

Meeting of the
**Association of
Manitoba
Municipalities**



with

The Honourable Christine Melnick

Minister of Family Services and Housing

February 7, 2006

Table of Contents

A) Executive Summary.....	3
B) Departmental Issues.....	5
1. Housing in Rural Manitoba.....	5
2. Neighbourhoods Alive! Program.....	8
3. Update on Single Tier Social Assistance.....	10
C) General Issues.....	11
4. The Municipal Agenda.....	11

A) Executive Summary

Departmental Issues

1. Housing in Rural Manitoba

- When determining methods of allocating funding for housing, the Provincial Government should ensure that all communities have sufficient opportunity to qualify for program funding and there are several ways that this process can be facilitated.
- There are inherent geographical restrictions that severely limit funding beyond Manitoba's largest urban centres of Winnipeg, Brandon and Thompson.
- Many smaller communities are thriving yet need to provide affordable options for low-income residents.
- The AMM would like to learn more about the Province's intended direction regarding strategies to enhance the provision of affordable housing in Manitoba.
- Significant advances have been made in recent years, and this progress should not be deterred by a new Federal Government, therefore the AMM is interested in discussing the consequences of the new government on Manitoba's affordable housing projects.

Therefore, the AMM requests an update on housing programming and urges the Provincial Government to address the inequities in the current provincial housing programs by increasing accessibility to funding for all communities across Manitoba.

2. Neighbourhoods Alive! Program

- Essential funding for community-driven renewal initiatives and economic development strategies in Winnipeg, Brandon and Thompson has been obtained through Neighbourhoods Alive!
- There is definitely a strong demand in the designated areas for targeted revitalization efforts and affordable housing investment and the AMM does not suggest a reduction in funding to these communities.
- Increased attention to affordable housing needs in more of Manitoba's communities is also required since low-income families and communities exist in all urban centres.

Therefore, the AMM urges the Provincial Government to promote broader economic development and neighbourhood revitalization by providing communities across Manitoba with access to funding through the Neighbourhoods Alive! Program.

3. Update on Single Tier Social Assistance

- The shift to single tier social assistance was endorsed by the AMM and municipalities were anticipating improvements to the provision of social assistance as a result.
- To gauge the success of the new system, the AMM is seeking an update on the number of MOUs that have been signed to date.
- Furthermore, if major problems regarding the MOU process have been identified, the AMM is interested in working with the Province to develop solutions and improve communication with municipalities.

Therefore, the AMM is seeking to engage in a dialogue with the Provincial Government regarding the implementation of single-tier social assistance in rural and northern Manitoba.

General Issues

1. The Municipal Agenda

- Manitoba's municipal governments continue to take on increasingly greater responsibilities. As the importance of local community increases, it is necessary that the roles, responsibilities and resources of municipal government be examined.
- Unclear legislation, such as the Water Protection Act, concern municipal governments because the financial costs in implementing and enforcing this Act are great. Infrastructure needs in municipalities throughout the province are at the top of municipal agendas however the municipal budgets are stretched thin.
- Some options to support municipal governments to serve their communities effectively are removing education tax from property and exempting municipal governments from the Provincial Sales Tax.

The AMM urges the Province to work with municipalities to seriously examine the roles, responsibilities and resources of municipal governments in Manitoba.

B) Departmental Issues

1. Housing in Rural Manitoba

There are innumerable community benefits when all residents have access to safe, quality affordable housing in rural and urban areas. Although there are diverse housing needs throughout these areas based on local demographics, there are also commonalities in terms of the need for greater investment in alternative housing systems for low-income individuals and families. When determining methods of allocating funding for housing, the Provincial Government should ensure that all communities have sufficient opportunity to qualify for program funding and there are several ways that this process can be facilitated.

Manitoba has established housing programs that demonstrate the Provincial Government's ability to develop and fund productive affordable housing projects. However, there are inherent geographical restrictions that severely limit funding beyond Manitoba's largest urban centres of Winnipeg, Brandon and Thompson. Such restrictions are evident in the Affordable Housing Initiative's Homebuyer Down Payment Assistance Program and Homeownership Supply Program. Some programs that are available to all communities can still favour urban municipalities due to the nature of program requirements. Certain program announcements have been made within weeks of the program deadline and this does not allow some municipalities to prepare applications within the short time frame. It is also important to ensure that municipalities can submit comprehensive applications using existing resources. The complexity of some application processes can deter some municipalities from applying and efforts should be made to improve the accessibility of program funding to accommodate the resource base of diverse municipalities. Municipalities are appreciative of

the Proposal Development Funding that is designed to assist with the preparation of applications, however, short timelines and other barriers result in limited access to these funds. Furthermore, municipalities that have been approved for program support are experiencing considerable delays in receiving funding. Therefore, this program is creating disincentives for municipalities to pursue housing projects that provide much-needed support for low-income households.

During the past year, the Federal and Provincial Governments signed an agreement for Phase II of the Canada-Manitoba Affordable Housing Initiative, generating an additional \$23.08 million in funding and extending the life of the program for another year. This agreement is critical to the ongoing development of affordable housing in Manitoba and should provide opportunities for various communities to access funding. The announcement of Phase II referred to new programs for low-income renters and homeowners and it is crucial for these programs to build on past successes while extending benefits across the Province. Several rural communities received funding for affordable housing projects in 2005 and this trend must continue, thereby addressing the need for affordable housing outside of Manitoba's largest urban centres. Many smaller communities are thriving yet need to provide affordable options for low-income residents. Low-income individuals and families should not be compelled to reside in large urban centres in order to access affordable housing, and Provincially-funded options should be available to all communities regardless of size or location.

Municipalities have appreciated past opportunities to work with the Provincial Government to identify housing needs in communities across Manitoba. The 2003 Housing Now!

Conference was an excellent example of this constructive collaboration and the AMM looks forward to an ongoing dialogue with the Provincial Government to focus on the diverse housing needs of all municipalities. For this reason, the AMM would like to learn more about the Province's intended direction regarding strategies to enhance the provision of affordable housing in Manitoba. In particular, with the responsibility for housing held by the Federal Government and with the recent change in the Canadian government, the AMM is interested in discussing the consequences for Manitoba's affordable housing projects. Significant advances have been made in recent years, and this progress should not be deterred by a new Federal Government. A high level of funding and support must be maintained and the Provincial Government must raise this concern to ensure that Manitoba's communities do not lose beneficial programming.

Therefore, the AMM requests an update on housing programming and urges the Provincial Government to address the inequities in the current provincial housing programs by increasing accessibility to funding for all communities across Manitoba.

AMM Resolution Number 19-2004

Topic: Low-Income Housing

Sponsor: RM of Lac du Bonnet (Eastern District)

Department: Manitoba Family Services & Housing

WHEREAS a need has been determined for low income housing in Manitoba;

AND WHEREAS the last government initiative addressed only the needs of the major urban centres;

AND WHEREAS rural areas and urban centres are deserving of equal consideration;

THEREFORE BE IT RESOLVED that the AMM lobby the Provincial and Federal Governments to participate in a fair and just program facilitating low income housing in all rural and urban areas.

2. Neighbourhoods Alive! Program

Essential funding for community-driven renewal initiatives and economic development strategies in Winnipeg, Brandon and Thompson has been obtained through Neighbourhoods Alive! for several years. The program's focus on the areas of housing and physical improvements, employment and training, education and recreation, safety and crime prevention represents a valuable contribution to fostering positive change in these communities. All of Manitoba's communities are striving to meet the needs of their residents and successful programs that can demonstrate tangible improvements should be extended throughout the province.

In particular, the need for neighbourhood renewal and housing improvement is not exclusive to Manitoba's three largest cities. There is definitely a strong demand in the designated areas for targeted revitalization efforts and affordable housing investment and the AMM does not suggest a reduction in funding to these communities. Affordable housing is a long-term investment and sustained funding to these targeted areas must continue. Nevertheless, increased attention to affordable housing needs in more of Manitoba's communities is also required since low-income families and communities exist in all urban centres. The expansion of the housing component of the Neighbourhoods Alive! program would provide valuable attention to this widespread need.

The AMM is appreciative of the additional \$300,000 that Neighbourhoods Alive! received in Budget 2005. This allocation will represent an important injection of funding to more of Winnipeg's inner-city communities in distress, yet the program remains limited to Winnipeg, Brandon and Thompson. Municipalities appreciate that the Lighthouses component of

Neighbourhoods Alive! is available across Manitoba since it provides an important resource for alternative youth programming. The addition of eight new Lighthouses locations announced in 2005 will enhance the investment in youth-targeted programming in schools and community clubs throughout the province. However, it does not address the need for additional housing support in other areas of the province and the need for such support remains strong. Residents in communities beyond Winnipeg, Brandon and Thompson would greatly appreciate the extension of the program's housing component in order to target revitalization efforts in smaller urban centres.

Therefore, the AMM urges the Provincial Government to promote broader economic development and neighbourhood revitalization by providing communities across Manitoba with access to funding through the Neighbourhoods Alive! Program.

AMM Resolution Number 56-2004

Topic: Expanding the Neighbourhoods Alive! Program

Sponsor: City of Dauphin (Parklands District)

Department: Manitoba Intergovernmental Affairs and Trade, Manitoba Family Services & Housing

WHEREAS the Province of Manitoba approved the Neighbourhoods Alive! initiative with a mandate to support and encourage community-driven revitalization efforts in Winnipeg, Brandon and Thompson;

AND WHEREAS many Manitoba municipalities are faced with decaying urban areas in need of revitalization;

THEREFORE BE IT RESOLVED that the AMM lobby the Provincial Government to expand the Neighbourhoods Alive! Program to include more Manitoba municipalities.

3. Update on Single Tier Social Assistance

In 2004, the Province assumed responsibility for the administration of income assistance in rural and northern Manitoba. This shift was endorsed by the AMM and municipalities were anticipating improvements to the provision of social assistance as a result. It will be more efficient for the Provincial Government to provide social assistance to all Manitobans due to its greater expertise in this area and economies of scale. Municipal governments are not adequately prepared to provide employment counseling services, therefore the AMM appreciates that the Provincial Government has undertaken the primary responsibility for social assistance in Manitoba.

It has been nearly two years since the single-tier social assistance system was implemented and the Province has been working to sign a Memorandum of Understanding (MOU) with each municipality. The AMM is supportive of this process and believes that the municipal workload will be substantially reduced as a result. To gauge the success of the new system, the AMM is seeking an update on the number of MOUs that have been signed to date.

Furthermore, if major problems regarding the MOU process have been identified, the AMM is interested in working with the Province to develop solutions and improve communication with municipalities.

Therefore, the AMM is seeking to engage in a dialogue with the Provincial Government regarding the implementation of single-tier social assistance in rural and northern Manitoba.

C) General Issues

4. The Municipal Agenda

Municipal government is playing a more important role in the every day lives of Canadians. No longer is the local council seen as merely the local tax collector and tertiary service provider. Today, municipal governments have greater responsibilities, often playing a leading role in key areas that are not traditionally municipal in nature, such as health care and environmental protection. As the importance of the local community grows, municipal government, as the level of government closest to the people, is becoming more important. As a result, it is critical that a serious examination be undertaken of the roles, responsibilities and resources of municipal government in Manitoba.

Nationally, through the work of the Federation of Canadian Municipalities, municipal governments have been able to secure a full rebate of the GST as well as the New Deal for Communities or 'Gas Tax Rebate.' Community issues have become front and centre on the nation stage, and the AMM is pleased with the recognition by the federal government of the importance of local government and the need to put resources in the hands of the order of government that delivers key services.

Provincially, municipal government in Manitoba has seen some advances as well. Most recently the Province announced the new Building Manitoba Fund that will link municipal grant money to provincial gas tax revenues. Manitoba is also unique in that the Provincial Government shares a percentage of income tax with municipalities through the Provincial Municipal Tax Sharing agreement.

While these initiatives are certainly positive, more is needed. Many of the resolutions currently being worked on by the AMM deal with issues of funding, or more specifically inadequate funding levels. A serious discussion of the resources available to municipalities needs to be undertaken. However for this discussion to be fruitful, it must be raised within the greater context of what are and what should be the responsibilities of municipal government.

Municipal government in this province has embraced taking on additional responsibilities as these have been seen to be for the betterment of the local community. For instance, many municipalities have gone to great lengths to help provincial RHAs recruit physicians. As well, municipalities have undertaken projects to help reduce greenhouse gas emissions and improve the environment. Yet there are limits to how much municipalities can do with their current revenue streams.

We have consistently heard from the Province that Manitoba municipalities fare better than almost every other province in terms of funding transfers from provincial governments. However, this discussion is meaningless without a discussion of the responsibilities of these municipal governments. If Manitoba's municipalities are continually expected to take on additional responsibilities it is imperative that new revenue sources are made available.

For example, a major municipal issue is the financial implications of the recently passed Water Protection Act. While the intent behind this legislation is laudable, the overwhelming lack of detail, especially in the area of responsibilities and finances, has many municipal

governments concerned. Municipal governments cannot take on the financial costs associated with implementing and enforcing this Act. The Municipal budget is already stretched too thin.

The current municipal infrastructure deficit in Manitoba further compounds the need to re-examine the resources available to municipalities. Communities are facing crumbling roads, deteriorating community centres and inadequate water treatment facilities. It is estimated that Manitoba's infrastructure deficit is \$7.4 billion, which includes \$2 billion in rural municipal infrastructure and \$1 billion within the City of Winnipeg. These are staggering numbers when compared to the revenue streams available to these municipalities. When only 7 cents of every tax dollar goes to municipalities, it is evident there is a lack of resources to deal with this deficit.

This is why the AMM has been advocating for a 5-year plan to significantly reduce the reliance on property tax to fund education. Currently the property tax base is the principal source of revenue for municipalities. However, this tax base is diminished when education tax takes up well over 50 per cent. Equally concerning is the continuing increases year after year which force municipalities to seriously re-consider any municipal tax increases, as there are limits to what local residents are able to withstand. The AMM fully supports maintaining and improving the quality of education in Manitoba, however the current system of education taxation is not sustainable and in reality it is hurting local communities by limiting municipal resources.

In addition to the removal of education tax from property, there are other options to provide greater revenue to municipalities. For example, the Provincial Government can follow the lead of the Federal Government with the GST and exempt municipal governments from the Provincial Sales Tax. Not only would this leave more money in the hands of municipalities, but it would significantly reduce the costs of many major infrastructure projects, thereby freeing up valuable funding for other areas of need. This would represent a significant shift away from the current tax and return system toward a new system that allows municipalities to retain resources for community needs.

Strong communities are the foundation of a strong province and a strong Canada. As the Association that represents all incorporated municipalities in Manitoba, we understand this. The AMM has long been advocating for municipal governments to look at ways of improving how they do business to ensure strong, sustainable communities across Manitoba. We also hear firsthand the challenges communities are facing and we see the implications provincial actions are having on municipalities. It is for this reason that we believe it is time to take a closer look at the resources available to municipalities and take stock of the roles and responsibilities of municipal government in Manitoba.

The AMM urges the Province to work with municipalities to seriously examine the roles, responsibilities and resources of municipal governments in Manitoba.