

Manitoba
Housing and
Community Development

Annual Report
2010 – 2011





**MINISTER
OF HOUSING AND COMMUNITY
DEVELOPMENT**

Room 358
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

September 2011

His Honour the Honourable Philip S. Lee, C.M., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
R3C 0V8

May It Please Your Honour:

I have the pleasure of presenting the Annual Report of the Department of Housing and Community Development for the Province of Manitoba for the year 2010/11.

Respectfully submitted,

Original signed by Kerri Irvin-Ross

Kerri-Irvin Ross





**MINISTRE DE LOGEMENT ET
DÉVELOPPEMENT COMMUNAUTAIRE**

Bureau 358
Palais législatif
Winnipeg (Manitoba) R3C 0V8
CANADA

Septembre 2011

Son Honneur l'honorable Philip S. Lee, C.M., O.M.
Lieutenant-gouverneur du Manitoba
Palais législatif, bureau 235
Winnipeg (Manitoba)
R3C 0V8

Monsieur le Lieutenant-Gouverneur,

J'ai le privilège de vous présenter le rapport annuel du ministère du Logement et du Développement Communautaire de la Province du Manitoba pour l'exercice 2010-2011.

Veillez agréer, Monsieur le Lieutenant-Gouverneur, l'expression de mes sentiments les plus respectueux.

Original signé par Kerri Irvin-Ross

Kerri Irvin-Ross





Deputy Minister of Housing and Community Development
Legislative Building, Winnipeg, Manitoba, CANADA, R3C 0V8
www.manitoba.ca

September 2011

The Honourable Kerri Irvin-Ross
Minister of Housing and Community Development
358 Legislative Building

Dear Madam:

I have the honour of presenting to you the Annual Report for the Department of Housing and Community Development for the fiscal year ending March 31, 2011. This report highlights major achievements as we move toward fulfilling departmental priorities.

Housing and community are at the centre of people's health and well-being. Housing and Community Development contributes to the well-being of Manitobans by providing a continuum of housing and community development programs and services. Our vision is to create strong, healthy and sustainable communities where individuals and families thrive. In partnership with Manitobans, we have been working hard to support the positive growth of communities across the province by providing quality housing and supporting community development initiatives.

In June 2009, the Province announced *HOME Works!*, a Long-Term Housing Strategy and Policy Framework. The Strategy was announced in conjunction with a \$378 million Two-Year Investment Plan (April 2009 to March 2011) with priorities to sustain and improve existing social and affordable housing; address affordability; increase the supply of quality affordable housing; and support human services strategies and delivery by coordinating with community social programs and services. As a result of the Two-Year Investment Plan, 1,305 low-income households benefited from renovations to their suites and 16,582 units benefited from building renovations and improvements. Renovations were made to 861 private households and 77 new homeownership opportunities were created. Two hundred and fifty households were impacted by inner city urban housing development and 600 rent supplements were provided to the homeless and persons with mental health issues. In addition, 707 new affordable housing units were built and 628 households were supported by rent-geared-to-income assistance. This represents the second year of a commitment to providing 1,500 new affordable housing units over five years.

Manitoba Housing has been successful in maintaining a commitment to expand and enhance customer services. Some of the ways in which we have done this are by transforming our organization, strengthening our partnerships with community groups, including those that assist vulnerable persons and the homeless, and by improving and expanding our security and pest control services. In 2010/11, we restructured our operations and formed a new Social Housing Management Branch, in order to amalgamate all areas actively engaged in property management functions that impact upon the lives of our tenant population. The new Branch merged with the Portfolio Administration Branch that provides support to non-profit and cooperative housing groups. The creation of the Social Housing Management Branch assists the Department in its goal to provide the best quality of housing and service to low-income Manitobans.



In keeping with the investments made in 2009/10 for social housing improvements, we continued to move forward in 2010/11 with an investment of \$79.7 million for the renovation of the social housing portfolio. In committing to these upgrades, Manitoba Housing is beginning to fulfill its commitment to provide quality housing, improve and upgrade the condition of social housing, and contribute to community revitalization.

With the support of Canada's Economic Action Plan, Manitoba Housing also worked in partnership with non-profit and co-op housing groups to disburse \$10 million in stimulus funding for renovation of their properties, and successfully helped relocate 400 families into newly renovated suites.

The Northern Region continued to improve the management of existing social housing and to increase the quantity of new affordable housing in northern Manitoba. In 2010/11, Manitoba Housing committed \$11 million towards renovating and rehabilitating the northern Rural and Native Housing portfolio in northern Manitoba. Through this funding, 538 social housing units in 28 communities will benefit.

Bridgwater Lakes is Manitoba Housing's new community development project in Winnipeg. The Department continued to develop 330 acres of land in southwest Winnipeg which is a key aspect in the Province's housing strategy. The Neighbourhoods of Bridgwater will include a mix of residential, commercial and other business uses in a dense urban environment while promoting walkability by creating connecting pathways and greenspace. Proceeds from land sales of Bridgwater Forest and Royalwood have been reinvested in housing projects to revitalize Winnipeg neighbourhoods in need.

Through the Community Places Program, we continued to help strengthen Manitoba's recreation and wellness infrastructure by providing grant assistance to 297 applicants this past year. These types of investments stimulate our economy, enhance local facilities and services, and contribute to the health and quality of life of Manitobans.

In 2010/11, we celebrated the ten year anniversary of the Neighbourhoods Alive! (NA!) program. During the past 10 years, NA! has committed more than \$60 million around the province to support community-led revitalization projects. In 2010/11, NA! expanded to include the Chalmers neighbourhood of the Elmwood community, bringing the number of Winnipeg neighbourhoods eligible for NA! support up to 13.

In Manitoba, the cooperative development model continues to be a success. A first-of-its-kind tax credit and a new cooperative development fund were established in 2010/11. The tax credit will encourage existing and successful cooperatives and credit unions help establish or expand other co-ops. The fund will be used to provide strategic investments, grants and technical assistance to support emerging and expanding Manitoba cooperatives and the development of the broader cooperative sector in Manitoba.

The provincial Homeless strategy continues to address the varying needs of individuals experiencing homelessness. Notable developments in 2010/11 included the redevelopment of the former Bell Hotel which will create 42 units of supportive housing for individuals experiencing homelessness. Manitoba Housing is providing up to \$2.5 million toward the capital construction of this project. In April 2010, a homelessness prevention summit was held which brought together key stakeholders from different sectors to begin a dialogue on the prevention of homelessness in Manitoba. Since its announcement in May 2009, Cross-Department Coordination Initiatives has made significant progress with a variety of partners in the implementation of the Homeless Strategy initiatives.

This Annual Report demonstrates our commitment to improve housing and community development services and programs in 2010/11. We are proud of our contributions and accomplishments. We will continue to engage in new opportunities that will respond to the housing and community development needs of Manitobans.

Respectfully Submitted,

Original signed by Joy Cramer

Joy Cramer



Sous-ministre de Logement et Développement communautaire
Palais législatif, Winnipeg, Manitoba, CANADA, R3C 0V8
www.manitoba.ca

Septembre 2011

Madame Kerri Irvin-Ross
Ministre du Logement et du Développement communautaire
Palais législatif, bureau 358

Madame la Ministre,

J'ai l'honneur de vous présenter le rapport annuel du ministère du Logement et du Développement communautaire pour l'exercice ayant pris fin le 31 mars 2011. Le présent rapport souligne les principales réalisations du ministère par rapport aux priorités établies.

Le logement et la collectivité sont essentiels à la santé et au bien-être de la population. Logement et Développement communautaire contribue au bien-être des Manitobains et des Manitobaines en fournissant toute une gamme de programmes et de services dans les domaines du logement et du développement communautaire. Le ministère s'est donné comme objectif de créer des collectivités vigoureuses, saines et durables où peuvent s'épanouir les individus et les familles. En collaboration avec la population manitobaine, il fait tout ce qu'il peut pour favoriser la croissance des collectivités partout dans la province en offrant des logements de qualité et en appuyant les initiatives de développement communautaire.

En juin 2009, la Province a annoncé le programme FoyersClés, un cadre stratégique à long terme en matière de logement. La stratégie a été annoncée en même temps qu'un plan d'investissement de 378 millions de dollars sur deux ans (d'avril 2009 à mars 2011) dont les priorités sont les suivantes : maintenir et améliorer les logements abordables et sociaux déjà en place; mettre l'accent sur le caractère abordable des logements; augmenter le parc de logements abordables de qualité; soutenir les programmes de services aux particuliers, et leur prestation, en assurant la coordination avec les programmes et services sociaux communautaires. Grâce au plan d'investissement de deux ans, 1 305 ménages à faible revenu ont bénéficié de rénovations domiciliaires et 16 582 unités ont tiré profit de rénovations et d'améliorations d'immeubles. Huit cent soixante et un ménages ont reçu une aide à la rénovation des logements privés et on a donné à 77 ménages la possibilité d'accéder à la propriété. Deux cent cinquante ménages ont profité du développement des logements dans les centres-villes et 600 suppléments au loyer ont été accordés aux sans-abri et aux personnes ayant des problèmes de santé mentale. De plus, 707 nouveaux logements abordables ont été construits et 628 ménages ont bénéficié de l'indexation de leur loyer sur le revenu. Il s'agit de la deuxième année d'un engagement visant à fournir 1 500 nouveaux logements abordables sur une période de cinq ans.

Logement Manitoba a également réussi à respecter son engagement en ce qui concerne l'expansion et l'amélioration des services à la clientèle. À cette fin, le ministère s'est notamment transformé, a renforcé ses partenariats avec les groupes communautaires, y compris ceux qui viennent en aide aux personnes vulnérables et aux sans-abri, et a amélioré et élargi ses services de sécurité et de lutte contre les organismes nuisibles. En 2010-2011, nous avons procédé à la restructuration de nos activités et créé une nouvelle direction de la gestion des logements sociaux, afin d'amalgamer tous les secteurs chargés de la gestion des biens et ayant une influence sur la vie des locataires. La nouvelle direction a fusionné avec la direction de l'administration des portefeuilles qui offre un soutien aux groupes de logement coopératif et à but non lucratif. La création de la direction de la gestion des logements sociaux aide le ministère à atteindre son objectif, qui est d'offrir des logements et des services de la meilleure qualité possible aux Manitobains à faible revenu.



Après les investissements que nous avons effectués en 2009-2010 pour l'amélioration des logements sociaux, nous avons continué en 2010-2011 à investir 79,7 millions de dollars dans la rénovation du logement social. En veillant à la réalisation de ces travaux d'amélioration, Logement Manitoba commence à concrétiser son engagement, qui est de fournir des logements de qualité, d'améliorer et de moderniser les logements sociaux et de participer à la revitalisation des collectivités.

Avec le soutien du Plan d'action économique du Canada, Logement Manitoba a également travaillé de concert avec les groupes de logement coopératif et à but non lucratif pour affecter dix millions de dollars à la rénovation de leurs propriétés, et il a aidé à reloger 400 familles dans des logements rénovés.

La région du Nord a continué à améliorer la gestion des logements sociaux existants et à augmenter le nombre de nouveaux logements abordables dans le nord du Manitoba. En 2010-2011, Logement Manitoba a affecté 11 millions de dollars à la rénovation et à la remise en état de logements dans le cadre du programme de logement pour les Autochtones et les habitants des régions rurales du nord de la province. Ce financement profitera à 538 logements sociaux dans 28 localités.

Bridgwater Lakes est le nouveau projet de développement communautaire de Logement Manitoba à Winnipeg. Le ministère a poursuivi l'aménagement de 330 acres de terre dans le sud-ouest de Winnipeg, qui est un élément fondamental de la stratégie provinciale en matière de logement. Les quartiers de Bridgwater auront notamment des fonctions résidentielle et commerciale dans un milieu urbain concentré, mais aussi une fonction piétonnière puisque seront inclus des sentiers et des espaces verts. Les produits de la vente des terres de la forêt Bridgwater et de Royalwood ont été réinvestis dans des projets de logement afin de revitaliser les quartiers de Winnipeg où le besoin est manifeste.

Dans le cadre du programme Place aux communautés, nous avons continué de renforcer l'infrastructure de loisirs et de bien-être au Manitoba en accordant des subventions à 297 demandeurs au cours du dernier exercice. Ces types d'investissements stimulent notre économie, améliorent les installations et les services locaux, et contribuent à la santé et à la qualité de vie de la population manitobaine.

En 2010-2011, nous avons célébré le dixième anniversaire du programme Quartiers vivants. Au cours de la dernière décennie, Quartiers vivants a consacré plus de 60 millions de dollars dans la province à soutenir les projets communautaires de revitalisation. En 2010-2011, le programme a été élargi pour inclure le quartier Chalmers de la communauté Elmwood, ce qui porte à 13 le nombre de quartiers de Winnipeg qui sont admissibles aux fonds de Quartiers vivants.

Au Manitoba, le modèle de développement coopératif continue d'être efficace. En 2010-2011, on a établi un crédit d'impôt inédit et un nouveau fonds de développement coopératif. Le crédit d'impôt incitera les coopératives et les caisses populaires existantes et prospères à appuyer l'établissement ou l'expansion d'autres coopératives. Le fonds permettra de faire des investissements stratégiques et d'accorder des subventions et une aide technique afin de soutenir les coopératives émergentes et en expansion du Manitoba ainsi que le développement de l'ensemble du secteur coopératif de la province.

La stratégie provinciale contre le sans-abrisme continue de répondre aux divers besoins des personnes sans-abri. Parmi les éléments marquants de 2010-2011, mentionnons le réaménagement de l'ancien hôtel Bell qui fournira 42 logements avec services à des sans-abri. Logement Manitoba prévoit jusqu'à 2,5 millions de dollars pour la construction d'immobilisations dans le cadre de ce projet. En avril 2010, un sommet a rassemblé les principaux intervenants de divers secteurs pour qu'ils entament un dialogue sur la prévention du sans-abrisme au Manitoba. Depuis l'annonce de la stratégie en mai 2009, la coordination interministérielle a permis aux divers partenaires d'accomplir d'importants progrès dans la mise en œuvre des initiatives prévues dans le cadre de la stratégie provinciale contre le sans-abrisme.

Le présent rapport annuel fait état de notre engagement à améliorer les programmes et services de logement et de développement communautaire durant l'exercice 2010-2011. Nous sommes fiers de nos contributions et de nos réalisations, et nous allons continuer d'exploiter de nouvelles possibilités pour répondre aux besoins de la population manitobaine en matière de logement et de développement communautaire.

Je vous prie, Madame la Ministre, d'agréer l'assurance de ma haute considération.

Original signé par Joy Cramer

Joy Cramer

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PREFACE

REPORT STRUCTURE

The Department of Housing and Community Development was established by Order in Council No. 348/2009 on November 3, 2009. The Minister of Housing and Community Development is also the Minister Responsible for the Voluntary Sector. The Annual Report of the Department of Housing and Community Development reflects the fiscal year ending March 31, 2011, providing a record of performance and fiscal accountability. Effective March 1, 2010 the Government of Manitoba realigned responsibility for the delivery of human resource services and the associated staff to the Civil Service Commission, with the goal to improve service delivery to all departments and employees. For additional information on this realignment, see the Civil Service Commission's 2010/11 Annual Report.

The report includes information at the Main and Sub-Appropriation levels related to the Department's objectives, actual results, financial performance and variances. A five-year adjusted historical table of staffing and expenditures is provided. In addition, expenditure and revenue variance explanations are provided.

ROLE, MISSION, GOALS AND GUIDING PRINCIPLES

Role and Mission

The vision of Manitoba Housing and Community Development is to create strong, healthy and sustainable communities where individuals and families thrive. Our mission is to support, in partnership with Manitobans, the positive growth of communities across the province by providing quality housing and supporting community development.

The Department has a broad mandate including a range of housing and community development programs and activities. Our role is to promote community development and create opportunities for people to engage in activities that promote well-being and social inclusion where they live. We strive to provide an adequate supply of safe and affordable housing in communities across Manitoba, particularly for those of low and moderate income or those with specialized needs. It is also our role to sustain and improve the condition of existing social housing and stimulate and influence the activities of the housing market to the benefit of Manitobans as a whole.

By working together with community partners, we are building communities and revitalizing neighbourhoods while engaging residents in the process. By employing a service-oriented approach to social housing, we are working toward improved relationships with our tenants, community residents and stakeholders to help house Manitobans.

The Department is responsible for a comprehensive range of housing and community development services and financial assistance programs. Some of these programs and services are delivered directly by the Department, while others are provided in partnership with a variety of private non-profit and community-based groups.

The overall responsibilities of the Minister and the Department include:

- providing policy direction on matters relating to housing and community development;
- providing financial and administrative support for the development, delivery and management of housing and community development programs and operations;

- assisting Manitobans to access safe, appropriate and affordable housing;
- fostering community capacity and engaging the broader community to participate in and contribute to decision-making; and
- providing respectful and appropriate delivery of programs and services.

Goals

- To promote and support community development.
- To build greater community capacity.
- To sustain the existing social and affordable housing stock.
- To address affordability and increase the supply of quality affordable housing.
- To enhance tenant opportunities and services.
- To build capacity of Manitoba Housing and Community Development.

Guiding Principles

- **Housing and community development issues are interrelated with health, education and social and economic well-being.** Manitoba Housing and Community Development works with other provincial departments and agencies to develop and deliver appropriate policies and programs.
- **Investment is maximized through efficient and effective use of resources.** Manitoba Housing and Community Development makes the most of its resources by coordinating housing and community development programs and services with other public policy areas.
- **Increase independence and self-reliance of people and their communities.** Provincial housing and community development initiatives help local people meet local needs, and support the development of individual and community capacity.
- **Partnerships strengthen the housing environment and our communities.** Governments, community groups, Aboriginal organizations, the private sector and all citizens work together to build communities and support the effective functioning of the housing market.
- **Housing and healthy communities are a shared responsibility.** Individuals, communities, the private and non-profit sectors and all levels of government are responsible for good housing outcomes and healthy communities.
- **Housing and community development activities strive to promote social inclusion.** Citizens are encouraged to help address local issues that affect their lives. We support their efforts to increase economic and social independence, personal accountability, individual choice and the equitable development of Manitoba communities. Manitoba Housing and Community Development activities promote well-being and human dignity, provide local employment, develop local skills and knowledge, and encourage local ownership and decision-making, whenever possible.
- **Strong communities have a range of housing options and community development activities that foster economic, social and environmental goals.** A variety of tools are needed to respond successfully to the changing circumstances of residents and communities.

OVERVIEW

The Department of Housing and Community Development consists of the Crown Corporation Manitoba Housing and Renewal Corporation (Manitoba Housing), and three other program delivery and operating divisions. Manitoba Housing is the owner of all provincial housing assets and is responsible for the delivery of social and affordable housing programs, renovation and repair, and homeownership programs. Manitoba Housing is an approved lender under *The National Housing Act*. The Corporation also manages undeveloped land held in the provincial Land Bank.

The Community Development and Strategic Initiatives Division includes the Community Places, Neighbourhoods Alive!, and Cooperative Development Services programs. These programs coordinate and/or deliver programming to assist communities in providing sustainable recreational, social benefits for their communities; support and strengthen community economic development and community development; and maintain and encourage new cooperative development opportunities. The Division also provides corporate policy development and planning, and community relations support to the Department and the Corporation.

The Corporate Services Division provides comprehensive central support services to corporate operations and branches including direction and support in financial planning; financial evaluations and protection of corporate assets; reporting control policies, processes and procedures; information technology planning; legal support services; and business continuity planning.

The Department also supports Cross-Department Coordination Initiatives (CDCI), a partnership with the Departments of Health, Housing and Community Development, Family Services and Consumer Affairs, and Healthy Living, Youth and Seniors. Using a horizontal management approach and working in collaboration with government and community partners, CDCI coordinates approaches and service delivery with respect to housing and supports for the seniors population, individuals with mental health issues and individuals who are homeless or at risk of being homeless.

The Department's programs and services are budgeted under four main appropriations: Administration; Housing; Community Development and Costs Related to Capital Assets.

The Department's Organization Chart follows this Overview.

The statutory responsibilities of the Minister of Housing and Community Development are as follows:

The Co-operative Associations Loans and Loans Guarantee Act,
The Cooperative Promotion Trust Act,
The Elderly and Infirm Persons' Housing Act (with respect to elderly persons' housing units as defined in the Act); and
The Housing and Renewal Corporation Act [except Clause 44(k) and The Manitoba Shelter Benefit Regulation (MR. 148/2006)]

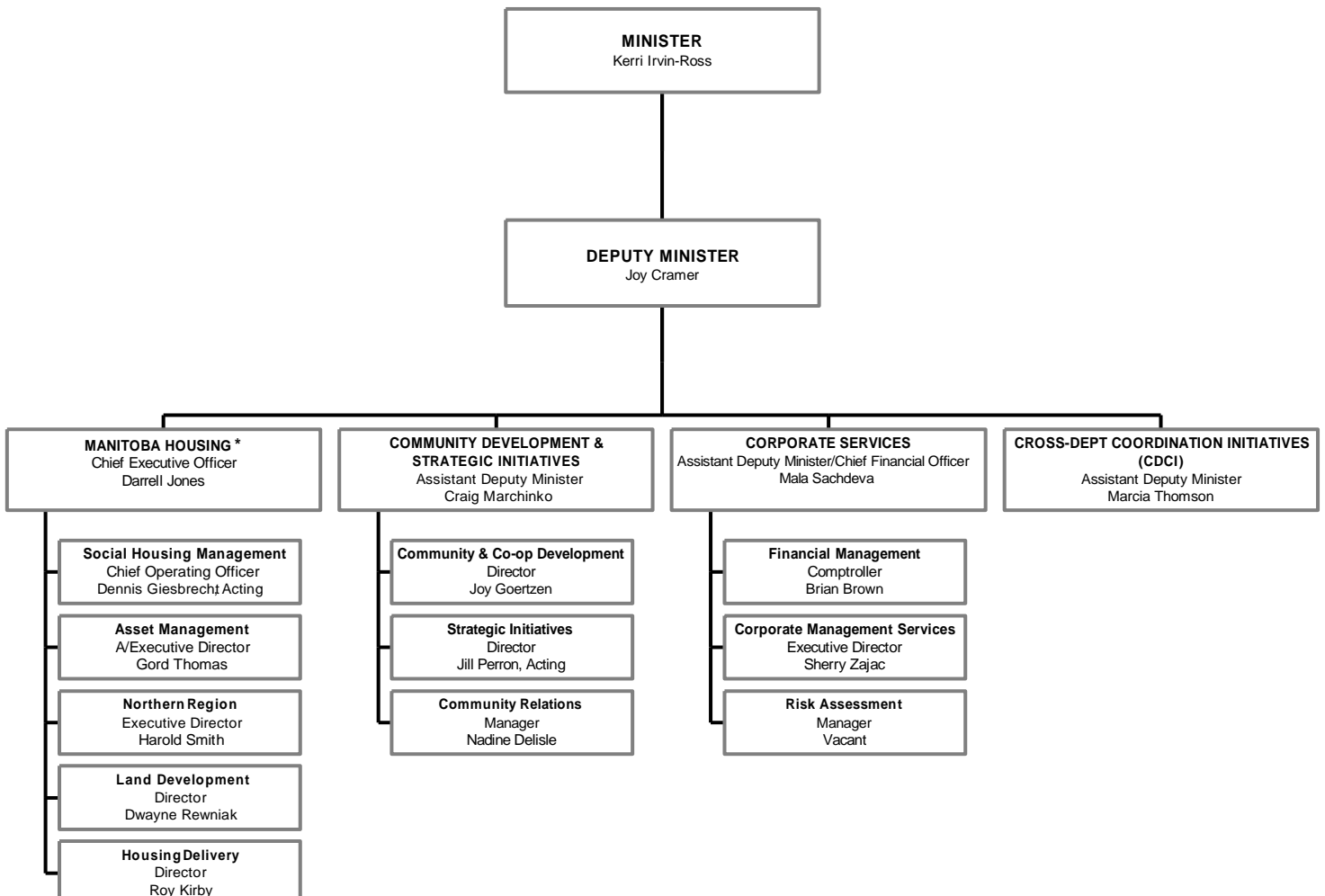
The Co-operative Associations Loans and Loans Guarantee Act, and The Housing and Renewal Corporation Act, require the Minister to report annually to the Legislature. These reporting requirements for 2010/11 are met by this Annual Report.

*The Cooperative Promotion Trust Act also requires the Minister to report annually to the Legislature. The Cooperative Promotion Board (CPB) Annual Report is produced separately from the Department of Housing and Community Development Annual Report. The CPB Annual Report includes: members of the Board; an overview of *The Cooperative Promotion Trust Act* legislation which empowers the Board to utilize income from investments; activities of the Board; financial information; and the Auditors' report.*

The CPB Annual Report for the year 2010/11 can be obtained at 2nd Floor - 406 Edmonton Street, Winnipeg, MB, R3B 2M2, telephone (204) 945-3379 or online at <http://www.gov.mb.ca/housing/housingpublications.html>

ORGANIZATION CHART

(as of March 31, 2011)



*The Manitoba Housing and Renewal Corporation (MHRC) CEO reports to the Chair of the MHRC Board of Directors, who is the Deputy Minister of the Department of Housing and Community Development

MINISTER AND EXECUTIVE SUPPORT

MINISTER'S SALARY

Objectives

- To provide overall policy direction and central support services for the Department.

Responsibilities

- Provides for the executive management, planning, support and administrative control of departmental policies and programs for the Department.
- Provides for the overall policy direction to the Department pertaining to program and financial matters and central support services for the provision and delivery of services by the Department.

30-1A Minister's Salary

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	37	1.00	37	-	

EXECUTIVE SUPPORT

Executive Support includes the offices of the Minister and the Deputy Minister.

Objectives

- To advise the Minister on all policy and program matters related to departmental services.
- To manage the activities of the Department.

Responsibilities

- Interprets and implements government policy through the delivery of departmental programs.
- Ensures effective and efficient management of departmental programs.
- Safeguards the public interest through enforcement of legislation and regulations.
- Ensures effective development and management of the Department's human resources.
- Provides leadership to the Department and advice to the Minister on policy development and resolution of policy issues.

30-1B Executive Support

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	610	9.00	636	(26)	
Total Other Expenditures	77	-	66	11	

SUPPORT SERVICES

Objectives

- To provide policy direction for the activities of the Department.
- To provide a broad range of operational and administrative support services to the operating divisions.

Responsibilities

- Provides direction on financial and administrative policies and operational procedures and practices to divisional staff.
- Provides project management supports for the planning and implementation of integration initiatives across the Department.

30-1C Support Services

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	275	5.00	450	(175)	1
Total Other Expenditures	45	-	61	(16)	1

1. The under expenditure in both salaries and operating is attributable to vacant positions during the year.

Human Resource Management

Effective March 1, 2010, the Government of Manitoba realigned responsibility for the delivery of human resource services and the associated staff to the Civil Service Commission, with the goal to improve service delivery to all departments and employees. For additional information on this realignment, see the Civil Service Commission's 2010/11 Annual Report.

MANITOBA HOUSING

Manitoba Housing is a Crown Corporation created by statute (*The Housing and Renewal Corporation Act*) in 1967. The legal name of the corporation is Manitoba Housing and Renewal Corporation. Manitoba Housing is mandated under *The Housing and Renewal Corporation Act* and is governed by a Board of Directors appointed by the Lieutenant Governor in Council with policy direction provided by government. The Deputy Minister of Housing and Community Development serves as Chair of the Board of Directors. The Board meets at least quarterly to fulfill the legal and financial obligations of the Corporation and to consider and approve specific policy-related items.

The Housing and Renewal Corporation Act provides Manitoba Housing with a mandate to:

- a) enhance the affordability of, and accessibility to, adequate housing for Manitobans, particularly those of low to moderate incomes or those with specialized needs;
- b) maintain and improve the condition of existing housing stock;
- c) ensure there is an adequate supply of housing stock in Manitoba; and
- d) stimulate and influence the activities of the housing market to the benefit of Manitobans as a whole.

In fulfilling its mandate, Manitoba Housing has the capacity to engage in many activities including: constructing and developing new and affordable housing; rehabilitating existing housing in areas of need; acquiring and disposing of land and/or buildings; making grants and loans; managing finances, including the investment and borrowing of funds and the provision of loan guarantees; creating and overseeing the operations of local housing authorities; and entering into inter-governmental agreements for renewal schemes and renewal projects for which provision is made under *The National Housing Act*.

Manitoba Housing's corporate structure is divided into branches based on functional areas:

- Social Housing Management*;
- Asset Management;
- Northern Region;
- Land Development; and
- Housing Delivery.

*Social Housing Management includes the former branches of Tenant Services and Asset Management and Portfolio Administration.

Manitoba Housing owns the Province's housing portfolio and provides subsidies to approximately 34,900 housing units under various housing programs. Within the portfolio, Manitoba Housing owns 17,600 units of which 13,100 units are directly managed by Manitoba Housing and another 4,500 units are operated by non-profit/cooperative sponsor groups or property management agencies.

Manitoba Housing also provides subsidy and support to approximately 17,300 households (including over 4,700 personal care home beds) operated by cooperatives, Urban Native and private non-profit groups.

The Corporation manages undeveloped land held in the provincial Land Bank. Through land development activities, Manitoba Housing contributes to the development of suburban neighbourhoods and reinvests the profits in areas of identified need in a manner that supports the province-wide housing initiatives. Manitoba Housing currently holds approximately 2,400 acres in its Land Inventory of which 2,268 acres are located in the Winnipeg Census Metropolitan Area and 140 acres are in rural Manitoba.

A complete overview of the activities of Manitoba Housing is outlined in the narrative segments of its operational and support/services branches, following this section.

HOMEWorks! Housing Strategy and Policy Framework for Manitoba

In June 2009, the Province introduced the HOMEWorks! Housing Strategy and Policy Framework for Manitoba, in conjunction with a \$378 million Two-Year Investment Plan. The Investment Plan represented a commitment to: sustain and improve existing social and affordable housing; address affordability; increase the supply of quality affordable housing; and support human services strategies and delivery by coordinating with community social programs and services.

Progress on the \$378 Million (M) Two-Year Investment Plan (April 2009 – March 2011):

1. Sustain and improve existing social and affordable housing.

- \$226 M was targeted for the renovation of existing social and affordable housing (includes direct and sponsor managed, non-profits, co-ops and rural and native housing), benefitting 13,500 households.
Progress to March 2011: 1,305 units receiving deep refresh (major renovations) (\$78.6 M) and 16,582 units benefiting from building improvements (117.1 M) for a total of \$195.7 M.

2. Address affordability and increase the supply of quality, affordable housing.

- \$123 M was targeted to increase affordable rental housing by 600 new rental units and 600 rent-geared-to-income households (the first two years of a 1,500 unit commitment over 5 years).
Progress to March 2011: \$128.5 M has been committed/approved to deliver 707 units for the new affordable housing supply. Of these, 628 are supported by rent-geared-to-income (RGI) subsidy (329 within new projects and 299 added to existing projects). This represents the first two years of a commitment to add 1,500 new affordable units over five years.
- \$7 M to provide affordable new homeownership for 200 households.
Progress to March 2011: \$4.26 M has been committed/approved to benefit 77 households.
- \$5 M to support inner city urban housing development, impacting 275 households.
Progress to March 2011: \$4.44 M has been committed/approved to support 250 households.
- \$15 M was targeted for the renovation of privately-owned housing, benefitting 800 households.
Progress to March 2011: \$12.43 M has been committed/approved to renovate 861 household units.

3. Support human services strategies and delivery by creating stronger links and coordination with community social programs and services.

- \$2 M for portable rent supplements for the homeless and people with mental health issues, impacting 600 households.
Progress to March 2011: \$2 M in annualized funding has been committed to provide rent supplements for 600 households.

HOMEWorks! was developed and launched prior to the establishment of Manitoba Housing and Community Development as a standalone department in November 2009. Some of the commitments within the Two Year Investment Plan will be carried over into the 2011/12 fiscal year. A new 2011 Strategy and Policy Framework and Three-Year Investment Plan (2011 – 2014) will commence in 2011/12.

Homeless Strategy

The Homeless Strategy is a broad government strategy involving several departments and numerous community partners. The strategy is an important component of the HOMEWorks! Housing Strategy, and is linked to the ALLAboard Poverty Reduction Strategy and the June 2009 Discussion Paper entitled “Opening Doors Manitoba’s Commitment to Persons with Disabilities”. Funding and staff supports are provided through the Departments of Housing and Community Development; Family Services and Consumer Affairs; Health; and Healthy Living, Youth and Seniors, as well as numerous partners from other levels of government and the community.

On May 21, 2009, a Homeless Strategy with a Focus on Mental Health Housing was announced under ALLAboard - Manitoba's Poverty Reduction Strategy. The Homeless Strategy provides a range of affordable housing with appropriate housing, health and social supports for individuals with mental health and homelessness issues.

The Homeless Strategy includes 10 initiatives that fall under the following four components:

- Emergency Shelters (Increased funding and capacity, Emergency Shelter Standards, Salvation Army Project, Cold Weather Strategy)
- Outreach (Homeless Outreach Mentors, Project Breakaway)
- Housing with Services (Portable Housing Benefit, Community Wellness Initiative, Mental Health Housing)
- Prevention (Homelessness Prevention Summit).

Through Cross-Department Coordination Initiatives, progress in 2010/11 included the implementation of the Portable Housing Benefit in all regions of Manitoba, the expansion and enhancement of the Community Wellness Initiative, the expansion of the Homeless Outreach Mentors program, increased funding of case management services for Project Breakaway, and opening of interim housing units for youth. In April 2010, a homelessness prevention summit was held which brought together key stakeholders from different sectors to begin a dialogue on the prevention of homelessness in Manitoba, and organizing a training session for community partners delivering the Homeless Strategy. Also included in the Homeless Strategy is the redevelopment of the former Bell Hotel which will create 42 units of supportive housing for individuals experiencing homelessness. Manitoba Housing is providing up to \$2.5 million toward the capital construction of this project.

Aging in Place / Long-Term Care Strategy

Manitoba's Aging in Place/Long-Term Care strategy is based on the Aging in Place principle that supports community-based housing with supports for seniors. This strategy is aimed at preserving the ability for Manitobans to remain in their own communities and "age in place", with support services. The strategy focuses on the development of affordable community housing options with supports as alternatives to early and inappropriate placement in a personal care home.

The Aging in Place strategy introduced three community support models:

- *Supports to Seniors in Group Living (SSGL):* Housing with enhanced services that support health promotion and independence with a goal of aging in place. This model occurs in designated community congregate settings, such as seniors' apartments and elderly persons housing.
- *Supportive Housing:* A housing with care alternative that provides personal support services and homemaking in permanent community-based congregate residential settings for primarily frail and/or cognitively impaired elderly persons who can no longer manage in their own home.
- *Specialized Supports:* Models of community specialized services for individuals with exceptional health challenges/complex care situations.

Manitoba Housing supports the Aging in Place strategy by providing social housing units for the implementation of the Supportive Housing model throughout the province. Manitoba Housing acts as the property manager and is responsible for the capital upgrades. In February 2011, the Province announced Manitoba's renewed long-term care strategy which will include more affordable supportive housing. Housing and Community Development is currently finalizing funding plan for 24 units of supportive housing in Ste. Anne at Villa Youville. Manitoba Housing also supports the SSGL model by providing office and storage space and use of common areas for activities in buildings it manages throughout the province.

Shelter Programs

Manitoba Housing also provides financial assistance for benefits under the following shelter programs.

- Portable Housing Benefit provides a portable rent supplement (attached to the individual) of up to \$200 per month, combined with housing supports to maintain a stable tenancy, for individuals with a mental health disability.
- School Tax Assistance for Tenants Aged 55 Plus (STAT 55+) provides an annual grant of up to \$175 to tenants aged 55 years or older, to offset the school tax portion of rental costs.
- The Complementary Assistance Program provides grant assistance to housing cooperatives to lower housing charges for income-tested occupants. This program is now closed to applicants.
- The Rent Supplement Program assists low and moderate-income families, individuals and senior households to obtain suitable housing in the private rental sector and in non-profit housing projects.

Portable Housing Benefit

The Portable Housing Benefit (PHB) provides a rent supplement of up to \$200 per month, combined with housing supports to maintain a stable tenancy, for low-income Manitobans with a mental health disability. Recipients must have an unstable housing situation that is interfering with their progress in recovery and/or positive participation in community life. This rent supplement is portable, as it is attached to the individual rather than to a housing unit. The PHB was introduced in July 2008 as a pilot project in Brandon, Thompson and Winnipeg, and was expanded to all regions of the province in April 2010. The PHB is delivered by mental health community partners, who are funded to provide these supports. PHB payments are administered by Manitoba Family Services and Consumer Affairs, Provincial Services. The following table provides program information for the past three years:

Fiscal Year	Number of Recipients as at March 31	Average Monthly Benefit Paid \$	Expenditures (\$000)			
			Benefits	Housing Supports	Other*	Total
2008/09	64	161	25	32	43	100
2009/10	193	179	272	215	41	528
2010/11	381	177	634	493	40	1,167

* Includes evaluation.

School Tax Assistance for Tenants 55 Plus

The School Tax Assistance for Tenants 55 Plus program provides an annual grant of up to \$175 to low-income tenants aged 55 years or older, to offset the school tax portion of rental costs. The grant is payable once a year. Applications submitted during 2010 relate to rents paid during the 2009 calendar year. This program is funded by Manitoba Housing but delivered through Manitoba Family Services and Consumer Affairs, Provincial Services, on behalf of the Department of Finance. Program expenditures are recovered from the Department of Finance.

Applicants must meet eligibility criteria. Tenants aged 55 years or older whose net income is less than \$23,800 and who rented their principal residence in the private rental market during the previous calendar year are generally eligible. Pensioners who were eligible but did not receive their rebate during previous years, can apply for benefits retroactively for up to four years. Tenants living in non-profit housing for the

elderly or in projects licensed under *The Elderly and Infirm Persons' Housing Act* do not qualify for benefits under this program because rents in these housing projects do not include school tax costs.

During the year ended March 31, 2011, 1,799 rebate cheques were issued (including retroactive/partial year cheques) representing an expenditure of \$238,008 for the fiscal year. The following table provides program information for the past three years:

Fiscal Year	Total Applications Received	Total No of Recipients	Average Annual Benefit Paid \$	Expenditures Total* \$000
2008/09	2,189	1,932	107	267
2009/10	1,920	1,815	103	243
2010/11	2,167	1,799	105	238

* Includes multiple rebates for retroactive benefits, and applications received in the previous fiscal year and paid in the current fiscal year.

Complementary Assistance Program

The Complementary Assistance Program provides grant assistance to housing cooperatives to lower housing charges for income-tested occupants. Applicants must meet income eligibility criteria. Cooperatives submit monthly statements to claim assistance on behalf of eligible clients.

While the program is closed to new applications from cooperatives, Complementary Assistance Program assistance continues to be provided to cooperatives under previous commitments.

During the year ended March 31, 2011, 41 households in 6 cooperatives were subsidized through the Complementary Assistance Program. A total of \$76,578 was expended during the fiscal year. The following table provides program information for the past three years:

Fiscal Year	No. of Co-ops at Year End	No. of Recipients at Year End	Expenditures Total \$000
2008/09	6	49	92
2009/10	6	41	88
2010/11	6	41	77

Rent Supplement Program

The Rent Supplement Program is designed to assist low and moderate-income families and senior households to obtain suitable housing in the private rental sector and in non-profit housing projects. The provincial government has entered into agreements with owners/operators of private rental stock whereby the Province subsidizes the difference between the approved market rental rate charged by the landlord and the rent-geared-to-income rate paid by the qualifying tenant. Subsidy costs are shared by the federal and provincial governments on a 50 per cent federal/50 per cent provincial basis for units committed pre-1986 and on a 75 per cent federal/25 per cent provincial basis for units committed post-1985.

The following table provides program information for the past three years:

Fiscal Year	Eligible Units Subsidized as at March 31	Average Monthly Supplement Paid \$	Expenditures Total \$000
2008/09	1,197	318	4,578
2009/10	1,114	375	4,991
2010/11	1,348	327	5,292

SOCIAL HOUSING MANAGEMENT

Objectives

- To provide affordable, quality housing for low-income Manitobans.
- To assist and strengthen partnerships with community groups in achieving program objectives defined in the project operating agreements.

Responsibilities

- Provides property management services for approximately 13,100 units of the provincial social housing portfolio and ten crisis shelters for victims of domestic violence.
- Provides a safe and secure living environment for families, individuals and seniors at rental rates geared to the income of the tenants.
- Fosters tenant engagement through tenant associations, tenant advisory committees and resource centres to support successful tenancies and sustainable social housing programs.
- Provides subsidy and support to approximately 17,300 social housing units under non-profit, cooperative and urban native voluntary board of directors and their staff.
- Provides ongoing communication in a timely professional manner to the non-profit groups, its staff and boards of directors to ensure self-sufficiency and sustainability in the following areas:
 - efficient and effective housing management;
 - community capacity; and
 - optimal client service delivery.
- Administers the project operating agreements with the non-profit-owned and/or managed housing portfolio as follows:
 - Develops and disburses budgets according to benchmarks, financial constraints, and the individual circumstances of each project.
 - Maintains financial quality assurance and control through annual audited financial statement reviews, risk assessments, and operational reviews.
 - Performs quarterly variance analysis (i.e. budgets versus actual costs).
 - Assesses and evaluates replacement reserve and capital expenditures to determine appropriate capital planning and funding availability.
 - Provides special assistance for projects in difficulty.

Activities/Highlights in 2010/11

Social Housing Management (SHM) is committed to maintaining the social housing portfolio, contributing to community revitalization efforts, and supporting tenants. In 2010/11, SHM expanded organizational efforts in several areas: we improved customer service; expanded partnerships with community organizations to assist individuals vulnerable to homelessness; and improved our security and pest control services. SHM also played a pivotal role in the delivery of an extensive capital renovation program by Asset Management.

As part of ongoing efforts to improve service delivery, SHM began customer service training, focus group meetings with community organizations and employees, and work to expand the Community Residential Manager model. In 2010/11, an in-house customer service training program was developed and rolled out with employees of the Housing Communication Centre. Based on the training, employees and managers worked together to develop standards of customer service for their work group. The training will be expanded to other work groups in 2011/12.

To determine ways of improving the housing application process, the Quality Assurance team began a series of focus group discussions – one with external agencies that have clients looking for housing and the second with employees responsible for the processing of applications. The consultations will continue through the summer of 2011. Changes to the process will be incorporated with the introduction of a simplified application form.

Also on the service delivery front, SHM is moving forward with the Community Residential Manager (CRM) model of property management. Piloted in two buildings in 2009/10, a CRM is the lead individual responsible for coordinating all facets of property management within a single housing project. Instead of having to access different staff for maintenance, leasing and other property management issues, tenants are able to direct their requests to a single individual located on-site. Based on the success of the two pilots, this model is now the standard for SHM property services.

In 2010/11, SHM continued and expanded its work with a variety of local and national agencies to find homes for people at risk of homelessness or already homeless. Our partners include Family Services and Consumer Affairs – MY TEAM, Salvation Army, Main Street Project, Resource Assistance for Youth, and the Mental Health Commission of Canada. SHM provides each group a specified number of apartments and employees to act as liaisons. The partners provide support services to their clients living in Manitoba Housing units.

To further promote safety, security and quality of life in our housing properties, SHM expanded its in-house security and pest control services. With the additional employees, the Security Branch is setting up satellite security offices in Winnipeg, Brandon and Thompson as well as expanding its community engagement activities through tenant forums, tenant associations, and the provincial advisory board. The Integrated Pest Management Group (IPMG) also added employees to provide preventative pest control services and intensive treatments for major capital projects. We are pleased to report, after six years of increasing bed bug activity, IPMG reduced the number of direct-managed units with bed bug activity by 39 percent in 2010/11.

SHM works with Asset Management on capital projects within buildings for which we provide property management services. SHM employees host tenant meetings and provide written notices to inform tenants about the capital projects as they progress. For our deep refresh capital program, we also relocate tenants, heat treat their possessions and provide pre and post-construction pest control services. With ten large properties undergoing complete internal rejuvenation, SHM employees have worked with approximately 1,200 tenants over the past three years – helping them select alternative homes to which to be relocated, coordinating and paying for their move, and keeping them abreast of the renovations. And most gratifying, in 2010/11, SHM employees moved approximately 400 families into newly renovated suites.

SHM, through Portfolio Administration, conducted the field work of 33 operational reviews to assist the non-profit groups with best business practices. Draft operational review reports together with a summary of the recommendations are ongoing.

SHM employees are working with non-profit and cooperative housing groups to utilize approximately \$20 million in stimulus funding from Canada's Economic Action Plan (CEAP), for renovations of their properties. Housing received over 180 applications for CEAP funding from these groups of which 61 organizations are eligible to access CEAP funds. Housing disbursed \$10 million of CEAP funding to non-profit and co-op groups in 2010/11.

Portfolio Administration continues to foster relationships with sponsor-managed (MHRC-owned) non-profit organizations that are responsible for the delivery of daily housing operations. To provide additional resources, Portfolio Administration has released a handbook to assist these non-profit organizations in understanding their project operating agreements including board governance, insurance/incident reporting, financial reporting, operational review deliverables, marketing to fill vacancies, and tenancy procedures.

In 2002, the Office of the Auditor General (OAG) tabled a report entitled "*Value for Money*" providing 40 recommendations regarding departmental management of the direct-managed and sponsor-managed (MHRC-owned properties) portfolios. The OAG provided 12 recommendations for Housing to improve relations with, and monitoring of, non-profit sponsor groups. The OAG confirmed in 2010 that all recommendations are implemented.

ASSET MANAGEMENT

Objectives

- To deliver best value and consistent quality projects in the building of new housing, and in the maintenance of the existing social housing stock.

Responsibilities

- Provides project management service in the delivery of major capital initiatives and maintenance of buildings and building support systems.
- Invests in the renovation of the social housing portfolio to improve and upgrade the condition of social housing and contribute to community revitalization.

Activities/Highlights in 2010/11

Asset Management is committed to maintaining the social housing portfolio and contributing to community revitalization efforts. In 2009/10, Asset Management delivered the largest capital budget in the history of the direct-managed social housing program in Manitoba. Asset Management identified three areas of need and developed programs to address them. The deep, common area and exterior refresh programs will improve the quality of life for tenants, preserve and enhance the buildings, create employment and contribute to community revitalization.

In 2010/11, Asset Management committed \$42.6 million for deep refresh, and modernization and improvement projects. Deep refresh projects include new flooring, paint, cabinets, energy-efficient fixtures and appliances in approximately 1,000 houses and apartments. There are a total of ten deep refresh projects underway in Brandon, Dauphin, Neepawa, The Pas and Winnipeg. The projects in Dauphin, The Pas and Neepawa also include the conversion of 37 suites to supportive housing.

As well, Asset Management is committing \$33.2 million over two years for the common area and exterior refresh programs. Common area refresh projects include new paint, flooring, lighting and furniture in all common areas and exterior refresh projects include tree trimming, grading and repairs to parking lots, sidewalks, stairways and fences. Asset Management plans to complete common area refreshes on 82 buildings and exterior refreshes on 80 buildings.

In addition to our deep and common area refresh programs, we also deliver a Modernization and Improvement program. This program includes ongoing capital upgrades to building envelopes (such as roofs and windows) and systems (heating, ventilation, and fire and life safety). For a listing by community of Modernization and Improvement expenditures in 2010/11, please see the table at the end of this section.

For most tenants, these investments are the first major upgrades to their homes in many years. These programs are vital to ensure continued delivery of social housing programs for low-income Manitobans. Investment in this portfolio also provides a significant stimulus to Manitoba's renovation industry – a driver of economic activity. By partnering with non-profit community organizations that provide training opportunities for low-income individuals, Manitoba Housing is also assisting community members to develop construction skills and contribute to the revitalization of social housing in their neighbourhoods.

2010/2011 Modernization & Improvements					
COMMUNITY	ACTUAL \$	COMMUNITY	ACTUAL \$	COMMUNITY	ACTUAL \$
Altona	2,389	Fisher Branch	1,238	Roblin	12,507
Angusville	16,571	Flin Flon	199,731	Rosssburn	7,729
Arborg	53,368	Gimli	91,855	Russell	54,784
Ashern	187,093	Grandview	7,678	Sandy Lake	114,758
Beausejour	30,222	Grunthal	38,454	Selkirk	228,094
Binscarth	1,166	Kenton	53,129	Souris	35,504
Boissevain	25,948	Killamey	26,345	South Junction	12,743
Brandon	3,739,549	Minnedosa	14,833	St. Claude	229,753
Carberry	6,843	Morden	38,056	St. George	11,698
Carman	15,192	Neepawa	9,144,269	St. Rose du Lac	147,670
Cartwright	36,883	Niverville	15,515	Steinbach	29,728
Churchill	1,465,700	Oak Lake	73,082	Strathclair	24,466
Dauphin	3,698,498	Oakburn	19,376	Swan River	246,676
East Selkirk	60,453	Onanole	20,515	The Pas	514,846
Elkhorn	87,516	Portage	11,971	Treherne	24,546
Elphinstone	23,875	Powerview	12,891	Vassar	15,435
Erickson	73,713	Richer	22,886	Virden	100,838
Eriksdale	3,300	Rivers	177,256	Winnipeg	40,117,124
Ethelbert	89,965	Riverton	27,475		
TOTAL M&I					61,543,696

HOUSING DELIVERY

Objectives

- To deliver new housing projects, homeownership and repair/renovation programs for the Department.

Responsibilities

- Responsible for the delivery and administration of *HOME Works!* an initiative targeting the development of affordable homes for lower-income Manitobans, including new rental and homeowner units, repair/conversion options, homebuyer down payment assistance and rent supplements.
- Responsible for the delivery and administration of other complementary housing programs which target the creation of additional housing units in Manitoba.
- Responsible for the delivery and administration of the Repair and Renovation Programs.

Activities/Highlights in 2010/11

Affordable Housing Initiative

The Governments of Canada and Manitoba signed Phase I of the Canada-Manitoba Affordable Housing Agreement on September 30, 2002. Under this agreement, the two levels of government each contributed approximately \$25.39 million to renovate or create approximately 2,500 affordable housing units. On April 25, 2005, Manitoba signed Phase II of the Canada-Manitoba Affordable Housing Agreement. Under the Phase II Supplementary Agreement, each level of government contributed an additional \$11.54 million for affordable housing in Manitoba. This investment brought the total contribution from each of the Governments of Canada and Manitoba to \$36.93 million for a total of \$73.86 million and extended the original agreement to 2008.

During 2009/10, the Province finalized all commitments under Phase I and II of the Affordable Housing Agreement which total nearly 2,400 units built and/or rehabilitated across Manitoba. The Province subsequently signed an Agreement with the Government of Canada to extend the Affordable Housing Agreement through to 2010/11. Under this agreement, the two levels of government each contributed \$9.06 million for a total of \$18.12 million. Housing Delivery has commenced delivery of this extension funding. As of March 31, 2011, funding has been committed or allocated toward the creation or rehabilitation of 158 affordable housing units.

HOME Works!

The *HOME Works!* initiative began in 2007 with an allocation of \$104.5 million over three years for the development of affordable homes for low-income Manitobans with the following five priorities: inner-city revitalization with a focus on refugees and immigrants; older Manitobans; urban Aboriginals; northern Manitobans and homeless Manitobans. As of March 31, 2010, the Province has committed or allocated all funding available from the original \$104.5 million program. Construction is complete on 334 units and another 378 are under development.

The original *HOME Works!* initiative was subsequently rolled into the June 2009 *HOME Works!* Housing Strategy and Policy Framework for Manitoba. The *HOME Works!* initiative was announced in conjunction with a \$327 million Two-Year Investment Plan in Housing (2009/10 and 2010/11) related to the signing of the 2009 extension of the Canada-Manitoba Affordable Housing Agreement and the Government of Canada's Economic Stimulus Plan. Since then, \$6 million earmarked for increases to the Manitoba

Shelter Benefit has been re-assigned into the budget of Family Services and Consumer Affairs, thereby reducing Housing and Community Development's commitment to \$321 million. An investment of \$57 million included in Budget 2010 increased the Two-Year Investment Plan to a total of \$378 million. Together with provincial contributions, funding for Manitoba's two-year investment strategy for affordable housing development is approximately \$140 million.

Winnipeg Housing and Homelessness Initiative

The Winnipeg Housing and Homelessness Initiative (WHHI) provides a one-stop approach for community organizations in the City of Winnipeg to access housing and/or homelessness programs provided by all three levels of government. To achieve these objectives, the governments of Canada, Manitoba and the City of Winnipeg jointly signed a Memorandum of Understanding (MOU) in 2000 and established the WHHI. Following the success of the WHHI, the MOU was renewed in 2003 and again in 2008 to extend the mandate until 2013. The WHHI reports on its activity regularly through the Community Report.

Within the WHHI offices, Manitoba Housing delivers the *HOME Works!* programs. Examples of projects announced in 2010/11 include Place la Charrette, a universally designed project that will provide affordable housing for families and persons with a disability in an integrated setting, and Peace Tower, intended to provide affordable housing for New Canadians. In 2010/11, the Department continued to fund a range of programs delivered by the WHHI to address declining housing stock, homelessness and the revitalization of Winnipeg's older neighbourhoods.

From September 30, 2002 to March 31, 2011, over \$121,971,461 in Affordable Housing Initiative and *HOME Works!* funding has been committed to projects in the City of Winnipeg, including \$77,967,245 in the Neighbourhoods Alive! designated revitalization areas. From November 2000 to March 31, 2011, Manitoba has provided over \$9.26 million in Neighbourhood Housing Assistance funding (see Table on Page 42).

Affordable Housing Initiative/*HOME Works!* Funding Commitments by Neighbourhood/Community (September 30, 2002 to March 31, 2011)

Neighbourhood/ Community	Affordable Housing Initiative/ <i>HOME Works!</i>
Winnipeg	\$ 121,971,461
Brandon	\$ 16,279,607
Thompson	\$ 20,098,761
Dauphin	\$ 1,073,202
Selkirk	\$ 1,864,353
The Pas	\$ 15,215,671
Flin Flon	\$ 855,200
Portage la Prairie	\$900,000
Other Non-Urban Areas	\$ 60,888,595
TOTAL	\$239,146,850

Repair and Renovation Programs

During 2010/11, the total budget allocation of \$7.39 million for Repair and Renovation programming was fully committed. This included commitments under the programs of Homeowner, Disabled, and Rental Residential Rehabilitation Assistance Program (RRAP); Emergency Repair Program (ERP); Homeowner Emergency Loan Program (HELP); Home Adaptations for Seniors Independence (HASI); and Shelter Enhancement Program (SEP). A total of 374 loans providing assistance to 526 households were committed for the 2010/11 delivery year. The federal government cost-shares the programs delivered by Manitoba Housing.

On June 29, 2010, the Secondary Suites Program was launched as a new affordable housing option to increase the supply of quality, affordable housing. Housing Delivery has commenced delivery of this \$1.4 million initiative.

Renovation Program Funding Commitments April 1, 2010 to March 31, 2011	
	Total Funding
Homeowner RRAP	\$3,438,000
Disabled RRAP	\$886,695
Rental RRAP	\$2,321,440
Emergency Repair Program	\$253,125
Home Adaptations for Seniors Independence	\$44,571
Shelter Enhancement Program	\$445,090
Total	\$7,388,921

**Residential Rehabilitation Assistance Program
Expenditures by Neighbourhood/Community
March 31, 2002 to March 31, 2011**

Neighbourhood/ Community	Residential Rehabilitation Assistance Program (RRAP) 1.
WINNIPEG	
Lord Selkirk Park	\$ 24,155
Point Douglas	\$ 610,814
Spence	\$ 3,025,946
West Broadway	\$ 4,153,376
William Whyte	\$ 1,564,613
Centennial	\$ 95,612
Daniel McIntyre	\$ 1,113,614
Dufferin	\$ 186,289
North Portage	\$ 2,356,048
St. John's	\$ 703,707
St. Matthews	\$ 472,748
West Alexander	\$ 485,375
Other Projects	\$ 16,433,312
TOTAL WINNIPEG	\$ 31,225,609
Neighbourhood/ Community	Residential Rehabilitation Assistance Program (RRAP) 1.
Brandon	\$ 7,506,916
Thompson	\$ 2,763,972
Dauphin	\$ 503,575
Selkirk	\$ 268,297
The Pas	\$ 164,442
Flin Flon	\$ 235,281
Portage la Prairie	\$ 860,614
TOTAL	\$ 12,303,097
	Residential Rehabilitation Assistance Program (RRAP)
TOTAL	\$ 43,528,706

1. This is total RRAP funding, which is cost shared 75 percent federal and 25 percent provincial

NORTHERN REGION

Objectives

- To better coordinate the management of existing social housing, and to increase the quantity of new, affordable housing in northern Manitoba.
- To consolidate reporting responsibility for all northern housing activity for Manitoba Housing into a single, northern management structure.
- To enhance the role of community-based organizations in the management of housing and in the delivery of other Manitoba Housing programs.
- Through Neighbourhoods Alive!, to support and encourage community-driven revitalization efforts in designated northern neighbourhoods, including housing and physical improvements, employment and training, education and recreation, and safety and crime prevention.
- To deliver the programs, services and supports of Housing and Community Development to Manitoba's northern communities in a manner that respects the cultural, geographic and economic diversity of the region.

Responsibilities

- Provides strategic direction and management oversight for the entire Rural & Native Housing program, the northern direct-managed portfolio and all Housing Delivery programming in northern Manitoba, including the Residential Rehabilitation Assistance Program and the Emergency Repair Program.
- Oversees the northern delivery of other Housing and Community Development programs, such as Neighbourhoods Alive! initiatives.

Activities/Highlights in 2010/11

The Northern Region has committed \$11.0 million towards the renovation and rehabilitation of the northern Rural and Native Housing portfolio in northern Manitoba. Up to 538 rental housing units in approximately 28 northern communities will benefit. The Northern Region negotiated Capital Funding Agreements with the Wabowden Housing Board Inc. in Wabowden, and Sagemace Housing Inc. in Camperville in 2010/2011. These Capital Funding Agreements provide approximately \$740,000 for the renovation of the Rural and Native Housing rental units in those two communities. Planning and delivery are underway for the remainder of the funds.

Northern Region continues to work with northern organizations and residents, and other levels of government to develop new, affordable housing. The University College of the North is unique within Manitoba and the dual campuses in The Pas and Thompson have been designed to meet the education and training needs of Aboriginal and northern students. Seven million, five hundred thousand (\$7.5 million) and \$7.6 million were allocated, respectively, for the development of 24 family and student housing units for each of the Thompson and The Pas campuses. All ground floor units in both projects will be visitable and will feature a no-step entrance, wider doorways and hallways and an accessible bathroom. Two ground floor units will be fully accessible. All homes will meet or exceed Manitoba Hydro's Power Smart design standards and it is intended that two of the buildings will be constructed to the Canada Green Building Design Council's Leadership in Energy and Environmental Design silver designation.

The Northern Region implemented a Rent Cap policy for the Rural and Native Housing program throughout Manitoba. The policy places a maximum rent on units to ensure that rental rates do not exceed fair market rents.

The Northern Region opened an office for both regional and district staff in Thompson. The office provides property and technical services to northern housing clients, and provides a management oversight function for northern employees.

Northern Region staff oversaw the construction of two floors of supportive housing units in Northern View Lodge in The Pas. The units within the supportive housing program will be operated by the Norman Regional Health Authority.

LAND DEVELOPMENT

Objectives

- To provide a land management framework to guide the actions of the Corporation's land holdings and major land development projects in the province.

Responsibilities

- Housing and Community Development's Land Development Branch is responsible for the acquisition, use and disposition of land for housing development, and ensuring that all land development projects are consistent with the housing development priorities of the Province.
- The Land Development portfolio includes the Corporation's current land holdings and all major land development projects, including the development of Waverley West, a 1,330 acre land parcel in south west Winnipeg.

Activities/Highlights in 2010/11

Manitoba Housing is currently developing 330 acres of land in south west Winnipeg in the Bridgwater Forest neighbourhood. Bridgwater Forest is part of a 20-year project that is a key component of the Province's housing strategy. Increased green space, higher density and visitable housing are among the features of Manitoba's vision for Bridgwater Forest.

Bridgwater Forest is Winnipeg's new community development project in Winnipeg. It is a popular neighbourhood because of its unique and innovative features, including preserved natural open space and mature forest. Several kilometers of sidewalks, pedestrian paths and children's play areas are already in place. Architectural guidelines ensure there will be a variety of house designs throughout the neighbourhood and recessed garages will prevent garage-dominated streets to create a more neighbourhood-friendly streetscape. Bridgwater Forest is being developed in six phases and will consist of approximately 1,100 single-family homes and 500 multi-family dwellings upon completion.

Manitoba Housing received land use and subdivision approval from the City of Winnipeg for its second residential neighbourhood, Bridgwater Lakes. Bridgwater Lakes will include a substantial visitable housing presence, and will build on the architectural guidelines established for Bridgwater Forest to ensure a variety of housing types and a return to traditional architectural sensibilities. Land use and subdivision approval was also received for the town centre, known as Bridgwater Centre. Bridgwater Centre is a new and exciting development that will include a mix of residential, commercial and other business uses in a dense urban environment. As with Bridgwater Forest, Bridgwater Lakes and Bridgwater Centre will promote walkability by creating connecting pathways and greenspace.

The Manitoba Government's proceeds from land sales in suburban developments will be reinvested towards inner city revitalization under the Housing Development and Rehabilitation Fund. To date, \$7.3 million in proceeds from Bridgwater Forest and Royalwood have been reinvested in housing projects to revitalize Winnipeg neighbourhoods in need.

CORPORATE SERVICES DIVISION

Divisional Goals

- To maintain an active comptrollership and administrative support function by ensuring that financial and administrative policies, services and reporting systems are developed and administered effectively.
- To provide support to the Department for information technology planning, legal support services, human resources services, and business continuity planning. To provide guidance and support in meeting the legislative and policy requirements of access to information and protection of privacy policy.

Divisional Responsibilities

- Provides centralized financial, administrative, information technology, legal, information management, and access to information and protection of privacy support services to the Department. This is accomplished through the Division's two branches:
 - Financial Management
 - Corporate Management Services

FINANCIAL MANAGEMENT

Objectives

- To ensure the corporate comptrollership function is appropriately maintained to meet the needs of the Manitoba Housing and Renewal Corporation (MHRC) for financial control, accountability, reporting and the safeguarding and protection of financial and physical assets.
- To provide comprehensive central support services to MHRC operations and departmental branches including direction and support in financial planning, financial evaluations and protection of corporate assets, reporting control policies, processes and procedures.

Responsibilities

- Plans, organizes and evaluates corporate accounting and financial management activities including financial reporting, expenditure and revenue processing and appropriation control, cost-shared reporting and claiming.
- Establishes and provides direction on corporate financial management policies, procedures and practices.
- Advises executive management regarding emerging financial and program management issues.
- Coordinates and supports the development of the corporate estimates for the Department including the MHRC.

- Coordinates, monitors and reports on the corporate entities of the Department and the MHRC which include the direct and sponsor-managed portfolio owned by MHRC as well as privately-owned and operated portfolio.
- Administers the loan and mortgage portfolio.
- Supports management through the provision of analytical, consultative and evaluative advice on new departmental and corporate programs, financial proposals and ongoing operations.

30-2 Manitoba Housing and Renewal Corporation

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Transfer Payments to MHRC	55,195		54,630	565	1
Valuation Allowance Adjustment	<u>(19,478)</u>		-	<u>(19,478)</u>	2
Transfer Payments to MHRC	35,717		54,630	(18,913)	
Portable Housing Benefit and Emergency Shelter Assistance	<u>2,345</u>		<u>2,911</u>	<u>(566)</u>	3
Total MHRC	38,062		57,541	(19,479)	

1. The variance is due to an increase in the MHRC draw down required for 2010/11 operations. The actual results in support of these operations are found in the MHRC Statement of Operations on page 2 of the MHRC Financial Statements (see Appendix 5).
2. It is the Province of Manitoba's accounting policy to record the deficit/(surplus) of Crown organizations as an expenditure of the Province of Manitoba in the year in which they were incurred. The expenditure is recorded as a valuation allowance against advances owed to the Province by the organization. The valuation allowance adjustment applied to MHRC Transfer Payments in 2010/11 is in the amount of (\$19,478).
3. The under expenditure of (\$566) is primarily due to the gradual implementation of the Portable Housing Benefit to other areas of Manitoba outside of Winnipeg, Brandon and Thompson. Implementation has been hindered by a shortage of suitable housing in Manitoba for eligible program recipients.

Mobile Home Loan Guarantee Program

The Mobile Home Loan Guarantee Program guaranteed loans made by approved lenders for the purchase of mobile homes. These guarantees allowed the lender to provide the loan at a lower interest rate and for a longer term, resulting in lower monthly payments by the borrower. This program terminated March 31, 1997. The following table provides program information for the past three years including outstanding guarantees as at March 31, 2011.

Fiscal Year	Outstanding Guarantees Total Units	Amount \$000
2008/09	6	109
2009/10	5	92
2010/11	5	78

Activities/Highlights in 2010/11

- Established the financial structure of the new Department which includes four separate entities: the Department, the Crown Corporation MHRC, The Cooperative Promotion Board and The Co-operative Loans and Loan Guarantee Board.
- Prepared the required estimates documentation, detailed budget, and the various monthly, quarterly and annual financial reports.
- Prepared the financial statements for the MHRC, The Cooperative Promotion Board and The Co-operative Loans and Loan Guarantee Board. All three statements were audited by the Office of the Auditor General and the Department received an unqualified audit opinion for each of the entities.

CORPORATE MANAGEMENT SERVICES

Objectives

- To provide information technology leadership, management and support to ensure effective delivery of departmental programs and activities including business application supports.
- To promote and support the planning, implementation and project management of all information technology within the department.
- To provide legal requirements and support services for the Department, including the drafting of legislation, regulations and other legal documents.
- To provide project management services relating to ongoing business process transformation activities.
- To provide leadership and coordination on information management activities including access to information and protection of privacy policy.
- To manage business continuity planning and coordinate a department-wide response to all hazards.

Responsibilities

- Provides information technology planning, information systems analysis, project management services, implementation, ongoing support and technical expertise in the design, development and maintenance of computer systems in support of departmental programs and services.
- Identifies more effective, efficient and appropriate approaches for the Department and the key components of the organizational system by providing action plans and recommendations for achieving enhanced results.
- Provides and assists employee training and development opportunities to enable staff to exercise and develop knowledge and skills.

- Manages all legal support services for the Department. This includes administering the legal component related to land holdings and land subdivision process, the development and coordination of all legal agreements and contracts within the Department and liaison with Civil Legal Services.
- Coordinates the Department's responses related to requests for access to information under *The Freedom of Information and Protection of Privacy Act* and *The Personal Health Information Act*.
- Reviews existing legislation and regulations and makes recommendations on amendments.
- Reviews privacy issues related to the Department and provides direction on policy to ensure the protection of privacy.

Activities/Highlights in 2010/11

In 2010/11, we created an organizational structure for the Corporate Management Services Branch. We continued to define the roles and responsibilities of the Branch, develop positions descriptions and began to establish working relationships with other government branches and partners.

To ensure that the business strategy and information technology investments are aligned, we developed an Information Technology (IT) Roadmap and review of existing department applications. The IT Roadmap will address the technology needs of the organization to support service delivery now and into the future.

In 2010/11, we completed the Desktop Refresh with a new operating system and new Office Suite (Windows 2007). We also assisted with the development and implementation of the corporate initiatives of Government, including the Desktop Management Program and the Information and Communications Technology Restructuring Initiative.

We established a Strategic Training Plan, a new Employee Orientation Program and developed Respectful Workplace Policy Awareness Training. More than 800 training sessions were organized for over 300 staff members. We also created and implemented *Freedom of Information and Protection of Privacy Act/Personal Health Information Act* (FIPPA/PHIA) training for departmental staff and sponsor-managed groups.

The Branch implemented a legal services plan with the goal of streamlining delivery of legal services and support.

Corporate Management Services coordinated and managed the space requirements for the Department and collaborated with Manitoba Infrastructure and Transportation and departmental representatives to define functional location space requirements for the new Winnipeg Head Office. A communication plan was developed to keep employees informed of the evolution of the space project and to encourage their contribution.

COMMUNITY DEVELOPMENT AND STRATEGIC INITIATIVES DIVISION

Divisional Goals

- To coordinate and deliver programming that assists communities in providing sustainable recreational, social and community and cooperative development opportunities and that support neighbourhood revitalization efforts.
- To provide quality support for informed corporate and cooperative government-wide decision-making related to housing and community development.
- To develop innovative public policy and programs, reliable and progressive research, evaluation and information management.
- To provide internal communications to staff and assist in providing support and direction for external communication to key stakeholders including tenants and community groups.

Divisional Responsibilities

- Contributes to the general well-being of Manitoba communities by assisting non-profit organizations to undertake facility projects that provide long-term recreational and social benefits for the general community.
- Provides guidance and financial support to the voluntary sector in their activities.
- Coordinates and/or delivers programming under the Neighbourhoods Alive! initiative, a long-term, comprehensive, community-based approach to provide residents and other stakeholders with the tools they need to rebuild vulnerable urban neighbourhoods in Manitoba.
- Provides leadership within Government in developing, implementing and evaluating policies and programs to promote the growth of the cooperative sector in order to meet local economic development and service needs.
- Provides leadership in developing strategic policy direction for the Department, plans and programs, increasing awareness of housing issues and research, and provides advice leading to sound public policy and administration.
- Improves the effectiveness, efficiency and economy of Manitoba Housing programs through evidence-based program design, policy development, research and evaluation.
- Provides internal and external communications on Departmental goals and activities. Coordinates events and the production of material in support of departmental activities.
- These responsibilities are accomplished through the Division's three Branches:
 - Community and Cooperative Development
 - Strategic Initiatives
 - Community Relations

COMMUNITY AND COOPERATIVE DEVELOPMENT

The Community and Cooperative Development Branch coordinates and delivers programming that assists communities in providing sustainable recreational, social and cooperative development opportunities. This includes promoting and supporting cooperatives that assist communities to independently meet some of their social, economic and cultural needs through democratically controlled enterprises.

The Branch also acts as a centralized source of departmental information, funding assistance for local initiatives, and as a referral mechanism that provides strategic support for both the non-profit and voluntary sectors. These objectives are accomplished through the Branch's main programs:

- Community Assistance
- Community Places Program
- Neighbourhoods Alive!
- Cooperative Development

Additionally, the Community and Cooperative Development Branch supports the Department's overall program and policy development on issues relating to community and cooperative development.

Community Assistance

Objectives

- To provide guidance and continued support to the voluntary sector in their activities.

Responsibilities

- To assist non-profit community groups to enhance their communities by providing grant funding assistance for local initiatives.
- To provide financial support and strategic direction to non-profit, voluntary sector organizations such as:
 - United Ways of Manitoba
 - United Way of Winnipeg
 - Volunteer Manitoba
 - Manitoba Community Services Council
 - All Charities Campaign

Activities/Highlights in 2010/11

- In 2010/11, Community Assistance provided \$5.3 million in funding assistance to support the activities of the voluntary sector of Manitoba through grants provided to the following organizations:
 - The United Way of Winnipeg and the United Ways of Manitoba received \$3.2 million in funding assistance in support of their administrative and fundraising costs.
 - Volunteer Manitoba received \$60,900 in support for core funding and for the Premier's Volunteer Service Awards.
 - All Charities Campaign received \$92,000 in funding assistance in support of operating costs.

- Manitoba Community Services Council received \$2,004,000 in funding to provide grant support to non-profit volunteer community service, social service, recreation, and health-related organizations in Manitoba.

Community Places Program

Objectives

- To contribute to the general well-being of Manitoba communities by helping non-profit organizations to undertake facility projects that provide long-term recreational and social benefits for their communities.

Responsibilities

- To provide capital grants and technical consultation services to assist organizations throughout Manitoba with projects involving the construction, upgrading, expansion or acquisition of sustainable facilities.
 - Community groups can apply to the program for a grant which will assist with construction costs including material, labour and equipment for up to 50 per cent of the first \$15,000 and up to one-third over that amount, to a maximum of \$50,000.
 - Projects that received funding in 2010/11 included recreational facilities, parks, libraries, cultural facilities, community resource centres and facilities for people with disabilities.

30-3A Community Assistance

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	351	5.00	331	20	
Total Other Expenditures	96		97	(1)	
Total Grant Assistance	5,277		5,301	(24)	
Total Community Places Capital Grants	3,915		3,915	0	
Less: Recoverable from Urban and Rural Economic Development Initiatives	(500)		(500)	0	

Activities/Highlights in 2010/11

In 2010/11, 297 applications were approved for grant assistance totaling \$4.5 million. The value of local investment contributing to the approved projects was \$63.1 million. Application assessment mechanisms gave priority to projects located in neighbourhoods with higher than provincial average unemployment and lower than provincial average per capita income levels. Technical consultation services were provided to assist community groups in the planning and development of facility projects. Consultations included: design advice, project and operating cost projections, information on regulatory requirements, provision of schematic sketches and assistance with the tendering and building trade contract process.

In 2010/11, Community Places, along with Healthy Living, Youth and Seniors Regional Service partners, provided face-to-face and on-site consultations to over 470 clients by delivering over 750 on-site visits and provided project planning advice to improve the quality, economy and sustainability of clients' projects. The program's on-site facility consultation service contributes benefits estimated at \$60 million annually by helping community planners find project efficiencies and cost reductions.

In addition to Community Places on-site work, the program organized and facilitated 20 workshops where over 360 volunteers and staff from 240 non-profit organizations found ways to improve their project planning and grantsmanship.

Community Places provided front-line services in implementing Manitoba's Green Building Policy (MGBP) and sustainable development goals by advising and guiding all community organizations through the Green Building process. Projects that are not subject to the MGBP are still provided information and consulted on best practices in green building and design.

Neighbourhoods Alive!

Objectives

- An interdepartmental initiative to support the community-driven neighbourhood revitalization efforts of 13 designated vulnerable neighbourhoods in Winnipeg (West Broadway, Spence, William Whyte, Lord Selkirk Park, Point Douglas, St. John's, Dufferin, Centennial, West Alexander, North Portage, Elmwood/Chalmers, Daniel McIntyre and St. Matthews), and seven other urban centres in the province (Brandon, Thompson, Dauphin, Flin Flon, Portage la Prairie, Selkirk and The Pas).
- To strengthen community economic development and community development through the delivery of nine Neighbourhoods Alive! (NA!) programs.

Responsibilities

- NA! provides individuals and groups in the designated neighbourhoods with the tools they require to strengthen opportunities in their communities. NA! staff are responsible for the overall coordination of the initiative, including direct implementation of the following NA! programs.
 - *Neighbourhood Renewal Fund*: supported a broad range of community sponsored initiatives in the designated neighbourhoods, including projects that assisted neighbourhood capacity building, stability, economic development and well-being.
 - *Community Initiatives*: supported projects that had a broad impact on Winnipeg's inner city or targeted specific groups across the inner city.
 - *Neighbourhood Development Assistance*: provided long-term core operating support for Neighbourhood Renewal Corporations that coordinate and implement community economic development within NA! designated neighbourhoods.
 - *School Resource Officer*: Supported School Resource Officer projects to support the development of community constables in schools to work with students, staff and parents to address crime and safety concerns and provide services from law enforcement to mediation.
 - *Community Youth Recreation*: Supported increased access to, or options for, youth recreation programming in seven designated communities outside Winnipeg.
- Under NA!, the Department also supported the *Training Initiatives* program. These projects were developed and delivered by other departments, in partnership with community organizations and educational institutions.

- Three other NA! programs: *Neighbourhood Housing Assistance, Urban Arts Centres and Lighthouses* were funded and delivered by the Department's Housing Delivery Branch; Culture, Heritage and Tourism; and Justice respectively.

Neighbourhood Housing Assistance Program Funding
Winnipeg and Rural
November 2000 to March 31, 2011

Neighbourhood/ Community	Neighbourhood Housing Assistance (NHA) 1.
WINNIPEG	
Lord Selkirk Park	\$ 264,700
Point Douglas	\$ 1,035,331
Spence	\$ 2,266,697
West Broadway	\$ 1,673,645
William Whyte	\$ 1,998,103
Centennial	\$ 386,724
Daniel McIntyre	\$ 476,197
Dufferin	\$ 154,700
North Portage	\$ 0
St. John's	\$ 398,270
St. Matthews	\$ 522,797
West Alexander	\$ 85,000
TOTAL WINNIPEG	\$ 9,262,164
Neighbourhood/ Community	Neighbourhood Housing Assistance (NHA) 1.
Brandon	\$ 3,030,640
Thompson	\$ 627,186
Dauphin	\$ 0
Selkirk	\$ 60,000
The Pas	\$ 60,000
Flin Flon	\$ 60,000
Portage la Prairie	\$ 90,000
TOTAL RURAL	\$ 3,927,826
	Neighbourhood Housing Assistance (NHA) 1.
TOTAL	\$ 13,189,990

1. The program funding totals do not include program administration fees.

30-3B Neighbourhoods Alive!

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	469	7.00	516	(47)	
Total Other Expenditures	106		114	(8)	
Total Neighbourhood Support	5,354		5,655	(301)	
Less: Recoverable from Urban and Rural Economic Development Initiatives	(2,442)		(2,442)	0	

Activities/Highlights in 2010/11

NA! continues to support and encourage community-driven revitalization efforts in designated communities. We recognize that local residents and other community stakeholders are in the best position to identify local revitalization priorities. In 2010/11, the Department's NA! programs committed over \$5.5 million to 220 projects.

In 2010/11, NA! expanded to include the Chalmers area of Elmwood as the newest designated neighbourhood eligible for annual support from the Neighbourhood Renewal Fund (NRF). Through the NRF, NA! supported 13 community development projects for a total commitment of \$133,218. These projects will provide enhanced recreation programming for youth, seniors and families, arts-based and music-programs, greening projects and parenting programs.

In 2010/11, NA! released the 10th Anniversary Community Outcomes Evaluation Report. The report was completed using focus groups, surveys, literature reviews, key informant interviews and case studies. The resulting findings confirmed that NA!'s use of a community-led model was effective and was consistently cited by NA! stakeholders as a best practice of the initiative. The evaluation also contained a series of recommendations that NA! will use to move forward with community development activities, program delivery and development.

In 2010/11, NA! celebrated its ten year anniversary with a community forum at the West End Cultural Centre. The event was held to celebrate the achievements of NA! in the past ten years and to plan for the future. More than 100 guests and partners from every community served by NA! joined the Minister of Housing and Community Development in viewing a presentation on the Community Outcomes Evaluation, highlights of projects from across the province, panel discussions and entertainment from local performers.

Cooperative Development

Objectives

- To provide information, advisory services and assistance regarding the formation and operation of cooperatives in the province.

- To develop, implement and evaluate policies and programs that promote the sustainability of the cooperative model.
- To encourage the formation of new cooperatives and maintain existing cooperatives.

Responsibilities

- To provide information and advice on the incorporation of new cooperatives.
- To provide counseling services to assist emerging cooperatives in their development and assist in developing linkages to other community economic development organizations.
- To provide assistance for compliance related to regulatory requirements.
- To provide technical assistance, training, financing and advice in accessing other related programs and initiatives.
- To provide support for The Co-operative Loans and Loans Guarantee Board, and The Cooperative Promotion Board.
- To provide strategic direction and support for the continued implementation of the Manitoba Cooperative Strategy.

30-3C Cooperative Development

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	228	3.00	243	(15)	
Total Other Expenditures	202		325	(123)	1
Less: Recoverable from Rural Economic Development Initiatives	(157)		(180)	23	

1. The under expenditure is due to delays related to implementation of new programs.

Activities/Highlights in 2010/11

During 2010/2011, there were 15 new incorporations of cooperatives.

Cooperative Development Services provides administrative support to The Cooperative Promotion Board and The Co-operative Loans and Loans Guarantee Board. These Boards operate under separate Boards of Directors.

The Cooperative Promotion Board provides grants for studies, research and education related to cooperative organizations; develops and promotes cooperative organizations; and promotes the general welfare of rural Manitobans.

Complete information about The Cooperative Promotion Board can be obtained in the 2010-2011 Annual Report of The Cooperative Promotion Board that is produced separately from the Housing and Community Development Annual Report.

The Co-operative Loans and Loans Guarantee Board provides loan guarantees to cooperatives to ensure access to financial services necessary for their development.

Complete information about the members, mandate, activities and financial responsibilities of The Co-operative Loans and Loans Guarantee Board can be found in Appendix 4.

A new Cooperative Assistance Fund provided new and existing cooperatives with up to \$2,000 to assist with environmentally sustainable initiatives, infrastructure and capital costs. In 2010/11, 18 cooperatives were approved for grants for a total of \$30,591.

In August 2010, the Cooperative Development Branch co-chaired the annual meetings of senior federal/provincial/territorial officials responsible for cooperatives. The meetings provided a forum for the sharing of information on policy, legislation and regulatory developments across Canada. Also included on the agenda were possibilities and opportunities presented by *2012 the United Nations International Year of Co-operatives* to undertake activities and actions to improve the Canadian cooperative environment.

In October 2009, the Province of Manitoba signed a memorandum of understanding with the Manitoba Cooperative Association and the Conseil de développement économique des municipalités bilingues du Manitoba (CDEM), formalizing their partnership towards the creation of a common vision for and launching the new Manitoba Cooperative Strategy. Under the leadership of a Steering Committee, three Working Groups are focusing on developing and implementing action plans and securing commitments from other groups and organizations. The action plans focus on the three objectives of the strategy:

- 1) creating a supportive environment;
- 2) promoting the values and principles of the cooperative community; and
- 3) improving the infrastructure support and services offered to cooperatives.

Several outputs from the Cooperative Strategy for 2010/11 include the following:

- Funding the Project Manager for the Cooperative Strategy. This position coordinated the activities of the Steering Committee and the three Strategy Working Groups.
- Funding the translation of The Cooperative Curriculum developed in 2009/10.
- Funding of \$40,000 to the Manitoba Cooperative Association to assist with the start up and establishment of the Cooperative Tax Credit and Fund.

STRATEGIC INITIATIVES

Objectives

- To provide leadership, coordination and support on policy issues that have an impact on the Department and the delivery of housing and community development programs and services to Manitobans.
- To provide leadership in developing future housing and community development policy, plans and programs and provide advice leading to sound public policy and administration.
- To improve the effectiveness, efficiency and economy of Manitoba Housing and Community Development programs through evidence-based program design, policy development, research and evaluation.

- To lead and provide advice in intergovernmental and interdepartmental activities involving the Department.

Responsibilities

- Develops strategic policy framework, programs and initiatives to support housing and community development programs and services for Manitobans.
- Undertakes the Department's strategic planning activities and provides ongoing corporate support to executive management.
- Conducts research, market analysis, forecasting and statistical support services to support and inform strategic and operational decisions of the Department.
- Monitors and evaluates programs and makes recommendations to better meet the objectives of the Department.
- Provides input and ongoing support to implement new programs and program policy to ensure programs are consistent with the Department's strategic framework.
- Participates in federal/provincial/territorial working groups responsible for the development of strategic initiatives, including affordable housing in urban centres and rural and remote non-market communities, and supportive housing.
- Coordinates the preparation of statistical data for federal reporting requirements under the Social Housing Agreement between Canada and Manitoba.
- Provides and participates in intergovernmental, interdepartmental and intersectoral discussions related to housing and community development issues.
- In accordance with *The Elderly and Infirm Persons' Housing Act*, administers renewal licenses for all elderly housing projects to ensure projects continue to meet the eligibility criteria for licensing under the Act.

Activities/Highlights in 2010/11

Strategic Initiatives continues to lead the development of the Department's Strategy and Policy Framework. In anticipation of the expiry of the *HOME Works!* Two-Year Investment Plan (2009/10 to 2010/11), Strategic Initiatives began the process of developing the *Housing and Community Development Strategy and Policy Framework 2011* which expands the Department's mission, vision, guiding principles, priorities, goals and targets for future endeavors.

In order to inform the strategy, the Branch engaged in consultations with community stakeholders across the province to identify their unique housing and community development needs and priorities and to inform the development of the new Departmental strategy. This strategy builds on the *HOME Works!* housing strategy, reflects the expansion of the Department's mandate and scope of activities, and identifies our role in supporting the social economy, social challenges and the community development process.

In conjunction with the 2011 Strategy and Policy Framework, the Branch also began the process of developing a new Three-Year Investment Plan (2011 – 2014), which will consist of funding commitments to support the delivery of our community development programs and for delivering additional and improved housing for families, seniors and other Manitoba citizens. The new Three-Year Investment Plan will commence in the 2011/12 year.

Strategic Initiatives began the work to develop a strategy to address the expiry of housing operations subsidy agreements with non-profit and cooperative groups where the operating agreements expire by the end of 2016/17. The Branch developed this strategy in order to ensure that these housing providers can continue to provide a subsidized rent to their tenants in the long term, and as a commitment to the support of social housing in the province.

In 2010/11, the Branch developed the Rent Cap program and revised the social housing program point rating system to assist low-income households who are engaged in training or are employed and working towards achieving greater independence.

Addressing the housing needs of the Province's seniors has been identified as a priority area for housing investment in 2010/11. Strategic Initiatives has been working on a number of initiatives designed to promote the independence of seniors. As examples, the Branch developed the *Accessibility and VISIBLE Housing Guidelines for Residential Units*, intended to guide the construction and renovation of accessible and visible housing units funded by Manitoba Housing.

In addition, the Branch began developing a Seniors' Housing Strategy that will address identified housing and housing service needs among all household income groups. This process will be informed by the Minister's Roundtable on Seniors' Housing composed of members with expertise and specialized knowledge relevant to seniors housing issues and housing services required to 'age in place' in Manitoba.

Due to the expiry of the Canada-Manitoba Affordable Housing Program and Residential Rehabilitation Assistance Program Agreements (2009/10 to 2010/11), Strategic Initiatives continued to provide strategic advice regarding the federal funding commitment for 2011 to 2014. These negotiations culminated with a Multi-lateral Framework Agreement that will replace the 2001 Federal/Provincial/Territorial Affordable Housing Framework. These negotiations also led to the signing of a new Agreement for Investment in Affordable Housing 2011-2014 between Canada and Manitoba, which determined program funding and delivery parameters for the years 2011 to 2014.

COMMUNITY RELATIONS

Objectives

- To provide a community relations framework while developing and bolstering strong stakeholder relations and promoting the Department mandate to integrate the areas of housing and community development.
- To increase awareness about department initiatives among internal and external stakeholders and provide support and direction for external communications to key stakeholders including tenants and community groups.
- To strengthen the Department's relationships with community groups and stakeholders in support of Manitoba Housing's leadership role and the Department's community development model in program areas across the Department.

Responsibilities

- To provide strategic planning to enhance community relations activities and support the Department mandate and objectives.

- To provide internal and external communications regarding department goals, activities and accomplishments.
- To coordinate events and the production of materials in support of departmental activities.
- To coordinate the Administrative Review Committee.
- To provide departmental liaison with the Secrétariat aux affaires francophones (SAF)/Francophone Affairs Secretariat (FAS).
- To promote and coordinate the BUILDING*Foundations* Bursary Program.

Activities/Highlights in 2010/11

Developing, coordinating and implementing activities, events and materials as well as programs that support the Department mission, vision and goals through strategic plans while building strong community relations continued to be key responsibilities of the Community Relations Branch.

The Branch continued to establish collaborative relationships and networks with a broad range of multi-sector stakeholder groups. It supported activities that demonstrate Manitoba Housing's leadership role and the Corporation's long-term housing strategy, *HOMEWorks!* with a new community development focus that included supporting Neighbourhoods Alive!, Community Places Program and Cooperative Development initiatives.

Internal and external activities included developing and coordinating a series of staff and stakeholder consultations to help inform and guide a new long-term action plan for the Department, supporting tenant information meetings and public events, and supporting Manitoba Housing and Community Development Board activities.

The Branch increased outreach activities and continued to build public awareness about the BUILDING*Foundations* Bursary program. For the fourth year, the Corporation awarded nine BUILDING*Foundations* Bursaries, celebrating the success of our recipients at an awards luncheon at the Manitoba Legislature.

COSTS RELATED TO CAPITAL ASSETS

The Department expended the annual amortization cost of all completed assets based on the useful life of each asset. Assets purchased or constructed in 2010/11 were expended at one-half the annual amortization rate. The amortization expense also included the portion of corporate information technology projects attributable to the Department.

30-4 Costs Related to Capital Assets

Expenditures by Sub-Appropriation	Actual 2010/11 \$000	FTE	Estimate 2010/11 \$000	Variance Over/(Under)	Expl. No.
(a) Amortization Expense	112		112	-	
(b) Interest Expense	52		58	(6)	

The in-year cost of acquiring capital assets or assets under construction is provided through Part B – Capital Investment for which amortization and interest expense is reflected as a departmental operating expense. Part B – Capital Investment is highlighted in the following section.

FINANCIAL INFORMATION

FIVE-YEAR EXPENDITURE AND STAFFING SUMMARY TABLE

Department of Housing and Community
Development
Five-Year Expenditure and Staffing Summary by Appropriation
(\$000's)

For the years ended March 31, 2007 - March 31, 2011

Actual/Adjusted Expenditures*											
Appropriation		2006/07		2007/08		2008/09		2009/10		2010/11	
		FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
30-1	Administration	12.00	379	12.00	393	12.00	402	15.00	432	15.00	1,044
30-2	Housing		45,018		48,926		57,824		59,254		38,062
30-3	Community Development	11.00	9,947	12.00	10,436	15.00	14,824	15.00	9,918	15.00	12,899
30-4	Costs Related to Capital Assets		168		192		176		170		164
Total Housing and Community Development		23.00	55,512	24.00	59,947	27.00	73,226	30.00	69,774	30.00	52,169

* Adjusted figures reflect historical data on a comparable basis in those appropriations affected by a reorganization, during the years under review.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
RECONCILIATION STATEMENT

DETAILS	2010/11 ESTIMATES \$000
2009/10 Main Estimates	72,345
Less: Minister's salary adjustment	(9)
2010/11 Estimates – Housing and Community Development	72,336

EXPENDITURE SUMMARY TABLE

Department of Housing and Community Development Expenditure Summary (\$000's)

For the fiscal year ended March 31, 2011 with comparative figures for the previous year

Estimate			Actual	Actual	Increase/	Expl.
2010/11		Appropriation	2010/11	2009/10 ^{a)}	(Decrease)	No.
		30-1 Administration				
\$37	(a)	Minister's Salary	\$37	\$19	\$18	1
	(b)	Executive Support				
636		Salaries and Employee Benefits	610	349	261	1
66		Other Expenditures	77	64	13	1
	(c)	Support Services				
450		Salaries and Employee Benefits	275	0	275	1
61		Other Expenditures	45	0	45	1
\$1,250		Total 30-1	\$ 1,044	\$ 432	\$ 612	

Human Resource Management

Effective March 1, 2010 the Government of Manitoba realigned responsibility for the delivery of human resource services and the associated staff to the Civil Service Commission, with the goal to improve service delivery to all departments and employees. For additional information on this realignment, see the Civil Service Commission's 2010/11 Annual Report

Department of Housing and Community Development
Expenditure Summary
(\$000's)

For the fiscal year ended March 31, 2011 with comparative figures for the previous year

Estimate			Actual	Actual	Increase/	Expl.
2010/11		Appropriation	2010/11	2009/10^{a)}	(Decrease)	No.
		30-2 Housing				
	(a)	The Manitoba Housing and Renewal Corporation				
\$54,630		Transfer Payments	\$35,717	\$57,781	(\$22,064)	2
2,911		Portable Housing Benefit and Emergency Shelter Assistance	2,345	1,473	872	3
\$57,541		Total 30-2	\$38,062	\$59,254	(\$21,192)	

Department of Housing and Community Development

Expenditure Summary

(\$000's)

For the fiscal year ended March 31, 2011 with comparative figures for the previous year

Estimate 2010/11	Appropriation	Actual 2010/11	Actual 2009/10 ^{a)}	Increase/ (Decrease)	Expl. No.
30-3 Community Development					
	(a) Community Assistance				
\$331	Salaries and Employee Benefits	\$351	\$346	\$ 5	
97	Other Expenditures	96	94	2	
5,301	Grant Assistance	5,277	2,356	2,921	4
3,915	Community Places Capital Grants	3,915	3,915	0	
(500)	Less: Recoverable from Urban Rural Development Initiatives	(500)	(500)	0	
	(b) Neighbourhoods Alive!				
516	Salaries and Employee Benefits	469	465	4	
114	Other Expenditures	106	89	17	
5,655	Neighbourhood Support	5,354	5,289	65	
(2,442)	Less: Recoverable from Urban Rural Development Initiatives	(2,442)	(2,352)	(90)	
	(c) Cooperative Development				
243	Salaries and Employee Benefits	228	168	60	5
325	Other Expenditures	202	150	52	5
(180)	Less: Recoverable from Rural Development Initiatives	(157)	(102)	(55)	5
\$13,375	Total 30-3	\$12,899	\$9,918	\$2,981	

**Department of Housing and Community Development
Expenditure Summary
(\$000's)**

For the fiscal year ended March 31, 2011 with comparative figures for the previous year

Estimate		Actual	Actual	Increase/	Expl.
2010/11		2010/11	2009/10 ^{a)}	(Decrease)	No.
\$170	30-4 Costs Related to Capital Assets	\$164	\$170	(\$6)	
\$72,336	Total Housing and Community Development	\$52,169	\$69,774	(\$17,605)	

1. The variance is primarily the result of full year salary and operating costs as a result of the November 2009 government reorganization that created the Department of Housing and Community Development.
2. The variance is primarily due to a credit valuation allowance adjustment required in 2010/11 for housing operations and supplementary funding of \$20 million received in 2009/10. The actual results in support of these operations are found in the MHRC Statement of Operations on page 2 of the MHRC Financial Statements.
3. The variance is primarily due to the full implementation of the Portable Housing Benefit in areas approved in 2009/10 (Winnipeg, Brandon and Thompson).
4. The variance is primarily the result of an allocation to fund Manitoba's participation in the 2010 Olympics.
5. The variance is primarily due to the Branch being fully staffed for the 2010/11 fiscal year.

NOTES:

- a) The 2009/10 data has been reorganized to reflect the 2010/11 appropriation structure.

APPENDIX 1 SUSTAINABLE DEVELOPMENT ACTIVITIES AND ACCOMPLISHMENTS

Under Section 12(1)(c) of *The Sustainable Development Act* (the Act), provincial departments are required to integrate information about incorporating sustainable development into their activities, within the annual reporting process.

The overall goal of sustainable development is meeting the needs of the present without compromising the ability of future generations to meet their own needs. The Act sets out principles for departments to follow in integrating considerations for the environment, human health, and social well-being into their daily operations.

The following is a summary of progress made towards integrating the principles and guidelines of sustainable development into the programs and activities of the Department of Housing and Community Development.

Sustainable Living and Healthy Communities

Manitoba Housing, in partnership with Manitoba Innovations, Energy and Mines (IEM) and Manitoba Hydro, has adopted a Sustainable Development Action Plan that ensures investments in housing infrastructure proceed in an environmentally responsible manner and promote employment and training opportunities through partnerships with social enterprises.

We continue to improve preventative maintenance, energy-efficiency and asset management plans. As part of the plan, we completed the installation of 18 window projects for 504 units, 42 roof projects for 1,814 units and 53 new heating and ventilation systems in 2010/11. We are assessing the conversion of properties from natural gas to ground source heat pump technology.

Asset Management continues to be involved in energy management initiatives such as the Low-Income Energy Efficiency Program and the Manitoba Hydro Power Smart Program.

The Low-Income Energy Efficiency Program lowers energy consumption, greenhouse gas emissions, utility costs and provides life skills and employment for low-income people. In 2010/11, approximately 200 attics and 250 basements were completed in Winnipeg and 154 attics and basements were completed in Brandon. Two thousand apartments are scheduled for retrofit with energy efficiency lighting, low-flow toilets, showerheads and aerators. To date, 1,500 units in Winnipeg and 231 units in Brandon have been upgraded. The retrofits include water and electricity conservation, air sealing, and increased insulation which reduce tenants' costs for utilities and electricity.

Under the Manitoba Hydro Power Smart Program, projects currently on the Department's five-year green initiatives plan are being designed to meet strict power smart guidelines. Manitoba Housing assesses the feasibility of geothermal heating systems for all direct builds prior to deciding which heating system to employ. We encourage and provide funding for geothermal feasibility analyses on all new housing construction projects funded under Manitoba Housing's affordable housing programs. Our 48-unit family housing project being constructed in Winnipeg's Chinatown district and the re-development of Villa Youville to include 24 new supportive housing are both projects that will include a geothermal heating and cooling system and will be designed to meet or exceed Manitoba Hydro's Power Smart Design standards. New build projects in Thompson and the Pas will also be required to meet or exceed Power Smart Design standards.

In partnership with IEM, Manitoba Infrastructure and Transportation and Manitoba Hydro, Manitoba Housing developed *The Residential Green Building and Major Renovation Guidelines*. The Residential Guidelines will complement the existing Green Building Policy for Non-Residential Projects Funded by

Government of Manitoba (April 2007) by extending coverage to low-rise dwellings (detached, semi-detached and row houses) and multi-unit residential buildings.

These Guidelines develop higher green building and renovation standards and outline specific practices that must be considered for projects involving support from Manitoba Housing. This includes projects undertaken directly by the Department, or its agencies, and those by external organizations that receive capital funding or a commitment to long-term operational funding.

The Community Places Program is a significant contributor to implementing Manitoba's Green Building Policy and sustainable development goals. Staff provide advice and guide community organizations throughout the province through the Green Building process. Applications received by Community Places are evaluated for their environmental sustainability, community sustainable development benefit and are favoured over projects that do not embrace these concepts.

Under the Sustainable Communities strategic priority, the Neighbourhoods Alive! (NA!) initiative promotes the revitalization of urban communities by supporting community initiatives that contribute to community and inner city renewal, build community capacity, enhance knowledge and skills, support environmental initiatives and foster sustainable economic development.

NA! directly administers four programs that support designated communities to develop community revitalization projects, many of which address issues of environment and food security: the Neighbourhood Development Assistance, Neighbourhood Renewal Fund, Community Initiatives, and the Community Youth Recreation programs.

Neighbourhood Development Assistance provides core operational funding to neighbourhood renewal corporations in each of the designated NA! communities. This allows the renewal corporations to coordinate and facilitate the development and implementation of community-led revitalization projects.

The Neighbourhood Renewal Fund supports projects that must benefit a specific neighbourhood or community and support at least one of the following: neighbourhood capacity building, stability, economic development and well-being. This also includes a Small Grants fund administered by each neighbourhood renewal corporation which provides grants of up to \$5,000 for community groups to develop smaller projects such as parks, community gardens and similar environmental projects.

The Community Initiatives program supports projects that have a broad impact on Winnipeg's inner city or target specific groups across the inner city. The program funds activities that enhance economic development, increase safety and prevent crime, reduce at-risk behaviour, contribute to better health practices, strengthen tenant-landlord relations and improve coordination and cooperation.

The Community Youth Recreation programs provide enhanced youth recreation opportunities in the NA! designated communities of Brandon, Selkirk, Portage la Prairie, Dauphin, Flin Flon, The Pas and Thompson. These projects enhance community health and wellness through the expansion of recreational opportunities within the designated communities.

Cooperative Development Services has developed a new Cooperative Assistance Fund, which awards funding to cooperatives for capital costs, infrastructure and environmentally sustainable initiatives. This fund has supported initiatives for wind energy, urban gardening, organic certification and inner city cooperatives. As of March 31, 2011, 17 cooperatives received funding under this program for a total of just over \$30,000.

Manitoba Housing's development of the Bridgwater Forest neighbourhood will focus on abundant green space, including the preservation of fully mature forests running throughout the neighbourhood. Bridgwater Forest will encompass almost 375 acres, with about 70 acres dedicated to forest and open space.

Bridgwater Forest has 54 lots designated for the use of leading edge geothermal heating and cooling and the streets have been oriented to maximize passive solar energy. The development will feature a neighbourhood greenway system connected to residential sidewalks to promote walking and cycling. Bus transit will be accessed by a short walk from every home. Several show homes highlight the Power Smart program. All of these features enhance the neighbourhood's environmentally-friendly design and will act to lower its environmental footprint.

Manitoba Housing and Innovation Energy and Mines are working together to identify approaches to pursue geothermal development in future neighbourhoods of the Bridgwater Forest community.

Education for Sustainability

The Department uses the Waste Stream Services recycling program in most of its offices province-wide. The program includes use of mini-bins for desk side refuse; desk side blue bins for non-confidential paper; central bins for aluminum, plastic, and non-confidential paper; and Government Records Boxes for destruction of confidential paper.

Social Housing Management continues to operate its recycling program for all tenants across Manitoba and the Asset Management Branch promotes recycling in major renovation projects, where possible, by contracting with organizations who recycle major appliances and other materials.

The Department participated in the annual Commuter Challenge, an initiative aimed at encouraging staff to contribute to the efforts to create a greener province by using cleaner, healthier ways to commute. Staff were encouraged to help reduce gas emissions through cycling, walking, rollerblading, taking the bus or car pooling.

Manitoba Housing now has seven employees accredited in Leadership in Energy and Environmental Design (LEED).

The Manitoba Housing and Community Development Information and Technology unit researched an energy management software program and worked with the vendor of the selected software tool name EnergyCAP. In the next fiscal year, the Professional Services unit of the Asset Management Branch will start using this software program which will be used for utility bill processing and energy reporting on energy consumed in our properties.

Integrating the Economy and the Environment

Manitoba Housing continues to partner with Building Urban Industries through Local Development (BUILD) and the Brandon Energy Efficiency Program (BEEP) to provide training and employment in water and energy efficiency upgrades to low-income community members. BUILD and BEEP have provided training to over 100 individuals and currently employ 65 to 75 on the water and energy efficiency upgrade programs in Brandon and Winnipeg. The program lowers energy consumption, greenhouse gas emissions, utility costs and provides life skills and employment for vulnerable persons.

Manitoba Housing has developed an Energy Management and Preventative Maintenance Team responsible for reducing greenhouse gas emissions, potable water consumption and waste water production in its residential buildings. These efforts will also improve the standard of living for tenants (by lowering utility bills) and the working environment for employees and contractors. The new Procurement Branch is complimenting this work by including water and energy efficiency and recycled material specifications in tenders.

In 2010, Asset Management continued to work with the North End Community Renewal Corporation (NECRC) to provide training and employment opportunities for low-income people on the major

renovation projects in Gilbert Park and Lord Selkirk Park. NECRC finds potential employees from these neighbourhoods, provides training and then employs them in the renovation of social housing units.

As a strong proponent of sustainable development principles, the Department remains committed to developing strategies and policies to facilitate the integration of sustainable development principles and guidelines into its ongoing activities.

APPENDIX 2 PERFORMANCE INDICATORS

HOUSING AND COMMUNITY DEVELOPMENT Performance Measurement

The following section provides information on key performance measures for the Department for the 2010/11 reporting year.

Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit www.manitoba.ca/performance.

Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

Sustaining the Existing Housing Stock					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Sustaining and improving existing social and affordable housing	Number of social housing units renovated and improved within the provincial portfolio	Maintains housing stock, improved quality of units and more efficient use of portfolio	2009/10 – targets of 13,500 social housing units renovated by the end of 2010/11	Total units renovated: 17,887 as of March 31, 2011	Targets of 427 buildings renovated and 13,432 of households impacted by end of 2011/12
Comments/Recent Actions/Report Links					
<p>This performance measure is aligned with <i>HOME Works!</i>, Manitoba's long term housing strategy and policy framework and its concurrent investment plans. The strategy is supported by a two-year investment plan that began April 1, 2009. Performance is measured from this point forward.</p> <p>The <i>HOME Works!</i> Two-Year Investment Plan has committed to impact 13,500 households with major renovations (deep refresh programs) and/or building improvements by the end of 2010/11. Housing and Community Development has surpassed the two-year target: As of March 31, 2011, 17,887 units have been impacted with major renovations.</p>					

Housing Affordability					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Improving housing affordability through Rent Geared to Income (RGI) housing	RGI housing	Assists in affordability and increases the supply of affordable housing stock within the private market	202 (2009)	RGI units – 426 committed in 2010/11	RGI units are increasing. The Province has committed to add 1,500 new affordable housing units to the affordable housing supply over a period of five years (March 2009 to March 2014)
	Portable Housing Benefit		193 (2009)	Portable Housing Benefit - served 381 recipients in 2010/11	
Comments/Recent Actions/Report Links					
<p>This performance measure is aligned with <i>HOME Works!</i>, Manitoba's long term housing strategy and policy framework and its concurrent investment plans. The strategy is currently supported by a two-year investment plan that began April 1, 2009. Performance is measured from this point forward.</p> <p>Under the <i>HOMEWorks!</i> Two-Year Investment Plan, the Province committed to supporting 600 households with RGI assistance by 2010/11. 426 new households will benefit from RGI assistance during the period April 1, 2010 to March 31, 2011. This represents the second year of a commitment to providing 1,500 affordable housing units over a five-year period. RGI units within the private rental sector and in non-profit housing projects that existed prior to April 1, 2009 are not counted in this baseline.</p> <p>The Portable Housing Benefit (PHB) provides a rent supplement of up to \$200 per month, accompanied by housing support services (staffing component), to low-income individuals with mental health issues who require additional assistance to find safe, adequate and stable housing. Participants must have an unstable housing situation that is interfering with their progress in recovery and positive participation in community life. The PHB is portable (attached to the individual rather than to a housing unit) and originally began in Winnipeg, Brandon and Thompson and is now available to eligible participants province-wide. In 2010/11, the Portable Housing Benefit assisted 381 recipients, an increase of 50.7% over 2009/10. As of March 31, 2011, 600 households are benefitting from an investment of \$2 million in portable housing benefits for people with mental health needs.</p>					

Maintaining Supply of Housing					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Maintaining supply of existing housing stock in the private market	Renovated housing units	Improved housing stock	2009/10 – target of 800 private units renovated by the end of 2010/11	Total households assisted with renovation assistance for privately owned housing: 861 as of March 31, 2011	Number of households benefiting from renovation assistance is increasing
Comments/Recent Actions/Report Links					
<p>This performance measure is aligned with <i>HOME Works!</i>, Manitoba's long term housing strategy and policy framework and its concurrent investment plans. The strategy is currently supported by a two-year investment plan that began April 1, 2009. Performance is measured from this point forward.</p> <p>Under the <i>HOMEWorks!</i> Two-Year Investment Plan, the Province committed to providing renovation assistance to 800 privately owned households. The Province has exceeded the two-year target, and as of March 31, 2011, 861 private households will receive renovation assistance.</p>					

New Supportive Housing Options for Seniors					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
New supportive housing options for seniors	New housing options with supports created or renovated to support seniors	Helps seniors who require 24 hours support and supervision to remain within their community. Delays or prevents premature placements in personal care homes.	0 (2006)	48 units of supportive housing completed within the Manitoba Housing portfolio as of March 31, 2011.	Increasing. 37 units of supportive housing will be completed in 2011/12.
<p>The Aging in Place strategy was introduced in 2006. Based on the Aging in Place principle, Manitoba's Long Term Care strategy supports affordable neighbourhood-based housing with supports for seniors who need extra support to remain in their communities. Under the <i>HOMEWorks!</i> Two-Year Investment Plan, seniors' housing with needed supports is one of the priority areas where resources will be allocated.</p> <p>Manitoba Housing provides supportive housing projects throughout the province in support of the Aging in Place strategy. Manitoba Housing acts as the property manager and is responsible for the capital upgrades. These projects provide an affordable housing option with services and 24-hour supports to assist seniors on limited incomes to live independently in the community.</p> <p>In May 2009, Manitoba Housing completed construction and tenanting of the Windsor Park Place supportive housing project at 875 Elizabeth Road, providing 24 supportive housing suites for seniors. Since 2006, Manitoba Housing committed \$3.3 million on the renovation of 48 supportive housing suites in Winnipeg. The renovation of 37 supportive suites in Dauphin, Neepawa and the Pas will be completed in 2011/12.</p> <p>In addition, annually, Manitoba Housing provides rent supplements to 35 units of supportive housing in the private rental market. These are not included in this baseline measurement.</p>					

Community Development					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Supporting community-led revitalization efforts in selected distressed neighbourhoods and communities in Manitoba	Housing projects assisted through the Housing Development and Rehabilitation Fund and the number of Neighbourhoods Alive! (NA!) projects that are funded	NA! provides community-based organizations with funding to initiate local community economic development projects and leverage additional funds to support long-term revitalization	NA! was a new program introduced in 2000	In 2009/10, the Department invested over \$5 million in NA! funding for 111 community projects. In 2010/11 the Department invested over \$5.6 million in NA! funding for 220 community projects	Greater complexity of funding requests received from NA! communities
Comments/Recent Actions/Report Links					
Since 2000 NA! has provided \$39,374,489 to 901 projects in six program categories. The six funding programs are Neighbourhood Renewal Fund (\$21,321.5), Neighbourhood Development Assistance (\$8,902.5), Training Initiatives (\$5,849.4), Community Initiatives (\$2,814.0), School Resource Officer (\$264.5), and Community Youth Recreation (\$222.3).					

Cooperative Development					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Assisting cooperative development in Manitoba	The number of cooperatives assisted in formation and development	Builds community capacity and sustainability	The Cooperative Promotion Board approved 6 grants valued at \$18,725.00 17 new cooperatives were incorporated	The Cooperative Promotion Board approved 14 grants valued at \$39,000.00 15 new cooperatives were incorporated	Increase in number of cooperatives formed
Comments/Recent Actions/Report Links					
<p>This performance indicator is being measured starting from April 1, 2009. The Cooperative Promotion Board distributes grants in support of the development, education, research and promotion of cooperatives. A Memorandum of Understanding was signed on October 15, 2009 between the Province of Manitoba, the Manitoba Co-operative Association, and the Conseil de développement économique des municipalités bilingues du Manitoba to create a common vision and strategy for developing and maintaining Manitoba's cooperative community.</p> <p>In 2010/11, actions of the strategy included funding for a project manager position of the Cooperative Strategy; establishing the Cooperative Tax Credit and Fund; and translating The Cooperative Curriculum.</p> <p>On average, there are about 15 non-financial new co-ops incorporated annually. At least 66% of these receive support from Cooperative Development staff.</p>					

Community Development					
What is being measured and using what indicator?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Investing in communities through projects for recreational and social benefits and supporting community organizations	Number of Community Places grants given and number of community groups assisted by providing face-to-face and on-site consultations	Assists in providing sustainable recreation and wellness benefits to Manitoba communities	In 2009/10, Community Places approved \$4.5 million in grants for 306 applications and assisted over 450 community groups by providing over 700 on-site consultations. Provided project planning advice to improve the quality, economy and sustainability of their projects.	In 2010/11, Community Places approved \$4.5 million in grants for 297 applications and assisted over 470 community groups by providing over 750 on-site consultations. Provided project planning advice to improve the quality, economy and sustainability of their projects.	Number of applications for grants is increasing
Comments/Recent Actions/Report Links					
<p>This performance indicator is being measured starting from April 1, 2009. Housing and Community Development continues to provide programming that assists communities to provide sustainable recreational, social and cooperative development opportunities and that supports both the non-profit and voluntary sectors.</p> <p>Community Places continues to maintain funding for community projects with an average grant of \$15,000 on an average project value of \$153,000.</p> <p>In 2010/11, \$4.5 million in grants leveraged \$63.1 million in total project costs.</p>					

Impact of Manitoba Housing Program Activity on Provincial Rate of Core Housing Need					
What is being measured?		Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2010/11 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
Households in core housing need¹	Per cent of households in core housing need ²	Core housing need provides an estimate of the number of households not living in and unable to access acceptable housing	All households 14.7% (1996) Lone parents 36.2% (1996) ³ Aboriginal 34% (1996) Seniors 16.3% (1996) Persons with Disabilities 14.5% (2001) Immigrants⁴ 10.6% (2001)	All households 11.3% (2006) Lone parents 31.0% (2006) ⁵ Aboriginal 22.4% (2006) Seniors 9.6% (2006) Persons with Disabilities 14.5% (2006) Immigrants 10.9% (2006)	<p>Over the past decade, the incidence rate of core housing need has declined in Manitoba from 14.7% in 1996, to 11.6% in 2001, to 11.3% in 2006.</p> <p>There were small decreases for lone parents and seniors; an increase for immigrants; and the rate remained the same for persons with disabilities.</p> <p>Manitoba's core housing need rate was below the national average of 12.7%.</p>
Comments/Recent Actions/Report Links					
<p>HOME Works!, a Housing Strategy and Policy Framework for Manitoba was announced in June 2009. The strategy outlines the guiding principles, prioritization of need, strategic goals, and actions that will lead Manitoba Housing initiatives into the next decade. HOME Works! includes a Two-Year Investment Plan in Housing (2009/10 and 2010/11) that will see the Province and federal government contribute \$378 million for housing initiatives in Winnipeg and across the province. HOME Works! Strategy and Two Year Investment Plan priorities, goals and actions have been used as the foundation for the Performance Measures reported on in this document.</p> <p>At March 31, 2011, construction was completed, underway or committed for 707 new rental or cooperative housing units through the HOMEWorks! strategy and related Two-Year Investment Plan.</p> <p>Other housing programs, such as the Residential Rehabilitation Assistance Program (RRAP), aim to address privately-owned low-income housing in need of repair. In 2010/11, \$6,646,135 was committed under Homeowner or Rental RRAP to repair 447 owned or rented units, an increase in units of 68.05 percent since 2001/02 (266 units).</p>					

¹ Core housing need refers to those individuals who currently reside in housing that is either in need of major repair, does not have enough bedrooms for the size and makeup of the household, or costs 30 percent or more of their total income, and who are unable to rent an alternative housing unit that meets these standards without paying 30 per cent or more of their income.

² Source: Canada Mortgage and Housing Corporation.

³ Previous year's Annual Reports cited this figure as 37.9 per cent. Updated data runs noted a correction to this number.

⁴ The term "immigrants" as used in this context is defined by CMHC. Provincially, immigrants may also be referred to as New Canadians, which include landed immigrants and refugees.

⁵ Previous year's Annual Reports cited this figure as 28.5 per cent. Updated data runs noted a correction to this number.

APPENDIX 3 THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counseling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with Section 18 of the Act.

The following is a summary of disclosures received by Manitoba Housing and Community Development for fiscal year 2010/11:

Information Required Annually (per Section 18 of The Act)	Fiscal Year 2010 – 2011
The number of disclosures received, and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	NIL
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	NIL
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. <i>Subsection 18(2)(c)</i>	NIL

APPENDIX 4

**The Co-operative Loans and Loans Guarantee Board
FINANCIAL STATEMENTS
FOR THE YEAR ENDING
MARCH 31, 2011**

**MEMBERS OF THE CO-OPERATIVE
LOANS AND LOANS GUARANTEE BOARD
MARCH 31, 2011**

- Joy Cramer, Chairperson - Winnipeg, Manitoba
- Craig Marchinko, Secretary - Winnipeg, Manitoba
- Allyson Watts - Winnipeg, Manitoba
- Hugh O'Hare - Winnipeg, Manitoba
- David Kerr - Winnipeg, Manitoba

MANDATE

By provision of The Co-operative Association Loans and Loans Guarantee Act, the Board was established by Order-in-Council 1237/71 dated November 18, 1971.

The Board consists of the Deputy Minister of Manitoba Housing and Community Development who serves as Chairperson; one other person from Manitoba Housing and Community Development who serves as Secretary; and other persons appointed by the Lieutenant-Governor in Council.

One of the major objectives is to ensure that cooperative organizations have access to the basic financial services necessary for the development and expansion of viable enterprises to achieve the greatest benefit through economic activity.

The Board is empowered to make loans or guarantee loans to cooperative organizations in Manitoba. To be eligible for such a loan or loan guarantee, a cooperative must demonstrate that:

1. The required financing is not available from other sources on reasonable terms.
2. The loan or loan guarantee is required to assist the organization in carrying out its programs and is for productive purposes.
3. Normal cooperative principles and business practices are being observed.
4. Where possible, reasonable security is available to the lender.

All activities of the Board are administered by Manitoba Housing and Community Development.

ACTIVITIES 2010 - 2011

During the fiscal year ended March 31, 2011, the Board undertook the following activities:

- Approved to pay out 50% of the defaulted loan for Lakeview Consumers Cooperative Ltd
- Outstanding loan guarantee defaulted for Founding Nation of Manitoba Tribal Village/Artisans Co-op
- Held one board meeting

The Independent Auditor's Report, together with the Financial Statements for the fiscal year ended March 31, 2011 follow.



**The Co-operative Loans and Loans
Guarantee Board**
203-280 Broadway
Winnipeg MB R3C 0R8

September 15, 2011

The Co-operative Loans and Loans Guarantee Board
Responsibility for Financial Reporting

The accompanying Schedule of Loan Guarantee Transactions, and other financial information in the Annual Report for the year ended March 31, 2011, are the responsibility of management and have been approved by the Board. This Schedule was prepared by management in accordance with the accounting policies set out in Note 2 to the Schedule. Any financial information contained elsewhere in the Annual Report conforms to the Schedule of Loan Guarantees.

As management is responsible for the integrity of the Schedule, management has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss.

The responsibility of the Office of the Auditor General is to perform an independent examination of the Schedule of Loan Guarantee Transactions of the Board in accordance with Canadian generally accepted auditing standards. The Independent Auditor's Report outlines the scope of the audit examination and provides the audit opinion.

Original signed by Joy Cramer

Joy Cramer,
Chairperson





INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Co-operative Loans and Loans Guarantee Board

We have audited the accompanying schedule of loan guarantee transactions of the Co-operative Loans and Loans Guarantee Board for the year ended March 31, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with Canadian generally accepted accounting principles and for such internal control as management determines is necessary to enable the preparation of the schedule is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedule presents fairly, in all material respects, the loan guarantee transactions of Co-operative Loans and Loans Guarantee Board as at March 31, 2011 in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General
September 15, 2011
Winnipeg, Manitoba

The Co-operative Loans and Loans Guarantee Board

Schedule of Loan Guarantee Transactions
for the year ended March 31, 2011

	Loan Guarantees at March 31, 2010 \$	Additions \$	Cancellations \$	Loans Guarantees at March 31, 2011 \$
Loan Guarantees: (Note 3)				
Organic Producer Association of Manitoba Co-op Inc.	97,750		12,750	85,000
Lakeview Consumer Cooperative Ltd.	24,000		24,000	-
Founding Nation of Manitoba Tribal Village/Artisans Co-op	_____	45,000	28,200	_____
	121,750	45,000	64,950	101,800
	=====	=====	=====	=====

Approved by the Board:

original signed by Joy Cramer
_____ Chairperson

original signed by Allyson Watts
_____ Director

The Co-operative Loans and Loans Guarantee Board

Notes to the Schedule
for the year ended March 31, 2011

1. Nature of Operations

The Co-operative Associations Loans and Loans Guarantee Act established the Board with the primary objective of ensuring that cooperative organizations have access to basic financial services. The Board is empowered to make loans or guarantee loans to cooperative organizations in Manitoba. Manitoba Housing and Community Development administers the activities of the Board. The Department pays all administrative and general operating costs of the Board. The Board may charge a fee for its loans and loan guarantees. The Department records all revenue received.

2. Significant Accounting Policies

a) General

This schedule is prepared in accordance with Canadian generally accepted accounting principles (GAAP) for not-for-profit entities.

b) Future Accounting Changes

Effective April 1, 2012 the Board will be adopting government not-for-profit standards issued by the Public Sector Accounting Board (PSAB). The Board is currently in the process of quantifying the impact these changes will have on its financial position.

c) Loan guarantees are stated at the maximum amount guaranteed.

d) In the event of a default on a loan guarantee, the Province of Manitoba is responsible for the payout of the guaranteed amount.

3. Loan Guarantees

a) Organic Producer Association of Manitoba Co-op Inc.

On July 14, 2009, the Board approved a loan guarantee not to exceed 85% of the amount outstanding on a line of credit at any time. The line of credit shall not exceed \$115,000. The Sunrise Credit Union accepted the loan guarantee and signed an agreement with the Organic Producer Association of Manitoba Co-op Inc. dated December 7, 2009. The maximum amount of the line of credit shall reduce by \$15,000 on April 15, 2010, and by a further \$40,000 on April 15, 2011. The loan guarantee ceases April 1, 2012. The actual amount of the line of credit at March 31, 2011 is \$2,120.

b) Lakeview Consumer Co-op Ltd.

On December 19, 2006, the Board approved a \$30,000 loan guarantee. The Winnipeg River Brokenhead Community Futures Development Corporation accepted the loan guarantee and signed an agreement with Lakeview Consumer Co-op Ltd dated March 5, 2007. The loan guarantee shall reduce by \$6,000 per year beginning on May 3, 2008.

The Co-op ceased operation on September 12, 2008 and the lender subsequently advised that the loan had not been repaid. The amount to be paid out in respect of this guarantee has been previously estimated between \$0 to \$24,000 plus interest.

The Co-operative Loans and Loans Guarantee Board

Notes to the Schedule
for the year ended March 31, 2011

During 2009/10 the Board made a proposal to the lender and the terms were accepted in 2010/11. On December 29, 2010, the lender was paid \$15,215 to put closure to the loan guarantee agreement.

c) Founding Nation of Manitoba Tribal Village/Artisans Co-op.

On February 16, 2010, the Board approved a maximum of \$45,000 loan guarantee. The Assiniboine Credit Union accepted the loan guarantee and signed an agreement with Founding Nation of Manitoba Tribal Village/Artisans Co-op dated April 22, 2010.

The Lender subsequently advised that the loan had not been repaid. The amount agreed to be paid by the Board, was paid out on May 12, 2011 (\$16,786, which includes interest).

The Board and the Lender completed an Assignment Agreement on April 28, 2011 in consideration of the payment. The Assignor (Lender) assigns to the Government of Manitoba, as represented by the Co-operative Loans and Loans Guarantee Board, the debt of the new business operator (Co-op), the line of credit agreement, the promissory note and all its interests to the Assignee absolutely.

4. Loan Act Authority

The Government of the Province of Manitoba has authorized the following amounts to be expended for funding loans and loan guarantees:

Authority	Outstanding Expenditure Authority
The Loan Act, 2010	
Guarantees	\$3,500,000
Less: Amounts committed by the Board	101,800
	<hr/> \$3,398,200 <hr/>

5. Compensation Disclosure

The Public Sector Compensation Disclosure Act requires disclosure of the aggregate compensation paid to The Co-operative Loans and Loans Guarantee Board members and of individual compensation paid to board members or staff where such compensation exceeds \$50,000 per year. For the period from April 1, 2010 to March 31, 2011, The Co-operative Loans and Loans Guarantee Board paid Board members an aggregate of \$158 (2010 - \$166). This amount is included in Note 6.

The Co-operative Loans and Loans Guarantee Board

Notes to the Schedule
for the year ended March 31, 2011

6. Contributed Services

The Government of the Province of Manitoba provides the services of support staff, other administrative support services, office space and utilities. The cost of support staff services for 2011 is estimated at \$4,642 (2010 - \$10,905) with another \$20,086 (2010 - \$16,080) for provincially paid identified expenses. The costs of other administrative support services, office space and utilities are deemed too difficult to estimate and as such no amount has been determined.

**Manitoba Housing and Renewal Corporation (MHRC)
FINANCIAL STATEMENTS
FOR THE YEAR ENDING
MARCH 31, 2011**



INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Board of Directors of the Manitoba Housing and Renewal Corporation

We have audited the accompanying financial statements of The Manitoba Housing and Renewal Corporation, which comprise the balance sheet as at March 31, 2011, and the statements of operations, fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Manitoba Housing and Renewal Corporation as at March 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted principles.

Office of the Auditor General

Office of the Auditor General
Winnipeg, Manitoba
July 21, 2011

THE MANITOBA HOUSING AND RENEWAL CORPORATION

BALANCE SHEET

March 31, 2011

ASSETS

	<u>2011</u>	<u>2010</u>
Cash (note 4)	\$ 136,905,200	\$153,049,249
Accounts receivable and accruals (note 5)	39,213,803	49,553,003
Prepaid expenses	10,919,629	5,824,831
Loans and mortgages receivable (note 6)	131,426,941	138,284,225
Land and housing:		
Housing projects (note 7)	182,550,469	114,796,141
Housing investment (note 8)	445,342	755,883
Land development costs	44,907,121	39,691,944
Land (note 10)	6,160,090	11,798,593
	<u>234,063,022</u>	<u>167,042,561</u>
Total Assets	<u>\$ 552,528,595</u>	<u>\$513,753,869</u>

LIABILITIES AND FUND BALANCES

Liabilities		
Accounts payable, holdbacks and accruals	\$ 70,495,066	\$ 55,314,281
Deferred revenue (note 11)	66,591,309	63,783,582
Long-term debt (note 12)	570,025,070	531,613,772
Deferred contributions (note 13)	29,115,753	65,062,909
	<u>736,227,198</u>	<u>715,774,544</u>
Total Liabilities	<u>736,227,198</u>	<u>715,774,544</u>
Fund Balances		
The Housing Development and Rehabilitation Fund (note 21)	7,983,217	4,969,044
The Manitoba Housing and Renewal Fund (Deficit)	<u>(191,681,820)</u>	<u>(206,989,719)</u>
Total Fund Balances (Accumulated Deficit)	<u>(183,698,603)</u>	<u>(202,020,675)</u>
Total Liabilities and Fund Balances	<u>\$ 552,528,595</u>	<u>\$513,753,869</u>

Contingencies (note 22)

Commitments (note 23)

Guarantees (note 24)

Approved by the Board of Directors:

original signed by Joy Cramer

Director

original signed by Darrell Jones

Director

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF OPERATIONS
YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
Revenue:		
Grants from the Province of Manitoba (note 14)	\$61,034,954	\$79,434,016
Contributed services (note 15)	1,929,800	1,399,100
Rental revenue (note 16)	73,511,403	71,383,497
Subsidy contributions (note 25)	96,246,094	71,346,450
	<u>232,722,251</u>	<u>223,563,063</u>
Interest:		
Loans and mortgages	12,658,621	13,237,516
Bank and other	566,933	21,378
	<u>13,225,554</u>	<u>13,258,894</u>
Sales of land and other:		
Sales of land - joint venture (note 9)	507,600	568,168
Sales of land - Waverley West	34,015,000	15,760,900
Gain on disposal of housing projects and land	2,240,715	33,213
Other	4,945,415	86,032
	<u>41,708,730</u>	<u>16,448,313</u>
	<u>287,656,535</u>	<u>253,270,270</u>
Expenses:		
Housing operations - excluding amortization and interest (note 16)	142,718,441	122,025,552
Housing operations amortization (note 16)	8,313,182	9,556,607
Housing operations interest (note 16)	22,322,930	20,863,906
Rental subsidies (note 17)	36,470,254	36,849,306
Grants and subsidies (note 18)	5,196,710	10,254,792
Interest expense	12,594,936	13,697,333
Administrative services	4,286,800	3,202,800
Provision for loss (gain) and write downs	247,491	(751,105)
Cost of land sales - joint venture	91,002	198,022
Cost of land sales - Waverley West	28,517,651	13,260,582
Repair and renovation expense	3,282,744	5,920,962
Housing program supports (note 21)	2,932,724	4,329,497
Other	736,241	627,445
Pension (note 19)	1,623,357	456,372
	<u>269,334,463</u>	<u>240,492,071</u>
Net Income and Comprehensive Income	<u>\$18,322,072</u>	<u>\$12,778,199</u>

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF FUND BALANCES
March 31, 2011

	<u>2011</u>	<u>2010</u>
Manitoba Housing and Renewal Fund (MHRF)		
(Deficit) - beginning of year	\$ (206,989,719)	\$ (221,216,449)
Excess revenues over expenditures	18,322,072	12,778,199
Interfund transfer - HDRF (note 21)	<u>(3,014,173)</u>	<u>1,448,531</u>
MHRF (Deficit) - end of year	<u>\$ (191,681,820)</u>	<u>\$ (206,989,719)</u>
Housing Development and Rehabilitation Fund		
(HDRF) - beginning of year	\$ 4,969,044	\$ 6,417,575
Interfund transfer - MHRF (note 21)	<u>3,014,173</u>	<u>(1,448,531)</u>
HDRF - end of year	<u>7,983,217</u>	<u>4,969,044</u>
Total Fund Balances (Accumulated Deficit)	<u>\$ (183,698,603)</u>	<u>\$ (202,020,675)</u>

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2011

	<u>2011</u>	<u>2010</u>
Cash provided by (used for):		
<u>Operating activities:</u>		
Excess of revenue over expenses	\$ 18,322,072	\$ 12,778,199
Add (deduct) items not involving cash:		
Amortization	8,313,182	9,556,607
Rental Subsidy to record reduction of Repayable Loans	2,421,940	2,684,400
(Recovery) of provision for loss and write downs	247,491	(751,106)
Gain on disposal of housing projects and land	(2,240,715)	(33,213)
Federal subsidies - housing projects	338,704	448,418
	<u>9,080,602</u>	<u>11,905,106</u>
Net change in non-cash balances related to operations:		
Accounts receivable and accruals	10,339,200	(19,591,671)
Prepaid expenses	(5,094,798)	(1,369,367)
Accounts payable, holdbacks and accruals	15,180,785	9,688,382
Deferred revenue	2,807,727	48,100,250
Deferred contributions	(35,947,156)	(12,511,062)
Land development costs in joint venture (note 9)	(302,738)	165,520
Land in joint venture (note 10)	49,166	22,702
	<u>14,434,860</u>	<u>49,188,060</u>
<u>Financing activities:</u>		
Borrowings	97,091,837	46,740,034
Repayment of borrowings	(58,680,539)	(24,021,692)
Additions of loans and mortgages receivable	(582,154)	(515,930)
Proceeds from repayment of loans and mortgages receivable	7,439,438	6,499,310
	<u>45,268,582</u>	<u>28,701,722</u>
<u>Investing activities:</u>		
Additions to land and housing	(78,210,737)	(38,191,321)
Proceeds from sale of housing projects and land	2,363,246	35,600
	<u>(75,847,491)</u>	<u>(38,155,721)</u>
Increase (decrease) in cash	(16,144,049)	39,734,061
Cash at beginning of year	<u>153,049,249</u>	<u>113,315,188</u>
Cash at end of year	<u>\$ 136,905,200</u>	<u>\$ 153,049,249</u>
<u>Supplementary disclosure:</u>		
Cash payments of interest received	\$ 15,080,649	\$ 16,509,468
Cash payments of interest paid	\$ 35,938,251	\$ 35,464,019

(see accompanying notes)

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

1. Authority

The Manitoba Housing and Renewal Corporation (MHRC) operates under the authority of The Housing and Renewal Corporation Act, being Chapter H 160 Revised Statutes of Manitoba 1987. The purposes and objects of the Act are:

- a) to ensure that there is an adequate supply of housing stock in Manitoba;
- b) to enhance the affordability of, and accessibility to, adequate housing for Manitobans, particularly those of low and moderate income and those with specialized needs;
- c) to maintain and improve the condition of existing housing stock; and
- d) to stimulate and influence the activities of the housing market to the benefit of Manitobans as a whole.

MHRC is under the management and control of a Board of Directors appointed by the Lieutenant Governor in Council. The board shall consist of not fewer than five members and not more than 13 members and the Lieutenant Governor in Council may designate one of the members of the board as chairperson and one member as vice-chairperson.

The Corporation is economically dependent on the Government of the Province of Manitoba.

These financial statements include, in note 16, the operating results of MHRC owned properties which are Direct Managed (formerly known as The Manitoba Housing Authority).

2. Significant accounting policies

a) Basis of accounting

The Corporation's financial statements are prepared using Canadian generally accepted accounting principles.

b) Loans and mortgages receivable

Loans and mortgages receivable are valued at principal amounts less an allowance for loan impairment.

c) Loan forgiveness

Loan forgiveness for forgivable loans is approved in accordance with the terms of the loan agreements. The Corporation records an asset valuation allowance equal to the amount of the loan at the time the loan is granted. As forgiveness conditions are met by the borrower, the Corporation records the annual forgiveness by reducing both the forgivable loan and the accompanying valuation allowance.

d) Allowance for loan impairment

The Corporation maintains an allowance for loan impairment, which reduces the carrying value of loans and mortgages receivable to their estimated realizable amounts. Depending on the program under which the loan or mortgage is made, estimated realizable amounts are determined with reference to the Corporation's historical loss experience on similar loans or the appraised value of the project financed by the loan or mortgage.

Specific allowances are established for individual loans and mortgages for which the estimated realizable amount is less than the carrying value. The Corporation does not provide any additional non-specific, general provision for loan impairment. The Corporation's Board of Directors has approved a policy which defines whether an individual mortgage or loan balance is to be considered impaired based on the time period that it has been in arrears.

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

e) Housing projects and amortization

- i) Social housing projects are valued at cost less accumulated amortization.
- ii) Cost includes direct construction costs, land acquisition costs and interest and other related carrying charges incurred during the period of construction.
- iii) Housing projects which are declared abandoned or surplus to the needs of the Corporation are valued at the lesser of cost less accumulated amortization and net realizable value.
- iv) Housing projects are amortized on a straight-line basis over their estimated useful lives as follows:
 - Wood buildings – 25 years
 - Brick buildings – 40 years
 - Betterments – 10 to 20 years

f) Interest in joint venture

The interest in joint venture is recognized using the proportionate consolidation method. Proportionate consolidation is a method of accounting and reporting whereby MHRC's prorata share of each of the assets, liabilities, revenues and expenses of the joint venture is combined on a line by line basis with similar items in MHRC's financial statements.

g) Land

Land is valued at the lower of cost and appraised value adjusted for estimated disposition costs, except for land leased to co-operatives. Cost includes acquisition costs and related carrying costs. The carrying costs of the land, which include interest, planning and development costs, grants in lieu of taxes, less revenue derived from use of undeveloped land, were capitalized to land to March 31, 1993. Effective April 1, 1993 the carrying costs are charged annually to operations. Cost for land acquired after March 31, 1993 consists of the original purchase price and the acquisition costs.

Land leased to co-operatives is valued at original cost. The Corporation incurs no liabilities or obligations with respect to the lessees' buildings situated on the land. The carrying costs of the land, net of lease revenue, are charged annually to MHRC operations.

h) Land development costs

Land development costs include interest, planning, development and administrative costs. These costs are capitalized as land development costs to the date of sale of the related land.

i) Revenue recognition

Grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Rental revenue is recognized in the fiscal period during which the service is provided. Subsidy contributions are recognized on an accrual basis in the fiscal period to which they relate. Interest is recognized on an accrual basis in the fiscal period in which it is earned.

j) Interest capitalization

Interest costs on financing related to housing projects and housing investments are capitalized to the date of completion.

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

k) Pension costs and obligations

Current service contributions for Direct Managed employees are recognized as operating expenses. The Corporation has no further liability associated with the annual cost of pension benefits earned by Direct Managed employees.

The Corporation has a liability associated with the annual cost of pension benefits earned by the former Department of Family Services and Housing employees who were transferred to the Corporation on February 8, 2003.

Current actuarial gains or losses are recognized as operating expenses.

l) Contributed services

Under an agreement entered into between The Manitoba Housing and Renewal Corporation and the Province of Manitoba, in 1984, the Department provides administrative services to MHRC at no cost. The value of these contributed and administrative services is recorded as revenue and expenses.

m) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

n) Comprehensive income

Section 1530 of the CICA accounting standards requires the presentation of a statement of comprehensive income. Comprehensive income represents the change in equity of an enterprise during a period from transactions and other events arising from non-owner sources including gains and losses from changes in fair value of available for sale financial assets and changes in fair value of the effective portion of cash flow hedging instruments. The Corporation has not recognized any adjustments through other comprehensive income for the year ended March 31, 2011. Because the Corporation has no items related to other comprehensive income, comprehensive income is equivalent to net income.

3. Future Accounting Changes

The Corporation will adopt Public Sector Accounting Board Standards for Government Not-For-Profit Organizations effective April 1, 2011. The Corporation is currently in the process of assessing the impact of adoption of these new standards on its Financial Statements.

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

4. Cash

	<u>2011</u>	<u>2010</u>
On deposit with the Minister of Finance:		
Trust deposits	\$ 27,601,819	\$ 64,086,578
Risk Reserve related to Social Housing Agreement (note 13)	12,521,392	12,428,609
Mobile home loan guarantee program (note 24)	77,945	91,837
	40,201,156	76,607,024
 Bank	 96,695,794	 76,433,725
Petty cash	8,250	8,500
	\$ 136,905,200	\$ 153,049,249

5. Accounts receivable and accruals

	<u>2011</u>	<u>2010</u>
Canada Mortgage and Housing Corporation	\$ 6,932,759	\$ 23,462,694
Government of the Province of Manitoba and its agencies	2,573,045	2,238,569
Rent receivables - net of allowance of \$6,147,917 (2010 - \$5,638,689)	4,052,189	3,404,997
Accrued interest on loans and mortgages receivable	638,158	604,661
City of Winnipeg (Sec 79) - net of allowance \$0 (2010 - \$0)	287,959	157,870
Other - net of allowance of \$326,981 (2010 - \$10,270)	14,148,073	10,725,949
Government of the Province of Manitoba		
- severance benefits (note 20)	1,446,105	1,446,105
- pension recoverable (note 19)	9,135,515	7,512,158
	\$ 39,213,803	\$ 49,553,003

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

6. Loans and mortgages receivable

a) Composition of loans and mortgages receivable

	<u>2011</u>	<u>2010</u>
Federal/Provincial Housing:		
Private Non-Profit Housing Program	\$ 88,448,589	\$ 91,383,908
Rural and Native Housing Program	(3,534)	2,851
Urban Native Housing Program	20,935,388	24,201,603
	<u>109,380,443</u>	<u>115,588,362</u>
Market Rental Programs:		
Co-operative HomeStart Program	7,644,909	7,847,574
Co-operative Index Linked Program	5,237,483	6,051,073
Manitoba Rural RentalStart Program	215,806	237,995
Manitoba Senior RentalStart Program	4,199,188	4,201,669
	<u>17,297,386</u>	<u>18,338,311</u>
Other Programs:		
Community Residences Program	2,100,806	2,356,894
Market Homeowner Programs	11,081	44,697
Homeowner Rehabilitation Programs	104,521	171,672
Other	3,585,169	2,905,974
	<u>5,801,577</u>	<u>5,479,237</u>
	132,479,406	139,405,910
Less - allowance for loan impairment	(1,052,465)	(1,121,685)
Subtotal repayable loans and mortgages receivable	<u>131,426,941</u>	<u>138,284,225</u>
Forgivable loans	174,759,727	138,927,320
	306,186,668	277,211,545
Less - forgivable loans asset valuation allowance	(174,759,727)	(138,927,320)
Loans and mortgages receivable	<u>\$ 131,426,941</u>	<u>\$ 138,284,225</u>

Loans and mortgages receivable bear interest at various rates between 0% and 13.50% with maturities at various dates to 2035.

Principal repayments on the loans and mortgages maturing in the next five years are estimated as follows:

2012	108,344
2013	1,879,405
2014	1,502,574
2015	2,404,407
2016	1,054,643
Subsequent to 2016	125,530,033
	<u>\$ 132,479,406</u>

b) Allowance for loan impairment

The allowance for loan impairment is comprised of the following specific provisions:

	<u>2011</u>	<u>2010</u>
Market rental programs	\$ 949,810	\$ 949,810
Other programs	102,655	171,875
	<u>\$ 1,052,465</u>	<u>\$ 1,121,685</u>

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
NOTES TO FINANCIAL STATEMENTS - MARCH 31, 2011**

7. Housing projects

	<u>2011</u>	<u>2010</u>
Land	<u>\$ 22,642,787</u>	<u>\$ 22,540,415</u>
Buildings	438,370,250	426,073,646
Less - accumulated amortization	<u>(372,664,333)</u>	<u>(363,743,930)</u>
Buildings – net book value	<u>65,705,917</u>	<u>62,329,716</u>
Under construction	<u>97,453,984</u>	<u>33,516,933</u>
	185,802,688	118,387,064
Less - financing provided by CMHC	<u>(3,252,219)</u>	<u>(3,590,923)</u>
	<u>\$ 182,550,469</u>	<u>\$ 114,796,141</u>

8. Housing investment

Housing investment represents MHRC's share in social housing projects, which until October 1, 1998 was administered by CMHC and subsequently have been administered by MHRC, under the Rural and Native Housing Program.

On September 3, 1998, MHRC and CMHC executed a Declaration of Trust by which CMHC has transferred their ownership interest in cost-shared and 100% CMHC funded Public Housing projects to MHRC, as trustee. MHRC's interest in these projects will be earned over the remainder of each project's CMHC subsidy commitment period, in amounts which will correspond to the annual amortization of the assets. No increase in housing investment has been recorded by MHRC.

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
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9. Joint venture

The Corporation contributed 179 acres of land, at appraised value, to a joint venture with Ladco Company Limited on May 11, 1989. The appraised value of the land at that time, adjusted for subsequent sales, was \$931,945 (2010 - \$678,373) and is included in joint venture land in note 10. The joint venture activities include the servicing, development and sale of approximately 476 acres of land in the City of Winnipeg, Manitoba. In accordance with the terms of the agreement, the Corporation has provided loan guarantees for the purposes of the joint venture development in an amount not to exceed \$2,400,000 (note 24).

The following is a summary of the Corporation's pro rata share at 37.6% of the assets, liabilities, revenues and expenses of the Ladco Company Limited joint venture.

	<u>2011</u>	<u>2010</u>
Current Assets:		
Cash and short term investments	\$ 777,763	\$ 923,300
Prepaid Expenses	22,160	44,767
Accounts receivable from land sales	397,904	1,737,116
	<u>1,197,827</u>	<u>2,705,183</u>
Long Term Assets:		
Development in progress	<u>(48,933)</u>	<u>(351,671)</u>
Total Assets	<u>\$ 1,148,894</u>	<u>\$ 2,353,512</u>
Current Liabilities:		
Accounts payable and accrued liabilities	<u>37,633</u>	<u>8,497</u>
Net Assets	<u>\$ 1,111,261</u>	<u>\$ 2,345,015</u>
Sales of land	\$ 507,600	\$ 568,168
Cost of land sales	<u>43,090</u>	<u>176,575</u>
Gross margin	464,510	391,593
Expenses:		
Interest on bank indebtedness	5,796	9,080
General	28,685	31,809
Other	<u>(28,216)</u>	<u>(27,528)</u>
Total expenses	6,265	13,361
Net income for the year	<u>\$ 458,245</u>	<u>\$ 378,232</u>

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10. Land

	<u>2011</u>	<u>2010</u>
Future development or sale	\$ 3,568,353	\$ 9,460,428
Leased to co-operatives	1,659,792	1,659,792
Joint venture	931,945	678,373
	<u>\$ 6,160,090</u>	<u>\$ 11,798,593</u>

11. Deferred revenue

	<u>2011</u>	<u>2010</u>
Tenant prepaid rent	\$ 2,382,003	\$ 2,255,663
Other prepaid land lease and subsidy contribution received in advance	374,258	327,198
Affordable Housing Initiative commitments	29,808,061	23,920,317
Federal Stimulus commitments	34,026,987	37,280,404
	<u>\$ 66,591,309</u>	<u>\$ 63,783,582</u>

12. Long-term debt

	<u>2011</u>	<u>2010</u>
Government of the Province of Manitoba:		
Advances, convertible to long-term advances at MHRC's option, at prime interest rates	\$167,223,349	\$108,435,454
Long-term advances, at interest rates from 4.75% to 13.375% maturing at various dates to 2029 and requiring annual principal and interest payments of \$38,103,892 (2010 - \$38,103,892)	255,949,896	270,246,867
Canada Mortgage and Housing Corporation:		
Long-term advances, at interest rates from 5.67% to 8.625% maturing at various dates to 2030 and requiring annual principal and interest payments of \$15,002,567 (2010 - \$14,972,152)	144,291,009	150,285,841
Mortgages payable (assumed on property acquisitions), at interest rates from 5.375% to 10.5% maturing at various dates to 2028 and requiring annual principal and interest payments of \$318,412 (2010 - \$319,272)	2,560,816	2,645,610
	<u>\$570,025,070</u>	<u>\$531,613,772</u>

Principal repayments on the long-term debt are estimated as follows:

2012	21,975,147
2013	22,820,615
2014	24,188,076
2015	25,571,869
2016	26,622,976
Subsequent to 2016	448,846,387
	<u>\$ 570,025,070</u>

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13. Deferred contributions

MHRC recognizes federal and provincial contributions towards housing programs as revenue when eligible program expenses are incurred and records deferred contributions for any unexpended amounts. In accordance with the Social Housing Agreement executed by MHRC and CMHC which took effect October 1, 1998, federal contributions must be fully used by August 31, 2031. The Agreement provides that a specified amount of the annual federal contributions must be applied toward housing programs, which assist low income households, as defined in the Agreement. The portion of federal contributions that may be applied toward other housing programs is similarly specified. In addition, the Province contributes funding for its share of housing programs through grants from the Province of Manitoba (note 14). Total unexpended contributions in the amount of \$16,594,361 (2010 - \$52,634,300) are carried forward by MHRC for future use.

Pursuant to the Social Housing Agreement dated September 3, 1998 between CMHC and MHRC, CMHC made a one-time payment of \$12,700,000 to MHRC in 1999. This amount was provided for the purpose of mitigating future operating risks associated with MHRC's financial responsibility for housing programs transferred from CMHC pursuant to the Agreement. This amount has been recorded as a deferred contribution and is increased by interest earned thereon and is reduced as the Corporation incurs expenses as a result of the identified risks. The unexpended balance related to these contributions at March 31, 2011 is \$12,521,392 (2010 - \$12,428,609).

The breakdown of total unexpended contributions is as follows:

	<u>2011</u>	<u>2010</u>
Deferred Federal contributions	\$ -	\$18,136,437
Deferred Provincial contributions	16,594,361	34,497,863
	<u>16,594,361</u>	<u>52,634,300</u>
Risk reserve contribution related to the Social Housing Agreement	12,521,392	12,428,609
	<u>\$29,115,753</u>	<u>\$65,062,909</u>

14. Grants from the Province of Manitoba

	<u>2011</u>	<u>2010</u>
Department of Housing and Community Development:		
MHRC operating programs	\$42,029,898	\$58,961,438
MHRC administration	13,165,102	10,180,562
Grants and subsidies	3,978,589	9,592,727
	<u>59,173,589</u>	<u>78,734,727</u>
Grants recovered from the Department of Finance:		
School Tax Assistance for Tenants 55 Plus Program	238,008	242,917
Pension recovery (note 19)	1,623,357	456,372
	<u>\$61,034,954</u>	<u>\$79,434,016</u>

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15. Contributed services

	<u>2011</u>	<u>2010</u>
Administrative services provided by Departments of the Province of Manitoba were allocated as follows:		
- included in the Statement of Operations, Administrative Services	\$ 797,100	\$ 509,600
- included in administration expenses in note 16, Direct Managed Housing Operations	744,900	600,500
- included in administration expenses in note 16, Sponsor Managed Housing Operations	18,200	11,300
- included in Rental Subsidies, note 17	184,600	194,800
- included in Statement of Operations, Repair and renovation expense	<u>185,000</u>	<u>82,900</u>
Total Administrative services provided by Departments of the Province of Manitoba	<u>\$ 1,929,800</u>	<u>\$ 1,399,100</u>

16. Housing operations

The management and operation of all MHRC owned social housing projects are direct managed and sponsor managed. Their operating results are as follows:

	Direct Managed	Sponsor Managed	<u>2011</u>	<u>2010</u>
<u>Revenue</u>				
Rental Revenue	\$ 55,272,172	\$ 18,239,231	\$ 73,511,403	\$ 71,383,497
<u>Expenses</u>				
Administration (note 15)	27,878,071	3,198,147	31,076,218	25,058,634
Property operating	74,132,835	23,648,182	97,781,017	85,029,557
Grants in lieu of taxes	11,200,905	2,660,301	13,861,206	11,937,361
Amortization	6,759,234	1,553,948	8,313,182	9,556,607
Interest	<u>18,301,507</u>	<u>4,021,423</u>	<u>22,322,930</u>	<u>20,863,906</u>
	<u>138,272,552</u>	<u>35,082,001</u>	<u>173,354,553</u>	<u>152,446,065</u>
Operating loss	<u>\$ 83,000,380</u>	<u>\$ 16,842,770</u>	<u>\$ 99,843,150</u>	<u>\$ 81,062,568</u>

**THE MANITOBA HOUSING AND RENEWAL CORPORATION
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17. Rental Subsidies

Rental subsidies are provided in accordance with project operating agreements with third parties which establish the basis of eligibility for subsidy assistance. The net rental subsidies required by these organizations are as follows:

	<u>2011</u>	<u>2010</u>
Not for Profit Housing	\$ 26,897,517	\$ 27,528,164
Co-operative Housing	3,970,663	4,153,096
Private Landlords	5,602,074	5,168,046
	<u>\$ 36,470,254</u>	<u>\$ 36,849,306</u>

18. Grants and subsidies

	<u>2011</u>	<u>2010</u>
Manitoba Shelter Benefit	\$ 1,633,933	\$ 9,064,337
Portable Housing Benefit	1,166,756	528,390
Emergency Shelter Assistance	1,177,900	-
School Tax Assistance for Tenants 55 Plus	238,008	242,917
Elderly & Infirm Persons Housing	154,177	155,423
Co-op Homestart	76,578	138,475
Homeless Strategy	749,358	125,250
	<u>\$ 5,196,710</u>	<u>\$10,254,792</u>

19. Pension obligations

Employees of the Corporation and Direct Managed employees are eligible for pensions under the Manitoba Civil Service Superannuation Fund. This pension plan is a defined benefit plan, which requires the organization to contribute an amount approximately equal to the employees' contribution to the Superannuation Fund for current services. Such payments are charged to housing operations as incurred and MHRC has no further liability associated with the annual cost of pension benefits earned by Direct Managed employees. Pension expense recorded for Direct Managed employees for the year ended March 31, 2011 is \$806,951 (2010 - \$787,385).

The Corporation has a liability associated with the annual cost of pension benefits earned by the former Department of Family Services and Housing employees who were transferred to the Corporation on February 8, 2003. This liability consists of the employer's share of pension benefits paid to retired employees, as well as the increase in the unfunded pension liability during the fiscal year. This liability is determined by an actuarial valuation at least every three years with the balances for the intervening years being estimated by a formula provided by the actuary. The most recent valuation was completed at December 31, 2009.

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 7,512,158	\$ 7,055,786
Experience (gain) loss	441,979	(609,386)
Benefits accrued	692,338	609,068
Interest accrued on benefits	510,106	477,736
Benefits paid - estimated	(21,066)	(21,046)
Balance at end of year	<u>\$ 9,135,515</u>	<u>\$ 7,512,158</u>

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The key actuarial assumptions were a rate of return of 6.0% (2010 - 6.5%), 2.0% inflation (2010 - 2.5%), salary rate increases of 2.75% (2010 - 3.25%) and post retirement indexing at 2/3 of the inflation rate. The projected benefit method was used and the liability has been calculated as at March 31, 2011 by the actuary.

The Province of Manitoba has accepted responsibility for funding MHRC's liability and related expense which includes an interest component. Therefore MHRC has recorded a receivable from the Province of Manitoba equal to the estimated value of its actuarially determined pension liability of \$9,135,515 as at March 31, 2011 (2010-\$7,512,158) and has recorded an increase in revenue for 2010/11 equal to the related pension expense increase of \$1,623,357 (2010 - increase \$456,372). The Province of Manitoba makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

20. Severance

a) Severance pay liability

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for its Direct Managed employees. The amount of this estimated liability is determined and recorded annually using the method of calculation set by the Province of Manitoba.

Severance pay, at the employee's date of retirement, will be determined by multiplying the eligible employee's years of service (to a maximum of 22 or 15 years) by the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from the Corporation.

An actuarial report was completed for the severance pay liability as at March 31, 2011. The Corporation's actuarially determined liability relating to the Direct Managed employees as at March 31, 2011 was \$2,357,780 (2010 - \$2,325,430). The report provides a formula to update the liability on an annual basis.

The Corporation recorded a severance liability as at April 1, 2003 in the amount of \$569,000 associated with the severance benefits earned by the former Department of Family Services and Housing employees who were transferred to the Corporation on February 8, 2003. The amount of this estimated liability is determined and recorded annually using a method of calculation set by the Province of Manitoba.

An actuarial report was completed for the severance pay liability as at March 31, 2011. The Corporation's actuarially determined liability relating to the former Department of Family Services and Housing employees as at March 31, 2011 was \$1,274,821 (2010 - \$1,108,845). The report provides a formula to update the liability on an annual basis.

b) Severance pay receivable

The Province of Manitoba has accepted responsibility for the severance pay benefits accumulated to March 31, 1998 by the Corporation's employees. Accordingly, the Corporation recorded effective April 1, 1998, a receivable of \$877,105 from the Province of Manitoba, which was initially based on the estimated value of the corresponding actuarially determined liability for severance pay as at March 31, 1998. Subsequent to March 31, 1998, the Province provides annual grant funding for severance expense. As a result the change in the severance liability each year is fully funded. The interest component related to the receivable is reflected in the funding for severance expense. The receivable for severance pay will be paid by the Province when it is determined that the cash is required to discharge the related severance pay liabilities.

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The amount recorded as a receivable from the Province for severance pay of \$569,000 for former Department of Family Services and Housing employees was initially based on the estimated value of the corresponding actuarially determined liability for severance pay as at April 1, 2003. Subsequent to April 1, 2003, the Province provides annual grant funding for severance expense. As a result the change in the severance liability each year is fully funded. The interest component related to the receivable is reflected in the funding for severance expense. The receivable for severance pay will be paid by the Province when it is determined that the cash is required to discharge the related severance pay liabilities.

The carrying value of the receivables approximates its fair value as the interest component described above is comparable to current market rates.

21. Housing Development and Rehabilitation Fund

On November 8, 2007, The Housing and Renewal Corporation Amendment Act provided for the establishment of a fund known as the "Housing Development and Rehabilitation Fund".

The fund is to be credited with suburban land development profits realized by the MHRC in respect of land owned or developed by it or by a partnership or joint venture in which the MHRC is or was a participant. Interest earned on the amounts is to be credited to the fund. Profits are transferred from The Manitoba Housing and Renewal Fund to the Housing Development and Rehabilitation Fund. The fund may be used to provide support for housing projects in areas of need within a municipality in which the Corporation realized profits, including the development of new housing or the rehabilitation of existing housing. The fund has a balance of \$7,983,217 (2010 - \$4,969,044).

The breakdown is as follows:

	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$ 4,969,044	\$ 6,417,575
Land Development Profits	5,913,948	
Interest Earned	32,949	
Current Year Disbursements	<u>(2,932,724)</u>	
Balance at end of year	<u>\$ 7,983,217</u>	<u>(1,448,531)</u> \$ 4,969,044

22. Contingencies

The Corporation is involved in legal proceedings arising in the normal course of business, the outcome of which cannot be predicted at this time. In the opinion of management, the disposition of these cases will not materially affect the financial position of the Corporation. Any settlement will be recognized in the year the settlement occurs.

The Corporation provided the City of Winnipeg with a letter of credit under a development agreement. As at March 31, 2011 the letter of credit amounted to \$1,389,120.

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23. Commitments

The Corporation has the following commitments as at March 31, 2011.

a) Housing project enhancements and new construction	\$39,077,288
b) Third party repair, renovation and new construction	\$23,042,887
c) Public housing operations:	

As a result of the Social Housing Agreement dated September 3, 1998, MHRC is now fully responsible for the funding commitments of all Social Housing Projects in Manitoba. These commitments will expire on a staggered basis over the period ending 2031, concurrent with the Social Housing Agreement funding expiration date of August 31, 2031. An estimate of these commitments for each of the next five years is as follows:

2012	\$64,765,000
2013	76,587,100
2014	89,539,000
2015	102,271,700
2016	115,091,100

24. Guarantees

The Corporation has guaranteed the repayment of mortgages and has issued letters of credit which guarantee the terms and conditions of land development agreements and construction contracts. The outstanding guarantees are as follows:

	<u>2011</u>	<u>2010</u>
Joint Venture Investment Guarantee (note 9)	\$ 2,400,000	\$ 2,400,000
Waverley West Letter of Credit	1,389,120	1,389,120
Mobile Home Loan Guarantee Program	77,945	91,837
Affordable Housing Initiative Loan Guarantee Program	-	1,200,000
	<u>\$ 3,867,065</u>	<u>\$ 5,080,957</u>

A guarantee fee of 2 1/2% is charged for each mortgage under the Mobile Home Loan Guarantee Program. The assets of the Mobile Home Loan Guarantee Program as at March 31, 2011 are \$77,945 (2010 - \$91,837) and are included in cash (note 4). The trust fund liability is included in accounts payable.

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25. Subsidy Contributions

Subsidy contributions are primarily based on the allocation of federal funding to housing operations and rental subsidies. This can include both funding contributed by CMHC in the current year under the Social Housing Agreement and a carryover of funds received in prior years and recorded as deferred contributions.

Pursuant to the Social Housing Agreement executed by MHRC and CMHC, CMHC will pay fixed annual contributions to MHRC for individual housing projects over the remainder of the CMHC subsidy commitment period. The Agreement took effect October 1, 1998 and has a funding expiration date of August 31, 2031.

	<u>2011</u>	<u>2010</u>
Federal contributions	\$ 95,071,650	\$ 69,979,012
Provincial contributions	892,948	1,056,493
Municipal contributions	281,496	310,945
	<u>\$ 96,246,094</u>	<u>\$ 71,346,450</u>

26. Capital Management

MHRC's objective when managing capital is to maintain sufficient capital to cover its costs of operations. MHRC includes the Housing Development and Rehabilitation Fund and The Manitoba Housing and Renewal Fund Deficit as well as long-term debt in its definition of capital.

MHRC's operating objectives are to ensure that there is an adequate supply of housing stock in Manitoba and to enhance the affordability of, and accessibility to, adequate housing for Manitobans, particularly those of low and moderate income and those with specialized needs. In order to meet these operating objectives, MHRC capital management policy is to:

- Obtain long term debt from the Province of Manitoba and Canada Mortgage and Housing Corporation;
- Obtain rental revenue from its housing stock. This revenue is partially subsidized through provincial and CMHC funding; and
- Earn interest income on loans and mortgages to individuals and organizations that meet pre-defined criteria.

Long term debt and the Manitoba Housing and Renewal Fund are not subject to externally imposed capital requirements. The Housing Development and Rehabilitation Fund is required by legislation to provide support for housing projects in areas of need within a municipality in which the MHRC realized suburban land development profits. There were no changes to MHRC's approach to capital management during the period.

MHRC's capital is as follows:

	<u>2011</u>	<u>2010</u>
Long Term Debt (note 12)	\$ 570,025,070	\$ 531,613,772
Housing Development and Rehabilitation Fund (note 21)	7,983,217	4,969,044
Manitoba Housing and Renewal Fund (deficit)	(191,681,820)	(206,989,719)
	<u>\$ 386,326,467</u>	<u>\$ 329,593,097</u>

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27. Risk Management

MHRC has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, market risk, interest rate risk and foreign currency risk.

i) Credit Risk

Credit risk arises from the potential that a counterparty to an agreement with the Corporation will fail to perform its obligations. The Corporation conducts an assessment of credit issues prior to committing to such agreements and it actively monitors the credit risks associated with its accounts receivable and loans and mortgages receivable on an ongoing basis.

The maximum exposure of MHRC to credit risk as at March 31, 2011 is:

Cash (note 4)	\$ 136,905,200
Accounts Receivable and accruals (note 5)	39,213,803
Loans and mortgages receivable (note 6)	131,426,941
	<u>\$ 307,545,944</u>

Cash and deposits with the Minister of Finance: MHRC is not exposed to significant credit risk as these deposits are primarily held by the Minister of Finance.

Accounts receivable and accruals: MHRC is not exposed to significant credit risk as the majority of its accounts are with the Province of Manitoba and CMHC and payment is typically collected when due. MHRC establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, client analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

Loans and mortgages receivable: The corporation is not subject to significant credit risk as the loans and mortgages are spread among a large client base and geographic region and payment is typically collected when due. MHRC establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, client analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

ii) Liquidity Risk

Liquidity risk is the risk that MHRC will not be able to meet its financial obligations as they become due.

MHRC manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funding will be received to meet obligations.

iii) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect MHRC's income or the fair values of its financial instruments. The significant market risk MHRC is exposed to is interest rate risk.

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iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. MHRC does not use derivative instruments to reduce its exposure to interest risk. The interest rate exposure relates to deposits with the Minister of Finance, loans and mortgages receivable and long term debt.

The interest rate risk on funds on deposit with the Minister of Finance is considered to be low because of their short term nature.

MHRC's loans and mortgages are exposed to interest rate fluctuations. This risk is mitigated through the almost exclusive use of fixed rate terms. A change of +100 basis points would result in a decrease in value of \$8,599,487 whereas a -100 basis point change would result in an increase in value of \$9,477,631.

MHRC manages its interest rate risk on long term debt through the use of fixed rate terms for its long term debt. A change of +100 basis points in the interest rates would have decreased its fair value by \$27,823,106 whereas a change of -100 basis points would have increased its fair value by \$30,790,833.

v) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. MHRC is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in a foreign currency.

28. Financial Instruments

- i) Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings and other comprehensive income, respectively. All other financial instruments are subsequently measured at amortized cost. The financial assets and liabilities of the Corporation are classified and measured as follows:

<u>Financial Asset/Liability</u>	<u>Category</u>	<u>Subsequent Measurement</u>
Cash and funds on deposit	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Loans and mortgages receivable	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost
Accrued liabilities	Other financial liabilities	Amortized cost
Long term debt	Other financial liabilities	Amortized cost

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of operations in the period the gain or loss occurred. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of operations for the current period. Changes in fair value on financial instruments classified as available for sale would be recorded in other comprehensive income until realized, at which time they are recorded in the statement of operations.

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- ii) The fair value of funds on deposit are classified as a Level 2 Financial Investment as they are invested with the Department of Finance.

The fair value of accounts receivable (excluding receivables related to pension and severance liability), accounts payable, holdbacks and accruals approximates their carrying values due to their short-term maturity.

The carrying value of the Corporation's pension and severance pay liabilities are based on actuarial valuations adjusted over time for the effect of interest and payouts since the valuations were performed. The carrying value of the liabilities approximates their fair values as the interest component is comparable to current market rates. The carrying value of the related pension and severance receivables approximates their fair value as their carrying value is derived from the related pension and severance liabilities.

The fair value of loans receivable is determined using the present value of future cash flows under current funding agreements, based on the Corporation's current estimated lending rate for loans with similar terms and conditions. The fair value of the loans receivable is \$152,990,194 at March 31, 2011 (\$172,842,262 at March 31, 2010).

The fair value of long-term debt is determined using the present value of future cash flows under current financing agreements, based on the Corporation's current estimated borrowing rate for loans with similar terms and conditions. The fair value of the long-term debt is \$650,652,945 at March 31, 2011 (\$613,356,955 at March 31, 2010).

29. Related Party Transactions

MHRC is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. MHRC enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

30. Comparative Figures

Certain comparative figures in the financial statements have been restated to conform with the presentation of the current year.

