9.2 million on maintenance and improvement and in 2004/05 this was reduced to \$7.1. This is less than half of what is required annually if they are to meet their targets.

We propose an investment in existing Manitoba public housing stock to be fashioned after the northern hydro development model. Combining the resources of Manitoba Hydro, Manitoba Housing and Renewal Corporation and the Department of Advanced Education and Training, the Province would have the capacity to begin to revitalize Manitoba's housing stock through a Community Economic Development (CED) approach.

Such a strategy would see multiple benefits. Local residents could be trained and hired to do urgently-needed work while at the same time

gaining valuable work experience and stimulating Manitoba's economy with their spending. The public stock would be renewed and energy savings from green retrofits would have a lasting financial benefit for MHRC. **We would increase the annual allocation** to revitalize existing public housing to meet the 2004 projected target of \$85 million. Using the 2005 investment as a base for following years, this will require an additional investment of **approximately \$10 million annually**. In addition, we would allocate \$3 million per year to train and employ 100 low-income local residents to work under the supervision of skilled trades people. This will be allocated from existing training resources.

We also need to **expand** the social housing stock. The Canadian Housing Renewal Association calls for 25,000 new units for low-income families annually, giving a target of 1000 new units in Manitoba each year. We would contribute toward this target through a **new investment of \$20 million per year for 5 years**. The magnitude of cost will require a federal contribution of the same amount and we recognize that this will be increasingly difficult with the federal Conservative government in power. However, we maintain that this is a critical objective as it would allow for the development of approximately 300 much-needed new social housing units (with rent geared to income) each year to be spread out across the province. Initial focus will be on the growing urban centres: 10% to be located in Brandon, 10% in Thompson, 5% in the Pas and 5% in Flin Flon. 50% would be allocated to develop housing in Winnipeg and the remaining 20% would be allocated for Urban Aboriginal Housing. New units will be developed in partnership with community-based organizations in a manner that is consistent with community housing plans and in keeping with the general desire for mixed-housing communities. In addition to capital costs, these units would require

long-term operating subsidies and a minimum of **\$5 million annually will be set aside** for this purpose.

## Rent Subsidies

In the 2005 Manitoba Budget the Province of Manitoba announced a new integrated shelter benefit for low-income earners. They allocated \$3 million per year for this initiative in 2005 but we have yet to see implementation. In principle we support this idea. We recommend that the new benefit be built around the following parameters:

1. Increase the income threshold to include all households with earnings under the Low Income Cut Off (LICO) living in private sector rental housing, not in receipt of Employment and Income Assistance, and paying more than 30% of their income on rent. We estimate that this includes approximately 4800 households.
2. Increase the maximum benefit by 25% from \$180 per month to \$225 per month to more accurately reflect increasing market rents.

**Estimated cost for year 1 is \$5 million** in addition to the \$3 million allocated for the integrated benefit and approximately \$6.5 million in subsidies already provided to low-income (non-EIA) households. The cost would be reduced each year as new social housing units became available.

## Stimulate private sector investment

The AHI was designed to stimulate private sector investment in 'affordable' housing but it has not successfully increased the number of low-cost rental units. However, the province has identified rental housing for low-income households

as a priority for phase two of the Affordable Housing Initiative (AHI II). We would ensure that AHI funds be targeted toward non-profit and co-op development. But the Province would have to take a proactive role to make this happen. The APB recommends a government partnership with CBOs to build capacity — financial and organizational — to strengthen community-based ownership.

Many CBOs are committed to housing low-income families and the APB recommends increasing CBO's role in social housing. The APB supports greater involvement of CBOs in the ownership and property management of low-income housing. But they will need the support of Manitoba Housing and Renewal Corporation to assist them to acquire units currently in the hands of absentee and slum landlords. The Manitoba Housing and Renewal Corporation (MHRC) can and should use its expertise and lending capacity to pro-actively support CBOs in this regard. Further, senior level staff persons should be seconded to work directly with CBOs to assist them in meeting mutually agreed upon housing targets.

## Northern housing

In collaboration with northern communities, the Province of Manitoba must redesign the Northern Housing Strategy to better meet the housing needs of the North. The current strategy has not resulted in new units for low-income northern households. According to 2001 census data, there are 2,170 northern households in core need. 54% of the need is in northern urban centres. While the on-reserve housing is not within the jurisdiction of the provincial government, it is important to note that in 2001, Indian and Northern Affairs Canada (INAC) estimated a need for 4,500 additional housing units on reserve annually for at least 10 years to meet the

needs of the growing population. On and off-reserve housing targets should be identified, and an implementation plan designed to ensure an increase in the number of units in the North. As stated, urban centres including Thompson, the Pas and Flin Flon should be the focus of provincial efforts to accommodate the growing number of residents emigrating from remote, locations. In many cases First Nation residents leave their communities because of housing shortages, putting increasing pressure on the supply off-reserve.

According to the Thompson Neighbourhood Renewal Corporation, Thompson has a higher rate of renters compared with other communities and the majority of these households are poor. Yet nothing is being done to address the shortage. A northern housing strategy must focus on meeting the needs of low-income households and this means more social housing.

Consultations with residents living in northern urban centres tell us that the current model has not worked for the North. For example, the

city of Thompson continues to see an increase in population, partly due to the establishment of the University College of the North, but there have been no new rental-housing units developed in several years and students are at risk of failure if they don't have the stability provided by having a home to live in.

A comprehensive housing strategy must be a central component of an overarching strategy to address poverty. The lack of safe, affordable housing places stress on households that can create instability and undermine social, education and labour market policies that might otherwise raise families out of poverty. The Province should work side by side with community organizations to continue to press the federal government to redirect Canada Mortgage and Housing Corporation's growing surpluses, to do what it is they are supposed to do — ensure that everyone has a decent affordable roof over her head.

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<b>Total spending changes</b>	<b>\$40 million</b>
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