

Meeting of the  
**Association of  
Manitoba  
Municipalities**



with

The Honourable Christine Melnick

---

Minister of Family Services and Housing

March 30, 2005

---

# Table of Contents

A) Executive Summary.....	3
B) Departmental Issues.....	6
1. Funding for Affordable Housing .....	6
2. Neighbourhoods Alive! Program.....	10
C) General Issues.....	12
1. Education Funding.....	12
2. Land Use and Water Resource Planning.....	15

## A) Executive Summary

### Departmental Issues

#### 1. Funding for Affordable Housing

- The issue of affordable housing continues to affect both urban and rural communities across Manitoba and access to adequate shelter should be available to those residing outside large urban centres.
- Programs funded by the Provincial Government should ensure that all communities have sufficient opportunity to qualify for program funding and there are numerous ways that this process can be facilitated.
- The programming exclusions of smaller communities creates a disadvantage by restricting the housing options that are available to their residents.
- Municipalities are appreciative of existing programming designed to assist with the preparation of applications, however, limited timelines have created difficulties in accessing these funds.
- As well, there is insufficient communication regarding program approvals and municipalities often wait for several months before being notified of any progress regarding their applications.
- Municipalities are prepared to work with other levels of government on housing issues, however, housing is a federal and provincial responsibility, and funding should come primarily from these higher levels of government.

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

#### 2. Neighbourhoods Alive! Program

- It is important to recognize that the need for neighbourhood renewal and housing improvement is not unique to Manitoba's three largest cities.
- Increased attention to the affordable housing needs of more communities across the province is required through the expansion of the Neighbourhoods Alive! Program.
- The AMM is concerned that this funding will be limited to Winnipeg, Brandon and Thompson, however the extensive program benefits this program offers would be greatly appreciated in other communities.

**The AMM urges the Provincial Government to promote broader economic development and neighbourhood revitalisation by providing communities**

## **across Manitoba with access to funding through the Neighbourhoods Alive! Program.**

### General Issues

#### 1. Education Funding

- Education remains the number one concern for municipalities as the current model of taxation is not sustainable and a new taxation model is needed.
- The AMM was pleased to see the Province recognize the importance of this issue with the 33 per cent reduction in farmland property taxes in 2004 and a further reduction to 50 per cent in 2005.
- However, further action is required since municipal property taxes should be used to fund strictly municipal services, and a complete removal of education funding from all property classes is needed.
- The AMM strongly supports the need for high quality education in all areas of the Province, yet maintains that other sources of Provincial revenue are more appropriate than property taxation to fund education. While every citizen should contribute to education funding, this does not occur under the current regressive system of property taxation.
- The AMM believes relief is needed on all property classes, as at present, there is an unfair reliance on property owners to fund an education system that contributes so much to the prosperity of Manitoba.

**Therefore, the AMM urges the Provincial Government to create a 5-year plan that results in the total removal of education tax from all classes of property.**

#### 2. Land Use and Water Resource Planning

- Since new water legislation is forthcoming and the Planning Act is currently under review, a municipal perspective must be represented as legislation is formulated.
- The first municipal priority for land use and water resource planning legislation is to recognize local authority.
- The need to recognize local interests pertains to the inclusion of consultation processes within land use and water resource planning legislation.
- The second municipal priority relates to the responsibilities held by the Provincial and municipal governments regarding effective land use and water resource planning.
- The AMM is concerned that municipalities, conservation districts and planning districts will be expected to take on significant administrative and financial obligations in order to provide additional services.
- The Provincial Government must consider the impacts of adding new responsibilities to their own operations since requiring all municipalities and planning districts to

create a development plan will increase the demand for the ministerial approval process.

- The Provincial Government must provide support for municipalities that lack the resources to meet the new legislative requirements.

**The AMM urges the Provincial Government to ensure that legislation and regulations related to land use and water resource planning are responsive to municipal concerns, including the need for local authority and a balance between Provincial and municipal government responsibilities.**

## B) Departmental Issues

### 1. Funding for Affordable Housing

The issue of affordable housing continues to affect both urban and rural communities across Manitoba. While the housing needs vary throughout these areas based on local demographics, there are commonalities in terms of the need for greater investment in alternative housing systems for low-income individuals and families. Access to adequate shelter should be available to those residing outside large urban centres. Therefore, programs funded by the Provincial Government should ensure that all communities have sufficient opportunity to qualify for program funding and there are numerous ways that this process can be facilitated.

There are several housing programs in Manitoba that demonstrate the Provincial Government's ability to develop and fund effective housing programs. However, there are inherent geographical restrictions that severely limit funding beyond Manitoba's largest urban centres of Winnipeg, Brandon and Thompson. The programming exclusions of smaller communities creates a disadvantage by restricting the housing options that are available to their residents. Such restrictions are evident in the Affordable Housing Initiative's Homebuyer Down Payment Assistance Program and Homeownership Supply Program. These policies and practices neglect affordable housing needs in smaller urban centres and rural communities.

In addition, programs that are available to all communities can still favour urban municipalities due to the nature of program requirements. Specifically, smaller

municipalities tend to have less administrative support and therefore require earlier announcements of upcoming deadlines and new program details. In some cases, formal 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. This concern also raises the need to ensure that municipalities can submit adequate applications using existing resources. The complexity of some application processes can deter certain 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 have 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.

Since the Provincial Government is primarily responsible for housing there are also opportunities to provide support through alternative means. For instance, when municipalities identify the need for housing projects in their communities, the Provincial Government could provide informational resources that would guide municipalities through the creation and development of housing projects. Access to best practices related to cost savings and other key concerns would be beneficial and the Provincial Government should be equipped to provide this type of information. Such support could also include upfront work with developers specifically involved in affordable housing projects. These types of

support measures would create incentives for municipalities to move forward and facilitate effective housing projects across the province.

These informational support mechanisms would be part of an improved communication network that is needed between municipalities and the Provincial Government. In particular, there is insufficient communication regarding program approvals and municipalities often wait for several months before being notified of any progress regarding their applications. To ensure accountability, the AMM asks that the Provincial Government provide a list of projects that have been approved under the Affordable Housing Initiative. This will also demonstrate the types of applications that are successful as municipalities continue to consider the feasibility of their project applications. As well, when applications are submitted there should be timely responses from the Provincial Government, including correspondence that provides updates or requests for information. Ineffective communication resulting in program delays can create significant implementation delays at the local level that can be very detrimental to communities.

Municipalities are prepared to work with other levels of government on housing issues, however, housing is a federal and provincial responsibility, and funding should come primarily from these higher levels of government. In the 2003 Federal Budget, a five-year plan for renewed funding was announced for affordable housing projects across Canada and this will be in place until 2007-08. As well, the October 2004 Federal Throne Speech committed to build on the current funding for social and affordable housing through the Supporting Communities Partnership, the Residential Rehabilitation Assistance Program and the Affordable Housing Initiative. The Provincial Government should respond to the Federal

commitments with similar action, since investment in affordable housing equates a pivotal investment in families and communities and is linked to building Canada's economy.

Although the Provincial Throne Speech referred to providing housing options to meet rising demand across Manitoba, this commitment was not reflected with additional funding in Budget 2005. However, low-income individuals and families should not be limited to residing 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.

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

## 2. Neighbourhoods Alive! Program

The AMM recognizes the effectiveness of Neighbourhoods Alive! regarding the various components of the program, including funding for community-driven renewal initiatives and economic development strategies in Winnipeg, Brandon and Thompson. The program's ability to focus on areas such as housing and physical improvements, employment and training, education and recreation, safety and crime prevention represents a key contribution to fostering positive change in these communities.

It is important to recognize that the need for neighbourhood renewal and housing improvement is not unique to Manitoba's three largest cities. These communities are certainly in need of targeted revitalization efforts related to affordable housing investment and the AMM does not suggest a reduction in funding to those three cities. However, increased attention to the affordable housing needs of more communities across the province is required through the expansion of the Neighbourhoods Alive! Program. Municipalities appreciate that the Lighthouses component is available to all of Manitoba as it provides a valuable resource for alternative youth programming. However, this does not address the need for additional housing support in other areas of the province and the need for such support remains strong. The Provincial Government should therefore consider the expansion of the Neighbourhoods Alive! Program to include communities outside of the three largest urban centres.

The AMM was pleased with the announcement of an additional \$300,000 to the Neighbourhoods Alive! Program within Budget 2005. This allocation will represent an important injection of funding in certain distressed communities, however the details of

distribution have not yet been clarified. The AMM is concerned that this funding will be limited to Winnipeg, Brandon and Thompson, however the extensive program benefits this program offers would be greatly appreciated in other communities. Therefore, additional communities should become eligible for the increased Neighbourhoods Alive! funding.

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

## General Issues

### 1. Education Funding

For 2005, the AMM has identified education funding to be its top priority. The ongoing need to shift education funding away from property taxes was demonstrated when our membership passed a resolution requesting that the Province develop a new taxation model that removes school tax levies from all properties. The current model is not sustainable and further action must be taken to relieve the pressures on municipal property taxes.

The November 2004 Throne Speech included a significant first step that was much appreciated by the AMM membership. A 33 per cent reduction in farmland property taxes in 2004 and a further reduction to 50 per cent in the 2005 Budget will assist an agricultural community that has experienced ongoing pressure as a result of BSE and consecutive years of poor weather conditions. This commitment of \$33 million over two budget years represents an appropriate beginning to the process of separating education funding from property. Municipal property taxes should be used to fund strictly municipal services, and reducing the education portion of property tax will facilitate this process.

The Province had previously made reference to further education tax relief being unveiled in the 2005 Budget. However, the AMM was disappointed to learn that no additional reductions in education taxes across other property classes have been announced. In order for further action to incorporate municipal interests, education tax relief must be applied equitably to all classes of property. Phasing out the residential Education Support Levy (ESL) is an essential part of this initiative and the new \$30 million reduction for 2005 is

certainly beneficial to residential landowners. However, reductions in education tax relief should be available to all property owners since it is incongruous for education funding to be associated with property. At the same, a shift away from property should not justify a reduced investment in the education system. The AMM strongly supports the need for high quality education in all areas of the Province, yet maintains that other sources of Provincial revenue are more appropriate than property taxation. While every citizen should contribute to education funding, this does not occur under the current regressive system of property taxation. At present, there is an unfair reliance on property owners to fund an education system that contributes so much to the prosperity of Manitoba. Consequently, the AMM was disappointed that the Province did not take the opportunity presented by Budget 2005 to make a clear policy statement on its intended direction regarding the removal of education funding from property. The AMM believes a clear five-year plan is needed where the end result is the total removal of education funding from property.

An important aspect of this issue is that municipalities are required to provide a wide variety of services while relying almost exclusively on property taxes as a source of revenue. Until methods of municipal financing are drastically changed, municipalities must be empowered to control the level of local property taxation without having to use this mechanism for Provincial purposes such as education. The current funding system places an unfair burden on property owners and hinders the ability of municipalities to provide property services, such as infrastructure improvements. The AMM appreciates that the Province has begun to take action to improve this situation and looks forward to working with the Provincial Government to develop a long-term plan to shift education funding away from property taxation.

**Therefore, the AMM urges the Provincial Government to create a 5-year plan that results in the total removal of education tax from all classes of property.**

## 2. Land Use and Water Resource Planning

Municipalities are highly involved in planning for both land use and water management purposes. As a main stakeholder in these processes, the AMM has appreciated the opportunity to actively participate in the consultations regarding the legislation that affects these two types of municipal planning efforts. Since new water legislation is forthcoming and the Planning Act is currently under review, a municipal perspective must be represented as legislation is formulated. There are two major municipal considerations that must be given priority in any new legislation and these are consistent for both land use and water resource planning. The first pertains to recognizing local authority regarding planning matters. The second consideration relates to the division of responsibility between municipalities and the Provincial Government.

Municipalities are in the best position to make the majority of planning decisions since they represent a local body of knowledge and expertise. For this reason, the first municipal priority for land use and water resource planning legislation is to recognize local authority. The review of the Planning Act will provide several opportunities to meet this objective, such as ensuring that municipalities have the final say in all land use planning decisions. In order to guarantee local control over land use planning, there should be no appeals process to another jurisdiction that supersedes municipal land use decisions. This is very important to AMM members as councils are elected officials with first hand knowledge of suitable land use within their jurisdiction. They also have a responsibility to objectively consider the consequences for all stakeholders and to establish a plan on that basis. An appeal process beyond this level would undermine the authority of the municipal council. Similarly, appeals to the Municipal Board should only be considered when a critical mass of ratepayers

formally objects to a land use decision. Through these policies, local interests will be upheld based on the authority of the municipal council to undertake effective long-term land use planning.

The need to recognize local interests also pertains to the inclusion of consultation processes within land use and water resource planning legislation. Meaningful consultations provide a vehicle for municipalities to express their concerns and ensure that these concerns will be taken into account. Such consultations should occur while developing the legislation and its accompanying regulations. This will be particularly important regarding water resource planning since the regulations are expected to articulate crucial details regarding the implementation of the Water Protection Act. Local expertise should also contribute to the development and implementation of watershed management plans since this type of expertise is based on historical information about the area. In addition, the review of the Planning Act should include public consultation, as it is essential that municipalities have the opportunity to express their specific views and garner a deeper understanding of the specific details of the proposed act.

New procedures within the Planning Act should also allow for public input, such as the environmental approvals processes. While the Province is well-equipped to conduct environmental assessments through the Technical Review Committees, the process would benefit from the inclusion of local input. The ongoing use of public consultation as required under the Planning Act also supports the ability of local authorities to effectively undertake land use planning. Community consultations are therefore critically important to land use

and water resource planning and the inclusion of consultation feedback will strengthen support for legislation and regulations.

The second municipal priority relates to the responsibilities held by the Provincial and municipal governments regarding effective land use and water resource planning. In particular, the extent of new municipal responsibilities remains unclear for the Water Protection Act and the Planning Act review. As a result, the AMM is concerned that municipalities, conservation districts and planning districts will take on significant administrative obligations in order to provide additional services. Due to the limited resources available to these organizations, the AMM cannot support policies that unfairly burden local authorities. Therefore, minimizing the uncertainty surrounding the responsibilities of municipalities, conservation districts and planning districts will clarify the impacts of the new policies and contribute to a greater understanding of the legislation.

The Provincial Government must also consider the impacts of adding new responsibilities to their own operations. For instance, requiring all municipalities and planning districts to create a development plan will increase the demand for the ministerial approval process. Presently, municipalities view the approvals process as too lengthy and the AMM is concerned that an increased demand for development plan approvals will further delay the approvals process and plan implementation. This concern will potentially impact the public hearing process where technical staff from the Province is required to attend. The Province is most appropriately positioned to address environmental concerns, however the presence of Provincial representatives at public hearings will facilitate understanding and acceptance from communities. Development plan approvals and public hearings provide municipalities

with important tools to accomplish community planning, therefore the Province should avoid delays in completing these processes and ensure effective information sharing.

Administrative responsibilities must often be supplemented by additional technical requirements that may not be available to all municipalities. Integrating land use and water resource issues through comprehensive planning will therefore require additional financial resources. In order to undertake the type of detailed planning that is expected, mapping and other technical services will be required. For instance, the Water Protection Act refers to the identification of watershed quality management zones however, in many cases, municipalities do not have the necessary levels of expertise or financial resources to meet this requirement. A similar situation could arise if development plans become mandatory for all municipalities or if the need to map agricultural zones is part of the reviewed Planning Act. For this reason, the Provincial Government must provide support for municipalities that lack the resources to meet the new legislative requirements.

Land use and water resource planning are very important for municipalities since each has wide-ranging impacts on the way that municipalities function and the development that occurs within their boundaries. Environmental considerations are very important to municipalities as they strive to balance the protection of natural resources with community development. Both types of planning ensure that municipalities are implementing a long-term approach and considering the impacts of current actions on the future of their communities. The AMM is supportive of the Provincial Government's efforts to improve land use planning and water resource management in Manitoba. Due to the strong interconnection between land use and water resource planning, municipal concerns are

consistent across these two issues. The legislation that is currently under consideration will only be effective to the extent that it incorporates the municipal concerns outlined above.

**The AMM urges the Provincial Government to ensure that legislation and regulations related to land use and water resource planning are responsive to municipal concerns, including the need for local authority and a balance between Provincial and municipal government responsibilities.**