



Strengthening Canada's **Communities**  
*Des communautés plus fortes au Canada*

**Pre-Budget Submission to the Honourable Stan Struthers, M.L.A.**  
**Minister of Finance**  
**Province of Manitoba**

**By the Canadian Community Economic Development Network - Manitoba**

**January 28th, 2013**

## Background

This brief has been prepared by the Canadian CED Network – MB for The Honourable Stan Struthers, Minister of Finance for the Province of Manitoba. The information contained in this brief responds to the Minister's invitation to help the Province of Manitoba prepare Budget 2013.

The Canadian CED Network - MB promotes community economic development (CED) as a comprehensive and integrated approach to improving economic, social, and environmental conditions in communities. This approach understands that solutions to complex community challenges will be most successful and sustainable when they are community-led.

Across Manitoba, CED initiatives foster economic revitalization, access to capital, local ownership of resources, labour market development, poverty reduction, social development, and environmental stewardship. Despite the proven impact of the CED approach, communities (urban, rural, northern, newcomer, Aboriginal, etc.) continue to lack the level of support they need from all levels of government to take innovative, sustained, and strategic action through a comprehensive approach. We believe the Province of Manitoba must take an active role in providing that support.

More than one hundred members are represented by the Canadian CED Network - MB including the Aboriginal Council of Winnipeg, Food Matters Manitoba, Manitoba Cooperative Association, Health in Common, Neighbourhood Renewal Corporations throughout the province, CCPA-Manitoba, Assiniboine Credit Union, SEED Winnipeg, and other social enterprise and CED organizations. Our members represent hundreds of community organizations that are working with thousands of community members across the Province. The Canadian CED Network – MB is also an active participant in many coalitions and working groups including Make Poverty History Manitoba, Right to Housing Coalition, Rural Team Manitoba, the Manitoba Co-op Vision Strategy, and the Social Enterprise Council of Canada.

# Summary of Recommendations

## Housing

- Invest in financing and capacity-building measures that support the creation and maintenance of housing co-operative units in Manitoba.
- Ensure that 33.3 % of the promised<sup>1</sup> 2,500 new affordable rental units are rent geared to income (RGI) in addition to the existing commitment of 300 new RGI units per year, and ensure all new RGI units target those with the lowest income within the highest need populations (e.g. Aboriginal, homeless, disabled, newcomers, and seniors).
- Rebate PST on selected building costs for eligible affordable and social housing construction and extend the areas of Tax Increment Financing to incent these constructions.

## Community-led Development

- Invest in increased core funding to existing Neighbourhood Renewal Corporations to strengthen their capacity to achieve community-led poverty reduction and development.
- Invest in ensuring that the multi-year, multi-program funding provided through the Province's four-point strategy to cut red tape, reflects the annually increasing costs of program delivery for all current and future participants.

## Poverty Reduction

- Invest in increasing the Rental Allowance for people on Employment and Income Assistance to 75% of median market rent.
- Invest in extending income supports for all social assistance recipients who wish to pursue education and training beyond the current two-year limit for up to four years or aligned with an individual's learning goals.

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<sup>1</sup> <http://todaysndp.ca/news/today-s-ndp-help-develop-2500-new-private-market-rental-housing-units>

## Jobs

- Ensure sufficient funds are available to account for the added marginal short-term costs associated with purchasing from social enterprises that generate long-term social and economic returns.
- Invest in the Social Purchasing Portal as a third party certifier of ethical enterprises that create jobs for people with barriers to employment.
- Invest in Food Matters Manitoba to coordinate third party certification of local and sustainable food as part of a local and sustainable food procurement strategy inclusive of targets and timelines.
- Invest in skill development in social enterprises.
- Invest in strengthening the capacity of the social enterprise sector to create, grow, and strengthen social enterprise.

## Child care

- Create enough new licensed early learning and child care spaces to meet the demand for child care services as determined by the Online Child Care Registry, with priority given to creating child care spaces in lower-income neighbourhoods including in rural and Northern communities.
- Fund a provincial salary scale that is at current market competitive rates and that applies to all child care professionals.
- Invest in resources and training supports to recruit, train and retain Aboriginal, Francophone and Visible Minority communities to the childcare profession.

These recommendations have been endorsed by the members of the Canadian CED Network – MB.

## 1. HOUSING

### A. Invest in financing and capacity-building measures that support the creation and maintenance of housing co-operative units in Manitoba.

Manitoba is experiencing an affordable housing crisis. Winnipeg, Brandon, Thompson, and Portage all have vacancy rates that hover around 1%. Up to one third of Manitobans who rent are spending more than one third of their income on rent, and/or are living in inadequate or overcrowded homes. This puts them at significant risk of losing their housing, their health and their spirit. The demand for more affordable housing is evidenced by the ever increasing waiting lists to become residents in existing housing co-operatives.

Non-profit housing co-operatives are mixed-income communities offering safe, secure and affordable housing to their members at rates based on cost. They are member-led and governed, and they build members' capacity through their involvement in co-op governance.

Housing co-operatives need access to capital through innovative financing mechanisms to finance major repairs, renovations and expansion so they can continue to provide safe and affordable homes to low and moderate income Manitobans. For example, housing co-ops need help to preserve the affordability of existing homes for low-income households when operating agreements end by creating a new rent supplement program. The sector also requires sufficient resources toward capacity-building supports that strengthen existing housing co-operatives, and facilitate the expansion and creation of new housing co-operatives.

The Province of Manitoba has already committed to co-operative development through the Co-operative Vision Strategy. Furthermore, it has created the Poverty Reduction Strategy Act to strengthen ALL Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy, the latter of which includes a commitment to create new social and affordable housing units across Manitoba. Implementation of this recommendation will help the Province meet these commitments.

### B. Ensure that 33.3 % of the promised<sup>2</sup> 2,500 new affordable rental units are rent geared to income (RGI) in addition to the existing commitment of 300 new RGI units per year, and ensure all new RGI units target those with the lowest income within the highest need populations (e.g. Aboriginal, homeless, disabled, newcomers, and seniors).

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<sup>2</sup> <http://todaysndp.ca/news/today-s-ndp-help-develop-2500-new-private-market-rental-housing-units>

**C. Rebate PST on selected building costs for eligible affordable and social housing construction and extend the areas of Tax Increment Financing to incent these constructions.**

Our existing social and affordable rental housing stock is aging and is not being replaced. At the same time, affordable rental stock is being eroded through conversion to condominium. These factors have escalated rents to make them unaffordable to a growing number of people, especially the most vulnerable (fixed income, disabled, newcomers, seniors, and Aboriginal people).

As housing costs increase, people are forced to spend food money on rent, making food banks sad necessities for survival. Manitobans who depend on Employment and Income Assistance are most vulnerable because rental allowances have fallen far behind rental market rates. Affordable housing is a key piece of neighbourhood renewal and a necessary foundation for neighbourhood and family stabilization. When housing needs are met, children do not need to move from school to school, parents have reduced stress and the means to provide the necessities for their families (food, winter clothing, transport, school supplies etc.).

The development of affordable and social housing makes economic sense in two ways. First, it can be used to create local employment. These jobs, including the training for these jobs, should be linked to low-income Manitobans, including social housing tenants, who need these jobs the most. In this way, the creation and maintenance of Manitoba's social and affordable housing can help to provide a pathway out of poverty. Second, providing housing is cost effective when compared to the cost of dealing with the issues created by a housing shortage such as homelessness. It costs on average \$48,000 a year to leave someone on the street versus \$28,000 a year to house them. Long-term social housing is one of the most cost-efficient ways to house someone.

The Province of Manitoba has created the Poverty Reduction Strategy Act to strengthen ALL Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy, the latter of which includes a commitment to create new social and affordable housing units across Manitoba. Implementation of these recommendations will help the Province meet this commitment.

## **2. COMMUNITY-LED DEVELOPMENT**

**A. Invest in increased core funding to existing Neighbourhood Renewal Corporations (NRCs) to strengthen their capacity to achieve community-led poverty reduction and development.**

A recently completed evaluation of the Neighbourhoods Alive! (NA!) program found that core funding contributed greatly to improved coordination of neighbourhood revitalization efforts. However, the level of core funding has not increased significantly since NA! was founded in 2000 while the costs of operating have increased due to inflation and the growth

of Community Development and Community Economic Development activities in these communities.

NRCs play a critical role in promoting the well-being of the most vulnerable people and communities throughout our province. NRC activities help reduce poverty and revitalize communities by taking a long-term, comprehensive, and community-led approach. These activities effectively integrate CED principles and contribute significantly to achieving the Province of Manitoba's CED objectives as outlined in the CED Policy Framework.

**B. Invest in ensuring that the multi-year, multi-program funding provided through the Province's four-point strategy to cut red tape, reflects the annually increasing costs of program delivery for all current and future participants.**

Many community-based non-profits working toward poverty reduction and community renewal do not have access to adequate multi-year funding to take innovative, long-term, and strategic action through a comprehensive approach. This creates a need to search for multiple funding sources that can create an administrative burden leading to inefficiencies and less time to engage the community in the long-term thinking, planning, and action that is needed to achieve long-term results.

When funding does not reflect the annually increasing costs of program delivery, it can result in insecure, low-paying jobs with inadequate benefits. This in turn makes it difficult to attract and retain qualified staff, leads to turnover, and diminishes organizational capacity and stability. It also means organizations fall further behind each year in their ability to pay the rising market costs of their operations. Multi-year, multi-program funding that reflects the increased costs of program delivery will enable community-based non-profits to plan and act long-term, attract and retain qualified staff, and improve overall organizational capacity, stability and efficiency.

### **3. POVERTY REDUCTION**

**A. Invest in increasing the Rental Allowance for people on Employment and Income Assistance to 75% of median market rent.**

Employment and Income Assistance (EIA) recipients are provided with a rental allowance that has increased marginally since 1992 when compared to market rents which have gone up by approximately 60-70% during the same period. A big part of the solution is to increase the supply of social housing and the Province has made some progress in this regard. But it is not nearly enough and the majority of EIA recipients rent in the private market.

The Province justifies not increasing the rental allowance by pointing to new programs they have introduced such as Rent Aid and the Portable Housing Benefit. However these programs are not available to all EIA recipients and they do not sufficiently address the affordability gap. Depending on family size and the number of bedrooms required, there is

currently a gap between what EIA recipients receive and median market rent from a minimum of at least \$200 up to more than \$600.

Increasing the EIA rental allowance to 75% of median market rent will restore the 1992 market rent/rental allowance relationship. This will not close the gap for EIA recipients but it will give them a more fair opportunity to compete for market rental housing. The Province will also need to index rates to inflation to ensure that rates do not fall behind in the future.

Housing is a critical foundation and one of the best lines of defense against poverty. People who are adequately housed have better health and access to jobs. Children with adequate stable housing have better education outcomes. Every penny provided to EIA recipients goes directly back into the economy. An American study reveals that every \$1 in rental income generates just over \$2 in economic activity for local economies. An increase in rent allowance means that people don't have to dip into their food budgets to pay their rent and that means fewer will have to rely on food banks.

CCEDNet is one of over 145 organizations from across the Province that have endorsed Make Poverty History Manitoba's call for increasing the rental allowance to 75% of median market rent. This recommendation is supported by the Poverty Reduction Strategy Act which commits the Province of Manitoba to implement a long-term strategy to reduce poverty and increase social inclusion by addressing various needs, including the need for income supports for persons who are unable to fully participate in the labour market.

**B. Invest in extending income supports for all social assistance recipients who wish to pursue education and training beyond the current two-year limit for up to for years or aligned with an individual's learning goals.**

The current two-year limit to training and education is not long enough for some social assistance recipients to build the skills and knowledge and receive the certifications they require to access quality jobs that generate a living wage for their household.

Extending the current training and education period limit to four years or aligned with an individual's learning goals will allow social assistance recipients to participate in university and other post-secondary programs. This extension is cost-effective in the long-term as recipients who participate in long-term training and education programs will be less likely to require assistance in the future.

Education and training opportunities that lead to quality jobs for marginalized individuals helps to stabilize communities, reduce poverty by creating economic opportunities, and enable greater participation in the local economy and community.

This recommendation is supported by the Poverty Reduction Strategy Act which commits the Province of Manitoba to implement a long-term strategy to reduce poverty and increase



social inclusion by addressing various needs, including the need for training that prepares persons for employment.

#### 4. **JOBS**

- A. Ensure sufficient funds are available to account for the added marginal short-term costs associated with purchasing from social enterprises that generate long-term social and economic returns.**
- B. Invest in the Social Purchasing Portal as a third party certifier of ethical enterprises that create jobs for people with barriers to employment.**

The Province of Manitoba could do more to adequately recognize the social, environmental, and economic value of social enterprises in the valuation systems that are built into its tendering process.

Social enterprises use a business model that creates jobs and important community services, builds fairer and stronger local economies, reduces poverty, renews communities, and creates more sustainable environments. While purchasing from social enterprises may imply an added marginal short-term cost, the result will scale up these social, economic, and environmental outcomes and allow the Province to achieve a greater return on investment in the long-run.

By investing in the Social Purchasing Portal as a third party certifier of ethical businesses that create jobs for people with barriers to employment, the Province of Manitoba can secure access to a directory of businesses that it can purchase from to maximize its return on investment.

The Province of Manitoba is already signed on as a purchaser with the Social Purchasing Portal. Implementation of this recommendation will help the Province meet its commitment to sustainable procurement as outlined in the Sustainable Development Act.

- C. Invest in Food Matters Manitoba to coordinate third party certification of local and sustainable food as part of a local and sustainable food procurement strategy inclusive of targets and timelines.**

The Province of Manitoba purchases significant amounts of food for institutions (hospitals, crown corporations, universities etc.) and their food services without an articulated strategy that ensures these purchases reduce the carbon footprint of our food system while simultaneously supporting local producers and strengthening the local economy.

By investing in Food Matters Manitoba to coordinate third party certification of local and sustainable food, the Province of Manitoba will have an increased supply of certified local

and sustainable food that will allow it to achieve purchasing targets established as part of a food procurement strategy.

The viability of local agriculture and rural communities is put at risk by the current food system. By re-localizing our food economy, we will create economic opportunities for local families, reduce the carbon footprint of our food system, and enhance the quality of food we eat.

The Province of Manitoba is committed to sustainable procurement as outlined in the Sustainable Development Act. Furthermore, it is committed to healthy communities through the Department of Healthy Living, and to the well being of rural communities and local agricultural producers through the Department of Manitoba Agriculture, Food, and Rural Initiatives. Implementation of this recommendation will help the Province meet these commitments.

**D. Invest in skill development in social enterprises.**

**E. Invest in strengthening the capacity of the social enterprise sector to create, grow, and strengthen social enterprise.**

Aside from recent initiatives in support of co-operative development and the Neighbourhoods Alive! Tax Credit, the Province of Manitoba currently does not provide adequate resources to ensure that the social enterprise sector has the required skills and capacity to create, grow, and strengthen social enterprises in Manitoba. While initiatives like the NA! Tax Credit create an incentive to support social enterprise development with much needed start-up capital and business mentorship opportunities, more remains to be done.

Social enterprises such as BEEP and BUILD<sup>3</sup> in Manitoba use a business model that creates training opportunities, jobs and important community services, builds fairer and stronger local economies, reduces poverty and renews communities, and creates more sustainable environments. By investing in the social enterprise sector, the Province of Manitoba can scale up these social, economic, and environmental outcomes while reducing costs in other areas such as social assistance and crime.

## **5. CHILD CARE**

**F. Create enough new licensed early learning and child care spaces to meet the demand for child care services as determined by the Online Child Care Registry, with priority given to creating child care spaces in lower-income neighbourhoods including in rural and Northern communities.**

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<sup>3</sup> Childminders at West Central Women's Resource Centre, Diversity Foods, Food Connections Project at Wolseley Family Place, Fruit Share, Immigrant Integration and Farming Co-operative, Inner City Renovations, L'Arche Tova Café, Manitoba Green Retrofit, Mother Earth Recycling, Natural Cycle Federation, Nor 'West Co-op Community Health Centre, Resolution Skills, Sam's Place, Soup Bee, and W.R.E.N.C.H.

Investments in child care stimulate the local economy and create jobs. Every \$1 invested in Child care in Manitoba returns \$1.58 to rural and northern economies and \$1.38 to the Winnipeg economy. For every child care job created, 2.15 other jobs are created or sustained. Child care affects over 12,700 households in Winnipeg alone, allowing mothers and fathers to work or study, and to earn an estimated \$715 million per year. Accessible and affordable child care is a major factor in helping women access education, training and paid work and therefore helps to reduce women's poverty and child poverty.

High quality early learning and child care services promote healthy child development, identify children with additional support needs and provide enhanced early intervention programs, and assist parents in their important role as their child's first teacher.

The Online Child Care Registry indicates demand for child care services by age and by community. According to the Registry, there are at least 11,400 children on the wait list for child care spaces. Wait times range from months to years across all age groups. The distribution of child care services tends to advantage higher-income neighbourhoods with greater social capital and disadvantage lower-income neighbourhoods.

**G. Fund a provincial salary scale that is at current market competitive rates and that applies to all child care professionals.**

Wages for child care assistants and Early Childhood Educators brings money to families and the local economy. However, the current provincial salary scale makes it difficult to attract and retain a diverse and qualified child care workforce. The majority of child care centre employees are 3 to 5 years behind in competitive wages. Around 30% of licensed child care centres still cannot recruit employees with the qualifications required by the Community Child Care Standards Act. This creates an imbalance between the number of new spaces and the availability of the childcare workforce.

**H. Invest in resources and training supports to recruit, train and retain Aboriginal, Francophone and Visible Minority communities to the childcare profession.**

There is a pressing need for culturally and linguistically appropriate services for Aboriginal, Francophone and other minority communities. This requires more resources and training supports for Aboriginal, Francophone and other minority communities to get into the childcare profession.

The Government of Manitoba is committed to reducing poverty through the Poverty Reduction Strategy Act. The All Aboard Poverty Reduction and Social Inclusion strategy identifies Early Childhood Development and Parenting Supports as a priority area that the strategy will focus on between 2012-2016. Implementation of these recommendations will help the Province meet its commitments in this priority area.