



*Strengthening Canada's Communities*

*Des communautés plus fortes au Canada*

## Submission to the 2018/19 Winnipeg Budget Consultation

On behalf of the Canadian Community Economic Development Network - Manitoba, thank you for the opportunity to provide a submission to the City of Winnipeg Budget Consultation.

Our membership is comprised of over 100 non-profits, social enterprises and co-operatives, all of whom are practicing community economic development, with a common objective of building strong, equitable and sustainable communities. We are grateful for the opportunities we have had to partner with the City of Winnipeg to further our members' work, and look forward to our continuing working relationship.

The recommendations below are based on policy resolutions that have been endorsed by our membership. The first recommendation calls for a comprehensive Winnipeg poverty reduction strategy, and the recommendations that follow would be well situated within such a strategy.

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### **Comprehensive Poverty Reduction Strategy**

Poverty is a critical issue that affects all of us. Some demographics are over-represented among those living in poverty and face many barriers to full social inclusion as a result. This includes women, LGBTQ2S communities, seniors, lone-parent families, Indigenous people, newcomers, and persons with disabilities. The over-representation of Indigenous people among those living in poverty is a lasting legacy of colonization. The City of Winnipeg can be a real leader in reconciliation by making the link between poverty reduction and reconciliation.

The City of Winnipeg must join other jurisdictions who have taken a leadership role in poverty reduction through comprehensive poverty reduction strategies that address the multiple and inter-related causes of poverty and social exclusion. Many of these municipal strategies include targets and timelines to make government accountable, to create an incentive to follow through with actions, and to provide a basis from which progress can be measured.

Municipalities have jurisdiction over many policy areas that impact poverty (e.g. public transportation, recreation, public safety, housing, food security, and procurement). A municipal strategy is needed to guide planning and priorities within these areas, so that poverty reduction measures can be implemented on a strategic and proactive basis, rather than on an ad hoc and reactionary basis. The City must also take leadership in advocating to other levels of government for policy changes that impact poverty.

In OurWinnipeg, the City acknowledged its role in working with community partners to foster an inclusive and

equitable community, and in working within its service areas as a collaborator on poverty reduction. The Mayor's "Winnipeg Promise" is a worthwhile initiative, but it is not a comprehensive poverty reduction plan nor is it an initiative led by the municipal government. The City has also supported the Winnipeg Poverty Reduction Council and End Homelessness Winnipeg. However, these initiatives do not take a comprehensive approach to poverty reduction, nor do they take an active role in policy change. These are critical features of effective poverty reduction plans.

Make Poverty History Manitoba's City Working Group is consulting with people across the city and drawing from various community and municipal reports to develop a comprehensive community-based poverty reduction plan for Winnipeg. The City of Winnipeg should build on this community knowledge and use this plan as basis for developing its own.

**Recommendation:**

- **Partner with community-based organizations and key stakeholders to create and implement a comprehensive poverty reduction strategy with targets and timelines.**

## Winnipeg Food Council

CCEDNet Manitoba has long supported Food Matters Manitoba in advocating for a Winnipeg Food Council to leverage the significant opportunities in Winnipeg to enhance food security, while greening our communities, and creating economic opportunities.

City Council's unanimous decision to authorize the creation of a Winnipeg Food Council is a very significant accomplishment for food security in our city. The next steps forward include populating and resourcing the Council.

**Recommendation:**

- **Invest \$69,000 for the coordination of the Winnipeg Food Council as recommended by the public service in its report "Towards a Winnipeg Food Policy Council."**

## Social and Affordable Housing

Winnipeg's vacancy rate is creeping up, but the city continues to experience an affordable housing crisis. Far too many Winnipeg households spend 50% or more of their income on rent putting them at significant risk of losing their housing, their health and their spirit.

Federal tax structures and the lack of a national housing strategy have, over the past 40 years, slowed the creation of social and affordable rental housing. Our existing stock is eroding through aging, demolition, and conversion to condominium, and it is not being adequately replaced. These factors have escalated rents to make them unaffordable to a growing number of people, especially the most vulnerable (e.g. those on a fixed income, persons with disabilities, newcomers, and Indigenous people).

*The Plan to End Homelessness in Winnipeg* recognizes that a healthy supply of affordable housing is central to the plan's success, and critical to efforts to prevent and end homelessness. One of its four key areas for action is to increase the supply of affordable housing. It identifies a need to create 7,500 affordable housing units just to house people who are homeless.

The City of Winnipeg passed the Housing Policy Implementation Plan that commits to the creation of 750 new rental units, only 10% of which are to be affordable. Other Canadian cities are developing affordable rental housing at a significantly higher rate, and Winnipeg must do the same to make progress on addressing the affordable housing crisis.

**There are several planning, regulatory, and financial tools and powers that the City can implement to support affordable rental and social housing:**

The City Of Winnipeg is committed to supporting neighbourhood renewal and the creation of affordable housing through the Housing Rehabilitation Investment Reserve (HRIR), however, the HRIR budget allocation is not sufficient to address the current rental housing shortage. The HRIR provides funding for housing development and renewal to the five Housing Improvement Zones. The City's Housing Policy Implementation Plan will expand access to this funding to other neighbourhoods. Without significant increases to the HRIR allocation, the capacity of the City to support neighbourhood renewal and affordable housing development will be limited.

**Recommendation:**

- ***Continue to fund the Housing Rehabilitation and Investment Reserve or subsequent relevant budget reserve and develop a regular and transparent process for reviewing and adjusting its size to ensure it adequately meets housing needs in Winnipeg.***

Provincial legislation authorizing the use of mandatory inclusionary zoning came into effect in 2013. The legislation, made through amendments to Manitoba's *The Planning Act* and *The City of Winnipeg Charter*, enables all municipalities and planning districts in the province to pass by-laws that would require developers of new market residential developments to construct and provide a proportion for housing affordable to low and moderate income households.

**Recommendation:**

- ***Adopt inclusionary zoning to increase the number of affordable housing units in all housing developments.***

A significant constraint for the development of additional affordable housing is the availability of reasonably priced residential land. The City of Brandon has recently passed an Affordable Housing First policy for surplus land disposal. This policy can help ensure that full priority is given to mobilizing potential partners for the creation of affordable housing on surplus land before the property is disposed of through traditional market means.

**Recommendation:**

- ***Establish a policy for all surplus land disposals that ensures non-profit and cooperative housing providers are prioritized for receiving surplus land for the purpose of creating affordable housing.***

The provincial government passed the *Elderly and Infirm Person's Housing (E&IPH) Act* in order to provide financial assistance to social housing projects for Manitoba's low and moderate income seniors. This legislation provides an exemption from school tax for eligible E&IPH projects. The provincial assessment department classifies E&IPH projects as "Institutional" rather than "Residential." This reclassification increases the rate of municipal tax for E&IPH projects by 44%. This increase in municipal tax offsets to a large degree the savings due to the exemption in school tax. It creates an additional barrier to securing affordable housing for a particularly vulnerable population.

**Recommendation:**

- **Permit E&IPH housing projects to retain their “Residential” classification.**

It has become common practice in major cities for developers and apartment building owners to convert their rental properties to condominiums to recoup their investments. This poses many problems when the supply of rental units is shrinking and vacancy rates are very low. Municipalities can enact by-laws that regulate the conversion of existing rental units to condominium ownership when the vacancy rate is low. Several municipalities in Canada have taken measures to control the extent that condominium conversion is permitted.

**Recommendation**

- **Regulate the conversion of rental stock to condominiums when vacancy rates fall below 4%**

**Neighbourhood Renewal Corporations**

There are six neighbourhood renewal corporations (NRCs) doing neighbourhood revitalization work in Winnipeg communities with high incidences of poverty (Central, Daniel McIntyre/ St. Matthews, North End, Spence, West Broadway, and Chalmers). NRCs undertake extensive consultations to develop 5-year neighbourhood revitalization plans. The plans allow NRCs to coordinate initiatives and investments in priority areas that are set by the communities they serve. These priority areas include: local affordable housing development, community safety, food security, green space development, recreation, healthy living, and others.

These activities help achieve many of the priority goals outlined in OurWinnipeg in areas such as safety and crime prevention, housing, community economic development, transportation, environmental sustainability, recreation, diversity and inclusion, and creativity. The City should invest in NRCs in recognition of their ability to further accomplish the goals outlined in OurWinnipeg.

**Recommendation**

- **Contribute core funding to Winnipeg’s Neighbourhood Renewal Corporations to help achieve the goals in OurWinnipeg.**

**Procurement**

Social enterprises are innovative businesses that contribute to economic growth and prevent costly social problems. They provide job and training opportunities with wrap-around supports for people facing barriers to employment (e.g. people with justice system involvement, people with developmental disabilities, and unemployed/underemployed Indigenous peoples) resulting in reduced crime and strain on our social systems. Governments can support these businesses through several low-cost measures. One of the most successful ways governments can support social enterprise is through social procurement – using *existing purchasing* to achieve social goals like increased employment for people facing barriers.

The City of Winnipeg purchases significant amounts of goods and services. All arms of the municipal government, including the Winnipeg Police Service, Winnipeg Transit, Parks & Recreation, Water & Waste, Winnipeg Public Library, and Fire Paramedic Service, must shift their purchasing to unlock social and economic benefits. Increasing municipal purchases and contracts to social enterprises will result in a greater return on investment to government and society.

For instance, a recent Social Return on Investment analysis conducted by Manitoba Housing found that the social

enterprise contractors it is hiring provide a \$3 to \$1 return on investment. Manitoba Housing has successfully contracted with social enterprises to use regular work (e.g. apartment maintenance) as an opportunity to provide job and training opportunities for individuals facing barriers. In 2016/17, social enterprises completed over \$6M in work for Manitoba Housing, and are looking to grow, thereby creating more pathways out of poverty for people facing barriers to employment. The City of Winnipeg has the opportunity to replicate this model in various departments and agencies.

The City is currently developing a sustainable procurement policy, which we understand will include the valuing of environmental and social outcomes in purchasing. Social enterprises should be targeted in a government procurement strategy through direct contracting, set-asides within existing contracts, and the use of Community Benefit Clauses (the weighted inclusion of social, economic and environmental outcomes in bid evaluations).

**Recommendations:**

- ***Implement a procurement strategy that takes into account the added economic, social and environmental value of purchasing.***
- ***This procurement strategy should target social enterprises that are creating jobs for people facing barriers to employment.***

## Living Wage Policy

A living wage is the hourly wage rate at which a household can meet its basic needs, based on the actual costs of living in a specific community. It is calculated after government transfers and deductions have been taken into account.

The City of Winnipeg is connected to a large number of workers — those it employs directly and those employed by businesses that the City purchases goods and services from. A living wage policy would ensure that all City employees are paid a living wage, and that the evaluation criteria for all requests for proposals take into account whether or not employees are paid a living wage. It would allow the City to demonstrate leadership and set an example for other employers in the private sector to emulate on a voluntary basis. There are many examples of employers around the world who have already taken the initiative to pay their own workers a living wage, including Winnipeg-based Assiniboine Credit Union.

Living wage policies have been implemented in over 140 American cities, counties and universities. Many British public sector employers have signed living wage agreements affecting direct and contract employees. In 2010, the City of New Westminster and the Township of Esquimalt in British Columbia passed living wage policies affecting direct and contracted employees. Recently the City of Vancouver launched a plan to implement a living wage that also applies to the companies it contracts to.

The Canadian Centre for Policy Alternatives has developed a methodology for calculating the living wage that has become a model used across the country. At least 25 communities in Canada have calculated their local living wage using its approach. Based on its methodology, the 2013 living wage for a family of four with two parents working full time is \$14.07. An updated calculation of the living wage is expected in early 2017.

**Recommendation:**

- ***Partner with community stakeholders to develop and adopt a Living Wage Policy for municipal employees and contracted services.***