



FASTFACTS



Canadian Centre for Policy Alternatives-Mb • 309-323 Portage Ave. • Winnipeg, MB • Canada R3B 2C1
 ph: (204) 927-3200 • fax: (204) 927-3201 • ccpanb@policyalternatives.ca • www.policyalternatives.ca/mb

March 3, 2005

The Real Housing Shortage in Winnipeg

Housing Need in Winnipeg

While developers and other proponents of Waverley West are working diligently to convince us that the sky will fall if we don't amend Plan Winnipeg and immediately start building more houses in south west Winnipeg, a real crisis in housing continues to build.

Ask workers at any community organization involved with low-income individuals and families what the most pressing issues are, particularly in the inner city, and housing will be high on the list. These families are not dreaming of a house with a white picket fence or a house on a cul de sac with a heated double garage on the front lawn. Their dream is more modest: affordable, safe, rental units with water that runs every day, heat that works and landlords that treat tenants with decency and respect.

If the idea that basic housing needs are not being met seems shocking in the context of a healthy Winnipeg economy, consider the following: Canada Mortgage and Housing Corporation (CMHC) reports that over 30% or almost 1 in 3 of all Winnipeg renter households are considered to be in core housing need. This means that they do not have access to adequate housing. They live in housing that is in need of major repair, has an insufficient number of bedrooms, and/or costs 30% or more of their total income. Over 30% or almost one in three, of aboriginal households are in core housing need. Thousands of families are on waiting lists for public housing; thousands of rental units are in need of major repair; decaying buildings continue to drop off the market and boarded up houses, vacant buildings and empty warehouses that could be re-developed, are allowed to rot away while governments focus their attention on much flashier projects.

How did we get here?

The crisis in affordable rental housing is not unique to Winnipeg. It is a national phenomenon, attributable to

the abandonment by private developers from investment in rental housing—especially low-income rental housing— and the 1993 federal government decision to get out of the social housing business.

Social housing— that is housing that has some form of ongoing subsidy attached—is no longer a public policy priority. Most recent housing commitments have focused on private market solutions that have emphasized home ownership and rental development for families well above the poverty line.

The problem is that without government intervention, the need for affordable housing goes unmet because for developers, the low-income housing business is simply not profitable. The affordable housing deficit is now very large. The cost of addressing it has become overwhelming. As each year passes more catch up is required. The feds say low-income housing is a provincial responsibility; the provinces say that they can't do anything without federal money and the City's pockets are also empty. Non-profits that have remained committed to providing housing for low-income households are barely managing to survive.

Government Action - 2000 and beyond

There has been some government intervention in recent years. Manitoba signed the federal/provincial Affordable Housing Agreement in 2002. The Affordable Housing Initiative (AHI) has had some success in developing infill and homeownership opportunities for households of modest income and there have been several units subsidized to allow for median market rents. But the critical need —rental housing for very low-income households— continues to go unmet.

The federal government's Housing and Homelessness Initiative has also been widely criticized for its failure to respond to unique regional needs. While some positive initiatives have resulted, very little affordable housing



Canadian Centre for Policy Alternatives-MB

has been built. The Manitoba government Neighbourhood Housing Assistance program has helped community groups revitalize housing in some inner city neighbourhoods but these projects are relatively small. The magnitude of the problem will not be resolved with current funding levels.

None of this is a surprise to governments. In fact, there appears to be a renewed interest in this issue lately. In November 2004, the Minister of Family Services and Housing held a think tank to ask community housing groups how government can improve. The federal government held a similar event in January 2005. But will governments act on what they hear?

Solutions

Repeatedly, community organizations have told governments what is needed to address this problem. On top of their list is a renewed commitment to social housing by both the federal and provincial governments. A commitment to increasing the minimum wage and Employment and Income Assistance shelter allowances are also critical to raising low-income households' financial capacity to pay the rent.

Other measures could be taken to assist community based housing groups to scale up their housing activities. In 1999, the Inner City Housing Coalition presented all three levels of government with a proposal to establish an inner city housing fund. The "fund" would require an ongoing stream of revenue from each of the three levels of government. This would be levered to attract private investment and philanthropic support. The 1999 proposal laid out a plan that would see the endowment build over 5 years, at which time it would be ready to be drawn upon. Governments rejected the idea of a fund for a variety of reasons: They didn't want to give up control of their housing dollars; they were concerned that they wouldn't get credit for the housing developed; and ironically, they didn't think the city could wait 5 years. Inner city housing was needed immediately they said. And they had just the program to address it: The Affordable Housing Initiative.

Here we are, 5 years later. The AHI has been less than successful and governments are again asking community housing groups to tell them what needs to be done.

It is time to establish the inner city housing fund proposed in 1999. Imagine where we would be now if governments had acted upon this idea 5 years ago. The endowment fund could be sufficiently capitalized to draw upon now.

An inner city housing fund is a small step in the right direction. Just as there is no single cause for the affordable housing shortage, there is no single solution. A comprehensive housing strategy that tackles this issue by addressing both supply—building more social housing and including private investment in affordable rental housing—and demand—raising the incomes of the poorest in our communities—is critical.

As governments scramble to support developers in their efforts to move the 80-year plan for Waverley West forward, we have yet to see any plan at all for low-income housing. Waverley West, they say, will give families a choice in where they live. Low-income families however, will continue to have few choices unless governments intervene.

Low-income families need affordable, safe housing now. Governments must take the lead by working with community groups and non-profit housing organizations to build, acquire, develop and manage housing to ensure a long term commitment to affordability and adequacy. This will cost governments money. There is no avoiding it. Making affordable housing a priority is an important choice to make and all 3 levels of governments ought to work together to make this choice. A long term, comprehensive, multi government commitment is critical if we are to begin to make a dent in a problem that has been allowed to build for much too long.

References

2004, Canada Mortgage and Housing, Research Highlights. 2001 Census Housing: Issue 4, Canada's Metropolitan Areas.

1999, Inner City Housing Foundation Working Group, Inner City Housing Foundation Business Plan

- Shauna MacKinnon

Shauna MacKinnon is the Director of the Canadian Centre for Policy Alternatives - Manitoba

CCPA-MB *FASTFACTS*

are produced and distributed electronically on a regular basis.

They can be reproduced as an OpEd or opinion piece without obtaining further permission, provided they are not edited, and credit is given.

If you would like to receive the *FASTFACTS*, please contact the CCPA-MB to begin your free subscription.

Canadian Centre for Policy Alternatives-Mb

309-323 Portage Ave.

Winnipeg, MB

Canada R3B 2C1

ph: (204) 927-3200

fax: (204) 927-3201

ccpamb@policyalternatives.ca

www.policyalternatives.ca/mb