



# ADDENDUM

## TO THE MANITOBA HOUSING AND RENEWAL CORPORATION

THREE-YEAR ACTION PLAN

(2019/2020 - 2021/2022)



UNDER THE CMHC-MANITOBA BILATERAL AGREEMENT  
UNDER THE 2017 NATIONAL HOUSING STRATEGY

September 2020



## Use of Funding

In addition to the uses of funding described in Manitoba's public-facing three year action plan under the National Housing Strategy (NHS) dated March 2020, Canada Mortgage and Housing Corporation (CMHC) Funding and Cost-Matched Funding under the NHS bilateral agreement will also be used toward the Canada-Manitoba Housing Benefit (CMHB).

### Canada-Manitoba Housing Benefit

The CMHB will be a new program that will build on Manitoba's existing Rent Assist program. The CMHB will be stacked with Rent Assist to reduce or eliminate housing need in particularly vulnerable target populations, and will enable greater access to the rental market.

Created in 2014, Rent Assist targets low-income Manitobans who are receiving Employment and Income Assistance (EIA) and have shelter costs as well as those who are renting in the private market and are not receiving EIA (non-EIA Rent Assist). In December 2015, the Rent Assist program was enhanced, with maximum benefits fully indexed to 75% of median market rent (MMR), and benefit caps and rent floors removed. Legislation and regulation require that maximum Rent Assist benefits are indexed each July, to adjust for changes to MMR.

Manitobans receiving EIA benefits receive Rent Assist as the shelter component of their assistance. In subsidized housing, the shelter component of EIA ranges by number of people in the household and utilities included/excluded with rent (e.g. the amount for one person is \$285/month where heat and electricity are included in rent). In the private market, the shelter component of EIA ranges with household composition (e.g. \$576 for a single person, \$603 for a single person with a disability).

Manitobans not receiving EIA benefits may apply for non-EIA Rent Assist if they:

- Pay rent for unsubsidized housing
- Are a Canadian citizen or a permanent resident of Canada
- Have a net annual income below the program's income eligibility criteria.

The non-EIA Rent Assist program pays the difference between 30% rent geared-to-income (RGI) and up to 75% of MMR. In other words, a non-EIA Rent Assist client pays 30% RGI, plus the difference between the maximum non-EIA Rent Assist benefit (75% MMR) and the actual rent for their unit. While the non-EIA Rent Assist program reduces Housing Need, households whose rent is above 75% MMR will pay more than 30% of their income on housing and would still be considered to be in Housing Need.

The CMHB will begin as a program with three streams<sup>1</sup>:

1. It will support youth transitioning out of the child welfare system and youth who have recently transitioned<sup>2</sup> to avoid more entrenched government interventions while preventing homelessness.
2. It will support people that are homeless or at risk of homelessness to remain housed and reduce their risk of becoming homeless.
3. It will support people living with mental health and addictions issues to remain housed and reduce their risk of becoming homeless.

The program will not fully prioritize those living in Community Housing. The youth aging out of care and the homelessness streams will be focused on the private market, however the mental health and addictions stream will initiate in community housing (supportive recovery housing) before the client exits to the private market. Under all streams, clients will be given the option to consent to their benefit being paid via trusteeship (e.g. direct to landlord from administering agency) and will have the ability to withdraw this consent.

In Manitoba, wait lists for Community Housing are long. For example, the wait list for Manitoba Housing owned and managed buildings was approximately 8,400 as at February 2020. While the Community Housing sector is a valuable partner in addressing housing need, Manitoba's private rental market has an important role to play in helping alleviate this high demand. The CMHB will divert individuals from Community Housing wait lists thereby reducing wait times to access Community Housing for others.

## YOUTH TRANSITIONING OUT OF CARE STREAM

This stream of the CMHB is targeted toward youth leaving care of the child welfare system and youth who have left care within the last year and find they are struggling with housing costs. The benefit in this stream will be portable within Manitoba. Income eligibility will be the Disability Program Income Limit (PIL) of the non-EIA Rent Assist program<sup>3</sup> although participation in the Rent Assist program is not a requirement of access to the CMHB<sup>4</sup>. Use of this PIL for CMHB will be inclusive of youth with and without a disability and allows for attachment to the labour force (as the PIL is slightly above full time minimum wage). For those receiving either EIA or non-EIA Rent Assist, the CMHB will be the difference between market rent and the client's Rent Assist benefit, up to a maximum of \$250/month. For those not receiving EIA/non-EIA Rent Assist, the CMHB will be a \$250/month rent supplement to provide modest help with the client's rent in the private market. The benefit will be paid to the client for up to two years or when the client's income surpasses the PIL, whichever comes first.

1. As funding for the CMHB increases over the lifetime of the bilateral agreement, the benefit may be expanded in future years to include additional vulnerable populations.

2. Within the previous fiscal year.

3. The current non-EIA (Disability) PIL is \$25,280.

4. Some youth leaving care do not want to be connected with government income supports and choose not to enroll on EIA.

Manitoba Housing is working to identify appropriate delivery agent(s) for the youth stream of the CMHB. In absence of a community delivery agent, this stream will either be delivered directly by Manitoba Housing, or elsewhere within the Department of Families.

Over the course of this action plan period (2020/21 to 2021/22), the benefit will support an estimated 1,260 youth aging out of care at a cost of over \$3.6 million.

## **HOMELESSNESS STREAM**

This stream is targeted toward those experiencing homelessness and at risk of homelessness who are connected to supports at a community organization. Eligibility for the program will be enrollment in EIA or receipt of non-EIA Rent Assist. The benefit will be paid to the client for as long as the client is on EIA/non-EIA Rent Assist. The CMHB will be the difference between market rent and the client's EIA/non-EIA Rent Assist benefit, up to a maximum of \$250/month. The benefit will be portable within Manitoba and will not be time limited; those who are homeless or at risk of homelessness require a long-term rent supplement to become stable in their housing. It is expected that 5-10% of households could leave this stream after a period of approximately 5 years. Clients will be referred to this benefit via attachment to a homeless-serving agency. This stream will be delivered by End Homelessness Winnipeg (EHW) in Winnipeg and the Brandon Neighbourhood Renewal Corporation (BNRC) outside of Winnipeg.

The NHS bilateral agreement recognizes the shared commitment to reduce chronic homelessness year over year, including the alignment of housing and homelessness initiatives. As such, within the first action plan period, Manitoba will roll its Housing First Rent Supplement (HFRS)<sup>5</sup> into the CMHB. The CMHB will fund the rent supplements for the former HFRS clients and the existing HFRS program budget will be used to support building services for CMHB homelessness stream clients in Winnipeg.

It is estimated that over the course of this action plan period (2020/21 to 2021/22), the benefit will support approximately 367 homeless individuals or individuals at risk of homelessness at a cost of over \$1.4 million.

## **MENTAL HEALTH AND ADDICTIONS STREAM**

This stream will not come on line until 2021/22 as the new supportive recovery projects will not be completed until that time. The majority of clients will occupy 70 units that are part of a supportive recovery housing model, which provides a stable, recovery-oriented environment for clients. Supports (funded by Manitoba Shared Health) will include coaching for daily living focusing on eventual community reintegration. All clients are expected to graduate from supportive recovery housing into the private market within 6-24 months. This stream of the CMHB will be portable after the client has exited supportive recovery housing (i.e. the CMHB will port with the client from supportive recovery housing to the private market). Once the client has exited supportive recovery housing, they will continue to receive CMHB for up to 24 months.

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<sup>5</sup> The HFRS was created when the federal At Home/Chez Soi research project ended and the cost and delivery of the program in Manitoba became the responsibility of the Manitoba government.

Within supportive recovery housing, the average depth of benefit (proportionate to the rent profiles of the units) is \$350/month. Once the client leaves supportive recovery housing for the private market, the benefit will be the difference between market rent and Rent Assist/non-EIA Rent Assist to a maximum of \$250/month.<sup>6</sup> Manitoba Housing will deliver the mental health and addictions stream. The income test for this stream will be enrollment in EIA or non-EIA Rent Assist. The benefit will be paid to the client for up to two years or when the client's income surpasses the PIL, whichever comes first.

A subset of clients in this stream will be homeless individuals who will occupy 47 units that are part of a Housing First model, which provides access to supports for individuals dealing with addictions as well as homelessness. Supports (funded by Manitoba Shared Health) will include coaching for daily living focusing on eventual community reintegration. All clients are expected to graduate from supportive recovery housing into the private market within 24 months. In this scenario, the client will enter into the homelessness stream upon leaving the mental health and addictions stream. As such, the CMHB will be portable after the client has exited supportive housing (i.e. the CMHB will port with the client from supportive housing to the private market). Within supportive housing, the average depth of benefit (proportionate to the rent profiles of the units) is \$350/month. Once the client leaves housing for the private market, the benefit will be the difference between market rent and Rent Assist/non-EIA Rent Assist to a maximum of \$250/month.<sup>7</sup> Manitoba Housing will deliver the CMHB while the client is in the mental health and addictions stream. The income test for this stream will be enrollment in EIA or non-EIA Rent Assist.

It is estimated that over the course of this action plan period (2020/21 to 2021/22), the benefit will support 137 individuals through the mental health and addictions stream at a cost of over \$479,000.

### **COST-MATCHED FUNDING: NON-EIA RENT ASSIST**

In 2019/20, Manitoba's non-EIA Rent Assist program provided benefits to an average of approximately 7,400 low-income Manitobans per month; those in greatest need. In 2020/21 the projected non-EIA Rent Assist caseload is 8,181 households with expenditures of \$41.0 million. Given Manitoba's significant unilateral investment in this robust portable shelter benefit program, Manitoba will cost-match the CMHB using a portion of its annual expenditures on non-EIA Rent Assist.

Non-EIA Rent Assist recipients include persons with disabilities, single parents, seniors, veterans, Indigenous persons and new Canadians. Non-EIA Rent Assist provides a key pathway for those in poverty to transition to greater independence, less reliance on government benefits, and encourages choice in housing, while very deliberately addressing the welfare wall.

6. Although the CMHB benefit will decrease upon leaving supportive recovery housing, the amount of Rent Assist the client receives will increase to correspond with the rate for living in unsubsidized housing.

7. Although the CMHB benefit will decrease upon leaving supportive recovery housing, the amount of Rent Assist the client receives will increase to correspond with the rate for living in unsubsidized housing.

The non-EIA Rent Assist program will continue to be delivered by Manitoba Provincial Services. The average benefit level for non-EIA Rent Assist is estimated at \$418/month, with a turnover rate of approximately 32% per year. Between 2020/21 and 2021/22 Manitoba will use a portion of its non-EIA Rent Assist spend to cost-match the CMHB, providing over \$10.9 million in funding in support to an estimated 1,594 clients in Housing Need.

In total, between 2020/21 and 2021/22, the three streams of the CMHB and Manitoba's cost match through non-EIA Rent Assist will provide over \$16.5 million in funding to support an estimated 3,358 vulnerable Manitobans in Housing Need.

## **Inflation and the CMHB**

Manitoba's rent regulations and Rent Assist nuances are inherently anti-inflationary. Rent regulations under Manitoba's Residential Tenancies Act generally only allow landlords to increase their rents by the provincial guidelines. Manitoba introduced rent regulations in 1976 and they have been in place continuously since 1982. Manitoba's rent regulations are based on a guideline/cost pass-through approach. An annual guideline is established and rents may be increased up to this guideline without administrative review. Landlords may apply for an increase above the guideline based upon a review of their operating costs, capital expenditures and any financial loss experienced. Many rental units at the lower-priced end of the market are covered by the Residential Rent Regulation, which limits rental increases year over year. Manitoba's rent regulation will continue to act as a buffer against inflation/price gouging as a result of this benefit.

## **Administration Costs**

The NHS bilateral agreement allows Administration Costs up to a maximum of 10%. As such, under this Action Plan, Manitoba will claim Administration Costs of over \$380,000 in 2020/21 and over \$490,000 in 2021/22 related to the CMHB. These funds will be used to address the costs of carrying out the Agreement and will include funding to support delivery of the CMHB and reporting.

## Expected Results and Outcomes

CMHC and MHRC agree on the following Expected Overall Targets related to the Manitoba delivered funding under this Agreement from 2019/20 to 2027/28.

### Targets and Outcomes for expected results overall

Outcome	Expected Results	Target (Units)								
		Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
Maintain/increase social housing supply	Units continue to be offered in social housing <sup>1</sup>	1,103	6.79	3,150	7.18	5,261	7.18	5,261	21.15	22,031
	15% expansion of rent assisted units <sup>2</sup>	479	11.70	323	12.94	323	5.34	1,125	29.98	2,108
	No net loss of Urban Native Social Housing units available to low-income households <sup>3</sup>	400	2.00	400	2.00	400	2.00	400	6.00	625
Repair existing stock <sup>4</sup>	At least 20% of existing social housing units repaired <sup>5</sup>	992	90.50	644	64.41	657	65.65	2,293	220.56	5,470
	Retained Urban Native Social Housing units are repaired to good condition <sup>6</sup>	-	-	-	-	27	2.65	27	2.65	663

1. The 2019/20 to 2027/28 target total of 22,031 does not reflect the total 23,417 units in the baseline as SHA operating agreements will continue to expire through 2031. Unit counts each fiscal year are cumulative.
2. Expansion of rent-assisted units includes incremental case volume in non-EIA Rent Assist, new construction (including secondary suites) and regeneration. The baseline for the purposes of the expansion target excludes 4,120 Personal Care Home beds funded under the SHA. Over the term of the NHS, Manitoba will focus more on repair of existing community housing stock and less on expansion, as reflected in the 2019/20-2027/28 target. Year 1 target adjusted from previously published action plan table due to a calculation error.
3. No Urban Native units are scheduled to come off agreement during this action plan period. Funding is to subsidize 400 Urban Native units that had previously expired yet are included in the Urban Native baseline count (Manitoba has unilaterally funded). Unit counts each fiscal year are not cumulative. The 2019/20 to 2027/28 target total of 625 does not reflect the total 663 units in the baseline as SHA operating agreements will continue to expire through 2031.
4. The number of units projected to be affected by repair and renewal is an estimated projection. The targets are subject to revision based on actual work completed.
5. Over the term of the NHS, Manitoba will focus more on repair of existing community housing stock and less on expansion, as reflected in the 2019/20-2027/28 target.
6. These are included in "At least 20% of existing Social Housing Units repaired". Units in the Urban Native portfolio received considerable funding for repair under the Social Infrastructure Fund (576 units, \$4.8M); as such, funding to make additional repairs to this portfolio will not occur until 2021/22.

## Expected number of households for which housing need will be addressed by Initiative

Initiative	Target (Households) <sup>1</sup>				2019/20 - 2027/28 Target <sup>2</sup>
	Year 1	Year 2	Year 3	3 Year Cumulative Total	
Manitoba Priorities Housing Initiative <sup>3</sup>	2,081	1,377	955	4,413	9,508
Canada Community Housing Initiative	1,691	2,193	2,771	6,655	21,092
Canada-Manitoba Housing Benefit	N/A	1,985	1,373	3,358	17,619
<b>Total</b>	<b>3,772</b>	<b>5,555</b>	<b>5,099</b>	<b>14,426</b>	<b>48,219</b>

1. Targets are estimates and subject to revision.

2. 2019/20 to 2027/28 target totals for Manitoba Priorities and Canada Community Housing Initiative refined to reflect negotiated repair and expansion targets proportionate to amount of funding available under each initiative.

3. Year 2 and 3 values updated to account for a calculation error.

## Planned Cost Matching Per Initiative

Initiative	Planned Cost-Matching			
	2018/19 & 2019/20 Year 1 (\$M) <sup>1</sup>	2020/21 Year 2 (\$M) <sup>2</sup>	2021/22 Year 3 (\$M) <sup>3</sup>	2022/23 Year 4 (\$M) <sup>4</sup>
Manitoba Priorities Housing Initiative <sup>5</sup>	51.2	37.4	33.6	5.9
Canada Community Housing Initiative	52.2	36.3	32.5	13.2
Canada-Manitoba Housing Benefit	N/A	3.8	4.9	6.5

1. Includes funding for M&I, safety and security upgrades to PCH beds under the NHS baseline, incremental costs for non-EIA Rent Assist, supportive housing, new seniors housing and funding to continue to offer Urban Native units.

2. Includes funding for M&I, new seniors housing (funding continued from 2019/20), incremental costs for non-EIA Rent Assist as well as non-EIA Rent Assist costs used to cost-match CMHB, and funding to continue to offer Urban Native units.

3. Includes funding for M&I, incremental costs for non-EIA Rent Assist as well as non-EIA Rent Assist costs used to cost-match CMHB, and funding to continue to offer Urban Native units.

4. Assumes cost match is equivalent to federal funding levels for 2022/23. Values may be revised when the second action plan (2022/23-2024/25) is developed.

5. Year 2 and 3 values updated to account for a calculation error.



## Planned funding and indicators to achieve overall targets over the three-year planning period

Indicator: Number of households for which Housing Need is addressed	Target (Households) <sup>1</sup>								
	Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
	#	(\$M)	#	(\$M)	#	(\$M)	#	(\$M)	Units
New Construction <sup>2</sup>	209	11.58	110	12.32	110	4.72	429	28.62	937 <sup>2</sup>
Repaired/ Renewed <sup>3</sup>	992	90.50	644	64.41	657	65.65	2,293	220.56	5,470
<b>Affordability Assistance</b> <i>Project based subsidy</i>	2,191	6.79	2,538	7.18	2,681	7.18	7,410	21.15	22,230
<i>Affordability Assistance to the household<sup>3</sup></i>	380	6.39	2,263	7.46	1,651	12.29	4,294	25.94	19,582
<b>Total</b>	<b>3,772</b>	<b>115.26</b>	<b>5,555</b>	<b>91.37</b>	<b>5,099</b>	<b>89.84</b>	<b>14,426</b>	<b>296.27</b>	<b>48,219</b>

1. Targets are estimates and subject to revision.
2. 2019/20-2027/28 target refined to be proportionate to expansion through new supply (as compared to expansion through affordability assistance) in the first action plan period. Projected target assumes proportion carries forward throughout the course of the agreement.
3. The number of units projected to be affected by repair and renewal is an estimated projection. The targets are subject to revision based on actual work completed.
3. Years 2 and 3 include CMHB and down payment/closing cost assistance for homeowners and incremental non-EIA Rent Assist case volume increases. 2019/20-2027/28 target refined to be proportionate to expansion through affordability assistance (as compared to expansion through new supply) in the first action plan period. Projected target assumes proportion carries forward throughout the course of the agreement.

## Planned funding and indicators for accessible units over the three-year planning period

Indicator: Housing units considered accessible	Target (Units)								
	Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
	Units	(\$M)	Units	(\$M)	Units	(\$M)	Units	(\$M)	Units
New	57	6.1	12	4.22	12	4.22	81	14.54	243
Repaired/ Renewed <sup>1</sup>	50	90.50	33	64.41	33	65.65	116	220.56	348
<b>Total</b>	<b>107</b>	<b>96.6</b>	<b>45</b>	<b>68.63</b>	<b>45</b>	<b>69.87</b>	<b>197</b>	<b>235.1</b>	<b>591</b>

1. The number of units projected to be affected by repair and renewal is an estimated projection. The targets are subject to revision based on actual work completed. Funding amount represents funding for repair/renewal overall (e.g. not specific to accessible units).

