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**MINISTER OF HOUSING AND  
COMMUNITY DEVELOPMENT**

Room 162  
Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

September 2015

Her Honour the Honourable Janice Filmon, 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 2014/15.

Respectfully submitted,

**“Original Signed by Mohinder Saran”**

Mohinder Saran







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**MINISTRE DE LOGEMENT ET  
DÉVELOPPEMENT COMMUNAUTAIRE**

Bureau 162  
Palais législatif  
Winnipeg (Manitoba) R3C 0V8  
CANADA

Septembre 2015

Elle Honneur l'honorable Janice Filmon, C.M., O.M.  
Lieutenant-gouverneur du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba)  
R3C 0V8

Madame 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 2014-2015.

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

**“Original signé par Mohinder Saran”**

Mohinder Saran







Deputy Minister of Housing and Community Development  
Legislative Building, Winnipeg, Manitoba, Canada, R3C 0V8  
[www.manitoba.ca](http://www.manitoba.ca)

September 23, 2015

Honourable Mohinder Saran  
Minister of Housing and Community Development

Minister:

I have the honour of presenting to you the Annual Report for the Department of Housing and Community Development (HCD) for the fiscal year ending March 31, 2015. HCD took important steps towards our vision of strong, healthy Manitoba communities where individuals and families thrive.

Building stronger communities through partnerships and community development programs remains a key priority within the Department's "*Strong Communities: An Action Plan*". Neighborhoods Alive! supported 120 locally identified projects to provide social and economic development opportunities to revitalize neighborhoods in designated communities. The Community Places Program continues to assist volunteers and employees of non-profit organizations with planning and support for projects that provide sustainable recreational and wellness benefits to communities across Manitoba.

To foster sustainable community growth, HCD released Phase 2 of the Cooperative Community Strategy, a collaborative effort between the Manitoba government and the cooperative sector, to provide ongoing support for new and existing cooperatives. Cooperatives are also an area of focus for the Department in promoting a variety of housing options. In June 2014, *The Cooperative Housing Strategy Act* received Royal Assent. The Act requires consultation and the development of a strategy to promote the cooperative housing sector growth and diversity, every five years.

An adequate supply of affordable rental housing is vital for community stability. In 2014/15, HCD continued to wrap-up a commitment to deliver 1,500 social and 1,500 affordable housing units and began work on a subsequent commitment to deliver an additional 500 social and 500 affordable units of rental housing. HCD also established "Live Downtown" in partnership with the City of Winnipeg and the Department of Municipal Government. It increases rental supply, diversifies downtown Winnipeg's population and encourages affordable units to be included in housing developments.

HCD continued to engage community stakeholders in housing issues. The Housing Advisory Round Table and Rooming House Task Force were both HCD collaborative forums in 2014/15. Engagement is also about building community capacity and responding to authentic needs. The Department has been pleased to assist in the redevelopment of the Merchant's Hotel, a community-driven initiative that will accommodate 30 low income families in Winnipeg's William Whyte neighbourhood and turn an underused building into a neighbourhood asset.

Collaboration with federal, provincial and community stakeholders is also a key priority and in 2014/15 special effort was invested in brokering partnerships to improve the lives of vulnerable Manitobans: Manitoba signed the five-year Investment in Affordable Housing (IAH) agreement extension with the Government of Canada, to facilitate the continued provision of safe, affordable housing. Also, HCD responded to The



Winnipeg Task Force to End Homelessness' recommendation to focus on Housing First principles and committed funding to support coordinated intake and needs assessment.

In 2014/15, HCD focused on improving operational efficiencies in its program delivery while striving for service excellence for tenants and stakeholders. These efficiencies support the sustainability of HCD's programs, which is required to meet the housing and community development needs of Manitobans today and into the future.

It is my pleasure to thank the Department's employees for their commitment and dedication in making these important achievements possible.

Respectfully Submitted,

**“Original Signed by Craig Marchinko”**

Craig Marchinko  
Deputy Minister  
Manitoba Housing and Community Development



Sous-ministre du Logement et du Développement communautaire  
Palais législatif, Winnipeg (Manitoba), Canada, R3C 0V8

[www.manitoba.ca](http://www.manitoba.ca)

Le 23 Septembre 2015

Monsieur Mohinder Saran  
Ministre du Logement et du Développement communautaire

Monsieur le Ministre,

J'ai l'honneur de vous présenter le Rapport annuel du ministère du Logement et du Développement communautaire pour l'exercice terminé le 31 mars 2015. Le Ministère a pris d'importantes mesures pour réaliser notre vision d'un avenir où les particuliers et les familles prospèrent au sein de communautés vigoureuses et saines.

Au moyen de partenariats et de programmes de développement communautaire, le Ministère vise de façon continue à atteindre l'une des grandes priorités de *Strong Communities: An Action Plan*, son plan d'action pour le renforcement des collectivités. Quartiers vivants a appuyé 120 projets désignés à l'échelle locale dans le but de produire des possibilités de développement socio-économique susceptibles de revitaliser les quartiers de certaines collectivités. Les employés et les bénévoles d'organismes à but non lucratif continuent de profiter de l'aide à la planification et au soutien de projets qu'offre le Programme Place aux communautés, grâce auquel diverses collectivités à l'échelle du Manitoba peuvent bénéficier d'avantages durables dans le domaine des loisirs et du mieux-être.

Dans le but de favoriser une croissance communautaire durable, le Ministère a entrepris la deuxième étape de la Stratégie de la communauté des coopératives du Manitoba, laquelle résulte d'une collaboration nouée entre le gouvernement provincial et le secteur coopératif en vue d'appuyer de façon continue les coopératives, existantes ou naissantes. Le Ministère recourt également au secteur coopératif dans sa promotion de différents modèles de logement. En juin 2014, la *Loi sur la stratégie en matière d'habitation coopérative* a reçu la sanction royale. Elle prescrit des consultations ainsi que l'élaboration d'une stratégie de promotion de la croissance et de la diversification du secteur de l'habitation coopérative, tous les cinq ans.

La stabilité d'une communauté exige qu'elle dispose de logements de location à un prix abordable et en nombre suffisant. En 2014-2015, le Ministère a entrepris la concrétisation finale de sa promesse de 1 500 unités de logement social et de 1 500 unités de logement abordable, et il a débuté la réalisation de son engagement suivant, soit 500 logements sociaux et 500 logements abordables additionnels. Le Ministère a également lancé l'initiative *Live Downtown* («Vivre au centre-ville»), en partenariat avec le ministère des Administrations municipales et la Ville de Winnipeg. Cette initiative accroît le parc locatif, diversifie la population du centre-ville de Winnipeg et favorise l'inclusion de logements abordables dans les projets de construction d'habitations.

Le Ministère a continué d'encourager la participation des personnes et des groupes dans la communauté que le dossier du logement intéresse. Le Ministère a tenu deux forums de collaboration en 2014-2015, soit le Comité consultatif du logement et le Groupe de travail sur les maisons de chambres. La participation favorise le développement des capacités communautaires et la réponse à des besoins réels. Le Ministère a pu



contribuer au redéveloppement de l'hôtel Merchant's, une initiative communautaire qui logera 30 familles à faible revenu du quartier William-Whyte de Winnipeg et qui fera de cet immeuble peu utilisé un facteur local positif.

La collaboration entre les intervenants de la Province, du gouvernement fédéral et de la communauté est également une haute priorité du Ministère. En 2014-2015, un accent particulier a été mis sur l'établissement de partenariats dans le but d'améliorer la vie des Manitobains vulnérables. C'est ainsi que le Manitoba a signé avec le gouvernement du Canada la prolongation sur cinq ans de l'Entente concernant l'investissement dans le logement abordable, laquelle vise à favoriser l'offre continue de logements sécuritaires et abordables. Le Ministère a également répondu à la recommandation du groupe de travail de Winnipeg visant à mettre fin à la situation des sans-abris, soit de se baser sur les principes de l'approche Logement d'abord, et a engagé des fonds à l'appui d'une évaluation coordonnée de la demande et des besoins.

En 2014-2015, le Ministère a mis l'accent sur l'amélioration de l'efficacité opérationnelle dans la prestation de ses programmes tout en visant l'excellence des services offerts aux locataires et autres intervenants. Cette efficacité favorise la viabilité des programmes du Ministère requise pour répondre aux besoins présents et futurs de la population manitobaine en matière de logement et de développement communautaire.

Je remercie les fonctionnaires du Ministère de leur engagement et de leur dévouement qui ont permis ces réussites importantes.

Le tout respectueusement soumis.

Le sous-ministre,

**“Original signé par Craig Marchinko”**

Craig Marchinko



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**This publication is available in alternate format upon request.**

For alternate format requests, please contact Accessibility Coordinator, Liz Jonasson at 204-945-4755

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# PREFACE

## INTRODUCTION

The Department of Housing and Community Development was established by Order in Council No. 348/2009 on November 3, 2009.

## REPORT STRUCTURE

The Annual Report is organized in accordance with the Department of Housing and Community Development appropriation structure as set out in the Estimates of Expenditures of the Province of Manitoba for the fiscal year ending March 31, 2015. The report includes information at the Main-Appropriation 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

In July 2011, Housing and Community Development announced *Strong Communities: An Action Plan*. This document established a new Vision, Mission and Guiding Principles for the Department and highlights the overall goals and actions that direct the Department's activities.

**VISION:** Strong, healthy and sustainable communities where individuals and families thrive.

**MISSION:** In partnership with Manitobans, the Department supports 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 initiatives that support community development and create opportunities for people to engage in activities that promote well-being and social inclusion where they live. Through the activities of The Manitoba Housing and Renewal Corporation (MHRC), the Department strives to enhance the quality of life and well-being of Manitobans by providing access to 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 ensure an adequate supply of housing; maintain and improve the condition of the existing housing stock; and stimulate and influence the activities of the housing market to the benefit of Manitobans.

By working together with community partners, the Department is building communities and revitalizing neighbourhoods while engaging residents in the process. By employing a service-oriented approach to social housing, Housing and Community Development is fostering more positive 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 are delivered directly by the Department, while others are provided in partnership with a variety of private non-profit and community-based organizations.

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
- respectful and appropriate delivery of programs and services.

## **Goals**

- Promote and support community development.
- Build greater community capacity.
- Sustain existing social and affordable housing stock.
- Address affordability and increase supply of quality affordable housing.
- Enhance client opportunities and services.
- Build capacity of Housing and Community Development.

## **Guiding Principles**

- **Housing and community development issues are interrelated with health, education and social and economic well-being.** 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.** 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 must work together to build communities and support the housing market to function effectively.
- **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. The Department supports their efforts to increase economic and social independence, personal accountability, individual choice and the equitable development of Manitoba communities. 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, The Manitoba Housing and Renewal Corporation (MHRC), and two distinct program delivery and support service divisions (Community Development and Strategic Initiatives; and Corporate Services).

MHRC owns all provincial housing assets and is responsible for the delivery of social and affordable rental housing programs; renovation and repair programs; and homeownership programs and enabling provision of emergency shelter services. MHRC is an approved lender under *The National Housing Act*. MHRC also manages and develops land held in its land inventory. This work is accomplished through MHRC's five operation branches: Social Housing Management; Asset Management; Northern Housing Operations; Land Development; and Housing Delivery.

The Community Development and Strategic Initiatives Division includes the Community and Cooperative Development Branch that administers the Community Places, Neighbourhoods Alive!, and Cooperative Development Services programs. These programs assist communities in providing sustainable recreational, social and wellness benefits; support and strengthen local economic and community development; and maintain and encourage new cooperative development opportunities. The Division also includes two other Branches: Strategic Initiatives and Community Relations, which supports the Department and MHRC by providing policy and program advice and a broad range of executive, managerial and operational supports.

The Corporate Services Division consists of three service areas: Financial Services, Corporate Management Services and Corporate Compliance and Risk Management, that provide comprehensive central support to the Department of Housing and Community Development, including direction and support for financial planning; financial reporting; financial evaluations and protection of corporate assets; information technology planning; training and development; legal support services; and risk management.

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

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

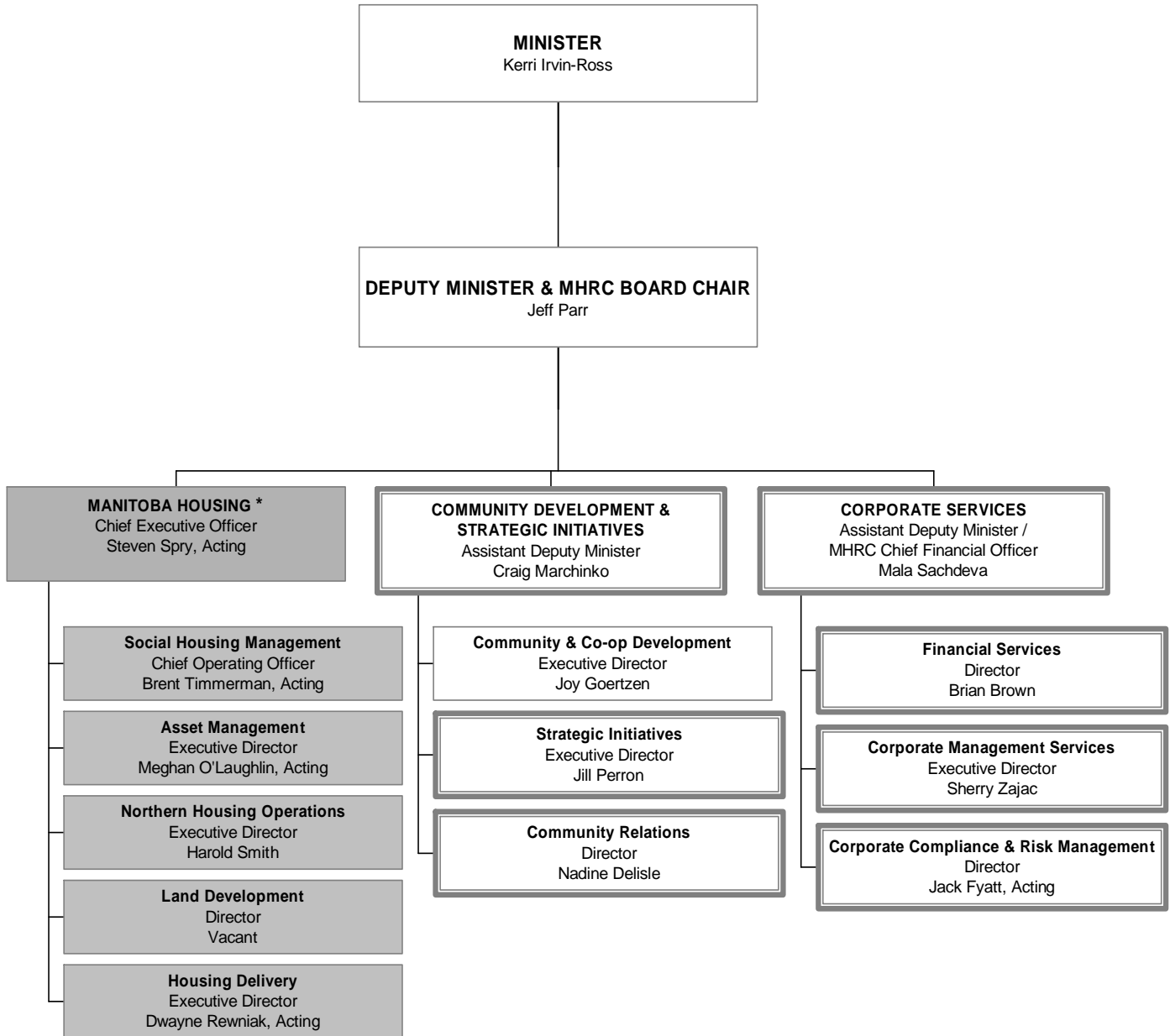
*The Community Renewal Act;*  
*The Co-operative Associations Loans and Loans Guarantee Act;*  
*The Cooperative Housing Strategy Act;*  
*The Cooperative Promotion Trust Act;*  
*The Elderly and Infirm Persons' Housing Act (with respect to elderly persons' housing units as defined in the Act);*  
*The Housing and Renewal Corporation Act [except Clause 44(k) and The RentAid Regulation (MR. 148/2006)]; and*  
*The Income Tax Act [sections 7.13 to 7.16 and 10.6].*

*The Community Renewal Act, The Cooperative Housing Strategy Act, 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 2014/15 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 statements; and the Auditors' report. The CPB Annual Report for the year 2014/15 can be obtained at 4th Floor - 352 Donald Street, Winnipeg, MB, R3H 2H8, telephone (204) 945-3379 or online at <http://www.gov.mb.ca/housing/housingpublications.html>.

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
ORGANIZATION CHART**

*2014-2015,  
as at March 31, 2015*



- Responsibilities in the Department
- Responsibilities in the Crown Corporation
- Responsibilities in the Department and Crown Corporation

# ADMINISTRATION

Provides for the executive management, planning, support and control of departmental policies and programs, including The Manitoba Housing and Renewal Corporation.

## MINISTER'S SALARY

### Objectives

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

### Responsibilities

- Provides leadership for meeting departmental goals and objectives and provides overall policy direction to the Department pertaining to program and financial matters.
- Provides for the executive management, planning, support and administration of departmental policies and programs.

### 30-1A Minister's Salary

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2014/15 \$000</b>	<b>FTE</b>	<b>Estimate 2014/15 \$000</b>	<b>Variance Over/(Under)</b>	<b>Expl. No.</b>
Total Salaries and Employee Benefits	30	1.00	37	(7)	

## 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 the Department, including The Manitoba Housing and Renewal Corporation.
- To manage the activities of the Department, including The Manitoba Housing and Renewal Corporation.

### Responsibilities

- Interprets and implements government policy through the delivery of programs.
- Ensures effective and efficient management of programs.
- Safeguards the public interest through implementation of legislation and regulations.
- Ensures effective development and management of human resources.



- Provides leadership and advice to the Minister on policy development and resolution of policy issues.

### **30-1B Executive Support**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2014/15 \$000</b>	<b>FTE</b>	<b>Estimate 2014/15 \$000</b>	<b>Variance Over/(Under)</b>	<b>Expl. No.</b>
Total Salaries and Employee Benefits	690	9.00	705	(15)	
Total Other Expenditures	66		80	(14)	

## SUPPORT SERVICES

### **Objectives**

To provide policy direction for the activities of the Department, including The Manitoba Housing and Renewal Corporation.

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 integrated initiatives across the Department.

### **30-1C Support Services**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2014/15 \$000</b>	<b>FTE</b>	<b>Estimate 2014/15 \$000</b>	<b>Variance Over/(Under)</b>	<b>Expl. No.</b>
Total Salaries and Employee Benefits	900	11.00	911	(11)	
Total Other Expenditures	46		53	(7)	

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

The Manitoba Housing and Renewal Corporation is a Crown Corporation created by statute (*The Housing and Renewal Corporation Act*) in 1967 in which the legal name of the corporation is The Manitoba Housing and Renewal Corporation (MHRC). It operates under the business name of Manitoba Housing.

MHRC 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 MHRC and to consider and approve specific policy-related items. During the 2014/15 fiscal year, the Board met twelve (12) times.

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

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

In fulfilling its mandate, MHRC 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 intergovernmental agreements for renewal schemes and renewal projects for which provision is made under *The National Housing Act*.

MHRC's corporate structure is divided into branches based on functional areas. The operations branch areas are as follows:

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

Manitoba Housing provides housing assistance to approximately 35,500 households through various programs.

Manitoba Housing supports approximately 18,200 households with housing assistance, through 14,200 housing units it owns and operates (direct-managed), and a further 4,000 units that are owned by MHRC and managed by non-profit/cooperative sponsor groups or property management agencies.

Manitoba Housing also provides subsidy and support to housing cooperatives, Urban Native and private non-profit groups operating housing, assisting a further 17,300 families and individuals with their housing needs (including over 4,300 persons in personal care home or specialized program beds).

MHRC manages and develops land held in its land inventory. In 2014/15, MHRC held approximately 845 acres in its land inventory, of which 700 acres are located in the Winnipeg Census Metropolitan Area and 145 acres are in rural Manitoba.

### 30-2 Manitoba Housing and Renewal Corporation

Expenditures by Sub-Appropriation	Actual 2014/15 \$000	FTE	Estimate 2014/15 \$000	Variance Over/(Under)	Expl. No.
Transfer Payments to MHRC	67,299		67,299	-	1.
Portable Housing Benefit and Emergency Shelter Assistance	<u>3,432</u>		<u>3,603</u>	<u>(171)</u>	2.
<b>Total MHRC</b>	<b>70,731</b>		<b>70,902</b>	<b>(171)</b>	

1. 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. The under expenditure of (\$171) is primarily due to a shortage of suitable housing in the private rental market in Manitoba for eligible Portable Housing Benefit program recipients.

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

#### Long-Term Strategy

Manitoba is building for the future with innovative thinking, renewed commitment, strong partnerships and a clear vision that recognizes housing and community development as a provincial priority as outlined in *Strong Communities: An Action Plan*. By working together with community partners, HCD is building communities and revitalizing neighbourhoods while engaging residents in the process. By embracing a service-oriented approach, Housing and Community Development is developing more positive relationships with tenants, community residents and stakeholders.

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. Housing is integral to this process and the Department strives to safeguard 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.

Building on the success of the Department's five year 1,500 unit commitment in 2013/14, Housing and Community Development established a Three-Year Housing Plan, comprising five themes that support the long-term strategy:

- Restoring, Redeveloping and Repairing Manitoba's Social Housing Stock;
- Developing New Homes, Supporting Existing Ones;
- Supporting Cooperative Housing;
- Building the Capacity of People and Communities; and
- Working With People.

The Three-Year Housing Plan is further described on the Housing and Community Development website. The Department's performance related to the five themes is referenced throughout this Annual Report.

As housing is central to the lives of individuals and families, HCD continues to work in partnership with the Departments of Family Services, Health, Justice, Healthy Living and Seniors, and Jobs and the Economy, as well as numerous partners from other levels of government and the community, to provide

access to a range of affordable housing options with appropriate supports for individuals with multiple housing barriers.

“Enhancing client opportunities and services” was a goal in *Strong Communities: An Action Plan*. Providing housing options for vulnerable populations and using “Housing First” are key activities to support this goal. MHRC has actively collaborated with community partners who have developed responses to homelessness. Following the end of the Mental Health Commission of Canada’s At Home/ Chez Soi housing initiative on March 31, 2013, the Province of Manitoba has maintained the rent supplements and clinical supports for the programs participants and integrated Housing First program components into provincial program delivery. Maintaining partnerships with organizations focused on youth and those in the North, such as Resource Assistance for Youth in Winnipeg and Project Northern Doorway in Thompson continues to be a priority for the Department.

### **Aging in Place / Advancing Continuing Care Blueprint Implementation Plan**

**Manitoba Health’s Advancing Continuing Care Blueprint Implementation Plan** promotes community-based housing with supports for seniors so they can remain in their own communities and “age in place”. The strategy focuses on affordable options with supports as alternatives to early and inappropriate placement in a personal care home.

**The Advancing Continuing Care Blueprint Implementation Plan** includes three community support models:

- *Supports to Seniors in Group Living (SSGL)*: Housing with enhanced services that promote personal health and independence. This model is developed in congregate settings such as apartment buildings for seniors.
- *Supportive Housing*: Housing with personal support services and homemaking in congregate residential settings. This model is primarily for frail and/or cognitively impaired elderly people who can no longer manage in their own home.
- *Specialized Supports*: Models of community specialized services for individuals with exceptional health challenges and complex care situations.

MHRC aligns with the Aging in Place Strategy by providing 61 direct-managed social housing units in Dauphin, Neepawa, The Pas and Winnipeg, in addition to 81 units within the sponsor-managed portfolio, for supportive housing. MHRC has also provided funding to two recent housing developments in Oakbank (completed) and Riverton (underway) with a supportive housing component. In collaboration with regional health authorities, MHRC assists SSGL programs in 27 MHRC-owned buildings by providing office space, storage and use of common areas for activities.

### **All Aboard: Manitoba’s Poverty Reduction Strategy**

There has been a greater emphasis in government to develop and provide programs to meet the social and economic needs of low income populations and at-risk individuals by improving policy coordination through collaboration with partner departments.

All Aboard: Manitoba’s Poverty Reduction and Social Inclusion Strategy was launched in May 2009. All Aboard formalizes the Government’s commitment to poverty reduction, builds on that commitment and moves forward in a focused, strategic manner. The strategy is structured around four pillars: Safe, affordable housing in supportive communities; Education, jobs and income support; Strong, healthy families; and Accessible, coordinated services. Housing activity and budget is an integral component to supporting this strategy.

Housing and Community Development supports this strategy by:

- Aligning the Department's activities with cross-departmental initiatives, such as those that relate to the social determinants of health;
- Participating in cross-departmental collaboration to reduce poverty and increase social inclusion; and
- Addressing housing affordability, increasing and maintaining the supply of affordable housing, and providing housing options for target groups including those in poverty.

A core principle for the Department is support for community development activities that empower individuals and groups to affect positive change and address local issues in their communities. Housing and Community Development strives to promote social inclusion through its support of activities that increase economic independence, build social networks, and encourage participation in community life.

## SOCIAL HOUSING MANAGEMENT

### Objectives

- To provide safe, affordable, quality housing for low-income Manitobans and support community groups that provide the same service.

### Responsibilities

- Delivers the Social and Affordable Housing Rental Programs on behalf of the Department of Housing and Community Development.
- Manages approximately 14,200 units of social housing including ten emergency crisis shelters for victims of domestic violence.
- Provides subsidy and support to approximately 21,300 housing units operated by cooperatives, non-profit, Urban Native and sponsored organizations.
- Fosters tenant engagement through tenant associations, tenant advisory committees and resource centres to support successful tenancies and sustainable social housing programs.
- Provides funding for emergency shelters and homelessness programs.
- 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 2014/15

The branch areas of Social Housing Management are: Property Services; TradesCentral; Tenant and Agency Services; Security; and Portfolio Management. In 2014/15, the Social Housing Management branch areas undertook the following activities:

#### Property Services

The core activity of Property Services is to deliver the Social and Affordable Housing Rental Programs within the province's direct-managed housing portfolio. Property Services branch is divided into six regions in Manitoba<sup>1</sup>; each is responsible for leasing, maintenance and tenant services in the region. The branch also works with tenants who require additional support to achieve successful tenancies.

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<sup>1</sup> Northern Housing Operations delivers Property Services in the Northern Region. There are seven Property Services regions in Manitoba.

In 2014/15, Property Services continued its work with tenants, contractors and the Asset Management branch of MHRC to revitalize properties across the province. Property Services continued to deliver the Social Housing Rental Program through core property management activities while focusing on improvements to customer service and the experience of both tenants and the broader community. Property Services staff responded to approximately 70,000 requests for maintenance and tenant-related issues in 2014/15.

Through its TradesCentral branch, Property Services was provided with centralized trades support for the maintenance and repair of the Winnipeg housing portfolio. As well, skills training opportunities were provided to people with barriers to employment through partnerships with social enterprises.

In 2014/15, MHRC commenced the process of restructuring TradesCentral so that internal trades persons are providing services directly within MHRC regions, to improve effectiveness and efficiency and as such resolving housing maintenance and repair issues in a more timely manner. MHRC also continued its work with social enterprises to provide training opportunities for low-income people through renovation and other skills development activities in Winnipeg, Brandon and surrounding areas.

The Integrated Pest Management Group (IPMG) is responsible for quality control and developing new treatment methods to address bed bugs and any other pests in the housing portfolio, and has eliminated bedbugs in 97 per cent of MHRC buildings. Throughout 2014/15, IPMG continued to explore new techniques to achieve pest-free environments, provide training and share technical information with apprentices entering the Pest Management industry and employees of the Bug N Scrub program in Winnipeg, Brandon and surrounding areas.

### **Tenant and Agency Services**

The Tenant and Agency Services branch fosters healthy communities, sustainable social housing programs and stable, successful tenancies through tenant engagement, outreach and specialized services to individuals and families based upon their housing needs.

Tenant and Agency Services works with tenant associations, resource centres and other social service organizations to promote successful tenancies. The branch also works with 42 community based programs to provide referral assistance and case management support to vulnerable individuals to access social housing. In 2014/15, the branch provided funding and capacity development to 21 tenant associations and 12 resource centres. The tenant associations promote community engagement and social activities amongst tenants while the resource centres provide support services and personal development programs that promote independence and successful tenancies.

The Food Services Program provides tenants with healthy meals at a reasonable price. In 2014/15, the branch operated meal programs at 14 locations in Winnipeg and 2 in Brandon. Food Services prepares approximately 600 meals daily. Meals are provided on a fee for service basis and partially subsidized by MHRC and the regional health authorities.

Tenant and Agency Services worked with 23 agencies that provide homelessness programming, which are linked to the All Aboard Poverty Reduction Strategy, and supports other ongoing initiatives to provide housing opportunities and services for individuals who are, or at risk of becoming, homeless. MHRC's continued financial and/or program support was provided in the following areas:

- Emergency Homeless Shelters (funding and capacity development);
- Outreach (Homeless Outreach Mentors, Project Breakaway);
- Housing with Services (Portable Housing Benefit, Community Wellness Initiative, The Bell Hotel, Community Housing with Supports, Project Northern Doorway, and Resource Assistance for Youth's Emergency Shelter and Transition (REST) Program; and
- Rent subsidies and building services for At Home/Chez Soi participants.

In 2014/15, Tenant and Agency Services worked in collaboration with local agencies to support the development of Project Northern Doorway, a Housing First initiative in Thompson, whereby 30 vulnerable individuals received housing and supports to maintain tenancies and achieve successful outcomes.

### *Portable Housing Benefit*

The Portable Housing Benefit (PHB) addresses homelessness by providing 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 receiving Employment Income Assistance (EIA). 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 is delivered by mental health community partners, who are funded to provide these supports. PHB payments are administered by Manitoba Family Services, Provincial Services. HCD assumed responsibility for this initiative in 2013. 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
2012/13	568	183	1,021	605	30	1,656
2013/14	573	187	1,115	605	0	1,720
2014/15	586	188	1,170	605	0	1,775

### **Security**

The Security Branch is responsible for the protection of assets and the safety of staff, tenants, contractors, and visitors to MHRC's direct managed properties. Throughout 2014/15, MHRC Security engaged tenants by supporting community barbeques, tenant forums and community meetings. These events increased awareness of the program and the services the Department offers to tenants, staff, community service providers and visitors.

Additional training continues to be provided to the branch's mobile security officers as a means to increase MHRC's capacity and responsiveness in resolving common maintenance calls. This work included the installation of a restricted key system, which is now in more than one-third of our units. This work has largely been completed by community forces and security officers (as opposed to being contracted out). This has reduced wait times for tenants in addition to being cost-effective.

The Security Branch also operates the Housing Communications Centre (HCC). In 2014/15 the branch continued to improve in call response times and handled more than 120,000 phone calls. New internet protocol security camera systems were installed in 20 MHRC properties; these systems can be live-monitored within the HCC by Security Officers. This allows for better interaction when resolving security concerns.

### **Portfolio Management**

Portfolio Management assists non-profit and cooperative housing organizations to achieve program objectives, build administrative and governance capacity, and comply with project operating agreements.

In 2014/15, Portfolio Management conducted 32 operational reviews with non-profit housing operators to ensure compliance with project operating agreements (POAs) they hold with government. Portfolio

Management also undertook additional assessments to determine how tenants and non-profit housing groups are affected by the ongoing expiry of POAs; evaluations are taking place with housing operators to determine what funding needs may be required upon expiry in order to continue to provide assistance to low- to moderate-income households. This branch also hosted capacity building workshops with housing partners.

Additionally, Portfolio Management initiated an internal reorganization to focus on building partnerships and capacity with non-profit and co-operative boards and property management agencies, while maintaining robust financial oversight.

*Rent Supplement Programs*

Rent Supplement Programs are designed to assist low- to moderate-income family and senior households access affordable rental accommodations in the rental housing market. The provincial government entered into agreements with private landlords, non-profit and cooperative housing projects to deliver both the Social and Affordable Rent Supplement Programs, so that eligible households are provided a rental benefit based upon their income.

There are different income eligibility requirements for each Rent Supplement Program. It is intended that a low-income household will transition from the Social to the Affordable Rent Supplement Program as their total household income (before taxes) increases. Ideally, when a household can afford private market rental/housing charges, they will transfer to the private market, freeing up the social housing unit for another low-income household.

The following tables provide program information for the past three years:

<b>Social Rent Supplement Program</b>			
<b>Fiscal Year</b>	<b>Eligible Units Subsidized as at March 31</b>	<b>Average Monthly Supplement Paid \$</b>	<b>Expenditures Total \$000</b>
2012/13	1,507	322	5,784
2013/14	1,612	329	6,182
2014/15	1,826	330	7,217

<b>Affordable Rent Supplement Program</b>			
<b>Fiscal Year</b>	<b>Eligible Units Subsidized as at March 31</b>	<b>Average Monthly Supplement Paid \$</b>	<b>Expenditures Total \$000</b>
2012/13	9	291	16
2013/14	9	291	31
2014/15	9	291	31



### *Complementary Assistance Program*

Grant assistance to housing cooperatives is provided under the Complementary Assistance Program to lower housing charges for income-tested occupants. Applicants must meet income eligibility criteria, and cooperatives submit monthly statements to claim assistance on behalf of eligible clients.

While the program is closed to new applicants, assistance continues to be provided to cooperatives under previous program commitments. In 2014/15, 32 households in six cooperatives were provided subsidies through the Complementary Assistance Program. A total of \$89,000 was expended during 2014/15. The following table provides program information for the past three years:

<b>Fiscal Year</b>	<b>No. of Co-ops at Year End</b>	<b>No. of Recipients at Year End</b>	<b>Expenditures Total \$000</b>
2012/13	6	30	86
2013/14	6	32	94
2014/15	6	32	89

### *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 2014 relate to rents paid during the 2013 calendar year. This program is provided for financially by MHRC but delivered by the Department of Family Services, 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, as rents in these units do not include school tax costs.

In 2014/15, 927 rebate cheques were issued (including retroactive/partial year cheques) representing an expenditure of \$92,000. The following table provides program information for the past three years:

<b>Fiscal Year</b>	<b>Total Applications Received</b>	<b>Total No of Recipients</b>	<b>Average Annual Benefit Paid \$</b>	<b>Expenditures Total* \$000</b>
2012/13	1,773	1,531	93	168
2013/14	1,635	1,496	91	145
2014/15	1,015	927	89	92

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

## ASSET MANAGEMENT

### Objectives

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

### Responsibilities

- Provides project management and professional services in the delivery of major capital initiatives.
- 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 2014/15

Asset Management is committed to increasing the quality of the social housing portfolio and contributing to community revitalization efforts. In 2014/15, Asset Management continued to deliver one of the largest capital budgets in the history of the direct-managed social housing program in Manitoba. Asset Management identified four areas of need and developed programs to address them: deep refresh, exterior retrofit, interior refresh, and common area programs improved the quality of life for tenants, preserved and enhanced the buildings, created employment and contributed to community revitalization.

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

In 2014/15, Asset Management budgeted \$98 million for new deep refresh and modernization and improvement projects. Deep refresh projects included complete interior refresh of new flooring, paint, cabinets, plumbing and electrical upgrades to energy-efficient fixtures, appliances, mechanical upgrades, exterior envelope/insulation upgrades and site improvements. There were a total of 12 deep refresh projects underway in Brandon, Carman, McCreary, The Pas and Winnipeg, affecting 650 units in 2014/15.

Starting in 2014/15, Asset Management committed \$7.5 million to unit refreshes upon unit turnover. This work is undertaken by Property Services using a combination of general contractors and community forces.

The Branch also delivers a Modernization and Improvement Program which includes site improvements; exterior retrofits such as roofs, windows, siding; crawlspace, basement, and attic upgrades; refurbishment of interior units and common spaces; mechanical and electrical system upgrades; and, fire and life safety equipment upgrades including elevator and fire protection systems. Modernization and Improvement expenditures by community in 2014/15 is provided in the following table:

**2014/2015 Modernization & Improvements**

**Expenditures by Community**

<b>COMMUNITY</b>	<b>ACTUAL \$</b>	<b>COMMUNITY</b>	<b>ACTUAL \$</b>	<b>COMMUNITY</b>	<b>ACTUAL \$</b>	<b>COMMUNITY</b>	<b>ACTUAL \$</b>
Altona	227,885.20	Erickson	212,547.73	Moosehorn	108,876.83	Souris	289,771.61
Amaranth	1,012.26	Fisher Branch	139,497.82	Morden	1,045,957.74	South Indian lake	141,035.89
Arborg	235,041.26	Flin Flon	527,932.24	Morris	481,121.77	Sprague	5,121.93
Bacon Ridge	125,586.09	Foxwarren	57,276.90	Neepawa	162,414.27	St. Malo	61,375.50
Balmoral	27,582.75	Garson	70,593.92	Niverville	106,341.97	St. Agathe	18,112.50
Barrows	379,634.90	Gilbert Plains	19,251.00	Norway House	1,478,746.94	St. Eustache	9,231.91
Beausejour	140,277.07	Gladstone	41,513.85	Oak Lake	111,109.33	St. George	109,632.53
Benito	104,079.67	Grand Rapids	371,692.76	Onanole	56,925.00	St. Pierre Jolys	94,542.29
Boissevain	434,267.70	Grandview	519,283.84	Pelican Rapids	115,293.97	Ste. Anne	68,698.18
Bowsman	72,079.39	Grunthal	143,916.75	Plum Coulee	100,322.55	Ste. Rose du Lac	51,612.85
Brandon	7,818,452.99	Hartney	274,503.00	Plumas	60,021.93	Steinbach	149,002.88
Brochet	80,477.87	Hodgson	2,082.39	Poplarfield	24,477.75	Stonewall	74,896.17
Carman	425,286.18	Ile des Chenes	14,667.59	Portage	1,035,785.63	Swan River	718,410.04
Churchill	195,658.69	Inglis	58,260.15	Powerview	26,997.99	Teulon	160,559.62
Cormorant	364,247.57	Killarney	98,325.00	Rapid City	56,148.75	The Pas	6,511,984.09
Cranberry Portage	455,623.70	La Broquerie	59,670.23	Reston	149,052.42	Thompson	625,243.26
Crane River	472,104.47	Lac du Bonnet	230,414.33	Richer	55,022.83	Virden	55,372.50
Cross Lake	55,052.25	Leaf Rapids	67,638.24	Rivers	513,726.39	Vita	788,159.04
Dauphin	864,078.31	Lorette	632,159.20	Riverton	198,482.16	Waskada	118,203.93
Dawson Bay	166,964.57	Lundar	117,273.78	Roblin	30,595.64	Winkler	173,043.27
Duck Bay	124,700.81	Minitonas	181,030.63	Rock Ridge	278,665.57	Winnipeg	50,812,863.94
Easterville	269,925.36	Minnedosa	180,881.93	Russell	252,083.37	Winnipeg Beach	23,379.91
Ebb and Flow	353,184.44	Mitchell	38,137.17	Sandy Lake	85,905.00	Woodridge	34,340.21
Emerson	85,331.29	Moose Lake	237,841.21	Selkirk	2,728,108.72		
<b>TOTAL M&amp;I</b>							<b>88,131,705</b>

## NORTHERN HOUSING OPERATIONS

### 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 MHRC 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 MHRC programs.
- 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 through Neighbourhoods Alive!.
- 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**

- The delivery and administration of the Social and Affordable Housing Rental Programs pertaining to the northern direct-managed portfolio; capital planning; and Housing Delivery programming in northern Manitoba, including the repair and renovation programs.

## **Activities/Highlights in 2014/15**

Northern Housing Operations delivers the Social and Affordable Housing Rental Program through MHRC's direct managed portfolio in the Northern region.

Northern Housing Operations continued MHRC's renovation and rehabilitation of its northern portfolio. In 2014/15, 80 unit refreshes were completed (interiors and exteriors) and 14 buildings received exterior refreshes. Additionally, 4 units had significant electrical upgrades.

Northern Housing Operations continued to work with organizations, residents and other levels of government to develop new, affordable housing. Northern Housing Operations completed 10 new homes in Lynn Lake and began a comprehensive renovation of a 30-unit existing seniors building in The Pas (immediately after a wing of 15 new units was added) in 2014/15. Construction began in March, 2015 for 24 new family housing units in Thompson, with occupancy anticipated for the autumn of 2016.

Northern Housing Operations also supports MHRC's Rural Homeownership Program, where tenants with low to moderate incomes are provided the opportunity to purchase their rental home. Tenants must qualify for a mortgage, and the sale price is reflective of fair value. MHRC provides financial and other forms of assistance. In 2014/15, under the Tenant Homeownership Stream of this program, three units were sold to tenants in northern Manitoba.

Northern Housing Operations has a unique partnership with the Frontier Collegiate Institute's Northern Technical Centre (NTC) and the Apprenticeship Branch of Entrepreneurship, Training & Trade (ETT). Students of the NTC, located in Cranberry Portage developed two, three-bedroom, single-detached, "ready to move" (RTM) units on behalf of MHRC. Both homes were placed in Cranberry Portage, and were occupied in late 2014. In 2015, NTC students will build one RTM, and one new home on-site in Cormorant. This unique initiative provides an opportunity for the development of skills for local students while addressing the need for affordable housing in remote, northern communities.

## **LAND DEVELOPMENT**

### **Objectives**

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

### **Responsibilities**

- 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 Manitoba Government.
- Delivering the Chronic Vacancy Stream of the Rural Homeownership Program.

- The Land Development portfolio encompassing MHRC's existing land holdings and all major land development projects, including the development of the Bridgwater Neighbourhood, a 1,400 acre land parcel in southwest Winnipeg.

## **Activities/Highlights in 2014/15**

A primary activity of Land Development is the ongoing, multi-year development of the Bridgwater Neighbourhood in Winnipeg. It features preserved natural open space, mature forest and lakes. Over thirty kilometres of dedicated park trails, several kilometres of sidewalks, and children's play areas were in place by the end of the 2014/15 fiscal year. Architectural guidelines ensure a variety of house designs throughout the neighbourhood and recessed garages prevent garage-dominated streets. This creates a more neighbourhood-friendly streetscape.

Bridgwater Forest is fully serviced and will consist of 1,103 single-family homes and 600 multi-family dwellings upon completion; it is expected to be fully occupied by 2017. MHRC is proceeding with the development of two additional residential neighbourhoods, Bridgwater Lakes and Bridgwater Trails, and a Town Centre called Bridgwater Centre.

Bridgwater Lakes will contain 1,191 single-family homes, with approximately 50 per cent of the lots being engineered to allow for visitable housing (i.e. no step front entry, wide doorways and hallways and a wheelchair accessible bathroom on the main floor). The neighbourhood will build on the architectural guidelines established for Bridgwater Forest, to ensure a variety of housing types and a return to traditional architectural sensibilities. In 2014/15, there were over 700 occupied homes in the neighbourhood, and all 1,191 single-family lots are fully serviced.

Bridgwater Centre will include a mix of residential, commercial and other business uses in a dense urban environment. MHRC has sold 21 of the 31 land parcels in Bridgwater Centre. Construction has begun on the low density multi-family parcels in Bridgwater Centre and the first commercial project, Red River Co-op, opened in spring 2015. Bridgwater Centre will also promote walkability through connecting pathways and green space.

Bridgwater Trails will contain approximately 1,216 single family lots and over 1,000 units of multi-family housing. Phase One and Phase Two are fully serviced; servicing for Phase Three was underway in 2014/15

The Manitoba Government is committed to supporting the construction of 1,000 new rental housing units that are to be developed on MHRC-owned suburban land holdings in Winnipeg; the majority will be in Bridgwater Trails. A consultation session with interested proponents was held in March, 2015. A Request for Proposals supporting this initiative is to be released in 2015/16. Twenty per cent will be affordable rental housing, meaning the rents will be set at or below the applicable affordable rental rate.

Proceeds from land sales in suburban developments are deposited into the Housing Development and Rehabilitation Fund (HDRF) and reinvested in areas of need within the same municipality as they are earned. In fiscal year 2014/15, \$30.6 million in Bridgwater proceeds were deposited into the HDRF and \$38.2 million was reinvested from the fund.

As at March 31, 2015, a cumulative total of 61 properties had been sold under the Rural Homeownership Program. The sale price of each home is based on an assessment of the fair value of the home as determined by MHRC. This program provides financial assistance for low- to moderate-income families to purchase single and semi-detached homes in selected rural communities at fair market value. The program supports MHRC's goal of sustaining the existing social and affordable housing stock and helps to revitalize communities by creating homeownership opportunities.

## HOUSING DELIVERY

### Objectives

- To deliver projects, programs and initiatives for the Department related to increasing the supply of affordable and social housing and to sustaining Manitoba's existing housing stock.

### Responsibilities

- Delivery and administration of housing programs that target the creation of additional rental and cooperative housing in Manitoba.
- Delivery and administration of housing programs that target the repair and renovation of Manitoba's existing housing stock.
- Delivery and administration of housing programs that target the creation of additional homeownership housing in Manitoba.
- Delivery and administration of other complementary housing programs/initiatives that support Housing Delivery's objectives.

### Activities/Highlights in 2014/15

#### New Project Delivery

As part of Budget 2013, the Province committed to adding 500 new social housing units and 500 new affordable housing units over three years in partnership with the non-profit and private housing sectors (500/500 commitment). These commitments are in addition to Manitoba's previous commitment, which was met by March 31, 2014, to develop 1,500 new affordable housing units and support 1,500 social housing units between 2009 and 2014.

In 2014/15, MHRC identified commitments for 154 new social housing units and 170 new affordable housing units for a total of 324 units under the new 500/500 commitment. These units include 163 new rental housing units for seniors selected through MHRC's 2014 Request for Proposals for the Development of Affordable Seniors' Housing.

Among new projects announced in 2014/15 was the redevelopment of the Merchants Hotel property in Winnipeg's North End into a mixed-use education and housing community with 30 new social housing units for students attending education programs and their families.

The Housing Delivery branch also continued to deliver the Secondary Suites Program over 2014/15. This program was launched in June 2010 to help increase the supply of quality, affordable housing in Manitoba. As of March 31, 2015, \$1.3 million has been committed to assist in the construction of 39 secondary suites throughout the Province with 21 in Winnipeg and 18 in rural and northern regions.

Housing Delivery also continued to administer the Rental Housing Construction Tax Credit in 2014/15 and processed preliminary applications representing 125 affordable units and approximately \$2.4 million in tax credit dollars.

## Repair/Renovation and Homeowner Program Delivery

In 2014/15, Housing Delivery continued to deliver its suite of repair and renovation programs for homeowners and landlords including the Manitoba Emergency Repair Program for Homeowners, the Homeowner Renovation Assistance Program, the Rental Housing Improvement Program, the Residential Adaptations for Disabilities Program, and the Shelter Enhancement Program.

During 2014/15, the total budget committed for repair and renovation programming was \$4.9 million. The table below provides details on funding commitments broken down by program type:

### **Repair and Renovation Program Funding Commitments April 1, 2014 to March 31, 2015**

<b>Program</b>	<b>Total Funding (\$)</b>	<b>Units</b>
Emergency Programming	300,000	69
Disability Programming	500,000	39
Homeowner Programming	3,131,138	172
Rental Programming	877,606	133
Shelter Enhancement Program	91,265	13
<b>Total</b>	<b>4,900,000</b>	<b>426</b>

## Investment in Affordable Housing (IAH) Agreement

In July 2011, Manitoba signed the Investment in Affordable Housing (IAH) agreement with the Government of Canada for the years 2011-2014. In 2014/15, the Governments of Canada and Manitoba announced a five year extension to the IAH agreement. The joint investment will provide an additional \$103.5 million over five years to support affordable and social housing programming. Over the course of this agreement, the two levels of government will each contribute \$51.75 million in funding to improve the living conditions of households in need through access to affordable housing that is sound, suitable, and sustainable.

IAH funding is designated for new housing supply and repair/renovation programs, as well as Rent Supplement assistance, and is being used to support many of the initiatives listed above.

One full year of the delivery under the IAH agreement extension has been completed with project commitments totaling \$15.5 million in housing assistance for nearly 1,100 households.

# COMMUNITY DEVELOPMENT AND STRATEGIC INITIATIVES DIVISION

## Divisional Goals

- To coordinate and deliver programming that both assists communities to provide sustainable recreational, social, community and cooperative development opportunities as well as supporting neighbourhood revitalization efforts.
- To provide quality support for informed government 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.
- 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 to develop, implement and evaluate policies and programs to promote the growth of the cooperative sector in order to meet local economic development and service needs.
- Provides strategic policy support for the Department's plans and programs, increasing awareness of housing issues and research, and enhancing community capacity through collaboration with stakeholders.
- 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; and
- Community Relations.



## COMMUNITY AND COOPERATIVE DEVELOPMENT

The Community and Cooperative Development Branch coordinates and delivers programming that assists communities to provide 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 to support the non-profit and voluntary sectors. These objectives are accomplished through the branch's main programs:

- Community Assistance;
- Community Places Program;
- Neighbourhoods Alive! and
- Cooperative Development Services.

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.

#### **Responsibilities**

- Assist non-profit community based groups to enhance their communities by providing grant funding assistance for local initiatives.
- Provide financial support and strategic advice to the Manitoba Community Services Council.

#### **Activities/Highlights in 2014/15**

In 2014/15 Community Assistance provided over \$1.7 million in funding to the Manitoba Community Services Council, whose mandate is to provide grant support to non-profit, volunteer recreation, community service, social service, and health-related organizations in Manitoba.

### Community Places Program

#### **Objectives**

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

#### **Responsibilities**

- To provide capital grants and technical consultation services to assist organizations throughout Manitoba with projects involving the construction, upgrading, expansion and/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 2014/15 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 2014/15 \$000	FTE	Estimate 2014/15 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	386	5.00	354	32	
Total Other Expenditures	104		104	-	
Total Grant Assistance	1,704		1,704	-	
Total Community Places Capital Grants	3,465		3,465	-	
Less: Recoverable from Urban and Rural Economic Development Initiatives	(1,500)		(1,500)	-	
Less: Recoverable from Building Manitoba Fund	(1,965)		(1,965)	-	

### Activities/Highlights in 2014/15

In 2014/15, 227 applications were approved for grant assistance. The local contribution to approved projects totaled \$14.6 million. Application assessment mechanisms gave priority to projects located in neighbourhoods with higher than provincial average unemployment rates 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 2014/15, the Community Places Program – North (CPPN) allocation was delivered to help northern and remote communities build and upgrade recreational and wellness facilities. Fifteen projects were approved for a total of \$682.5 in grants which leveraged \$1.4 million in total project costs.

In 2014/15, the Community Places Program (CPP), along with the Department of Children and Youth Opportunities Regional Service partners, provided face-to-face and on-site consultations to over 400 clients by delivering over 700 on-site visits and project planning advice to improve the quality, economy and sustainability of clients' projects.

In addition to CPP on-site work, program staff organized and facilitated 13 workshops where over 250 volunteers and employees of non-profit organizations learned how to improve their project planning and grant applications.

CPP supports implementation of Manitoba's Green Building Policy (MGBP) and Manitoba's sustainable development goals by advising and guiding community organizations through the Green Building process and the provision of information 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, North Point Douglas, St. John's, Dufferin, Centennial, West Alexander, North Portage, Chalmers, Daniel McIntyre and St. Matthews), seven designated urban centres in the province (Brandon, Thompson, Dauphin, Flin Flon, Portage la Prairie, Selkirk and The Pas), and five small localities in Winnipeg (Weston, Elwick, Alpine-Lavallee, South Pembina, and Osborne-Mayfair).
- To support neighbourhood revitalization efforts in the selected urban and rural centres.
- To strengthen community capacity for social and economic development, including: employment and training; education and recreation; safety and crime prevention; and housing and physical improvements.

### Responsibilities

- Neighbourhoods Alive! (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*: supports a broad range of community sponsored initiatives in the designated neighbourhoods, including projects that assist neighbourhood capacity building, stability, economic development and well-being.
  - *Community Initiatives*: supports projects that have a broad effect on Winnipeg's inner city or targeted specific groups across the inner city.
  - *Neighbourhood Development Assistance*: provides long-term core operating support for Neighbourhood Renewal Corporations that coordinate and implement community economic development within NA! designated neighbourhoods.
  - *Localized Improvement Fund for Tomorrow*: supports local community development projects in five localities in Winnipeg allowing community groups to plan and implement initiatives that address concerns, strengthen partnerships and build community capacity.
- Under NA!, the Department also supports the *Community Youth Recreation Program*, which increases access to, or options for, youth recreation programming in seven designated communities outside Winnipeg. These projects were developed and are delivered by the Department of Children and Youth Opportunities, in partnership with community organizations and educational institutions.
- Five other NA! programs: *Neighbourhood Housing Assistance*, *Urban Arts Centres*, *Lighthouse*, *Training Initiatives*, and *School Resource Officers* were funded and delivered by: Housing and Community Development's Housing Delivery Branch; the Department of Tourism, Culture, Heritage, Sport and Consumer Protection; the Department of Jobs and the Economy; the Department of Children and Youth Opportunities; and the Department of Municipal Government.

**Neighbourhood Housing Assistance Program Funding  
Winnipeg and Rural  
November 2000 to March 31, 2015**

<b>Neighbourhood/Community</b>	<b>NHA Cumulative Commitments since 2000 <sup>(1)</sup></b>
Lord Selkirk Park	\$384,700
Point Douglas	\$1,155,331
Spence	\$2,423,231
West Broadway	\$1,823,645
William Whyte	\$2,168,103
Centennial	\$504,639
Daniel McIntyre	\$675,903
Dufferin	\$274,700
St. John's	\$518,270
St. Matthews	\$662,797
West Alexander	\$207,085
Brandon	\$3,240,507
Thompson	\$836,186
Dauphin	\$120,000
Selkirk	\$179,212
The Pas	\$205,754
Flin Flon	\$180,000
Portage La Prairie	\$220,000
<b>TOTAL</b>	<b>\$15,780,063</b>

(1) The program funding totals do not include program administration fees

**30-3B Neighbourhoods Alive!**

<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2014/15 \$000</b>	<b>FTE</b>	<b>Estimate 2014/15 \$000</b>	<b>Variance Over/(Under)</b>	<b>Expl. No.</b>
Total Salaries and Employee Benefits	692	8.00	701	(9)	
Total Other Expenditures	127		163	(36)	
Total Neighbourhood Support	5,246		5,281	(35)	
Less: Recoverable from Urban and Rural Economic Development Initiatives	(2,442)		(2,442)	-	

## **Activities/Highlights in 2014/15**

The Department's commitment through the NA! program is to support and encourage community-driven revitalization efforts. Local residents and other community stakeholders plan and implement community-based projects that respond to locally identified revitalization priorities. In 2014/15, the Department approved over \$2.1 million for 120 projects through NA! under the Neighbourhood Renewal Fund, Community Initiatives and Localized Improvement Fund for Tomorrow.

### 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.
- To maintain existing cooperatives.

#### **Responsibilities**

- Provide information and advice on the incorporation of new and existing cooperatives.
- Assist emerging cooperatives in their development and facilitating linkages to other community economic development organizations.
- Assist cooperative organizations with regulation requirements.
- Enhance and develop cooperatives and the cooperative support sector by providing technical assistance, training, financing, grants, program supports and advice.
- Research prospective cooperative models and their relation and adaptation to the Manitoba environment.
- Provide support for The Co-operative Loans and Loans Guarantee Board, The Cooperative Promotion Board, and the Cooperative Community Strategy Steering Committee and working groups.
- Provide funding for the Cooperative Assistance Fund in support of environmentally sustainable initiatives, infrastructure and capital costs.

### 30-3C Cooperative Development Services

Expenditures by Sub-Appropriation	Actual 2014/15 \$000	FTE	Estimate 2014/15 \$000	Variance Over/(Under)	Expl. No.
Total Salaries and Employee Benefits	290	3.00	270	20	
Total Other Expenditures	296		340	(44)	
Less: Recoverable from Rural Economic Development Initiatives	(185)		(185)	-	

### Activities/Highlights in 2014/15

In 2014/15, there were 13 new cooperatives incorporated.

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 community development in rural Manitoba. Complete information can be obtained in the 2014/15 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 provide loans and 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.

The Cooperative Assistance Fund provided new and existing cooperatives with up to \$2,000 to assist with environmentally sustainable initiatives, infrastructure and capital costs. In 2014/15, 22 cooperatives were approved for grants.

Through a Memorandum of Understanding with the Manitoba Cooperative Association (MCA) and the Conseil de développement économique des municipalités bilingues du Manitoba (CDEM), the Province of Manitoba has formalized a partnership towards the creation and launching of the Manitoba Cooperative Community Strategy. Under the leadership of a steering committee, three working groups focus 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 for cooperatives;
- 2) promoting the values and principles of cooperatives; and
- 3) improving the infrastructure support and services offered to cooperatives.

In 2014/15, funding and support were provided for the Cooperative Community Strategy to undertake the following events, initiatives and projects:

- Funding for a Project Manager of the Cooperative Community Strategy continued. The Project Manager coordinated the activities of the Strategy Steering Committee and the three Strategy Working Groups.

- Phase Two consultations on the Cooperative Community Strategy were conducted to provide an opportunity to reconnect with the cooperative community. The consultations resulted in the Phase Two Strategic Plan and a renewed commitment to cooperatives.
- The Youth Cooperative Services Program, coordinated by CDEM, continued to work with communities to develop opportunities for students aged 12-17. Through the assistance of a facilitator, students form worker cooperatives perform jobs in their communities, such as cleaning, landscaping, car washing and completing minor repairs. The youth learn cooperative social and business skills while gaining summer employment.
- Funding was provided to support the Chair in Cooperative Enterprises, Faculty of Business and Economics, University of Winnipeg.

## STRATEGIC INITIATIVES

### Objectives

- To design innovative Housing and Community Development policies and programs which are responsive to the needs of Manitobans.
- To coordinate and support Housing and Community Development's planning and policy development in a manner consistent with the Department's long-term strategy.
- To develop knowledge and awareness of housing and community development trends, policies and practices.
- To enhance community capacity by collaborating with internal and external housing and community development stakeholders.

### Responsibilities

- Works with Department Executive to develop strategic policy frameworks, programs and initiatives to support Housing and Community Development suite of services for Manitobans.
- Undertakes the Department's strategic planning activities and provides ongoing corporate support to executive management.
- Conducts research, market analyses, forecasting and statistical services to support and inform strategic and operational decisions of the Department.
- Undertakes performance reporting, business strategy development, governance and accountability processes.
- 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 they are consistent with the Department's strategic framework.
- Participates in federal-provincial-territorial (FPT) 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 between Canada and Manitoba.
- Participates in intergovernmental, interdepartmental and intersectoral discussions related to housing and community development issues.

## Activities/Highlights in 2014/15

Strategic Initiatives supports the Department by working in partnership with departments, governments, community organizations and other housing stakeholders to develop housing policies and strategies. As the representative of the Department on the Rooming House Task Force, Strategic Initiatives worked with the City of Winnipeg and community organizations in 2014/15 to collaboratively address rooming house challenges, and leads the Provincial Rooming House Action Plan, which will improve programming and policies supportive of rooming house tenants and landlords.

In partnership with the Department of Municipal Government and the City of Winnipeg, Strategic Initiatives undertook the development of Live Downtown, a new progressive grant program to incent the construction of downtown rental housing. The objectives are to increase downtown density, facilitate use of surface parking lots, and increase the number of rental units for a broader range of income levels. The program was launched in December 2014 with a request for proposals; eight were received.

In 2014/15, Strategic Initiatives supported the development of *The Cooperative Housing Strategy Act* and held consultation to develop a cooperative housing strategy for release in 2015/16. HCD gathered stakeholder input about activity priorities and cooperative sector roles for implementation.

Strategic Initiatives and the Property Services worked closely together to develop a tenant-focused Social Housing Rental Program policy manual. Work included finalizing policies through research and focus groups, incorporating feedback, and receiving approval to move forward. A separate procedures development team will facilitate implementation in 2015/16.

Strategic Initiatives continued to facilitate and provide support to the Housing Advisory Roundtable (HAR) in 2014/15. HAR is a collaborative group of housing stakeholders representing private industry, research, and social advocacy. The group has been convened to exchange information and knowledge and provide balanced expertise relevant to various housing-related issues in Manitoba.

Strategic Initiatives is responsible for collaborative Federal-Provincial-Territorial information sharing efforts and funding agreement negotiation. In 2014/15, Strategic Initiatives senior officials commenced a collaborative effort with FPT colleagues to enhance our collective understanding of housing issues by exchanging best practices and exploring practical and emerging ways to help households meet their housing needs.

Strategic Initiatives, in partnership with other departments, continued to support several Provincial initiatives that also target many of HCD's priority investment areas. Strategic Initiatives reports on housing indicators for *All Aboard: Manitoba's Poverty Reduction and Social Inclusion Strategy* and provides support to Manitoba's Multi-Year Domestic Violence Strategy, *Rising to the Challenge: A Strategic Plan for the Mental Health and Well-Being of Manitobans*, and *Aging in Place: Housing Options for Older Manitobans*, in addition to being a partner department with Healthy Child Manitoba.

The Branch collaborates with the Homeless Partnering Strategy (HPS) on policy alignment and sharing best practices for homeless programs and initiatives. In 2014/15, Strategic Initiatives participated in a number of initiatives supporting the Housing First model, including HCD's response to The Winnipeg Task Force to End Homelessness' recommendation to focus on Housing First principles, and committing funding to support coordinated intake and assessment in Winnipeg.



## COMMUNITY RELATIONS

### Objectives

- To promote awareness and understanding of Department programs and initiatives.
- To build and continuously improve stakeholder and community relations.
- To promote, manage and administer the BUILDING *Foundations* Bursary Fund.
- To help achieve Departmental goals and meet priorities by providing communications and community engagement advice and support, in addition to program development and implementation.
- To better serve clients and tenants through engagement and relationship building programs and activities.
- To raise awareness about the mandates of the French Language Services Secretariat and the Disabilities Issues Office and provide appropriate service to those organizations.
- To develop and deliver internal communications on programs and initiatives so that staff can be informed ambassadors for the Department.

### Responsibilities

- Act as a liaison with the Disabilities Issues Office and work jointly with it to promote awareness about the needs and issues of the disability community.
- Facilitate French translation work with the French Language Services Secretariat to provide French communication in designated French language areas and to French speaking clients and stakeholders.
- Working in partnership with the Winnipeg Foundation to promote, sustain and grow the BUILDING *Foundations* Bursary Program and recognize the recipient achievements at an annual celebration event.
- Continuously maintain and improve the HCD Internet site so that it can serve as a convenient source of information about programs and communities.
- Develop and coordinate community and stakeholder outreach programs and activities that increase understanding and dialogue in communities where MHRC is undertaking major initiatives and promoting good relationships with tenants, neighbours and stakeholders.
- Support and facilitate the development of information materials and activities to raise awareness and understanding of major initiatives.

### Activities/Highlights in 2014/15

In 2014/15, ongoing outreach activities helped support tenant, neighbourhood and community stakeholder engagement by increasing awareness and understanding of new initiatives and major redevelopments.

Community Relations continued to work with the Disabilities Issues Office to better understand the needs of and to provide better access and services to the disability community.

The branch also coordinated the Department's awarding of nine BUILDING *Foundations* bursaries to students associated with MHRC, and celebrated their achievements at an awards ceremony.

In 2014/15 the branch continued to facilitate the Department's French translation services, to better serve French speaking clients and stakeholders, per the Government of Manitoba's French Language Services Policy and the Department's goal of enhancing client opportunities and services. French translations included information about the BUILDING *Foundations* bursary program and new opportunities for housing developers. Translations also included information about the Community Places Program, and the Manitoba Cooperative Community strategy, which was developed in partnership with key stakeholders in the community. To better inform the Francophone community in general, more than 20 web pages were translated and added to the French part of the Department's website.

Visitors to the HCD internet site increased by almost 27 per cent in 2014/15. The Community Relations branch continued to develop and organize the site, as it is an important public resource and source of information on the Department's wide range of activities.

# CORPORATE SERVICES DIVISION

## **Divisional Goal**

To provide leadership, coordination and support to the Department in the areas of: financial management, financial reporting, information technology, legal services and risk management.

## **Divisional Responsibilities**

To provide expert advice and centralized services in the areas of: financial management, fiscal planning, financial analysis and financial reporting; comptrollership planning and review; information technology planning and support; financial and administrative standards and policies; corporate legal; and enterprise risk management. This is accomplished through the Division's three service lines:

- Financial Services;
- Corporate Management Services; and
- Corporate Compliance and Risk Management.

## FINANCIAL SERVICES

### **Objectives**

- To ensure the corporate comptrollership function is appropriately maintained to meet the needs of the Department, and 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 financial management, financial analysis and reporting, and financial 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.
- Establishes and provides advice on corporate financial management policies, procedures and practices.
- Advises executive management on 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 the 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.

### **Activities/Highlights in 2014/15**

Prepared the departmental Estimates of Expenditure request, detailed budget, and the various monthly, quarterly and annual financial reports required.

Prepared the financial statements for MHRC, The Cooperative Promotion Board and The Co-operative Loans and Loans Guarantee Board. All three statements were audited by the Office of the Auditor General and the Department received an unqualified audit opinion for each entity.

Provided analytical support for all program areas of the Department and MHRC with respect to budgeting, financial reporting and management.

Expanded financial and accounting services to improve efficiencies and reporting, in addition to reducing costs. Items included improved financial reporting and monitoring, expanded use of direct deposit and improved reporting on energy consumption.

Continued to review, improve and streamline departmental financial and administrative procedures in order to enable more effective program delivery.

## **CORPORATE MANAGEMENT SERVICES**

### **Objectives**

- Provide information technology leadership, management and support.
- Ensure effective delivery of the organization's programs and activities including business application supports.
- Promote and support planning, implementation and project management of all information technology within the organization.
- Facilitate employee training and development opportunities.

### **Responsibilities**

- Provides information technology planning, information systems analysis, project management services, implementation, ongoing support, training and technical expertise in the design, development and maintenance of computer systems in support of the organization's programs and services.
- Provide effective, efficient and appropriate approaches for the Department's organizational system, providing action plans and advice to achieve enhanced results.
- Empower staff through training, skill and knowledge development opportunities.

## Activities/Highlights 2014/15

In 2014/15, Corporate Management Services (CMS) continued providing technology support and training for all Housing and Community Development SharePoint environments. More than 150 in-house SharePoint training sessions from beginner to advanced levels were delivered to staff.

CMS is a major project contributor to defining business requirements for a new Property Management System.

CMS began development of a centralized SharePoint Data Management Solution that will improve business processes and result in a single source collaborative framework. This solution is best practice in Information Management and Data Governance. CMS has also delivered a number of SharePoint designs to address business requirements for Supplier Relationship Management, Change Order Tracker, Asset Management, Capital Planning and Financial Services E-Forms Approval System. These collaborative tools are designed to both improve planning, tracking, reporting and to streamline the approval process between various branches in the delivery of capital projects, resulting in improved living conditions for MHRC tenants.

CMS's dedication to safety and security improvements included continued network support for the Security Branch in 2014/15. In cooperation with Business Transformation and Technology (BTT), the Department provides video surveillance, card access, intercom, and life safety equipment systems to improve safety of clients and staff.

CMS continued to develop and deliver in-house training courses with an emphasis on Property Management, Project Management, Tenant Services, and Health and Safety training. The branch collaborated with a number of outside agencies and private sector groups to ensure staff had access to a diverse portfolio of training opportunities. Our multi-purpose training room and computer lab continue to be widely utilized. More than 1,000 training sessions were delivered throughout the Province to over 450 departmental staff in 2014/15. CMS is leading the development of Training Development Plan projects for Property Managers and for organization leaders. CMS is a partner with Chartered Institute of Housing Canada in leading the Manitoba curriculum review team.

CMS further promoted the creation of the Manual of Administrative Procedures (MAP) which aids in assisting employees with various administrative duties. Located on the Housing and Community Development Intranet, it provides a standardized process to various administrative processes and is readily available to staff to use as a reference tool and training guide.

## CORPORATE COMPLIANCE AND RISK MANAGEMENT

### Objectives

- To meet legal requirements and support services to the Department, including the drafting of proposed legislation, regulations, Orders in Council and other legal documents.
- To provide leadership and coordination of information management activities, including applications received under *The Freedom of Information and Protection of Privacy Act*.
- To support, coordinate and provide advice on an active enterprise risk management process in the organization.
- To work with individual business areas to promote and incorporate an active enterprise risk management culture within the Department.
- To develop and maintain a Department-wide comptrollership plan.

- To manage business continuity planning and coordinate a Department-wide response to hazards.

## **Responsibilities**

- Manages all legal support services for the Department. This includes: administering the legal component related to land holdings and land sub-division processes; developing and coordinating of all legal agreements and contracts of the Department; and liaising with Civil Legal Services.
- Coordinates 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 and provides direction on policy to ensure the protection of privacy.
- Continuously improves the Department's Risk Framework. This includes risk consultation, identification/mitigation, monitoring and reporting to the MHRC Board, senior management of the Department and individual business areas of the organization.
- Develops and provides continuous improvements to the Department's Comptrollership Plan. This includes assisting business units to document functional processes, developing process maps, reviewing adequacy of internal controls, and submitting the annual Comptrollership Plan to the Provincial Comptroller's Office.
- Manages business continuity planning by establishing a cyclical process of reviewing, updating, storing, creating awareness and testing the Department's business interruption plans.
- Coordinates business continuity events which include briefing senior officials, supporting field staff and liaising with internal and external organizations.

## **Activities/Highlights in 2014/15**

Legal Services continued to respond to numerous requests made under *The Freedom of Information and Protection of Privacy Act (FIPPA)*. Further details are included in the Government 2014 FIPPA Annual Report. The unit undertook the development of measures to strengthen the information management practices of the organization.

The unit continued the process of risk identification and awareness in 2014/15 as part of the implementation of the Department's risk management framework.

Tabletop exercises were completed to test the effectiveness of business continuity plans for the Department's mission critical functions in all regions of the Province. The findings from these exercises will continue to support continuous improvement of the Department's business continuity plans.

## 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 2014/15 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 2014/15 \$000	FTE	Estimate 2014/15 \$000	Variance Over/(Under)	Expl. No.
(a) Amortization Expense	112		112	-	
(b) Interest Expense	29		29	-	

The in-year cost of acquiring departmental 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, 2011 - March 31, 2015

<b>Actual/Adjusted Expenditures*</b>											
		<b>2010/11</b>		<b>2011/12</b>		<b>2012/13</b>		<b>2013/14</b>		<b>2014/15</b>	
<b>Appropriation</b>		<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>	<b>FTE</b>	<b>\$</b>
30-1	Administration	20.00	1,187	20.00	1,562	21.00	1,594	21.00	1,770	21.00	1,732
30-2	Housing		37,819		66,875		66,778		70,664		70,731
30-3	Community Development	16.00	8,912	16.00	11,450	16.00	6,638	16.00	5,957	16.00	6,218
30-4	Costs Related to Capital Assets		164		159		153		147		141
<b>Total Housing and Community Development</b>		<b>36.00</b>	<b>48,082</b>	<b>36.00</b>	<b>80,046</b>	<b>37.00</b>	<b>75,163</b>	<b>37.00</b>	<b>78,538</b>	<b>37.00</b>	<b>78,822</b>

\* 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**

<b>DETAILS</b>	<b>2014/15 ESTIMATES \$000</b>
2014/15 Main Estimates	79,119
<b>2014/15 Estimates – Housing and Community Development</b>	<b>79,119</b>

**EXPENDITURE SUMMARY TABLE**

**Department of Housing and Community Development  
Expenditure Summary**

**(\$000's)**

For the fiscal year ended March 31, 2015 with comparative figures for the previous year

<b>Estimate</b>		<b>Actual</b>	<b>Actual<sup>a)</sup></b>	<b>Increase/ (Decrease)</b>	<b>Expl. No.</b>
<b>2014/15</b>	<b>Appropriation</b>	<b>2014/15</b>	<b>2013/14</b>		
	<b>30-1 Administration</b>				
\$37	(a) Minister's Salary	\$30	\$37	(7)	
	(b) Executive Support				
705	Salaries and Employee Benefits	690	694	(4)	
80	Other Expenditures	66	79	(13)	
	(c) Support Services				
911	Salaries and Employee Benefits	900	915	(15)	
53	Other Expenditures	46	45	1	
<b>\$1,786</b>	<b>Total 30-1</b>	<b>\$1,732</b>	<b>\$1,770</b>	<b>(38)</b>	

**NOTES:**

a) The 2013/14 data has been reorganized to reflect the 2014/15 appropriation structure.

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

For the fiscal year ended March 31, 2015 with comparative figures for the previous year

<b>Estimate</b>			<b>Actual</b>	<b>Actual <sup>a)</sup></b>	<b>Increase/</b>	<b>Expl.</b>
<b>2014/15</b>		<b>Appropriation</b>	<b>2014/15</b>	<b>2013/14</b>	<b>(Decrease)</b>	<b>No.</b>
		<b>30-2 Housing</b>				
		The Manitoba Housing and Renewal Corporation				
\$67,299	(a)	Transfer Payments	\$67,299	\$67,287	12	
3,603	(b)	Portable Housing Benefit and Emergency Shelter Assistance	3,432	3,377	55	
<b>\$70,902</b>		<b>Total 30-2</b>	<b>\$70,731</b>	<b>\$70,664</b>	<b>67</b>	

**NOTES:**

a) The 2013/14 data has been reorganized to reflect the 2014/15 appropriation structure.

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

For the fiscal year ended March 31, 2015 with comparative figures for the previous year

<b>Estimate</b>			<b>Actual</b>	<b>Actual <sup>a)</sup></b>	<b>Increase/ (Decrease)</b>	<b>Expl. No.</b>
<b>2014/15</b>		<b>Appropriation</b>	<b>2014/15</b>	<b>2013/14</b>		
		<b>30-3 Community Development</b>				
	(a)	Community Assistance				
\$354		Salaries and Employee Benefits	\$386	\$480	(94)	
104		Other Expenditures	104	98	6	
1,704		Grant Assistance	1,704	1,704	-	
3,465		Community Places Capital Grants	3,465	3,465	-	
(1,500)		Less: Recoverable from Urban and Rural Economic Development Initiatives	(1,500)	(1,500)	-	
(1,965)		Less: Recoverable from Building Manitoba Fund	(1,965)	(1,965)	-	
	(b)	Neighbourhoods Alive!				
701		Salaries and Employee Benefits	692	743	(51)	
163		Other Expenditures	127	126	1	
5,281		Neighbourhood Support	5,246	4,877	369	1
(2,442)		Less: Recoverable from Urban and Rural Economic Development Initiatives	(2,442)	(2,442)	-	
	(c)	Cooperative Development				
270		Salaries and Employee Benefits	290	287	3	
340		Other Expenditures	296	277	19	
(185)		Less: Recoverable from Rural Economic Development Initiatives	(185)	(185)	-	
<b>\$6,290</b>		<b>Total 30-3</b>	<b>\$6,218</b>	<b>\$5,965</b>	<b>\$253</b>	

**NOTES:**

a) The 2013/14 data has been reorganized to reflect the 2014/15 appropriation structure.

**Department of Housing and Community Development  
Expenditure Summary**

**(\$000's)**

For the fiscal year ended March 31, 2015 with comparative figures for the previous year

<b>Estimate</b>		<b>Actual</b>	<b>Actual <sup>a)</sup></b>	<b>Increase/</b>	<b>Expl.</b>
<b>2014/15</b>	<b>Appropriation</b>	<b>2014/15</b>	<b>2013/14</b>	<b>(Decrease)</b>	<b>No.</b>
<b>\$141</b>	<b>30-4 Costs Related to Capital Assets</b>	<b>\$141</b>	<b>\$147</b>	<b>(\$6)</b>	
<b>\$79,119</b>	<b>Total Housing and Community Development</b>	<b>\$78,822</b>	<b>\$78,546</b>	<b>\$276</b>	

1. The variance is due to fluctuations in the timing and processing of grant reporting required to generate payments.

**NOTES:**

- a) The 2013/14 data has been reorganized to reflect the 2014/15 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 report annually on how sustainable development principles have been incorporated into their activities.

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

The following is a summary of progress made toward 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**

In partnership with Manitoba Infrastructure and Transportation and Manitoba Hydro, MHRC continues to work on finalizing *The Residential Green Building and Major Renovation Guidelines* which will complement the existing Green Building Policy for Non-Residential Projects funded by the Government of Manitoba (April 2007). In 2014/15, the Department piloted the Guidelines on select, construction projects to help evaluate how to effectively integrate the requirements into Housing's processes and procedures. One of the sites is the redevelopment of the Old Grace Hospital site in Winnipeg's Wolseley neighbourhood.

These guidelines develop higher green building and renovation standards and outline specific practices that must be considered for projects supported by MHRC. They will also help MHRC to focus on collecting energy data that will allow for the accurate monitoring of utility usage, highlighting both high consumption rates and also the energy savings realized through renovation initiatives.

MHRC will be proactively implementing a testing program to monitor levels of Radon in government housing and the results from this randomized testing will be used to develop a policy, guide decisions about further testing in Manitoba and to conduct remediation work as required.

The Community Places Program (CPP) supports the implementation of Manitoba's Green Building Policy and sustainable development goals. In 2014/15, CPP approved \$2.9 million in capital grants for 227 projects across Manitoba and assisted over 430 community groups with 700 on-site consultations providing project planning advice to improve the quality, economy, and sustainability of community projects. The Community Places Program – North (CPPN) was also delivered to help northern and remote communities build and upgrade recreational and wellness facilities, 15 community projects were approved for a total of \$682.5. Staff provide advice and guide community organizations throughout the Province through the Green Building process. Applications received by CPP are evaluated for their environmental sustainability and community sustainable development benefit.

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.

Co-ops throughout the Province have been recognized for their ability to meet both social and economic goals and contribute to a social economy. Housing and Community Development supports cooperatives through a variety of methods, including Co-operative Development Services and the Cooperative

Assistance Fund. In 2014/15, the fund included support for co-ops involved in housing cooperative upgrades, research, publishing, community sustainability, sustainable food initiative, and agriculture.

MHRC's development of the Bridgwater neighbourhood focuses on housing diversity, higher density, walkability and increased green space, including the preservation of fully mature forests running throughout the Bridgwater Forest neighbourhood. Bridgwater Forest will encompass almost 375 acres, with about 70 acres dedicated to forest and open space. New homes in Bridgwater can be built with geothermal heating and cooling systems in order to reduce greenhouse gas emissions and the streets have been oriented to maximize passive solar energy. These are just a few examples of the neighbourhood's environmentally-friendly design and the measures taken to lower its environmental footprint.

### **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 encourage tenants to recycle and the Asset Management Branch promotes recycling in major renovation projects, where possible, by contracting with organizations that recycle major appliances and other materials.

The Department participated in the annual Commuter Challenge, an initiative that encourages staff to contribute to 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.

### **Integrating the Economy and the Environment**

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

As part of the plan, 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 2014/15, 140 basements/attics in the Province received insulation upgrades and 525 households were retrofitted with energy efficiency lighting, low-flow toilets, showerheads and aerators. These retrofits reduce tenants' costs for utilities and electricity.

Under the Manitoba Hydro Power Smart Program, projects on the Department's capital plan are being designed in accordance with the National Energy Code and Power Smart guidelines. Various rebate and incentive programs are consistently being utilized at the initial stages of project planning to support the most cost effective solution for a specific application.

Asset Management is exploring sustainable housing options such as prefabricated, modular construction technology targeted for in-fill housing and remote communities. This technology provides reduced construction schedules and a high quality product to residents in terms of durability and efficiency and offers a decreased environmental footprint by reducing material waste and equipment requirements on the construction site.

In 2014/15, MHRC continued to partner with a variety of community organizations including 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. In 2014/15, BEEP incorporated complete exterior refresh activities into their training

programs. This includes the replacement of windows, outer building shells, stucco (including asbestos removal), shingles, soffits, fascia and all rain gutters to units in Brandon. BUILD and BEEP have provided training to over 120 individuals and employed 65 to 75 individuals in the water and energy efficiency upgrade programs in Brandon and Winnipeg, respectively. The program lowers energy consumption, greenhouse gas emissions, utility costs and provides life skills and employment for vulnerable persons.

In 2014/15, MHRC identified the need for an Energy Project Engineer position within its Professional Services Unit who will be primarily responsible for improving sustainability by increasing energy efficiency and reducing operating costs inclusive of fuel choice assessment of its assets through monitoring, design and education. These efforts will improve the standard of living for tenants by lowering utility bills, and improve the working environment for employees and contractors. MHRC's Procurement Branch complements this work by including water and energy efficiency and recycled material specifications in tenders.



## APPENDIX 2 PERFORMANCE INDICATORS

### HOUSING AND COMMUNITY DEVELOPMENT Performance Measurement

The following section provides information on key performance measures for the Department for the 2014/15 reporting year.

**Performance Measures in the three previous Annual Reports were based on specific targets outlined in the 2009 HOMEWorks! Housing Strategy and Policy Framework and Two-Year Investment Plan (2009/10 – 2010/11). The strategy and investment plan were developed prior to the establishment of Housing and Community Development as a standalone Department in November 2009. The 2010/11 Housing and Community Development Annual Report completed the reporting of these specific targets in conjunction with the expiry of the Two-Year Investment Plan.**

**The 2014/15 Annual Report captures the second year of our longer-term strategy and policy framework and will report on the same key indicators which continue to support our expanded strategy. The 2009 HOMEWorks! Housing Strategy and Policy Framework has been transitioned into the Department's new Strategy and Policy Framework 2011 and the *Strong Communities: An Action Plan* document which was publicly released in July 2011. These documents outline the goals, priority areas of investment and planned activities that guide the Department's daily operations and future plans.**

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 effect on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit [www.manitoba.ca/performance](http://www.manitoba.ca/performance).

Your comments on performance measures are valuable to us. You can send comments or questions to [mbperformance@gov.mb.ca](mailto:mbperformance@gov.mb.ca).

<b>Sustaining the Existing Housing Stock</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time?</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Sustaining and improving existing social and affordable housing.</b>	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.  Commitment met and exceeded - 17,887 total units renovated from April 1, 2009 to March 31, 2011.	Total units renovated from April 1, 2014 to March 31, 2015: 1,589.  Total units that benefitted from major renovations from April 1, 2014 to March 31, 2015: 3,555	Total number of households with major renovations and/or building improvements increasing.
<b>Comments/Recent Actions/Report Links</b>					
<p>The 2009 HOME <i>Works!</i> Two-Year Investment Plan committed to affect 13,500 households with major renovations (deep refresh programs) and/or building improvements by the end of 2010/11. Housing and Community Development surpassed the two-year target: As of March 31, 2011, 17,887 units have been affected with major renovations.</p> <p>In 2014/15, a further 1,589 units were renovated and 3,555 units benefitted from major renovations.</p>					

<b>Housing Affordability</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2013/14 result or most recent available data?</b>	<b>What is the trend over time?</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Improving housing affordability through social housing.</b>	Social housing	Assists in affordability and increases the supply of affordable housing stock within the private market.	2013/14 - 500 new social housing units by 2015/16.	Total Social Housing units committed to March 31, 2015: 154 units.	The Province committed to adding 500 new social housing units to housing supply over a period of three years (March 2014 to March 2016).
	Portable Housing Benefit		193 (2009/10)	Portable Housing Benefit - served 586 recipients in 2014/15.	
<b>Comments/Recent Actions/Report Links</b>					
<p>As part of Budget 2013, the province made a public commitment to add 500 new social housing units over a three-year period (2013/14-2015/16). During the 2014/15 fiscal year, there were 154 new social housing units committed.</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 2014/15, the PHB assisted 586 recipients, a 203 per cent change in the number of participants when compared to the baseline year 2009/10. These households benefit from an investment of \$1.8 million in PHBs for people with mental health needs.</p>					

<b>Increasing Supply of Affordable Housing</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time?</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Increasing supply of affordable and social housing stock.</b>	New Affordable and Social housing units	Increased supply of housing stock.	2009/10 - 1,500 new affordable units by 2013/14.	Total new affordable units committed to March 31, 2014: 1,507.	New affordable housing units are increasing. The Province committed to adding 1,500 new affordable and social housing units to the affordable housing supply over a period of five years (March 2009 to March 2014).  The Province is additionally committed to adding 500 new affordable housing units to the affordable housing supply.
	New homeownership opportunities	Assists low and moderate-income individuals to access affordable housing and helps to revitalize communities.	2009/10 - 132 new homeownership opportunities created by March 31, 2012.	2013/14 – 500 new affordable units.  10 new homeownership opportunities created in 2014/15.	
<b>Comments/Recent Actions/Report Links</b>					
<p>The 2009 HOME <i>Works!</i> Two-Year Investment Plan reflected the provincial commitment to building 1,500 new affordable rental units by 2013/14. As of March 31, 2014, a total of 1,500 new affordable units have been committed or constructed.</p> <p>MHRC's Three-Year Housing Plan reflects the Budget 2013 provincial commitment to build 500 new affordable rental units. As of March 31, 2015, 170 new affordable units have been committed or constructed.</p>					

<b>Maintaining Supply of Housing</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time? Performance measure</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Maintaining supply of existing housing stock in the private market.</b>	Renovated housing units.	Improved housing stock.	2009/10 - target of 800 private units renovated by the end of 2010/11.  Commitment met and exceeded - 865 units renovated from April 1, 2009 to March 31, 2011.	Total households assisted with renovation assistance for privately owned housing as of March 31, 2015 : 416.	Maintaining supply of existing housing stock in the private market.
<b>Comments/Recent Actions/Report Links</b>					
The 2009 HOME <i>Works!</i> Two-Year Investment Plan committed to providing renovation assistance to 800 privately owned households. The Province exceeded the two-year target with 865 private households receiving renovation assistance as of March 31, 2011. In 2014/15, financial assistance was committed to a further 416 households for a total commitment of 1,540 households since 2009/10.					

<b>New Supportive Housing Options for Seniors</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time?</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>New supportive housing options for seniors.</b>	New housing options with supports created or renovated to support seniors.	Helps seniors who require 24 hour support and supervision to remain within their community. Delays or prevents premature placements in personal care homes.	2006 – 0 units	12 units of supportive housing added to MHRC portfolio in 2014/15	An increasing number of seniors who are able to remain in their communities due to receiving extra supports.
<b>Comments/Recent Actions/Report Links</b>					
<p>In alignment with Manitoba's Aging in Place strategy introduced in 2006, MHRC provides supportive housing throughout the province. These feature services and 24-hour supports to assist seniors on limited incomes to live independently in the community. As at March 31, 2015, there were 142 units of supportive housing in MHRC's portfolio (direct- and sponsor-managed). In addition MHRC provides rent supplements to 35 units of supportive housing in the private rental market annually. These are not included in this baseline measurement.</p> <p>In 2014/15, 12 supportive housing units were completed in Springfield Place, located in Oakbank.</p>					

<b>Community Development</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2013/14 result or most recent available data?</b>	<b>What is the trend over time? Performance measure</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Supporting community-led revitalization efforts in selected distressed neighbourhoods and communities in Manitoba.</b>	Number and type 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.	2009/10 - \$5 million for 111 projects	In 2014/15, the Department invested over \$5.2 million in NA! funding for 267 community projects.	Supporting community-led revitalization efforts in selected distressed neighbourhoods and communities in Manitoba.
	Proceeds from land sales in suburban developments reinvested towards revitalizing areas of need through the Housing Development and Rehabilitation Fund.		\$7.3 million invested as of March 31, 2011 in housing projects to revitalize Winnipeg neighbourhoods in need.	\$38.2 million invested as of March 31, 2015 in housing projects to revitalize Winnipeg neighbourhoods in need.	
<b>Comments/Recent Actions/Report Links</b>					
Since 2000 NA! has provided \$61,256,418 for 1,486 projects in seven program categories. The seven funding programs are: Neighbourhood Renewal Fund (\$31,844,322); Neighbourhood Development Assistance (\$16,149,255); Training Initiatives (\$7,192,399); Community Initiatives (\$3,861,461); Localized Improvement Fund for Tomorrow (\$1,405,004); School Resource Officer (\$264,515); and Community Youth Recreation (\$539,462).					

<b>Community Development</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time? Performance measure</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Investing in communities through capital projects for recreational and wellness benefits and supporting community organizations.</b>	Number of Community Places Program (CPP) 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 2010/11, CPP approved \$4.5 million in grants for 297 applications and assisted over 470 community groups by providing over 750 on-site consultations.	In 2014/15, \$2.9 million in CPP capital grants approved for 227 applications. Assisted over 430 community groups by providing over 700 on-site consultations.  In 2014/15, \$682.5 in CPP – North capital grants approved for 15 applications. Assisted over 25 community groups.	Investing in communities through capital projects for recreational and wellness benefits and supporting community organizations.
<b>Comments/Recent Actions/Report Links</b>					
<p>This performance indicator is being measured starting from April 1, 2010. Housing and Community Development continues to provide grants and programming that assists communities to provide sustainable recreational, wellness, social and cooperative development opportunities that support both the non-profit and voluntary sectors.</p> <p>In 2014/15, the Community Places Program (CPP) funded community projects with an average grant of \$12,879, with an average project value of \$64,686, and continues to provide project planning advice to improve the quality, economy, and sustainability of community projects. In 2014/15, \$2.9 million in CPP grants leveraged \$20.0 million in total project costs.</p> <p>In 2014/15, the Community Places Program – North (CPPN) funded 15 community projects with an average capital grant of \$45,499 and an average project value of \$92,318. \$682.5 in CPPN grants leveraged \$1.4 million in total project costs.</p> <p>Since 2010/11 CPP has funded 1,367 community projects with a 5-year average capital grant amount of \$13,420 and an average project value of \$125,187.</p>					



<b>Cooperative Development</b>					
<b>What is being measured and using what indicator?</b>		<b>Why is it important to measure this?</b>	<b>What is the starting baseline measurement?</b>	<b>What is the 2014/15 result or most recent available data?</b>	<b>What is the trend over time? Performance measure</b>
<b>Performance measure</b>	<b>Components of the measure</b>				
<b>Assisting cooperative development in Manitoba.</b>	The number of cooperatives assisted in formation and development.	Builds community capacity and sustainability.	In 2009/10, the Cooperative Promotion Board (CPB) approved 6 grants valued at \$18,725.  17 new cooperatives were incorporated in 2009/10.	In 2014/15 CPB approved 6 grants valued at \$16,500.  13 new cooperatives were incorporated in 2014/15.	Assisting cooperative development in Manitoba through 46 grants since 2009/10 valued at \$134,791.  72 new cooperatives incorporated since 2009/10.
<b>Comments/Recent Actions/Report Links</b>					
This performance indicator is being measured starting from April 1, 2009. The Cooperative Promotion Board (CPB) distributes grants in support of the development, education, research and promotion of cooperatives.					

Impact of MHRC Program Activity on Provincial Rate of Core Housing Need					
What is being measured?		Why is it important to measure this?	What is the starting baseline measurement?	What is the 2014/15 result or most recent available data?	What is the trend over time?
Performance measure	Components of the measure				
<b>Households in core housing need<sup>1</sup>.</b>	Per cent of households in core housing need <sup>2</sup> .	Core housing need provides an estimate of the number of households not living in and unable to access acceptable housing.	<b>All households</b> 14.7% (1996)  <b>Lone parents</b> 36.2% (1996) <sup>3</sup>  <b>Aboriginal</b> 34.0% (1996)  <b>Seniors</b> 16.3% (1996)	<b>All households</b> 10.3% (2011)  <b>Lone parents</b> 26.1% (2011)  <b>Aboriginal</b> 18.6 (2011)  <b>Seniors</b> 9.5% (2011)	<p>Over the past decade, the incidence rate of core housing need has declined in Manitoba from 11.6% in 2001, to 11.3% in 2006, to 10.3% in 2011.</p> <p>There were large decreases for lone parents, aboriginal and senior households.</p> <p>Manitoba's core housing need rate was below the national average of 12.5%.</p>
<b>Comments/Recent Actions/Report Links</b>					
<p>Between March 1, 2009 and March 31, 2014, construction was completed, underway or committed for 1,500 new rental or cooperative housing units through the 2009 HOME Works! Strategy and related 1,500 unit commitment.</p> <p>Other housing programs, such as the Rental Housing Improvement Program, aim to address privately-owned low-income housing in need of repair. In 2014/15, \$4.5 was committed under Homeowner Renovation Assistance, Rental Housing Improvement and Residential Adaptations for Disabilities Programs to repair 344 owned or rented units, an increase in units of 29.3 per cent since 2001/02 (266 units)..</p>					

<sup>1</sup> Core housing need refers to those individuals who 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 per cent 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.

<sup>2</sup> Source: Canada Mortgage and Housing Corporation.

<sup>3</sup> Previous year's Annual Reports cited this figure as 37.9 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 their 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 counselling 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 2014/15:

<b>Information Required Annually (per Section 18 of The Act)</b>	<b>Fiscal Year 2014 – 2015</b>
<b>The number of disclosures received, and the number acted on and not acted on.</b> <i>Subsection 18(2)(a)</i>	<b>NIL</b>
<b>The number of investigations commenced as a result of a disclosure.</b> <i>Subsection 18(2)(b)</i>	<b>NIL</b>
<b>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.</b> <i>Subsection 18(2)(c)</i>	<b>NIL</b>

## **APPENDIX 4**

**The Co-operative Loans and Loans Guarantee Board  
FINANCIAL INFORMATION  
FOR THE YEAR ENDING  
MARCH 31, 2015**

# **MEMBERS OF THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD**

**MARCH 31, 2015**

Jeff Parr, Chairperson	- Winnipeg, Manitoba
Craig Marchinko, Secretary	- Winnipeg, Manitoba
John Sandborn	- Benito, Manitoba
Susan Proven	- Minnedosa, Manitoba
David Kerr	- Winnipeg, Manitoba

Changes in membership occurred after March 31, 2015. On April 20, 2015 Craig Marchinko was appointed Chair of the Board.

## MANDATE

By provision of The Co-operative Associations 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 2014 - 2015**

During the fiscal year ended March 31, 2015, the Board held one meeting. No new loans were approved in 2014/15. One new loan guarantee was approved in 2014/15.

The Independent Auditor's Report, together with the financial information for the fiscal year ended March 31, 2015, is provided on the following pages.



**The Co-operative Loans and Loans Guarantee Board**  
400-352 Donald Street  
Winnipeg, MB R3B 2H8

August 26, 2015

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

The accompanying Schedule of Loans and Loan Guarantee Transactions and other financial information in the Annual Report for the year ended March 31, 2015 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.

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 Loans and 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 Craig Marchinko"**

Craig Marchinko  
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 loans and loan guarantee transactions of the Co-operative Loans and Loans Guarantee Board for the year ended March 31, 2015 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 public sector accounting standards 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 loans and loan guarantee transactions of the Co-operative Loans and Loans Guarantee Board for the year ended March 31, 2015 in accordance with Canadian public sector accounting standards.

*Office of the Auditor General*

Office of the Auditor General  
August 26, 2015  
Winnipeg, Manitoba

# The Co-operative Loans and Loans Guarantee Board

## Schedule of Loans and Loans Guarantee Transactions

Year ended March 31, 2015

<b>Loans (note 3)</b>	<b>March 31, 2014</b>	<b>Additions</b>	<b>Repayment</b>	<b>March 31, 2015</b>
Neechi Foods Co-op Ltd.	\$ 1,140,000	\$ 16,663	\$ -	\$ 1,156,663
	\$ 1,140,000	\$ 16,663	\$ -	\$ 1,156,663

<b>Loan Guarantees (note 4)</b>	<b>March 31, 2014</b>	<b>Additions</b>	<b>Reduction</b>	<b>March 31, 2015</b>
Springfield Seniors Non-Profit Housing Cooperative Ltd.	\$ -	\$ 900,000	\$ (179,232)	\$ 720,768
	\$ -	\$ 900,000	\$ (179,232)	\$ 720,768

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# The Co-operative Loans and Loans Guarantee Board

## Notes to the Schedule

Year ended March 31, 2015

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### 1. General

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

### 2. Significant Accounting Policies

#### a) Basis of presentation

This financial information is prepared in accordance with Canadian public accounting standards including PS 4200 series for government not-for-profit organizations.

b) Loans are stated as the total amount of principal outstanding.

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

d) In the event of a default on a loan or a loan guarantee, the Province of Manitoba is responsible for the associated costs in settling the defaulted amount(s).

### 3. Loans

#### Neechi Foods Co-op Ltd.

On August 20, 2012, the CLLGB authorized and approved a loan up to \$1,140,000 to Neechi Foods Co-op Ltd. The loan was approved by Order in Council up to \$1,140,000 to the CLLGB and subsequently on November 21, 2012, the initial loan payment of \$640,000 was issued. Repayment of the loan was due two years after the first advance. During 2013-14 CLLGB issued the remaining \$500,000 loan payment to Neechi Foods Co-op Ltd and subsequently, Neechi Foods Co-op Ltd paid \$20,527 in interest payments against the loan. During 2014-15, the interest on the loan to November 22, 2014 of \$16,663 was accrued and added to the outstanding balance of \$1,140,000 for a revised loan of \$1,156,663. Interest is calculated at the Province of Manitoba's floating rate. Interest accrued to March 31, 2015 is \$8,916. As at March 31, 2015, the loan balance is \$1,156,663 and the floating rate is 2.10%. Subsequent to March 31, 2015, the CLLGB is in the process of finalizing the refinancing of the loan with Neechi Foods Co-op Ltd. in the amount of \$1,156,663. Repayment of the loan is due November 22, 2016 and interest is due quarterly.

# The Co-operative Loans and Loans Guarantee Board

## Notes to the Schedule

Year ended March 31, 2015

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### 4. Loan guarantees

#### Springfield Seniors Non-Profit Housing Co-operative Ltd.

On May 14, 2014, the CLLGB approved a loan guarantee up to \$900,000. The Oakbank Credit Union Ltd. accepted the loan guarantee and signed an agreement with the Springfield Seniors Non-Profit Housing Co-Operative Ltd. and the CLLGB dated July 30, 2014. The loan guarantee came into effect once 37 shares out of 47 shares were sold. The loan guarantee is to be reduced by \$89,616 when each remaining ten of the 47 shares are sold. The loan guarantee is to be further reduced by way of the Refundable Rental Housing Construction Tax Credit, if and when received by the Co-op once construction is complete. The expiry date of the loan guarantee is when all 47 units have been committed or March 31, 2016 whichever is sooner. At March 31, 2015, two out of ten remaining shares were sold, eight shares are still outstanding. The loan has been reduced for \$89,616 for each one of the two shares sold which is \$179,232 reduction of the loan guarantee. The remaining balance at March 31, 2015 for the loan guarantee is \$720,768.

### 5. Loan Act Authority

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

	<b>2015</b>
The Loan Act, 2014	\$ 3,500,000
Outstanding loans:	
Advanced	(1,140,000)
Accrued interest in fiscal 2014/15	(16,663)
	(1,156,663)
Guarantees	(720,768)
	\$ 1,622,569

### 6. Compensation disclosure

The Public Sector Compensation Disclosure Act requires disclosure of the aggregate compensation paid The Co-operative Loans and Loans Guarantee Board members and of individual compensation paid to board members or staff where such compensation is \$50,000 or more per year. For the period from April 1, 2014 to March 31, 2015, The Co-operative Loans and Loans Guarantee Board paid board members an aggregate of \$1,027 (2014 - \$242). This amount is included in note 7. No individuals received compensation of \$50,000 or more.

### 7. 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 2015 is estimated at \$17,225 (2014 - \$21,909) with another \$6,592 (2014 - \$9,459) 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.

## **APPENDIX 5**

**Manitoba Housing and Renewal Corporation (MHRC)  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDING  
MARCH 31, 2015**



## **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 of the statement of financial position as at March 31, 2015, and the statements of operations, changes in net assets, 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 public sector accounting standards 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Office of the Auditor General*

Office of the Auditor General  
August 28, 2015  
Winnipeg, Manitoba

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Statement of Financial Position

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
<b>Assets</b>		
Current assets:		
Cash and cash equivalents (note 3)	\$ 73,808,952	\$ 95,749,875
Accounts receivable (note 4)	27,212,281	24,492,016
Prepaid expenses	4,599,294	4,205,065
Current portion of loans and mortgages receivable (note 5)	7,985,777	7,475,178
	<u>113,606,304</u>	<u>131,922,134</u>
Other long-term receivables (note 4)	28,417,023	22,982,634
Loans and mortgages receivable (note 5)	104,847,443	112,697,019
Land inventory (note 6)	70,735,423	68,198,413
Capital assets (note 8)	620,980,590	528,487,789
	<u>\$ 938,586,783</u>	<u>\$ 864,287,989</u>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 52,705,949	\$ 63,012,486
Current portion of long-term debt (note 9)	43,914,736	37,736,389
	<u>96,620,685</u>	<u>100,748,875</u>
Long-term debt (note 9)	914,035,278	828,722,041
Other long-term liabilities (note 10)	15,214,885	14,886,423
Deferred revenue (note 11)	11,220,235	13,386,633
Deferred contributions: (note 12)		
Expenses of future periods	8,193,444	9,486,116
Capital assets	19,813,934	14,887,541
Funds held for third party expenses	13,080,444	22,644,297
Housing Development and Rehabilitation Fund	11,394,471	18,744,854
	<u>52,482,293</u>	<u>65,762,808</u>
Net assets:		
Unrestricted	(150,986,593)	(159,218,791)
Commitments (note 25)		
Contingencies (note 24)		
Guarantees (note 26)		
	<u>\$ 938,586,783</u>	<u>\$ 864,287,989</u>

See accompanying notes to financial statements

On behalf of the Board:

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Statement of Operations

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Revenue:		
Grants from the Province of Manitoba (note 13)	\$ 70,859,367	\$ 71,240,597
Contributed services (note 14)	2,487,000	2,536,400
Rental revenue (note 15)	77,721,640	72,648,883
Other government contributions (note 16)	65,327,617	62,137,293
Housing Development and Rehabilitation Fund (note 12)	38,162,048	6,498,139
Recoveries related to advance agreement (note 17)	1,293,872	(4,002,229)
Amortization of deferred contributions (note 12)	622,928	738,231
	256,474,472	211,797,314
Interest:		
Loans and mortgages	10,072,236	10,681,580
Bank and other	195,466	244,735
	10,267,702	10,926,315
Sales of land:		
Joint venture (note 7)	1,016	(6,164)
Waverley West (note 12)	28,884,716	32,330,153
Other land holdings	2,255,654	25,305,000
	31,141,386	57,628,989
Gain on disposal of capital assets	1,400,318	1,121,028
Other	1,345,114	902,290
<b>Total revenue</b>	<b>300,628,992</b>	<b>282,375,936</b>
Expenses:		
Housing operations - excluding amortization and interest (note 15)	129,845,306	129,014,931
Housing operations amortization (note 15)	27,007,136	20,832,090
Housing operations interest (note 15)	27,776,303	25,193,285
Rental subsidies (note 18)	37,751,093	36,133,260
Grants and subsidies (note 19)	5,238,779	5,092,866
Interest expense	11,476,109	12,127,010
Administrative services	4,886,700	5,137,900
Provision (recovery) for loss and write downs	55,080	(510,007)
Cost of land sales - joint venture (note 7)	1,016	(6,164)
Cost of land sales - Waverley West (note 12)	28,884,716	32,330,153
Cost of land sales - other land holdings	30,366	1,400,000
Housing program supports (note 20)	17,312,810	13,227,071
Pension (note 21)	36,506	396,349
Expenses related to advance agreement (note 17)	1,293,872	(4,002,229)
Other amortization	177,378	104,196
Other	623,624	954,343
	292,396,794	277,425,054
<b>Excess of revenue over expenses</b>	<b>\$ 8,232,198</b>	<b>\$ 4,950,882</b>

See accompanying notes to financial statements



# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Statement of Changes in Net Assets

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Net assets, beginning of year	\$ (159,218,791)	\$ (164,169,673)
Excess of revenue over expenses	8,232,198	4,950,882
Net assets, end of year	\$ (150,986,593)	\$ (159,218,791)

See accompanying notes to financial statements

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Statement of Cash Flows

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Operating activities:		
Excess of revenue over expenses	\$ 8,232,198	\$ 4,950,882
Non-cash changes in operations:		
Amortization of capital assets	27,007,136	20,832,090
Amortization of other capital assets	177,378	104,196
Amortization of deferred contributions related to capital assets	(622,928)	(738,231)
Provision for loss and write downs	55,080	(510,007)
Gain on disposal of capital assets	(1,400,318)	(1,121,028)
Change in non-cash working capital:		
Accounts receivable	(2,720,265)	1,647,989
Prepaid expenses	(394,229)	240,827
Other long-term receivables	(5,434,389)	(4,200,640)
Land inventory	(2,537,010)	(775,648)
Accounts payable and accrued liabilities	(10,306,537)	(7,202,244)
Other long-term liabilities	328,462	(4,898,772)
Net increase/(decrease) in deferred revenue	(2,166,398)	(4,495,385)
Net increase/(decrease) in deferred contributions related to expenses of future periods	(1,292,672)	53,972
Net increase/(decrease) in deferred contributions related to Housing Development and Rehabilitation Fund	(7,350,383)	12,980,860
Net increase/(decrease) in deferred contributions related to funds held for third party expenses	(9,563,853)	3,788,602
	(7,988,728)	20,657,463
Capital activities:		
Net increase in deferred contributions related to capital assets	5,549,321	-
Proceeds from disposal of land	74,400	54,009
Proceeds from disposal of capital assets	2,008,390	1,198,055
Purchase of capital assets	(120,392,831)	(137,016,351)
	(112,760,720)	(135,764,287)
Investing activities:		
Additions to loans and mortgages receivable	(2,463,472)	(575,374)
Proceeds from repayment of loans and mortgages receivable	9,780,412	8,431,346
	7,316,940	7,855,972
Financing activities:		
Repayment of long-term debt	(195,170,700)	(210,518,529)
Proceeds from long-term debt	286,662,285	317,385,716
	91,491,585	106,867,187
Net decrease in cash	(21,940,923)	(383,665)
Cash and cash equivalents, beginning of year	95,749,875	96,133,540
Cash and cash equivalents, end of year	\$ 73,808,952	\$ 95,749,875

See accompanying notes to financial statements

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

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### 1. General

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 objectives 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.

MHRC is economically dependent on the Government of the Province of Manitoba.

### 2. Significant accounting policies

#### a) Basis of presentation

These financial statements are prepared in accordance with Canadian public sector accounting standards including PS 4200 series for government not-for-profit organizations.

#### b) Revenue recognition

MHRC follows the deferral method of accounting for contributions. Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Unrestricted contributions 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.

Land sales are recognized in the period in which the ownership is transferred, except for the profit component associated with land development revenue. Land development profits are restricted in use by Legislation and therefore revenue recognition is deferred until the profits are used to support eligible expenditures (note 12).

Interest is recognized on an accrual basis in the fiscal period in which it is earned.

#### c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and highly liquid trust deposits with the Province of Manitoba that are convertible to cash within three months or less.

#### d) Financial instruments

Financial instruments are recorded at fair value or exchange amount on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost using the effective interest method, unless management has elected to carry a group of financial instruments at fair value in accordance with its risk management or investment strategy. MHRC has not elected to carry any such group of financial instruments at fair value.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest method.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

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### 2. Significant accounting policies (continued)

#### e) Loans and mortgages receivable

MHRC 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 MHRC'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. MHRC does not provide an additional non-specific, general provision for loan impairment. MHRC'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.

Loan forgiveness for forgivable loans is approved in accordance with the terms of the loan agreements. MHRC 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, MHRC records the annual forgiveness by reducing both the forgivable loan and the accompanying valuation allowance. Any Federal contributions towards forgivable loans are recorded as revenue as loans are disbursed.

#### f) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Construction in progress is transferred to the appropriate capital asset category when the project is completed and the asset is placed in service at which time, amortization commences. Cost includes direct construction costs, land acquisition costs and interest and other related carrying charges incurred during the period of construction. Repairs and maintenance costs are charged to expense. Betterments which extend or improve the life of an asset are capitalized. When a capital asset no longer contributes to the MHRC's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on a straight-line basis at the following rates:

Asset	Rate
Buildings	25 and 40 years
Building improvements	15 years
Leasehold improvements	Over the lease term
Computer - major application	15 years
Computer software - other	4 years
Computer system - hardware	4 years
Furniture and equipment	8 years

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#### g) Land inventory

Land under development includes the value of land and all costs directly related to the land improvement. Development costs include but are not limited to site preparation, architectural, engineering, surveying, fencing, landscaping and infrastructure for electrical, roads and underground works.

Land held for future development or sale is valued at the lower of cost or appraised value adjusted for estimated disposition costs. Cost includes the original purchase price and related acquisition costs.

#### h) Interest in joint ventures

The interest in joint venture is recognized using the proportionate consolidation method. Proportionate consolidation is a method of accounting and reporting whereby MHRC's pro-rata 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.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

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### 2. Significant accounting policies (continued)

#### i) Employee future benefits

MHRC accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the pension, severance, compensated absences and other retirement benefits. The actuarial determination of the accrued benefit obligations for pensions and other retirement benefits uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors).

Actuarial gains/(losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets, if applicable, for that period. Actuarial gains/(losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains/(losses) are amortized over the expected average remaining service life (EARSL) of active employees. The average remaining service period of the active employees covered by the pension plan is 11 years (2014 - 11 years).

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

Current service contributions for Direct Managed employees are recognized as operating expenses.

#### j) Contributed services

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

#### k) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets, accounts receivable, loans and mortgages receivable, accrued liabilities, and other long-term liabilities. Actual results could differ from those estimates.

#### l) Adoption of new accounting policy

MHRC adopted Public Sector Accounting Board Standard PS 3260, *Liability for Contaminated Sites*, effective April 1, 2014. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination. MHRC adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 3. Cash and cash equivalents

	2015	2014
On deposit with the Minister of Finance:		
Trust deposits	\$ 12,899,271	\$ 15,320,492
Risk Reserve related to Social Housing Agreement	8,193,444	9,176,737
	21,092,715	24,497,229
Bank	52,708,312	71,244,796
Petty cash	7,925	7,850
	\$ 73,808,952	\$ 95,749,875

### 4. Accounts receivable

	2015	2014
Current accounts receivable:		
Canada Mortgage and Housing Corporation	\$ 11,214,745	\$ 10,461,144
Government of the Province of Manitoba and its agencies	683,041	759,103
Rent receivables - net of allowance of \$6,478,104 (2014 - \$6,663,921)	2,829,217	2,861,354
Accrued interest on loans and mortgages receivable	228,844	248,233
City of Winnipeg	833,753	141,096
Other - net of allowance of \$10,885 (2014 - \$5,609)	11,422,681	10,021,086
	\$ 27,212,281	\$ 24,492,016

	2015	2014
Other long-term receivables:		
Government of the Province of Manitoba:		
Pension recoverable (note 21)	\$ 9,657,492	\$ 9,620,986
Severance benefits (note 22)	1,446,105	1,446,105
	11,103,597	11,067,091
Securities for Waverley West installation of services - City of Winnipeg	14,307,693	11,915,543
Other long-term receivables	3,005,733	-
	\$ 28,417,023	\$ 22,982,634

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 5. Loans and mortgages receivable

#### a) Composition of loans and mortgages receivable

	2015	2014
Federal/Provincial Housing Programs:		
Private Non-Profit Housing	\$ 73,329,047	\$ 77,697,232
Rural and Native Housing	318,655	514,412
Urban Native Housing	11,584,646	12,950,704
	85,232,348	91,162,348
Market Rental Programs:		
Co-operative HomeStart	5,186,288	5,446,169
Co-operative Index Linked	2,536,533	3,282,221
	7,722,821	8,728,390
Other Programs:		
Community Residences	1,469,171	1,632,541
Homeowner Rehabilitation	36,393	55,777
Affordable Rental Housing	15,300,782	14,146,140
Other	6,023,076	7,417,001
	22,829,422	23,251,459
	115,784,591	123,142,197
Less - allowance for loan impairment	(2,951,371)	(2,970,000)
Subtotal repayable loans and mortgages receivable	112,833,220	120,172,197
Forgivable loans	241,561,364	227,677,254
	354,394,584	347,849,451
Less - forgivable loans asset valuation allowance	(241,561,364)	(227,677,254)
Loans and mortgages receivable	\$ 112,833,220	\$ 120,172,197
Current portion of loans and mortgages receivable	\$ 7,985,777	\$ 7,475,178
Long-term portion of loans and mortgages receivable	104,847,443	112,697,019
Loans and mortgages receivable	\$ 112,833,220	\$ 120,172,197

Loans and mortgages receivable bear interest at various rates between 0% and 14.25% (2014 - 0% and 14.25%) with maturities at various dates to 2053.

The loans and mortgages receivable for Federal/Provincial Housing Programs, Market Rental Programs, Community Residences and Affordable Rental Housing are secured by a mortgage on the underlying property.

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

2016	\$ 7,985,777
2017	7,897,030
2018	8,152,184
2019	8,351,241
2020	8,608,544
Thereafter	74,789,815
	<u>\$ 115,784,591</u>

#### b) Allowance for loan impairment

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

	2015	2014
Other programs	\$ 2,951,371	\$ 2,970,000
	\$ 2,951,371	\$ 2,970,000

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 6. Land inventory

	2015	2014
Land under development	\$ 69,512,010	\$ 66,957,695
Future development or sale	1,223,413	1,240,718
	<u>\$ 70,735,423</u>	<u>\$ 68,198,413</u>

### 7. Joint venture

MHRC contributed 179 acres of land, at appraised value, to a joint venture with Ladco Company Limited on May 11, 1989. The joint venture activities include the servicing, development and sale of approximately 476 acres of land in the City of Winnipeg, Manitoba.

Joint venture profits are recorded under deferred revenue - Housing Development and Rehabilitation Fund until such time as the profits are required for expenditures. The amount of increase in 2015 from the sales of land for deferred revenue was \$1,016 (2014 - \$6,164 decreased).

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

	2015	2014
Current assets:		
Cash	\$ 609,301	\$ 1,849,037
Prepaid expenses	6,133	12,014
Accounts receivable from land sales	44,709	99,629
	<u>660,143</u>	<u>1,960,680</u>
Long-term assets:		
Development costs to complete	(69,537)	(69,537)
	<u>\$ 590,606</u>	<u>\$ 1,891,143</u>
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,873	\$ 2,393
Net assets	587,733	1,888,750
	<u>\$ 590,606</u>	<u>\$ 1,891,143</u>

	2015	2014
Sales of land	\$ -	\$ -
Cost of land sales - recovery	(8,607)	(658)
Gross margin	8,607	658
Expenses	7,591	6,822
Excess (deficiency) of revenue over expenses	<u>\$ 1,016</u>	<u>\$ (6,164)</u>



# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 8. Capital assets

	2015	2014
Land	\$ 31,010,702	\$ 30,587,718
Buildings and improvements	942,887,139	762,976,998
Less - accumulated amortization	(444,281,272)	(418,760,304)
Buildings - net book value	498,605,867	344,216,694
Under construction	86,512,786	149,507,421
Total land and buildings	616,129,355	524,311,833
Other assets	6,868,032	5,834,233
Less - accumulated amortization	(2,016,797)	(1,658,277)
Other assets - net book value	4,851,235	4,175,956
Net book value	\$ 620,980,590	\$ 528,487,789

MHRC has capitalized \$2,328,074 (2014 - \$2,499,870) of interest during fiscal 2015 to construction in progress.

### 9. Long-term debt

	2015	2014
Government of the Province of Manitoba:		
Advances, interest only payments until construction is complete, at which point it is converted into long-term advances. The interest rate as at March 31, 2015 was 2.10% (2014 - 2.25%).	\$ 293,684,580	\$ 282,466,391
Long-term advances, at interest rates from 2.625% to 13.375% (2014 - 2.75% to 13.375%) maturing at various dates to 2055 and requiring annual principal and interest payments of \$65,501,689 (2014 - \$57,668,845).	551,601,578	463,959,755
Canada Mortgage and Housing Corporation:		
Long-term advances, at interest rates from 5.675% to 8.0% (2014 - 5.675% to 8.0%) maturing at various dates to 2030 and requiring annual principal and interest payments of \$14,449,688 (2014 - \$14,449,688).	112,262,605	119,613,050
Mortgages payable (assumed on property acquisitions), at an interest rate of 10.5% (2014 - 10.5%) maturing at various dates to 2028 and requiring annual principal and interest payments of \$50,337 (2014 - \$50,337).	401,251	419,234
	\$ 957,950,014	\$ 866,458,430
Current portion of long-term debt	\$ 43,914,736	\$ 37,736,389
Long-term debt	914,035,278	828,722,041
	\$ 957,950,014	\$ 866,458,430

Principal repayments on the long-term debt, excluding unfixed term advances of \$293,684,580 are estimated as follows:

2016	\$ 43,914,736
2017	45,385,096
2018	44,907,643
2019	44,625,953
2020	47,134,655
Thereafter	438,297,351
	<u>\$ 664,265,434</u>

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 10. Other long-term liabilities

	2015	2014
Pension liability (note 21)	\$ 9,657,492	\$ 9,620,986
Severance liability (note 22)	4,857,460	4,594,417
Sick leave liability	699,933	671,020
	<u>\$ 15,214,885</u>	<u>\$ 14,886,423</u>

### 11. Deferred revenue

	2015	2014
Tenant prepaid rent	\$ 2,563,379	\$ 2,460,250
Prepaid land lease	37,821	39,360
Lot options - land under development	8,389,635	10,885,523
Deposit for future sales	229,400	1,500
	<u>\$ 11,220,235</u>	<u>\$ 13,386,633</u>

### 12. Deferred contributions

#### a) Expenses of future periods

Deferred contributions related to expenses of future periods represent restricted funding received under various agreements primarily to mitigate future operating risks.

	2015	2014
Balance, beginning of year	\$ 9,486,116	\$ 9,432,144
Adjustment to third party equity accounts	(309,379)	16,252
Amount reclassified from accounts payable and accrued liabilities	2,802	4,959
Amount (disbursed)/recovered from loans and mortgages receivable	(986,095)	32,761
Balance, end of year	<u>\$ 8,193,444</u>	<u>\$ 9,486,116</u>

#### b) Capital assets

Deferred contributions related to capital assets represent the unamortized amount of grants and other contributions received for the construction and rehabilitation of capital assets.

	2015	2014
Balance, beginning of year	\$ 14,887,541	\$ 15,625,772
Contributions received	5,549,321	-
Amount amortized to revenue in the year	(622,928)	(738,231)
Balance, end of year	<u>\$ 19,813,934</u>	<u>\$ 14,887,541</u>

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 12. Deferred contributions (continued)

#### c) Funds held for third party expenses

Deferred contributions related to funds held for third party expenses represents restricted funding received under three agreements with the Federal government. They consist of the Investment in Affordable Housing (IAH), Affordable Housing Initiative (AHI) agreements and the advance agreement for Dauphin River First Nation (DRFN). The balances as of March 31, 2015 for IAH was \$10,665,552 (2014 - \$18,015,745), AHI was \$1,707,650 (2014 - \$2,627,437) and DRFN was \$707,242 (2014 - \$2,001,115).

	2015	2014
Balance, beginning of year	\$ 22,644,297	\$ 18,855,695
Contributions received	9,764,151	12,419,465
Interest earned	(191,525)	158,359
Commitment paid	(19,136,479)	(8,789,222)
Balance, end of year	\$ 13,080,444	\$ 22,644,297

#### d) 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 MHRC in respect of land owned or developed by it or by a partnership or joint venture in which MHRC is or was a participant. The gross proceeds from land development was \$59,521,602 (2014 - \$51,725,088) and the cost of land sales was \$28,885,732 (2014 - \$32,323,989) during the year ended March 31, 2015. Interest earned on the amounts is to be credited to the fund. The fund may be used to provide support for housing projects in areas of need within a municipality in which MHRC realized profits, including the development of new housing or the rehabilitation of existing housing.

All costs allocated to the portions of land sold in a land development project are deducted from the gross proceeds realized from sale of those portions of land in order to determine land development profits. MHRC uses the net yield method to allocate costs to the individual portions which are sold as part of a land development project. Common costs for the development project are allocated to portions which are sold based on acreage, and the cost allocation includes both an allocation of actual land development costs incurred as well as an allocation of costs which are required to complete those portions of the land which are reported as sold.

	2015	2014
Balance, beginning of year	\$ 18,744,854	\$ 5,763,994
Land development profits	30,635,870	19,401,099
Interest earned	175,795	77,900
Current year disbursements	(38,162,048)	(6,498,139)
Balance, end of year	\$ 11,394,471	\$ 18,744,854

### 13. Grants from the Province of Manitoba

	2015	2014
Department of Housing and Community Development:		
MHRC operating programs	\$ 52,239,220	\$ 50,631,300
MHRC administration	15,059,780	16,690,700
Grants and subsidies	3,432,473	3,377,411
	70,731,473	70,699,411
Grants recovered from the Department of Finance:		
School Tax Assistance for Tenants 55 Plus Program	91,388	144,837
Change to pension obligation (note 21)	36,506	396,349
	127,894	541,186
	\$ 70,859,367	\$ 71,240,597

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 14. Contributed services

	2015	2014
Administrative services provided by Departments of the Province of Manitoba were allocated as follows:		
Included in Statement of Operations, administrative services	\$ 1,058,700	\$ 1,064,500
Included in administrative expenses in note 15, direct managed housing operations	1,141,800	1,194,900
Included in administrative expenses in note 15, sponsor managed housing operations	30,900	33,600
Included in rental subsidies, note 18	142,200	135,600
Included in Statement of Operations, housing program supports, note 20	113,400	107,800
	<b>\$ 2,487,000</b>	<b>\$ 2,536,400</b>

### 15. Housing operations

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

	2015			2014		
	Direct Managed	Sponsor Managed	Total	Direct Managed	Sponsor Managed	Total
Revenue:						
Rental revenue	\$ 59,561,172	\$ 18,160,468	\$ 77,721,640	\$ 56,741,602	\$ 15,907,281	\$ 72,648,883
Expenses:						
Administrative (note 14)	38,641,961	3,332,207	41,974,168	38,351,212	3,507,309	41,858,521
Property operating	56,006,831	14,983,843	70,990,674	57,645,171	13,510,487	71,155,658
Grants in lieu of taxes	14,131,364	2,749,100	16,880,464	13,558,115	2,442,636	16,000,751
Amortization	20,312,100	6,695,036	27,007,136	17,121,108	3,710,982	20,832,090
Interest	22,328,802	5,447,501	27,776,303	21,329,686	3,863,599	25,193,285
	151,421,058	33,207,687	184,628,745	148,005,292	27,035,014	175,040,306
Operating loss	\$ 91,859,886	\$ 15,047,219	\$ 106,907,105	\$ 91,263,690	\$ 11,127,733	\$ 102,391,423

### 16. Other government contributions

Pursuant to the Social Housing Agreement executed by MHRC and CMHC, CMHC will pay pre-established 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.

	2015	2014
Federal contributions	\$ 64,634,961	\$ 61,549,579
Municipal contributions	692,656	587,714
	<b>\$ 65,327,617</b>	<b>\$ 62,137,293</b>

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 17. Advance agreement

During 2014, the agreement with Little Saskatchewan First Nation was terminated and unexpended funds were returned to MHRC in March 2014. MHRC reflected the \$4,002,229 returned funds as cash, reduced the outstanding accounts receivable from the Federal government which was no longer due as a result of the termination of the agreement and return of funds, and was reflected as a deferred contribution, funds held for third party expense equal to the Province's share (50%) of the returned funds (note 12).

MHRC, on behalf of the Province, entered into an Advance Agreement with Dauphin River First Nation and the Government of Canada for the acquisition and installation of 47 homes at Dauphin River First Nation. The funds reflected as deferred contribution, funds held for third party expense will be applied to the new agreement with Dauphin River First Nation.

During 2015, MHRC started preparing for the move of the homes to Dauphin River First Nation with \$1,293,872 of costs incurred under the Advance Agreement and an equal recovery from deferred contribution, funds held for third party expense.

### 18. 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:

	2015	2014
Not-for-Profit Housing	\$ 26,097,305	\$ 25,548,960
Co-operative Housing	3,898,102	3,839,942
Private Landlords	7,755,686	6,744,358
	\$ 37,751,093	\$ 36,133,260

### 19. Grants and subsidies

	2015	2014
Portable Housing Benefit	\$ 1,775,521	\$ 1,720,459
Emergency Shelter Assistance	1,656,952	1,656,952
School Tax Assistance for Tenants 55 Plus	91,388	144,837
Elderly & Infirm Persons Housing	143,973	143,973
Co-op HomeStart	88,785	93,908
Homeless Strategy	1,482,160	1,332,737
	\$ 5,238,779	\$ 5,092,866

### 20. Housing program supports

	2015	2014
Forgivable loans (note 5)	\$ 14,747,666	\$ 10,835,802
Administration and delivery agent fees	2,565,144	2,391,269
	\$ 17,312,810	\$ 13,227,071

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 21. Pension obligations

Employees of MHRC and Direct Managed employees are eligible for pensions under the Manitoba Civil Service Superannuation Fund (Superannuation Fund). This pension plan is a defined benefit plan. For Direct Managed employees, MHRC is required 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 at this time. Pension expense recorded for Direct Managed employees for the year ended March 31, 2015 was \$1,583,179 (2014 - \$1,425,763).

MHRC has a liability associated with the annual cost of pension benefits earned by employees' of MHRC. This liability is determined by an actuarial valuation each year based on data provided by MHRC with the balance for the intervening year being estimated by a formula provided by the actuary. The most recent valuation was completed at March 31, 2015.

	2015	2014
Pension liability per actuarial valuation:		
Balance at beginning of year	\$ 9,497,120	\$ 9,224,637
Interest cost on benefit obligations	617,313	599,601
Current service costs	655,873	674,803
Benefits paid	(1,225,419)	(878,055)
Experience (gain)/loss (amortized over EARSL)	413,719	(123,866)
Balance at end of year	9,958,606	9,497,120
Unamortized actuarial gain/(loss)	(301,114)	123,866
Pension liability balance at end of year	\$ 9,657,492	\$ 9,620,986

At March 31, 2015, the unamortized actuarial (gain)/loss to be recognized in future periods are as follows:

	2015	2014
Unamortized actuarial gain/(loss):		
Balance at beginning of year	\$ 123,866	\$ -
In year gain amortized over EARSL - 2015 - 11 years (2014 - 11 years)	(413,719)	123,866
Amortization of actuarial gain	(11,261)	-
Balance at end of year	\$ (301,114)	\$ 123,866

	2015	2014
Change to pension obligation:		
Interest cost on benefit obligations	\$ 617,313	\$ 599,601
Current service costs	655,873	674,803
Benefits paid	(1,225,419)	(878,055)
Amortization of actuarial gain	(11,261)	-
Change to pension obligation	\$ 36,506	\$ 396,349

The above liability is in respect of active employees only and does not reflect any liability with respect to retired or former employees. The key actuarial assumptions were a rate of return of 6.0% (2014 - 6.0%), 2.0% inflation (2014 - 2.0%), general salary rate increases of 2.75%, excluding the 1.0% service and merit increases (2014 - 2.75%) 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, 2015 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 \$9,657,492 as of March 31, 2015 (2014 - \$9,620,986) and has recorded an increase in revenue for fiscal 2015 equal to the related pension liability increase of \$36,506 (2014 - \$396,349 increase). The Province of Manitoba makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 22. Severance

#### a) Severance pay liability

Effective April 1, 1998, MHRC 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 Direct Managed employee's date of retirement, will be determined by multiplying the eligible employee's years of service by the employee's weekly salary (to a maximum compensation of 22 weeks). Eligibility will require that the employee has achieved a minimum of ten years of service and that the employee is retiring from MHRC.

Severance pay, at the Former Department of Family Services and Housing employee's date of retirement, will be determined by multiplying the eligible employee's years of service by the employee's weekly salary (to a maximum compensation of 23 weeks). Eligibility will require that the employee has achieved a minimum of nine years of service and that the employee is retiring from MHRC.

An actuarial report was completed for the severance pay liability as at March 31, 2015. MHRC's actuarially determined liability relating to the Direct Managed employees as at March 31, 2015 was \$3,364,228 (2014 - \$3,288,228). The report provides a formula to update the liability on an annual basis.

MHRC 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 MHRC 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, 2015. MHRC's actuarially determined liability relating to the former Department of Family Services and Housing employees as at March 31, 2015 was \$1,255,040 (2014 - \$1,252,711). The report provides a formula to update the liability on an annual basis.

	2015	2014
Severance liability per actuarial valuation:		
Direct Managed employees:		
Balance at beginning of year	\$ 3,288,228	\$ 2,895,595
Interest cost on benefit obligations	213,735	188,214
Current service costs	292,972	266,517
Benefits paid	(286,027)	(123,794)
Experience (gain)/loss (amortized over EARSL)	(144,680)	61,696
Balance at end of year	3,364,228	3,288,228
Former Department of Family Services and Housing employees:		
Balance at beginning of year	1,252,711	1,217,330
Interest cost on benefit obligations	81,426	79,126
Current service costs	85,987	88,961
Benefits paid	(120,750)	(17,532)
Experience gain (amortized over EARSL)	(44,334)	(115,174)
Balance at end of year	1,255,040	1,252,711
Unamortized actuarial gain	238,192	53,478
<b>Severance liability balance at end of year</b>	<b>\$ 4,857,460</b>	<b>\$ 4,594,417</b>

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 22. Severance (continued)

At March 31, 2015, the unamortized actuarial (gain)/loss to be recognized in future periods are as follows:

	2015	2014
Unamortized actuarial gain/(loss):		
Direct Managed employees:		
Balance at beginning of year	\$ (61,696)	\$ -
In year gain/(loss) amortized over EARSL - 2015 - 10 years (2014 - 10 years)	144,680	(61,696)
Amortization of actuarial loss	6,170	-
Direct Managed employees balance at end of year	89,154	(61,696)
Former Department of Family Services and Housing employees:		
Balance at beginning of year	115,174	-
In year gain amortized over EARSL - 2015 - 11 years (2014 - 11 years)	44,334	115,174
Amortization of actuarial gain	(10,470)	-
Former Department of Family Services and Housing employees balance at end of year	149,038	115,174
<b>Balance at end of year</b>	<b>\$ 238,192</b>	<b>\$ 53,478</b>

	2015	2014
Change to severance obligation:		
Direct Managed employees:		
Interest cost on benefit obligations	\$ 213,735	\$ 188,214
Current service costs	292,972	266,517
Benefits paid	(286,027)	(123,794)
Amortization of actuarial loss	6,170	-
Direct Managed employees change to severance obligation	226,850	330,937
Former Department of Family Services and Housing employees:		
Interest cost on benefit obligations	81,426	79,126
Current service costs	85,987	88,961
Benefits paid	(120,750)	(17,532)
Amortization of actuarial gain	(10,470)	-
Former Department of Family Services and Housing employees change to severance obligation	36,193	150,555
<b>Change to severance obligation</b>	<b>\$ 263,043</b>	<b>\$ 481,492</b>

The key actuarial assumptions were a rate of return of 6.0% (2014 - 6.0%), 2.0% inflation (2014 - 2.0%), and general salary rate increases of 2.75%, excluding the 1.0% service and merit increases (2014 - 2.75%). The projected benefit method was used and the liability has been calculated as at March 31, 2015 by the actuary.

#### b) Severance pay receivable

The Province of Manitoba has accepted responsibility for the severance pay benefits accumulated to March 31, 1998 by MHRC's employees. Accordingly, MHRC 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.

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 MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

### 23. Financial instruments and financial risk management

Financial instruments comprise the majority of MHRC assets and liabilities. MHRC risk management policies are designed to: identify and analyze risk, set appropriate risk limits and controls, and monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Board of Directors approves these policies and management is responsible for ensuring that the policies are properly carried out. The Board of Directors receives confirmation that the risks are being appropriately managed through regular reporting, third party compliance reporting and by reviews conducted by MHRC.

MHRC is exposed to credit, interest, and liquidity risks in respect of its use of financial instruments.

#### a) Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. The financial instruments that potentially subject MHRC to credit risk consist principally of accounts receivable, loans and mortgages receivable and guarantees on loans. MHRC's deposits are held by the Province of Manitoba who guarantees the associated payments of principal and interest.

MHRC's maximum possible exposure to credit risk is as follows:

	2015	2014
On deposit with the Minister of Finance (note 3)	\$ 21,092,715	\$ 24,497,229
Accounts receivable (note 4)	55,629,304	47,474,650
Loans and mortgage receivable (note 5)	112,833,220	120,172,197
Loan guarantees (note 26)	9,591,768	10,394,570
	<u>\$ 199,147,007</u>	<u>\$ 202,538,646</u>

MHRC establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on MHRC's estimates and assumptions regarding customer analysis, historical payment trends and statutes of limitations. These factors are considered when determining whether past due accounts are allowed for or written off.

The change in the allowance for doubtful accounts during the year was as follows:

	2015	2014
Balance, beginning of the year	\$ 6,669,530	\$ 6,886,217
Provision for receivable impairment	236,023	581,185
Amounts written off	(416,564)	(797,872)
Balance, end of the year	<u>\$ 6,488,989</u>	<u>\$ 6,669,530</u>

As at March 31, 2015, \$4,450,954 (2014 - \$3,278,360) of accounts receivable and nil (2014 - nil) of loans and mortgages receivable were past due, but not impaired.

#### On deposit with the Minister of Finance

MHRC is not exposed to significant credit risk as its investments are held by the Province of Manitoba and the Province of Manitoba guarantees the associated payments of principal and interest.

#### Accounts receivable

The accounts receivable partially consists of \$11,214,745 (2014 - \$10,461,144) due from Canada Mortgage and Housing Corporation, \$11,786,638 (2014 - \$11,826,194) from the Province of Manitoba and \$15,141,446 (2014 - \$12,056,639) from the City of Winnipeg.

#### Loans and mortgage receivable

Impairment provisions are provided for losses that have been estimated as of the Statement of Financial Position date. Management of credit risk is an integral part of MHRC's activities with careful monitoring and appropriate remedial actions being taken.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

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### 23. Financial instruments and financial risk management (continued)

#### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate exposure relates to on deposit with the Minister of Finance, loans and mortgages receivable, and long-term debt.

#### On deposit with the Minister of Finance

MHRC's cash equivalents on deposit with the Minister of Finance consists mainly of short-term interest bearing investments. These investments are normally held to maturity so changes in interest rates do not affect the value of the investments.

#### Loans and mortgage receivable/loans from the Province of Manitoba

MHRC borrows funds for lending operations from the Province of Manitoba at fixed rates and normally lends those funds to clients at reasonable percentage above the associated borrowing rate. For long-term advances that have fixed interest rates for the full term of the advance and MHRC only offers fixed interest rate loans to its clients. Due to this corresponding arrangement, MHRC does not incur significant interest rate risk. However, some interest rate risk may result due to MHRC's lending policy of allowing prepayment of loans without penalty, given that MHRC does not have the offsetting ability to prepay the associated advances from the Province of Manitoba without penalty. MHRC mitigates this risk by closely matching the cash flow from client loan payments, including estimated annual prepayments, to the cash flow required to repay advances from the Province of Manitoba.

In addition, MHRC's advance from the Province of Manitoba have variable interest rates which expose MHRC to cash flow interest rate risk. At March 31, 2015, had prevailing interest rates increased or decreased by 1%, the estimated impact on interest expense would be approximately \$2,936,846 (2014 - \$2,824,664).

#### c) Liquidity risk

Liquidity risk relates to MHRC's ability to access sufficient funds to meet its financial commitments.

Advances from the Province of Manitoba have a direct correlation to the loans receivable as the funds borrowed are directly lent to MHRC clients. Funding is provided by the Province of Manitoba for the full amount of loans that are written off. Subsequently, MHRC has minimal liquidity risk on its lending portfolio in respect of advances from the Province of Manitoba.

### 24. Contingencies

MHRC 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 MHRC. Any settlement will be recognized in the year the settlement occurs.

# THE MANITOBA HOUSING AND RENEWAL CORPORATION

## Notes to Financial Statements

Year ended March 31, 2015

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### 25. Commitments

MHRC has the following commitments as at March 31, 2015:

Capital assets:

a) Housing project enhancements and new construction	\$ 171,350,879
b) Third party repair, renovation and new construction	\$ 22,223,289

Public housing operations:

As a result of the Social Housing Agreement dated September 3, 1998, MHRC is 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:

2016	\$ 97,656,000
2017	108,932,800
2018	120,494,000
2019	131,960,000
2020	136,276,900

### 26. Guarantees

MHRC 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 total authorized for MHRC is \$20,000,000. The outstanding guarantees are as follows:

	2015	2014
Waverley West Letters of Credit	\$ 9,583,696	\$ 9,517,096
Mobile Home Loan Guarantee Program	8,072	10,874
Housing Opportunity Partnership Inc.	-	800,000
River Point Centre	-	35,400
Oddy at Westland Letter of Credit	-	31,200
	\$ 9,591,768	\$ 10,394,570

### 27. 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.

### 28. Comparative figures

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