Presentation to Executive Policy Committee, City of Winnipeg, March 14th, 2005-03-08

Re: The Importance of City Funding Continuing through the WHHI for both the Spence Community and the City as a whole

Presented by: the Spence Neighbourhood Association

What has been done with the WHHI $ -
The community appreciates what has been done towards the renewal of housing in Spence. In 2003 and 2004 the city contributed $250,000 each year to Spence housing projects. This money went towards the construction or complete renovation of 6 apartment blocks and 97 houses built or renovated by non-profits working towards the revitalization of the community.

This $500,000 also ensured that almost 50 homeowners received small grants totalling $49,300 for which they contributed a matching amount towards upgrading the outside appearance of their properties. In addition, grants to 29 Rental properties totalled $65,500 and leveraged over $146,000 of investment into the long term upkeep of the rental units.

Contributions from the city housing fund over the last four years have encouraged investment from other levels of government through RRAP, NHA and AHI programs to the tune of $3,383,753, with $800,000 of those funds going into the homes of low income home owners.

The houses sold for $70,000 in 2004 are currently taxed at a $54,000 value. Revenue generated from taxes for the city and the city's schools is currently about $1100 per property and will increase in value over the next few years. This is an additional $110,000 per year (or more than $1,100,000 over 10 years) of revenue that the city would not have. In fact the city would most likely still own 97 vacant lots in Spence where, if houses had not been renovated, they would have been taken down, creating a drain on city funds for maintenance and monitoring.

The Current Situation:
The question that begs to be asked is, with this much investment is it time to stop and let the private sector take over? The answer from those living and working in the Spence neighbourhood is, not yet. The community is at a critical point. Much work has been done but there are many buildings which have not had any financial investment for decades and need major assistance to become viable into the future.

In November the neighbourhood association made a list of 87 homes that were significantly distresses in appearance. This is 6.5 % of 1350 the houses in the community. Of these, 44 houses were boarded or vacant. At the time 9 apartment buildings were also seen to be significantly distressed from the outside, some being vacant or part vacant. Each of these houses contribute to the continued low property values and the difficulty of obtaining insurance for adjacent properties. These vacant or distressed houses and apartments attract negative elements and contribute to the feeling that the neighbourhood

is not a safe place to live. Some of these houses are slated for renovation but many will remain in their present condition unless there are funds from the city going to support major renovation and to leverage funding from other levels of government.

The community is not ready yet for less direct funding tactics. Tax relief or building permit credits are not the type of incentive that encourages first time home buyers to risk purchasing a home in an inner city community. Rental increases in other places in the city may be able to cover renovation or upgrade costs. However, in our community the rents are still controlled by social assistance rates and owners do not consider it cost effective to invest in upgrades. Most rental property owners do little more than surface renovations. These renovations contribute little to upkeep and heat savings, and leaving the long term viability of the structures still in question. Incentives are needed to encourage landlords to put more significant upgrades into their buildings while keeping the rents at a rate which residents can afford.

Plans for Next year – to address the existing situation:
The community is geared up to address the situation. Plans for 2005/2006 include 10 additional complete renovations and 10 new infill homes. Community people are being mobilized to participate in small incentive grants programs, from applications to approvals. The Housing Coordinator together with the resident housing committee and housing stakeholders groups are getting ready to create a plan for the next five years. None of this will happen without the participation and funding from the City of Winnipeg.

Impact of lack of funding:
Without the city funding there will be a loss of jobs and organizations that have built expertise around housing renewal. Property values will stagnate. No more new houses will be built. The number of city owned vacant lots will increase. Perhaps most significantly, funding leveraged from property owners, home owners and other levels of government will be lost.

Community renewal is a long process but one that is crucial to the survival of our city.