

# Housing

HOUSING POLICY IS shared by three levels of government across Canada. The Federal government offers grants and financing for affordable and social housing development and in Manitoba, the Province has jurisdiction over social housing and tenancy legislation and provides ongoing rent-gear-to-income (RGI) subsidies in social and non-profit housing. No level of government is better positioned to attend to local needs than the municipality, and this is where the City of Winnipeg plays a key role. Like other cities across Canada, the City of Winnipeg creates and implements planning policies and tools to guide development and land use to meet local conditions. Through its by-laws, the city creates and enforces regulations that preserve the existing housing stock. The City also funds revitalization and rehabilitation of housing and the creation of some new housing. It is the City's role, through planning, enforcement, funding, and advocacy, to ensure that our housing system reflects the needs of current and future Winnipeggers.

Until the influx of federal dollars under the Rapid Housing Initiative in 2020, the City primarily invested in housing by dedicating \$1 million annually to the Housing Rehabilitation Investment Reserve (HRIR). Expenditures from this reserve vary each year, from a low of \$547,000 in 2020 to \$1.2 million in 2019.<sup>1</sup> The HRIR supports housing programs in Housing Improvement Zones through community-based Neighbourhood Renewal Corporations, and funds repairs and renovations for four local Indigenous housing providers. The fund is also used to help finance new development projects. In addition to the HRIR, the city has used Tax Increment Financing and the *Live Downtown*



grant program to support new rental development in recent years. Developers of projects which include affordable units have been provided upfront grants equal to the higher property taxes resulting from the new development.

Cities across Canada have had to put their resources at-hand to maintain healthy housing systems, particularly through the development and retention of affordable housing. To support development of affordable housing, Canadian cities use tools like capital grants, the below-market sale or lease of municipal land, development fast-tracking, fee and tax rebates, inclusionary zoning and density bonusing. Funding from provincial governments allows some of these units to be rented at rates geared to tenant incomes. Through their by-law departments, cities enforce health and safety standards to preserve the existing stock. Some municipalities have taken further action by providing financial incentives for renovations or by creating specific regulations to protect needed single-room-accomodation (SRA) stock from demolition and conversion or replace rental units lost by new development.

Winnipeg has made some encouraging steps forward in housing policy in recent years, but these initiatives need more dedicated funding and staff resources to realize their potential. In 2020, the City's first Housing Needs

Assessment was completed. It underscored the crucial importance of the City taking more responsibility to address residents' housing needs and suggested clear annual targets for new homes. In 2021, City Council adopted its first ever Poverty Reduction Strategy, in which affordable housing was one of two key pillars, together with a focus on Indigenous children, youth, and families. In 2022, the City approved the Affordable Housing Now (AHN) program, which relies on federal funding through the Canadian Mortgage and Housing Corporation. The AHN program will provide tax increment financing for developers to produce housing where a minimum of 30 per cent of the units are rented at less than 80 per cent of the median market rent. Non-profit developers will also be able to access grants of up to \$10,000/unit from a \$2 million federal fund to reduce their construction and permit fee costs. This program builds on the success of the federally-funded Rapid Housing Initiative, which has funded 136 new affordable units in the city.

More is needed. The Winnipeg Street Census notes that in 2018 there were more than 1,500 Winnipeggers without a home.<sup>2</sup> An additional 34,625 households are in core housing need, meaning they live in housing that is unaffordable, overcrowded, or in serious disrepair and are unable to find suitable homes which they can afford. Single parents, newcomers, Indigenous, and one-person households are most likely to be in core housing need.

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Winnipeggers living on low incomes face a rental market that is rapidly becoming less affordable. According to Census Canada data, between 2011 and 2016 there was a net loss of 18,458 rental units in the city priced below \$750 per month, including 976 subsidized units.<sup>3</sup> In the last two years (2019–2021) there was a loss of another 881 subsidized units and 54 rooming house units.<sup>4</sup> The recent uptick in affordable housing projects, while encouraging, has not replaced what has been lost. Winnipeg's housing investments should support the development of new housing where rents are geared to income, as well as prevent the loss of private market units renting at rates affordable to people living on low-incomes. These investments can also act as a significant down-payment towards reconciliation by prioritizing the needs and self-determination of Indigenous peoples.

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## Current Housing Funding Compared with Alternative Budget Housing Funding

### 1. Housing Retention, Renewal, and Development

#### Current Expenditure:

\$1M in Housing Rehabilitation Investment Reserve Funding (HRIR).<sup>5</sup> The HRIR funding supports housing programming led by Neighbourhood Renewal Corporations in Housing Improvement Zones. These community organizations develop programs and administer grants to meet needs identified in local housing plans. In recent years, community organizations have adjusted their programs to focus these resources on the maintenance and renovation of rooming houses and rental properties. The HRIR also funds new housing development through the Affordable Housing Now program.

We propose that this fund be increased by a total of \$21 million, for a total of \$22 million.

#### New Expenditure:

- Increase HRIR Fund: \$21 million.

There are at least 551 vacant buildings in Winnipeg and many more units in danger of becoming uninhabitable through disrepair.<sup>6</sup> With stronger enforcement of its Vacant and Derelict buildings by-law, the City could prevent ‘warehousing’ of vacant properties, while generating revenues that can be recirculated into HRIR. With more resources, programs supporting structural renewal and livability could be tailored to stop the drastic loss of the existing lower-rent housing stock. The City can move more quickly to reappropriate long-term vacancies and transfer these lands to Indigenous ownership. In addition to making surplus City land available at low or no-cost for housing, with a right-of-first refusal for Treaty Land Entitlement First Nations organizations, the City can purchase property that can be leveraged to create RGI housing provided by social, non-profit, and Indigenous housing providers.

Winnipeg has a long record of success with repair and rehabilitation grants offered in Housing Improvement Zones, though many programs focus on exterior renovations rather than interior or structural disrepair which can affect a unit’s livability and long-term residential use. Neighbourhood Renewal Corps can tailor repair and renovation grants to require that landlords do not increase rents above the guideline. This preserves the condition of existing housing while avoiding further strain on the incomes of tenants.

The City should increase funds used for rehabilitation and housing retention, especially in Housing Improvement Zones where Core Housing Need is still most pronounced.

The recent collapse of the city-funded private redevelopment of Portage Place shows the dangers of relying on for-profit developers to address public needs. Instead, the City should fund non-profit community-based organizations, with priority given to Treaty Land Entitlement First Nations and Indigenous organizations, to contribute to the building of at least 150 units of new social, non-profit, and Indigenous housing per year.

**Breakdown:**

- Contribute \$15M each year to a reserve that can be used to purchase and/or transfer surplus City property and vacant or tax-foreclosed residential buildings to create social, non-profit, and Indigenous housing.
- \$4 million to be dedicated to the retention and rehabilitation of lower-rent housing in inner city neighbourhoods to improve unit safety, adequacy, and long-term livability. This funding should continue to be administered by Neighbourhood Renewal Corporations, who have intimate knowledge of their communities' priorities and neighbourhood needs.
- \$2 million for grants to offset development fees and construction costs for affordable rental developed by non-profits, with priority for Indigenous non-profits. This matches the \$2 million set aside from the federal Safe Restart Program to support the Affordable Housing Now program. This funding could be provided through the AHN program as a per unit grant to those developments where rents are geared to tenant incomes.

## **2. Leadership and Capacity**

**Current Expenditure:**

\$323,000 in salaries and benefits for 3 full-time equivalent (FTE) staff in the Property, Planning and Development office to manage and implement neighbourhood revitalization programs and policies.<sup>7</sup>

We propose an increase of funding to create an Affordable Housing Office of seven FTE to coordinate housing development and retention: \$650,000.

**New Expenditure:**

- Increase staff funding for Property, Planning & Development: \$650,000.

Winnipeg has one of the lowest-staffed housing departments in major Canadian cities. Staff capacity is key to the development of new policies and programs, but also to maintain developer buy-in and to ensure that the City's interventions remain relevant to housing needs.<sup>8</sup> The City of Winnipeg has recently enhanced its capacity by two FTEs, but only for the duration of the Rapid Housing Initiative Program.

Housing plans use similar tools across Canada, but they are each meant to achieve different goals within different markets. First and foremost, it takes a great deal of human resources to tailor and implement a housing plan. The City has shown a commitment to improving staffing levels but should continue to bolster its capacity on a permanent basis.

**3. New Revenue Streams for Housing Activities**

We propose that an affordable housing replacement by-law be introduced, and that fines collected through by-law enforcement for health and safety standards in residential buildings be recirculated into HRIR.

**New Revenue:**

- Fines from by-law enforcement, recirculated into HRIR: \$500,000
- Opt-out fees for affordable housing replacement demolition/conversion replacement: \$1 million

Winnipeg has suffered a tremendous loss of affordable housing through the demolition and conversion of affordable housing, particularly in SRAs. We can learn from other cities that have implemented by-laws to curtail the loss of affordable housing. Vancouver's SRA by-law requires that conversion, demolition, or alteration applications include a relocation plan and compensation for existing tenants and Toronto's rental housing demolition and conversion by-law further stipulates that affordable units must be replaced one-for-one with units renting at similar rents. In Winnipeg, a replacement by-law could potentially include opt-out fees in cases where developers cannot build replacement units, which could be recirculated into HRIR.

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## Conclusion

There are encouraging signs that Winnipeg is beginning to take housing seriously. Partnering with the federal government to deliver new affordable housing is a positive development, but the City can and must do more with its own resources and tools. Winnipeg has lost thousands of homes affordable to people living on low incomes and the new affordable and social housing currently in development cannot hope to replace them all. With political will behind effective policies and increases in the budget to maximize City capacity, protect and rehabilitate existing units, and fund new development, Winnipeg can be a leader in creating a community where everyone has a safe home they can afford.

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## Endnotes

- 1 <https://winnipeg.ca/finance/files/2022AdoptedOperatingCapitalBudget.pdf> pg. 148
- 2 Brandon, Josh., et al. (2018). *The Winnipeg Street Census 2018 : Final Report*. Winnipeg: Social Planning Council of Winnipeg.
- 3 Statistics Canada - 2016 Census. Catalogue number 98-400-X2016228 and Statistics Canada - 2011 National Household Survey. Catalogue Number 99-014-X201103
- 4 End Homelessness Winnipeg. 2021 Rental Housing Supply Baseline Scan.
- 5 <https://winnipeg.ca/finance/files/2022AdoptedOperatingCapitalBudget.pdf> pg.272
- 6 Santin, Aldo. 2019. Rubin Block lands on national endangered places list. *Winnipeg Free Press*. June 18, 2019.
- 7 <https://winnipeg.ca/finance/files/2022AdoptedOperatingCapitalBudget.pdf> pg. 148
- 8 Hodges, Stefan. 2020. *Staffing the Crisis: The Capacity of Eleven Municipal Housing Departments Across Canada*. CCPA Manitoba.