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March 14, 2005

His Worship Mayor Katz
and Members of Executive Policy Committee
Council of the City of Winnipeg
510 Main Street
Winnipeg, MB

Dear Mayor Katz and Members of EPC:

Re: **City of Winnipeg Funding for Affordable Housing and the Winnipeg Housing and Homelessness Initiative (WHHI)**

Executive Policy Committee Special Meeting – Delegations, March 14, 2005

Operating Budget Review – 2005 and 2006

1. Affordable Housing Initiative Programs and Housing Rehabilitation Investment Reserve Budget Allocations
4. Standing Policy Committee on Protection and Community Services – Operating Budget Recommendations
5. Standing Policy Committee on Property and Development – Operating Budget Recommendations
6. Executive Policy Committee – 2005 and 2006 Operating Budget Recommendations

Recommendation:

That the Preliminary 2005 and 2006 Operating Budgets be revised to include annual allocations to the **Housing Rehabilitation Investment Reserve Fund** sufficient to permit the City of Winnipeg to honour its commitments to its citizens and neighbourhoods, and to its federal and provincial government partners, by continuing to fund and deliver the five City of Winnipeg Affordable Housing Initiative Programs as planned:

1) Housing Plans and Advocacy Program
2) Neighbourhood Housing Program
3) Development Cost Offset Program
4) Downtown Housing Program
5) Minimum Home Repair Program

The remaining unfunded commitment for 2004-2007 totals almost $10 million.

Background:

As detailed in the attached reports, on September 25, 2002, City Council specifically approved the allocation of "additional funds of $8.747 million to the Housing Investment Reserve Fund," in addition to the $7 million originally committed in October of 1999.

In conjunction with the allocation of surplus City-owned lands then assessed at $3.2 million, for new affordable housing programs, it was intended that the City of Winnipeg contribute as much as $17.5 million, or one-third of the $52.5 million in total federal-provincial-municipal funding commitments for affordable housing in Winnipeg during the eight-year period, 2000-2007.

Delivered through the "single-window" office of the Winnipeg Housing and Homelessness Initiative (WHHI), which is staffed by officials of all participating federal, provincial and City departments, the City of Winnipeg Affordable Housing Initiative Programs and funds were specifically designed by City staff to complement and lever access to federal and provincial housing and homelessness program funds, in partnership with private sector companies, charitable foundations, not-for-profit organizations, and individual citizens.

As you have heard from others already, the tripartite WHHI affordable housing program is working well, and is producing dramatically positive results in our inner city neighbourhoods.

What is the problem?

I am appearing today as a private citizen, representing only myself. For your information, during the past seven years I have been involved in supporting the efforts of community groups such as the Flora Place Tenants Association, the West Broadway Community Land Trust, the North End Community Renewal Corporation, and the Community Education Development Association.

I am sure that all members of EPC are very much aware that there are a great many competent, caring and courageous citizens now working very hard to rejuvenate their inner city neighbourhoods, and to provide affordable housing for everyone.

Given the critical importance of such community revitalization, I am astounded to learn that the City of Winnipeg has failed to ensure provision of its share of the affordable housing programs funding for 2004-2008.

Apparently the City has not yet allocated any new funds to the Housing Investment Reserve Fund since the end of the 2003 fiscal year, and has failed to budget for any further contribution in the adopted 2004 and 2005 Capital Budgets, the 2006-2010 Five-Year Capital Forecast, the 2004 Operating Budget, or now the Preliminary 2005 and 2006 Operating Budgets.

When EPC comes to consider this matter under Item No. 1 during its "Operating Budget Review" on Wednesday, March 16, I trust you will arrange to have a proper update before you, showing the complete details of the funds previously approved, already committed, and still required to fulfill City Council's total commitments for the affordable housing programs, for each of the years 2000-2007.

> (**N.B.** The report attached to your March 16 EPC agenda item was produced prior to December 10, 2003, and is now about 18 months out of date. The Winnipeg Housing Steering Committee is required to report to EPC on the status of the City's housing programs every six months, so presumably a current status report is in fact available now.)

Whatever sums are required to meet the expectations of the City's community and government partners, and to maintain the precious momentum which has been created, please insist on finding and committing the necessary ongoing funding **now**.

Since the Preliminary 2005 Operating Budget was released on February 25th, the Manitoba Government has brought down its new budget, promising additional funds for the City. Hopefully the new "Building Manitoba Fund" and other provincial support programs will be of some incremental assistance to the City.

In any event, it is simply not acceptable to continue to make contributions to the City's Housing Investment Reserve Fund dependent upon whether or not the City happens to record a surplus of revenues over expenditures each year. In 2003 the recorded surplus was only $700,000, less than half the $1,500,000 proposed allocation for the Reserve, and apparently there is no surplus to be expected for 2004, 2005 or 2006.

The required annual contribution for 2004-2007 is equal to about 0.4 % of the operating budget.

By failing to budget for these housing programs properly, in either the Operating or Capital budgets, or both, City Council has been saying, in effect, that it will support everything else included in those annual budgets, before it funds community-based affordable housing; and that it will fund affordable housing only if annual revenues are unexpectedly high and/or expenses are unexpectedly low.

Just do it.

The press release accompanying EPC's preliminary 2005 operating budget said it "paves the way for new infill housing and renovation reward programs." So far I have found nothing in the published budget document which does this, although in his earlier "State of the City" address Mayor Katz said that, "By the end of the year we will put in place new infill housing and renovation rewards to spur renewal in the heart of our older neighbourhoods."

In fact, on December 1, 2003, the Winnipeg Housing Steering Committee recommended that the amount of $2,049,000 be included in the 2004 Annual Capital Budget and in each year of the 2005 to 2009 Capital Budget Forecast "to enable the City to meet the Affordable Housing commitments contained within the City/Manitoba Housing Renewal Corporation Memorandum of Understanding….."

I understand that both Councillor Steeves and Councillor Thomas were members of the Steering Committee when that recommendation was made. In response, EPC and Council referred that recommendation "for consideration during future capital budget discussions."

Subsequently, EPC recommended that the 2003 year end operating surplus be allocated to the Housing Investment Reserve Fund, and the sum of $700,000 was eventually transferred.

Now the members of the Steering Committee include Councillors Pagtakhan, Smith and Wyatt.

In conjunction with the 2005 Capital Budget Review, which made no provision for funding for the Housing Investment Reserve Fund, EPC recommended in December, 2004, that the Steering Committee's 2003 recommendation be referred instead to "the 2005 Operating Budget deliberations."

This is where we are now.

I would respectfully request that EPC and Council now reassure all of the City's partners that whatever else may happen, the City will in fact fund and deliver the affordable housing programs as expected.

In particular, I would really appreciate it if the City would make good on its June 2000 commitments to the residents of **Flora Place**, and finally confirm the funding to construct the 28 units of new modest housing required **now**. This should be the happy and inspiring ending to many years of struggle by a determined group of seniors, veterans and disabled persons, whose experience ought to encourage others to stay and fight to maintain and improve their own neighbourhoods.

Please don't let this community down. Or any of the other communities which are now rebuilding with the support of WHHI and the promised tripartite funding for affordable housing programs.

Yours truly,

David M. Sanders