Assessing the Capacity of Winnipeg's Nonprofit Housing Providers

by

Jennifer Ferguson

A THESIS SUBMITTED IN PARTIAL FULLFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE MASTER OF CITY PLANNING

Department of City Planning
Faculty of Architecture
University of Manitoba

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Of

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ABSTRACT

In Winnipeg, decent, affordable low-cost housing is in short supply. Governments have increasingly played a reduced role in the provision of social housing. As a result, nonprofit organizations and municipalities are providing the bulk of new affordable housing units. However, their ability is threatened with reduced spending and little governmental support.

This thesis provides an examination of the literature pertaining to nonprofit capacity. Furthermore, a summary of the policy environment, programs and organizations operating within Winnipeg is offered.

Through key informant interviews, the capacity of Winnipeg's nonprofit housing organizations was assessed. For the purpose of simplification, the complexity of capacity was compartmentalized into internal, external and output capacity.

Through the empirical findings, it has been established that Winnipeg's nonprofit organizations are facing challenges with internal, external and output capacities. However, it was determined that any lack in capacity directly corresponded to funding restraints.

This thesis argues for the creation of a national housing program that would include increased funding for capital costs, flexible funding and increased rental subsidies to aid nonprofits in their mandate.

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CHAPTER 1: INTRODUCTION

1.1 Statement of Problem: Low-cost Housing

1.1.1 Background

This thesis contributes to the research being done on permanent low-income housing in Canada. The matter of adequate affordable housing and the role of nonprofit housing providers is a highly complex matter involving numerous players. Due to this, the subsequent project covers many details in order to fully comprehend the issues facing Winnipeg.

The Canadian Mortgage and Housing Corporation (CMHC) has identified several key terms, which allow for a better understanding of local housing issues. According to CMHC, a dwelling is considered adequate provided the home possessed full bathroom facilities and required no major repairs (FCM 1999). Major repairs would include defective plumbing, electrical wiring or structural damage to walls, ceiling or floors (Kraus 1999). CMHC has identified housing as affordable, provided a household spends no more than 30% of its income on shelter costs (FCM 1999). Any amount beyond 30% reduces the household's quality of life, as other necessities are forgone (FCM 1999). Permanent housing can be defined as shelter with no maximum stay, and therefore, differs from emergency and transitional shelter (SPCW 2001).

For the purpose of this paper, low-income will be defined as household total

income at or below Winnipeg's low-income cut off (LICO)[1]. If a household is faced with

inadequate, unsuitable[2] housing and is spending more than 30% of its income on shelter,

that household can be identified as being in core housing need (CMHC 1999).

This thesis focuses on the provision of adequate low-cost housing. For the

purposes of this thesis, low-cost housing will be defined as housing that is affordable for

those at or below the LICO.

1.1.2 Canadian Context

With shifting economies and the resulting gap between the rich and the poor, the

lack of decent affordable low-income housing has reached crisis proportions. Low-cost

housing has been disappearing with demolition and deterioration. Shelter costs have also

steadily increased, forcing many to live in inadequate, cramped housing with numerous

households paying more than 30% of their income on shelter. In addition, in 1999, there

were at least 96,000 individuals on assisted housing waiting lists, indicating that social

housing and the private real estate market are not meeting the needs of Canadians (FCM

1999). This has a profound effect on the urban quality of life, as illustrated by the

increased dependence on food banks. As a direct result of this crisis, many Canadian

households are faced with difficult housing situations and are at risk of becoming

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[1] LICO is a measurement of poverty calculated by Statistics Canada, which determines the average proportion of income spent on household necessities such as food, clothing and shelter (Silver 1999).
[2] A dwelling is deemed sub-standard and crowded if fewer bedrooms are available to household members than outlined by the National Occupancy Standard (Carter 1997).

homeless[3] (FCM 1999). Many of those faced with poor housing options are women, the underemployed, and Aboriginals (CMHC 1998). In fact, core-housing need is three times higher in Aboriginal households than non-Aboriginal households (Walker 2003).

Additionally, the withdrawal of federal housing programs throughout the 1990s has required local governments and nonprofit organizations to respond to increasing pressure. As a result, nonprofit organizations have become the administrators for most affordable housing initiatives in North America (Tomalty, Hercz, Warne 2002). The responsibility of the community-based sector is extensive; in the early 1990s, they provided two-thirds of the social housing stock (Van Dyk 1995). This number is likely to have increased in more recent years. Included within the third sector are a group of individuals, organizations, policies, procedures and legislation involved in implementing the various housing programs, referred to as the provision infrastructure (Skelton 2000).

Goetz (1993) has identified the complex role nonprofits play in the American context, pointing out that they have to take on many tasks: acting as financial agents, collecting and distributing money, and serving as developers, managers, counselors and advocates for low-income residents (Goetz 1993). It could be assumed that their responsibilities are similar in Canada though institutional differences between the countries will foster particular activities in the two countries.

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[3] The Community Partnership on Homelessness and Housing characterizes as homeless any individual who does not have access to safe, adequate and affordable housing (SPCW 2001).

Although nonprofits may be able to best identify the needs of the local community (Carter 1997), a problem is represented in capacity and expertise, as many face performance challenges (Kraus and Eberle 1998; Skelton 1998). Currently nonprofits are responsible for the provision of affordable dwelling units to those whose needs have not been met in the private market. An organization's ability to provide these units is related to the internal and external environments in which it functions. The greater the capacity of an organization, the greater is the potential output. Examining the issue of capacity allows for a better understanding of the looming housing crisis facing Canada.

1.1.3 Understanding Capacity

Capacity refers to the overall functioning of the organization internally and externally, and the level of output produced. Internally, capacity refers to staff ability, organization and the culture within the working group. In addition, it deals with how resources are managed and used and what technology is implemented by the organization. Externally capacity includes networks and partnerships, which are key to the external functioning of organization and play a major role in funding. Finally, output capacity examines the organization's production goals and determines whether they have been reached. Within this category, programmatic capacity deals with the level and types of additional programming provided by the organization. Furthermore, output capacity will determine if the mandate outlined by the organization has been met, shaping organizational aspirations (Glickman and Servon 2003; Glickman and Servon 1998; Nye and Glickman 2000, VPP 2001). For the purposes of simplification, the complexity of

capacity can be tied into internal, external and output capacity. The discussion on capacity is further developed in section 2.1.5.4 below.

1.1.4 Local Context

Poverty in Winnipeg has steadily increased, rising 13% from 1991 to 1996. For the 2001 census, it was estimated the 15.5% of economic families, 20.3% of private households and 44.3% of unattached individual were living in poverty (City of Winnipeg 2001). In addition, rental and subsidized housing have significantly decreased, leaving few options for low-income families (SPCW 2001). Although Winnipeg has the most affordable housing in Canada, many residents spend more than 50% of their income on shelter, which leaves very little for other basic necessities (City of Winnipeg1999). Compounding this problem is the fact that our city has the second largest stock of older poor quality housing in Canada, much of which is beyond rehabilitation. In particular, Winnipeg's North End and Core area neighbourhoods are in serious distress and decline. Over the decade from 1988, housing values in these areas dropped as much as 50%. As a result, very few individuals are willing to invest in these neighbourhoods as the combined cost of purchasing and rehabilitation far exceeds market value (City of Winnipeg 1999). It must be noted that more recently property values have begun to increase, giving greater prospects for rehabilitation.

Through research conducted in 2000 by the Social Planning Council of Winnipeg (SPCW), it was identified that Winnipeg was in crisis due to the lack of permanent low-income housing. The availability of adequate affordable housing has steadily decreased

and demolition has become more prevalent in the inner city, as fewer households have the resources to renovate. It has been estimated that approximately 153 units are demolished each year. In order to meet the population's needs, the SPCW calculated that approximately 1,180 new units would be required each year for the next five years (SPCW 2001). During this time, there was also a great demand for subsidized units. In March 2000, the Manitoba Housing Authority (MHA) managed 7,683 units with 1,569 individuals waiting to enter the Manitoba social housing program (SPCW 2001). Furthermore, 1,664 rent supplements were provided to low-income and senior households in Winnipeg (SPCW 2001).

It has been estimated that there is a total of 113 nonprofit housing providers, 39 of which are responsible for approximately 60% of the social housing stock (Skelton 2000). This illustrates the importance of third sector housing suppliers in our city and the need to find a means to provide greater support mechanisms, ensuring they are able to continue their work and possibly expand their level of service.

1.2 Rationale and Objectives

Within the relevant literature it has been argued that housing is a basic human right. Despite this, the responsibility for low-cost housing has fallen to the nonprofit sector. Government has removed itself leaving much of the exhausting work to be done by volunteers and community members. The issue of nonprofit capacity has received very limited attention within the literature. Due to this, it is the objective of this project to

outline the issues facing these organizations and detail where supports could improve the capacity of the groups, in turn improving the quality of life for many Winnipeg families.

1.3 Significance of Proposed Research

This thesis will compile a sample of the larger operating nonprofit housing organizations and community development corporations within Winnipeg, including their goals and objectives. This may allow housing groups to learn from one another, share skills, expertise and perhaps help to build capacity. Furthermore, measuring the capacity of nonprofit housing providers will illustrate what these organizations can do, and where the strengths and weaknesses of the provision infrastructure lie.

The literature has made it clear that little is being done to contribute to the abilities of the nonprofit sector. This is startling, considering that nonprofits account for a substantial portion of social housing units in Winnipeg. It is expected that this project will illustrate the potential of the third sector, perhaps helping to leverage funds in an area that appears to have been ignored. In addition, this project will add to the limited nonprofit capacity literature and case studies that exist in the planning realm.

With the recent change in federal leadership, promises have been made to increase spending on affordable housing, however the abilities of the third sector may be constrained if they are not provided with resources that support the growth of the organizations. It is then reasonable to say that this project is of national importance. To

my knowledge cases studies on nonprofit capacity have been limited to the American experience, thus this project is timely and long overdue.

In conclusion, this project will illustrate the capabilities of the low-cost housing sector and estimate how additional resources could have a greater impact on the provision of adequate affordable housing in Winnipeg's inner city.

1.4 Research Methods and Analysis

The empirical research for this project will take the form of in-depth interviews with nonprofit housing providers and key informant interviews with funding providers. This will determine the capacity of nonprofit housing providers in Winnipeg. The data required to assess the capacity of nonprofit organizations in Winnipeg does not exist in any form other than the accounts of those in the field. As such, the data for this thesis will come from those with direct knowledge of the local low-cost housing experience. The focus of the investigation is on the nonprofits themselves, although interviews with funding representatives will also be conducted to gain a different perspective. However, funder interviews are expected to be comparatively brief. Interviews have been chosen as a research method for this study, as they allow the investigator to focus specifically on an issue and determine in-depth, how others define a certain situation (Zeisel 1981). Semi-structured interviews are well suited to determine the capacity of nonprofits, as they require those directly involved to relate particular details of their organization. In addition, the nature of semi-structured interviews leaves the questions sufficiently open to allow the interviewer to improvise additional questions and further their knowledge on a particular issue (Wengraf 2001).

After completing a thorough literature review on nonprofit capacity in Canada and the United States, loosely structured open-ended interview questions were established (See Appendix). Questions are intended to be meaningful to the interviewee, relate to their experiences, focus on the topic and help to guide the discussion (Mason 1996).

Specifically, interview questions relate to the five elements of capacity Glickman and Servon (1998) identified, which include resource, organizational, programmatic, network and political capacities in addition to examining aspects of accountability and areas that are more general.

For the purpose of this report, subjects were selected deliberately, based on their experiences with nonprofit housing, including the executive directors of various Winnipeg nonprofit housing organizations and the government employees responsible for administering program funding. When determining sample size, the researcher must take into account sufficiency and saturation of information. Sufficiency requires the interviewer to have an adequate range of participants that reflect the population studied. Saturation of information occurs when the researcher begins to hear the same information throughout different interviews and is no longer acquiring new information. Provided these two criteria are met, the sample size is considered adequate (Seidman 1991). Due to the small community of nonprofits organizations and funders, it is expected that there

will be roughly an equal number of funder and organization representatives interviewed. Only active nonprofit and community development corporations will be interviewed.

Prior to the interview, copies of the organizational mandate, annual reports and organizational charts of the nonprofit groups involved were obtained. This allowed for a thorough understanding of the organizations, and helped focus the interview on the issue of capacity.

Before the commencement of the interview, a letter of informed consent was provided to each participant. The letter clearly outlined the purpose and method of the research conducted. In addition, the researcher and the participant each have a signed copy of the letter. This protects the rights of both the respondent and the individual conducting the research (Seidman 1991: McCracken 1988). Interviews were designed to last about an hour for the nonprofit organizations, understanding the time constraints they face. The interview questions developed for the funding representative were comparatively brief, as the focus is on the nonprofits themselves. Thus, the interviews conducted with funders were of a much shorter duration. As a result, the analysis component of the thesis places greater emphasis on the data generated from the nonprofit provider interviews.

In order to conduct an effective interview, the researcher must be able to actively listen to the respondent. The purpose of active listening is to allow the interviewee to continue speaking, because they are being listened to (Wengraf 2001). Although active

listening was the main means of collecting data, briefing notes were taken. In addition, accuracy was ensured, as interviews were audio recorded. When simply making notes on the interview, it is possible that key points will be lost. Transcripts of the audio recording allow the researcher to get a clearer definition of the statements made by the interviewee and greatly help in the analysis (Wengraf 2001). For the purposes of analysis, interviews have been partially transcribed. For this method it is important to index points of interest that occur on the audio tape for later referral and to ensure quotes are verbatim in the analysis section (Mason 1996). Interview reports were created for each interview conducted as a first stage of analysis.

Analysis of the data may be done using several methods. Literal analysis requires the researcher to examine the form and sequence of the dialogue. An interpretive approach asks that the researcher read the interviews to determine the meaning of the statements made by the participants. Reflexive analysis examines the role of the researcher and the interaction with the participant and what the researcher determines as data (Mason 1996). For this thesis, the literal and interpretative approaches will be predominately used. A summary of the findings was then developed.

It is expected that semi-structured interviews with the nonprofit housing community will determine the current production levels of nonprofits. Furthermore, it will estimate whether they would be able to produce more low-cost housing and determine what resources, other than financial, they would require to produce additional low-cost housing.

1.5 Limitations

Although this study attempts to complete a thorough survey of nonprofit capacity in Winnipeg, several limitations must be acknowledged. First, it has been recognized within the literature and through preliminary discussions that personality plays a role in the capacity of nonprofit housing organizations. Further to this, individuals within the organization have a great impact on the capacity of the housing groups. However, for the purpose of this thesis, the focus will be on the ability of the organizations as a collective and not the personalities within, as this is far beyond the scope of this project and not within the field of study.

Second, the literature has also made it clear that cooperative nonprofit housing groups play a role in the provision of low-cost housing. To keep this project manageable and due to the different operating nature of cooperative groups they have not been included in this study.

Finally, it must be acknowledged that the housing situation in Winnipeg is somewhat unique due to the relatively inexpensive housing stock. Additionally, provincial and civic programs will vary by region, thus directly impacting the capacity of nonprofit housing organizations. Due to these elements, transferability of the research result may be limited.

1.6 Chapter Outline

This thesis contains five chapters. Chapter 1 has set the stage for the remainder of this project, examining the national and local contexts and defining the problem. Furthermore, this chapter discusses the research method that will be implemented.

Chapter 2 goes into more detail outlining the emergence and role of nonprofit housing providers in Canada. This chapter also deals with the issue of capacity examining the literature in related fields and defining the term for the purposes of this project.

In Chapter 3, background is provided on the local context, outlining the policy and physical environments in relation to adequate and affordable housing. Additionally, chapter 3 defines the active nonprofits organizations detailing their mandates, goals and accomplishments.

Chapter 4 brings together what has been established in the previous chapters, and analyzes the interviews conducted with funding providers and the nonprofit organizations themselves. This provides an assessment of the capacity of Winnipeg's nonprofit housing providers.

Finally, Chapter 5 provides conclusions and recommendations, pertaining to the findings of Chapter four and links it to the theoretical information provided throughout this project. Recommendations are also provided in an effort to increase the capacity of nonprofits.

CHAPTER 2: NONPROFIT HOUSING LITERATURE REVIEW

2.1 What is Nonprofit Housing?

Although the private housing market may be functioning effectively, it may leave many low-income households without decent accommodations, largely due to poverty and the resulting limited housing options. In addition, private markets often neglect the requirements of those with special needs (Canada 1985; Davies 1994).

Social housing seeks to provide accommodations, which are affordable, adequate and suitable to lower-income households whose options have been constrained within private market housing. Social housing takes a variety of forms including nonprofit, co-operative, urban aboriginal, public and special needs housing, which can be provided through the government or nonprofit housing organizations (Canada 1985).

2.1.1 The Nonprofit or "Third" Sector

There are three types of nonprofit housing, municipal and private and cooperatives, all of which are frequently referred to as the third sector (Skelton 2000). Private nonprofit housing organizations are often less formal than municipal nonprofits, relying on community-based groups, community development corporations or sponsoring agencies, (O'Regan and Quigley 2000; Skelton 2000; Canada 1985). In recent years

nonprofits have become important housing providers in North America (Carter 1997; Davis 1994; Goetz 1993; Wolfe 1998).

Nonprofit housing takes a variety of forms, such as single or multiple family housing, hostel accommodation, care facilities or group homes. Organizations involved may construct new buildings, or acquire existing stock to rehabilitate. Occupants of nonprofit housing can be individuals, families, seniors, or persons with special needs (CMHC 1982).

The responsibility of the third sector has grown extensively, as currently they provide two-thirds of the social housing stock (Van Dyk 1995). Past programs and experience gained by the nonprofit housing providers created an infrastructure, through which organizations operate (Skelton 2000). Consequently, the term "provision infrastructure" has evolved to include the policies, organizations, individuals, legislation and practices involved with social housing. However, with limited funding available the capacity of this infrastructure has been compromised (Skelton 2000).

2.1.2 Laying the Foundation

Housing did not command much government attention in Canada until the end of World War II, when desperate conditions forced the government to respond through the 1944 National Housing Act (NHA) and the creation of the Central (now Canada) Mortgage and Housing Corporation (CMHC) in 1946 (Anderson 1992; Skelton 1998). Since then, there have been several periods of social housing policy (Skelton 1998).

From the period of the 1960s through to the 1970s, known as the public housing period, government acted as a housing advocate, funding new construction and supplying units for those unable to secure housing in the private market (Skelton 1998; Carter 1997).

Over the years, the policy environment in Canada has set the stage for much of the work currently being done by nonprofit housing providers across the country. In the early 1970s, the federal government, after receiving much criticism, began to discontinue the public housing programs. In 1973, amendments to the National Housing Act, created programs for community-based housing organizations through nonprofit and cooperative housing programs. During this period, much of the social housing responsibility was passed on to religious organizations and community advocates, or the third sector, who relied on partnerships and funding agencies within the two senior levels of government (Skelton 2000).

From the period of 1945 to 1993, there has been a series of Federal programs seeking to address housing shortages. Such programs vary between market support for rental and homeowners, social housing, rehabilitation and retrofitting, all of which have been identified in the relevant literature (Carter 1997; Van Dyk 1995).

The third sector federal support lasted until 1993 (Van Dyk 1995). Although nonprofits had gained experience since their inception in 1973, diminished support in the

early 1990s left nonprofit organizations with many challenges. Nonprofits found themselves with few linkages among and between providers, thus there was a lack of political power among the organization and little new social housing emerged throughout the 1990s (Skelton 1998).

2.1.3 Housing in the 1990s the "Emergent Period"

A 1999 report prepared by the Federation of Canadian Municipalities concluded that the lack of adequate and affordable housing has again reached crisis proportions (FCM 1999). Low-cost housing has been disappearing with demolition and deterioration. As shelter costs steadily increase many are forced to live in inadequate, cramped housing. Many households are at risk of becoming homeless as increasing rental costs force people onto the street. Between 1990 and 1995, the number of households paying more than 50% of their incomes on shelter increased by 43%, and in 1996, 360,735 dwellings were in need of major repair (FCM 1999). As of the 2001 census, 15.8% of Canadian households were in core housing need (England and Lewis 2004). These statistics illustrate the severity of the situation and explain that many Canadian families are in core housing need.

According to the Declaration of Human Rights, article 25 (1), housing is a basic human right. Therefore, adequate affordable housing should be available to all Canadian citizens (Davies 1999). However, the Federal government has effectively removed itself from housing programs across the country, as housing has not played a major role in the political arena and there is no constitutionally outlined responsibility (Wolfe 1998).

Without an operational national program for the expansion of low-cost housing, the provision of housing has become fragmented with responsibility falling mainly on overburdened municipalities and the nonprofit sector (Wolfe 1998).

Although there have been challenges in implementation and development (Skelton 1998; Walker 1993), many third sector groups have become experts at identifying the essential needs of the community, and it has been argued that they are effective agencies for the delivery of affordable housing. However, in order to be successful this third sector requires substantial government funding and support (Carter 1997), although very little has been forthcoming (Wolfe 1998).

2.1.4 Role of Local Government and Nonprofits

With the withdrawal of federal housing programs, local governments have had to respond to increasing pressures and have become the administrators for most affordable housing initiatives in North America. Municipalities have had some success, as they have the unique ability to control land use policies, bring together local partnerships and have been able to use innovative tools (Tomalty, Hercz, Warne 2002).

The emergence of third sector housing providers, through the amendments to the NHA is largely the result of the past government programs. Nonprofits have been willing to operate in an environment with scarce resources and limited building sites, resulting in the retreat of private developers. Additionally, cut backs to the provision of government

public housing has increased the demands placed on the organizations providing low-cost housing and made their goals increasingly difficult to achieve (Davis 1994).

The third sector plays a complex role in the provision of housing, having to take on many tasks, acting as financial agents, collecting and distributing money, as developers, managers, counselors and advocates for low-income residents (Goetz 1993). The overall goal of most nonprofit housing providers is self-sufficiency for individual households and the organization itself (Bratt 1997).

Although nonprofits may be able to best identify the needs of the local community (Carter 1997), capacity and expertise represent a problem, as many face performance challenges (Kraus 1998; O'Regan and Quigley 2000; Skelton, 1998). The sharing of innovative approaches, techniques and strategies for the provision of affordable housing needs to be conducted, in order for organizations to learn from one another (Kraus 1999) and to reach their objectives (Kraus 1998; Rohe, Quercia and Levy 2001).

The services provided by nonprofits go well beyond shelter, as family life, community development and social mobility are often supplementary supports provided through this sector (Shlay 1995). In addition, it has been argued that social housing acts to stimulate the economy through the promotion of community development and encourages independence and advancement of the families (Prince 1995). These community based organizations also help to promote direct citizen participation, local

accountability and neighbourhood control, thus giving power and a voice to those left out of the private housing market (Koschinsky 1999).

2.1.5 Issues Facing Nonprofit Housing Developers

2.1.5.1 Funding

Reflecting on the period in the USA in which housing providers emerged to fill the void left by national expenditure cuts, Goetz (1993) has outlines the types of funding required by NPOs to aid in building capacity as discussed below. Although this is in an American context, it could be assumed that the funding needs for nonprofits in Canada are similar.

CDCs require funding specifically devoted to administrative costs. This includes paying for staff and various other internal expenses. Finding funding for this has been difficult in the past, as many programs provide project specific funding (Goetz 1993). This is detrimental to capacity, as one report suggested that staff is the most important aspect of an organization's ability (Toronto Community and Neighbourhood Services 2004).

Predevelopment financing is another important funding requirement for organizations. This covers the costs incurred prior to going ahead with a project. Greater support in this area could lead to increased productivity. Funding for project capital is required for acquisition and construction. Typically, funds in this category are provided largely through public funding. Organizations require funding to attain technical

expertise. Most NPOs have small staff, many volunteers, and then need to seek outside the organization to find architectural, construction and engineering experts (Goetz 1993).

2.1.5.2 Key Challenges with Funding

Funding is perhaps the greatest contributor to a NPO's capacity, as it has the power to impact other aspects of an organization's ability, including the ability to hire experienced staff. With government cut backs throughout North America in the 1990s, most organizations have had to rely on a complexity of short-term project specific funding, leading to instability (Scott 2003). Although funding is available for NPOs, as described in Chapter 3, its restrictive nature limits the organization's ability and capacity. Organizational costs such as rent, staff, training and utilities are often not funded specifically. The short-term nature of funding also represents a problem as it causes budgets to fluctuate (Toronto Community and Neighbourhood Services 2004). Additionally, there is little core funding available to help with anything other than the physical project itself. There has been a shift to project based financial support, which gives the funder control of what is being done by the organization (Scott 2003). With this funding situation comes instability, due to possible fluctuations in funding and having to rely on the stringencies laid out by a multitude of funders. This situation has been described as a house of cards, as the end of one contract may bring down the entire organization (Scott 2003).

CDCs are drifting from their long-term goals in an attempt to fit into the narrowly defined funding programs. Organizational capacity is beginning to diminish

with tighter budgets that only allow for project output. The increasing pressures of having to operate under these conditions have compromised many nonprofit organizations. Many CDCs who have taken an advocacy role for marginalized groups in the past are finding they must not be too outspoken, in fear of offending their financial supporters (Scott 2003).

In addition, numerous CDCs are losing staff due to burn out and stress. As a result, some groups are facing even greater challenges with more being asked of them with less qualified staff (Scott 2003). Those who fund NPOs often require reporting and evaluation, yet this is not provided for in the financial support. In relation to this, staff turn over is increasingly high within the nonprofit sector, as pay is limited and the stress level is high. Competitive wages and permanent positions would greatly aid in any group's capacity to reach its mandate (Toronto Community and Neighbourhood Services 2004).

In Canada, government support has become increasingly insecure. A new dance has evolved between the levels of government; knowing that the more funding one level puts in, the less another will contribute. This has contributed to reduced government funding (Scott 2003). Nonprofits across North America have been forced to develop their own business plans and in turn leverage their own funding. This has generated self-sufficiency in the industry (Keyes et al. 1996).

2.1.5.3 Nonprofit Governance

A board of directors usually runs nonprofit organizations and CDCs. This group of volunteers seeks to outline the roles and practices for the organization to meet the needs of the community. Often organizations have been able to create a unique board that reflects the history and values held by the organization (Gardon 2001). The objective of the board is to exercise governance and leadership, making decisions regarding the mandate, programs, financing, management, administration, staffing, and organizational performance. Many boards effectively perform their duties. However, within the literature it has been outlined that many fail their outlined responsibilities. A survey of Canadian nonprofit organizations illustrated that a board with a cohesive vision that was involved in the strategic planning was associated with the effectiveness of the organization. It has been recommended that there is no single way for boards to operate effectively. However, there is a need for board members and chief executives to enhance skills and practices that help to meet objectives (Herman and Renz 1997).

The Support Centre for Nonprofit Management in New York has outlined several means of improving board skills, which can be applied to the Canadian context. First, boards need to see change as a continual process. The housing situation is not static and thus boards must be able to adapt and change with varying circumstances. Second, boards may need to adopt new practices, perhaps several at a time to adjust to changing realties. Third, boards need to build on their strengths, not focusing on what doesn't work, but applying their strengths to other aspects of governance. Finally, there is a need

to foster healthy working relationships, with respect at the core of effective board functioning (Gardon 2001).

2.1.5.4 Nonprofit Capacity

The term "capacity" is somewhat vague when referring to nonprofit organizations, often brining to mind simply housing production. However, the complex tasks facing these groups should expand the term "capacity" to include resource, organizational, programmatic, network and political capacity (Glickman and Servon 1998), or in more general terms, how organizations carry out their functions effectively (Glickman and Servon 2003). The following section will go into further detail on the issue of nonprofit capacity.

2.2 An Examination of Capacity and Nonprofit Housing Providers

With the production of new social housing now mainly the responsibility of the third sector, capacity, expertise and funding skills represent a problem, despite the fact that they are best suited to identify the community's needs (Kraus 1998, O'Regan and Quigley 2000: Skelton, 1998: Toronto Community and Neighbourhood Service 2004).

Many Nonprofit Organizations (NPOs) and Community Development Corporations (CDCs) operate to provide low-cost housing to the communities they serve (Glickman and Servon 2003). For the purpose of this report, the terms NPO and CDC may be used interchangeably. The following section will examine the literature relating

to CDC capacity, how it is measured, what barriers there are, and how it can be improved. Partnerships appear to play an important role in capacity, thus the section also explores the role of partnership and capacity.

2.2.1 What is Capacity?

Capacity has various meanings and can be interpreted differently by different organizations. When discussing capacity in relation to nonprofit housing providers, the expression often brings to mind the limited definition of housing output. However, the term includes much more. Capacity is generated from the organization itself and outside agencies, including the physical and financial assets of the organization, the area it serves, technical assistance and financial and political support (Glickman and Servon 1998).

Glickman and Servon (1998) have identified 5 components encompassing the term capacity, to include resource, organizational, network, programmatic and political abilities. The following section will examine each factor of capacity in more detail.

Resource capacity deals with the organization's ability to increase, sustain and manage funding. Groups need to be skilled at writing proposals, courting funders and managing their funds to ensure effectiveness (Glickman and Servon 1998; 2003).

Organizational capacity deals with the internal functioning of the NPO/CDC including the management, size and skill level of the staff members and the organization itself. Increasing this aspect of capacity may require training programs, the installation of

up-to-date software for financial management and opportunities for job promotion, helping to retain employees (Glickman and Servon 1998; Glickman and Servon 2003).

Programmatic capacity deals with the kinds of services provided by the organization. Initially the CDCs may find themselves responding to a certain need, housing for example, and as the organization matures, it may include other facets such as social service provision. In recent years, CDCs have evolved to provide much more than housing, expanding into the area of community development. Providing a variety of resources to the community increases the program capacity of nonprofits. Programmatic capacity refers to the ability of CDCs to build and manage housing, provide social services, take on economic initiatives, provide technical assistance to small business and act as a leader in cultural and educational activities within the community (Glickman and Servon 1998; Glickman and Servon 2003).

Networking with other community organizations, private firms, and political and educational institutions is another important factor in the ability of nonprofits. This may help to enhance the organization's skill by learning what has worked for others in the past, help to leverage funding and avoid service overlap (Glickman and Servon 1998; Glickman and Servon 2003).

Political capacity is fundamental to the success of any CDC, as they need to act as advocates for residents and deal with civic powers. NPOs need to be able to generate

support for projects and involve residents in determining the community's need

(Glickman and Servon 1998; Glickman and Servon 2003).

All the elements of capacity listed are highly dependent on one another. Figure 1 outlines the linkages and interconnectedness of all five elements described. Organizations also need to be flexible; this encompasses all aspects of capacity. In order to respond to changing needs, NPOs should be able to adapt and shift the focus of their work. In addition, organizations need to be resilient and continue to try and meet their objectives despite setbacks such as uncooperative policy environments (Glickman and Servon 1998).

Figure 1 Interaction Among Capacity Components
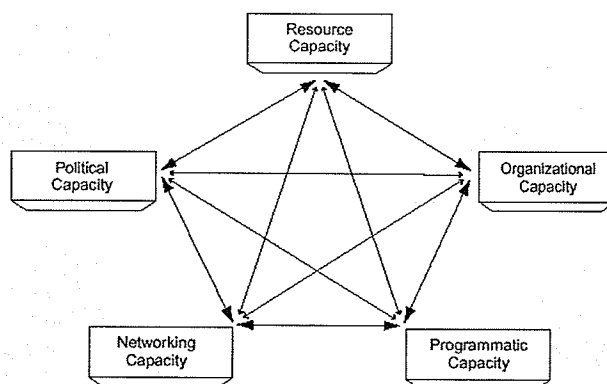
(Glickman and Servon 1998)

Weinheimer (1999, Walker and Weinheimer 1998) has gone further to outline five measures of capacity. These include the organization's ability to plan effectively, understanding the community's assets and developing a strategy for neighbourhood renewal. Organizations require a great deal of outside resources to remain effective, thus,

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their ability to secure resources has a great impact on their abilities. There is a need for strong management and internal governance. This means that the board members must understand the role within the surrounding community and reflect sound business practices. Programs carried out by CDCs need to be efficient, with the planning, packaging, marketing and management to be delivered effectively. Finally, nonprofits need to be able to network with other organizations creating partnerships and learning from one another (Walker and Weinheimer 1998).

Venture Philanthropy Partners (VPP) a philanthropic organization which provides both financial and organizational support to NPOs in the US, has outlined seven components to capacity: aspiration, strategy, organizational skills, human resources, systems and infrastructure, organizational structure, and culture (VPP 2001). The following section will examine the framework set out by VPP as seen in Figure 2.

Figure 2 VPP Capacity Framework

(VPP 2001)

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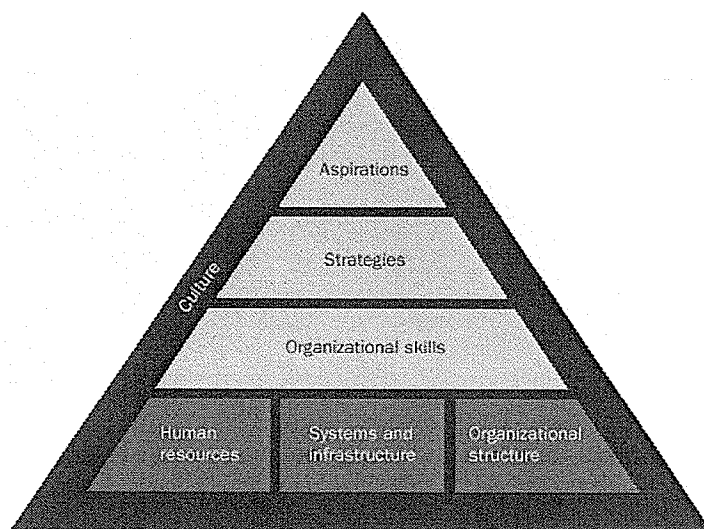
Aspiration, Strategy and Organizational Skills have been outlined, as higher-level elements of a nonprofit's capacity. Aspiration refers to the organization's mandate and overall goals. It is important for organizations to clearly articulate their goals and hopes; this helps to inspire staff and sets the priorities of the groups. The strategy component of the framework is the means to achieving the aspiration. More specifically strategy looks at the actions and programs that seek to fulfill the organization's goals. The final part of the higher-level elements is organizational skills, meaning the group's ability to manage resources, plan, measure performance and build relationships. This is perhaps the most important component, as an organization's skill to manage, produce and evaluate is highly related to the funding it may or may not receive (VPP 2001).

The second level of the VPP framework details the foundational elements. Human resources include the collective ability and dedication of the staff, including the board, management team and volunteers. The system infrastructure is the formal and informal processes by which the organization functions, including elements such as planning, decision-making, knowledge of management and administration, the technical and physical skills within and supporting the organization. Organizational structure is the final element within this second level of the framework. This facet looks at the governance, design and coordination of efforts within the group. This is one of the more common capacity building elements. It has been recognized by many NPOs that reorganization and structural modifications are frequently required to remain effective (VPP 2001).

Surrounding all these elements is the final element of capacity, that being *Culture*. The culture brings together all the other elements to bind the organization. It is important that staff share the same values and practices to ensure that the organization's performance is oriented to their mandate. Culture is especially important for nonprofits as it may help to motivate and encourage staff that are frequently overworked and underpaid (VPP 2001).

The Local Initiative Support Corporation (LISC) helps CDCs and community organizations in the USA with capital, technical expertise, training and information to help reach the organization's mandate and improve capacity. Through this, LISC has developed a four-fold classification of the level of CDC capacity: Start-Up: Emerging, Growth and Experienced. These categories then aid LISC in determining an organization's needs. The following will further develop these classifications.

Newly formed CDCs are classified as start-ups. Usually they are just putting together a board of directors and developing the objectives for the organization. This is a critical time when organizational development should be the focus (LISC 2004).

Obviously, the emerging organizations are more developed than the start-ups. Typically, they have a small budget and some unpaid staff. The organization has a matured board, which is starting to undertake real estate development and provide local community programming (LISC 2004).

The growth period for a NPO is when both the capacity and production are increasing. Some experience has been gained in real estate development, there is at least one paid staff member and development related programs (e.g. Home Buyer education) are implemented. However, at this stage the organization still lacks expertise (LISC 2004).

Experienced CDCs are just that. They have completed projects, and are active in more than one venture at a time. Staff are paid professionals who carry out most of the daily activities. Experienced organizations have become sophisticated, have developed technical abilities, and are able to provide both development and non-development related programs to the community (LISC 2004).

2.2.2 Housing NPO Capacity in Canada

The community-based mode of program delivery, made possible through the 1973 NHA amendments, requires a tremendous amount skill on the part of the third sector; however, skills were acquired through the advancement of these local groups (Skelton 2000).

The Canadian Housing and Renewal Association (CHRA) has outlined six key areas of best practice for affordable housing management. Although it is not termed capacity, it is clearly related to an organization's ability. Financial management is a key element; this includes improving financial control in terms of budgeting, investment and long-term financial planning to reduce risk. Maintenance is also an important aspect, as it

is fundamental that organizations keep up-to-date on issues relating to the housing condition. NPOs need to take measures to improve relations within the organization and outside, creating greater accountability. Housing management and development need to incorporate resident participation, ensuring that the community is involved with development. In addition, strategies need to be in place to ensure that housing needs are being met. Finally, human resource management should include programs to train staff (CHRA 2002).

As elsewhere, social housing providers in Canada are faced with challenges. NPOs have had to rely on multilevel government funding partnerships, which have become complex and often require more staff to manage sponsored projects. In addition, housing providers receiving government funding are required to do more with fewer funds. The housing stock in Canada is aging dramatically; as a result, much of the stock may be lost to deterioration. With the aging population, much of the social housing stock required will need to incorporate universal design and be connected with support services. Project specific funding may not be flexible enough to adapt to changing needs of the public (CHRA 2002).

2.2.3 Capacity Summary

In summary, it is apparent that the concept of capacity is quite complex. The definitions outlined by Glickman and Servon, Weinheimer, VPP and CHRA all possess similar elements, identifying areas of management, finances, human resources and organizational cohesiveness.

Glickman and Servon focus on the functioning of an organization through its ability to attain and manage resources: manage the organization; provide programs, network and create and maintain political ties. As indicated in Figure 1, all of theses components come together, interacting with one another to form an organization's capacity.

Weinheimer added other components of capacity such as an organization's ability to plan, manage, and govern, all of which need to be carried out efficiently.

Venture Philanthropy Partnership contained similar elements of capacity, but included aspects of internal culture, organizational aspiration and strategies to achieve goals as significant contribution to a CDCs overall ability.

LISC defined capacity through a different means, using its definition as an instrument to classify organizations. Although the definition provided was not as detailed as others, it nonetheless provides a useful tool for this project.

The Canadian experience of capacity, as defined through CHRA echoes many of the themes outlined by the above American authors, including financial management, organizational maintenance, human resources and strategy. CHRA includes another component not covered by the other authors; the need for accountability, meaning an

organization's capacity is dependent on its ability to measure itself internally and externally.

Given the limited resources on NPO capacity it would be a useful exercise to condense the various elements defined, while keeping in mind the context in which they were developed.

Capacity scrutinizes overall functioning of the organization internally and externally, and examines the level of output produced. Internally, capacity looks at staff ability, organization and the culture within the working group. In addition, it deals with how resources are managed and used and what technology is used by the organization.

Externally capacity examines networks and partnerships, which are key to the external functioning of organization and play a major role in funding. These partnerships can be with the community, other organizations and politicians.

Finally, output capacity examines the organization's production goals and determines whether they have been reached. Within this category, programmatic capacity deals with the level and types of additional programming provided by the organization. Furthermore, output capacity will determine if the mandate outlined by the organizations has been met, shaping organizational aspirations.

For the purposes of this project, the most important elements are resource, organizational, programmatic, networking, political, and accountability capacities, in addition to general abilities. These elements encompass all the areas that have been delineated in the literature. The description provided by LISC is somewhat different from the others, as it allows for a categorization of the organization itself, based on their abilities. This is a useful tool in identifying the maturity of the organization and will be used for this project.

2.3 Measuring Capacity

Measuring capacity is not clear-cut. There are many factors to be considered. Although it may be relatively easy to gauge some aspects of capacity, by simply counting the numbers, other elements are more challenging. For instance, political capacity is more difficult to determine. Furthermore, the difficultly in measuring capacity increases as the means of evaluation may not be suitable for the type of goals the organization was created to address. It is also extremely difficult to account for intangibles (Glickman and Servon 2003), such as community pride. Herman and Renz concur, outlining the difficult nature of determining organizational effectiveness, as regions and board ability vary greatly (Herman and Renz 1997).

2.4 Increasing Capacity

In relation to the areas of capacity outlined by Glickman and Servon, Nye and Glickman (2000) have identified what is needed by CDCs to increase the organization's capacity. The following section will briefly examine each area.

The financial state of a CDC is often a clear indication of the organization's capacity to effectively carry out its mandate. In order to increase resource capacity NPOs require long-term operating support, new funding providers, and better fund raising skills. Additional funding can help NPOs retain and attract staff with more skills and allows the organization to increase the kinds of services they provide. In the United States, Community Development Partnerships have aided in the provision of financial support, allowing CDCs to make new contacts with funders and have provided some stability in financial support (Nye and Glickman 2000).

One of the most crucial components to a CDC's ability to prosper and expand is organizational capacity. The staff clearly makes the organization what it is. Organizations require qualified skilled staff with technical, supportive, managerial, leadership development and financial expertise. As mentioned earlier, this is highly dependent on the resource capacity of the organization. Partnerships have helped in this area by providing training and support to organizations in need (Nye and Glickman 2000).

Networking capacity is an important aspect to a CDCs ability to provide services, as it not only allows organizations to learn from one another, it also prevents a

duplication of service provision and promotes neighbourhood cohesiveness. This is something that most organizations could build upon. Community Development Partnerships play a role in helping organizations reach out to each other and act as a stepping-stone for cooperation (Nye and Glickman 2000).

Weinheimer (1999) contributed to this by outlining three requirements to foster the growth of CDCs. First, increased funding needs to be available to the programs that finance the work being done by nonprofits. Second, there needs to be active supporters within the community to lobby for the organizations and help to secure partnerships. Last, are programs that specifically help to increase organizational capacity[4] (Weinheimer 1999).

Further to this, Weinheimer has suggested that more support is needed for core operations. Specifically, there is a need for programs that fund technical assistance and ensure a level of performance standards within the nonprofit community, both of which are unlikely to occur without intentional funding (Weinheimer 1999).

VPP has identified that organizations with the greatest impact have been those that have engaged in capacity building, in reference to the seven elements outlined in their framework. It must be noted that although these components are highly interconnected it would be a nearly impossible task to work on all aspects at the same

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[4] Like that of The National Community Development Initiative (NCDI) in the United States

time. However, the elements of the framework should not be treated in isolation (VPP 2001).

Bratt et al. (1994) in their study of nonprofit capacity identified that the current support for organizational development was inadequate. They concluded that there were three areas where organizational capacity could be improved. Organizations including the staff and board need to improve the functions associated with property management. Further, training and technical assistance in the area of property management is required. In order to be effective, organizations require specialized software and integrated financial and management information systems. Bratt et al. conclude that support in this area is limited and needs to be improved (Bratt et al. 1994).

Throughout the literature, the key to capacity building would appear to lie in partnerships (Nye and Glickman 2000, CHRA 2002, Michigan State University 2001). The next section will briefly look at the role partnerships play in capacity building.

2.5 Partnerships and CDC Capacity

It must be noted that capacity is not just the ability of the organization itself, but also its institutional networks. Within the field of sociology, social capital refers to the ability of organizations to attain resources through networks, relating to network capacity (Keyes et al.1996). In addition, partnerships and networks fit in with the provision infrastructure outlined by Skelton (Skelton 2000). The following section will look more closely at the role of partnerships, social capital and the provision infrastructure.

Despite the challenges of measuring capacity levels, Glickman and Servon (2003) have found that partnerships played a role in capacity. Through their research it was found that CDC partnerships allowed for increased resources, more operating support, better trained and higher paid staff, increased housing provision and better relations with potential funders (Glickman and Servon 2003). Through their findings Glickman and Servon (2003) argued that there is a strong relationship between a group's capacity and their level of output, as those with a higher capacity tend to be more experienced and often have the ability to leverage more funding (Glickman and Servon 2003).

A recent study completed by Michigan State University also found a strong correlation between organizational capacity and housing production. This study used a survey looking at the five elements of capacity outlined by Glickman and Servon and indexed a score to each response by Michigan nonprofit housing organizations (Michigan State University 2001).

In the Canadian situation, the Canadian Housing and Renewal Association would concur. It was found that provinces such as New Brunswick, Ontario, British Columbia and Quebec, where there are province-wide nonprofit housing support associations, had higher levels of capacity than provinces lacking such an association. These provinces had been able to network, forming a collective approach to housing provision. As a result, these organizations appear to have a higher level of capacity than those not linked to an association. CHRA measured capacity by looking at financial management, maintenance,

governance, accountability, housing management, development planning and human resource management (CHRA 2002).

It has been made clear that partnerships allow for greater levels of capacity, although funding crunches have seriously compromised the ability of NPOs to build strong networks of support (Scott 2003). It is very important for NPOs to strengthen their capacity, but the fact remains that funding is limited and project specific. This seriously constrains the ability of the organizations to look into building capacity.

Despite limited funding to support capacity building, certain organizations such as LISC and CHRA have acknowledged the need and implemented programs to aid in the task. In addition, local governments are beginning to recognize the need to support organizations in a more comprehensive fashion, starting with a greater allocation of funds (Goetz 1993).

2.6 Conclusion

Nonprofits in North America are currently providing the majority of social housing. Capacity and funding constraints are seriously threatening this third sector. Without the support to build capacity, the future of these organizations is questionable. Partnerships may help in securing funding and help to promote the skills within the organization. More programs need to be in place to help NPOs improve their abilities. Much of the funding available is project specific and does not allow much room to develop capacity or partnerships.

For the purpose of this thesis, the complexity of capacity can be tied into internal, external and output capacity. There are also the intangible components such as personal character that are important to capacity but may beyond the scope of this project.

CHAPTER 3: THE LOCAL HOUSING ENVIRONMENT

There are many issues surrounding nonprofit housing in the city of Winnipeg. The following chapter will attempt to describe the current policy environment, local housing conditions and the organizations involved in the provision of low-cost housing. This will set the stage for assessing the capacity of nonprofit groups and allow for a better understanding of the circumstances within which they operate.

3.1 Winnipeg Policy Environment

3.1.1 The Winnipeg Housing Policy

The Winnipeg Housing Policy seeks to renew declining neighbourhoods by providing the tools for communities to rehabilitate housing and improve the overall quality of life. It has been acknowledged that the community plays a vital role in the renewal of declining neighbourhoods; as such, it is the intention of the civic administration to ensure that solutions reflect social, economic and the cultural realities of the local area. It has also been recognized that the community possesses expertise, and that the role of the City is to facilitate and encourage broader community participation. Part of the execution of this policy requires the City to partner with other levels of government and community agencies to improve housing and opportunities for marginalized groups. This, in addition to other initiatives, resulted in the creation of the Winnipeg Housing and Homelessness Initiative, which provides a central coordinated effort to address Winnipeg's housing crisis (Winnipeg 1999).

As part of the Housing Policy, the City has classified all neighbourhoods into one of four "Housing Improvement Zones". The designation criteria are as follows:

➢ *Major Improvement Areas* (MIAs) include those older areas, which have experienced significant decline where the housing and infrastructure require complete renewal.

➢ *Rehabilitation Areas* are those neighbourhoods experiencing a spill over effect from the MIAs, were the stability of the area is threatened. Intervention is needed in these areas to encourage private re investment and improve infrastructure.

➢ *Conservation Areas* are socially and physically stable neighbourhoods experiencing signs of decline. The City is observing these areas, and intervention will only occur if decline has increased significantly

➢ *Emerging Areas* include land where new development is occurring. The City's role is to ensure proper development (Winnipeg 1999).

Of the 228 neighbourhoods in Winnipeg, 14 qualify as Major Improvement Areas including Centennial, Daniel McIntyre, Dufferin, Dufferin Industrial, Lord Selkirk Park, North Point Douglas, North Portage, Spence, St. Johns, St. Matthews, South Point Douglas, West Alexander, West Broadway and William Whyte (Winnipeg 2000).

3.1.1.1 Housing Condition

Chapter 1 briefly described the national and local housing conditions; the following section will go into more depth illustrating housing decline within Winnipeg's MIAs. In March of 2000, The City of Winnipeg, in conjunction with other community organizations, developed a Neighbourhood Designation Report. This report works in

combination with the Winnipeg Housing Policy to establish criteria and measure housing conditions. In total, 14 indicators were recognized to correlate with housing condition, including six primary indicators; median selling price, poverty (LICO), residential rental dwellings, average effective dwelling age, crime, and the unemployment rate. In addition, eight supporting indicators were examined including placarded dwellings, maintenance and occupancy by-law orders, demolitions, rooming houses, total building permits, average household income, employment participation rate, and population (Winnipeg 2000). Through the Housing Designation Study, it was found that the areas within the Major Improvement Areas have been deemed to be experiencing serious decline, requiring complete renewal. All of the neighbourhoods are in a central location, as a result, most of the dwellings are relatively old, experiencing decay and dropping market prices. In addition, most of the residential units are not owner occupied. Compounding the problem is the concentration of poverty and unemployment in the area, likely correlating with the relatively high crime rates.

The problems facing Winnipeg's Major Improvements Areas are complex, encompassing several social issues. Section 3.2 will discuss what is being done in these areas to reverse decline and improve the overall quality. In particular, the focus will be on the neighbourhoods of Spence, North Point Douglas, West Broadway and William Whyte due to the well-developed organizations that operate within. Please refer to Figure 3, for an understanding of the geographic boundaries.

Figure 3 Inner-city Map
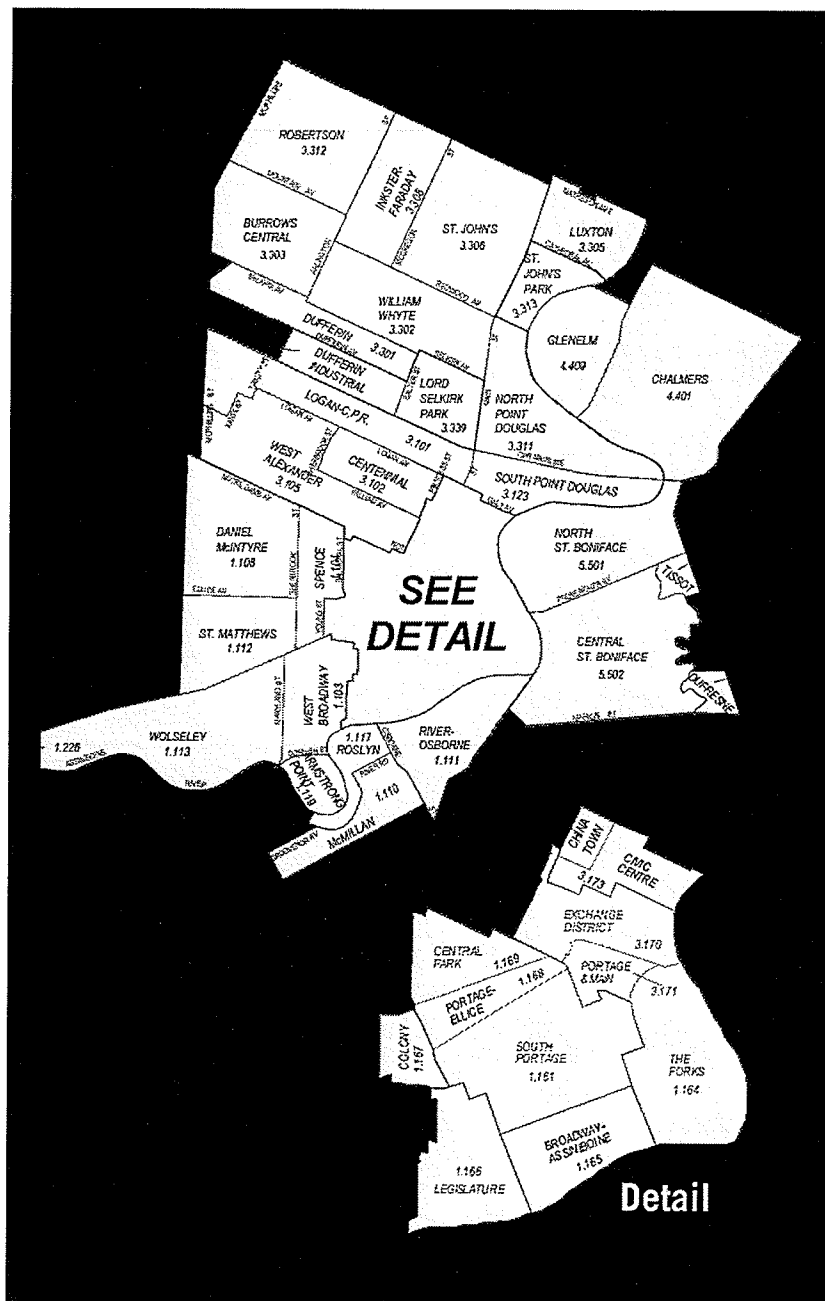
(Source WIRA 2000)

3.1.2 The Winnipeg Housing and Homelessness Initiative

The Winnipeg Housing and Homelessness Initiative (WHHI) was designed to address declining housing in designated inner-city neighbourhoods. This initially three year, multi-million dollar partnership has been established with the governments of Canada, Manitoba and Winnipeg. Through the WHHI, the local community can gain access to a variety of federal, provincial and civic housing repair programs (Manitoba Family Services and Housing 2003). The WHHI acts as a one-stop shop for community groups and individuals seeking information and financial assistance for locally based initiatives addressing homelessness and substandard unaffordable housing. However, the WHHI has sometimes been described as a "single window, triple pain". The following section will briefly outline the programs and partnerships made through the three levels of government (Manitoba Family Services and Housing 2003).

3.1.2.1 Federal Partnership

The Government of Canada provides housing assistance through the National Homelessness Initiative, the Supporting Communities Partnership Initiative (SCPI), the Urban Aboriginal Homelessness Strategy, Youth-at-Risk Homelessness and the Residential Rehabilitation Assistance Program (RRAP). The SCPI was based on a community plan that sought to apply local solutions to address homelessness. The RRAP provides funding to low-income homeowners and landlords to make repairs, improving the adequacy of the dwelling units. RRAP is cost-shared by the federal government via the Canada Mortgage and Housing Corporation and the provincial government through

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Manitoba Family and Housing Services. The province currently administers the program, while it is delivered by the City (WHHI 2002).

3.1.2.2 Provincial Partnership

The Province of Manitoba contributes to the tri-level partnership through programs such as "Neighbourhoods Alive!", Neighbourhood Housing Assistance (NHA) and RRAP.

The objective of "Neighbourhoods Alive!" is to provide community groups with the resources they need to support housing, physical improvements, employment, education, recreation, crime prevention and safety. In addition, the program provides local neighbourhoods with funds to develop capacity, allowing them to implement their plans. The NHA program provides specifically housing funds to renewal organizations and cooperative housing groups within designated major improvement neighbourhoods (WHHI 2002).

The province also works in conjunction with the federal government to help increase the supply of the affordable rental units and new housing units through the Affordable Housing Initiative (AHI). This program supports the construction of new rental and owner-occupied units, offering assistance in repair and conversion, down payment assistance and rent subsidies. The program is targeted towards low to moderate-income households with a variety of backgrounds (Manitoba Family Services and Housing 2004).

3.1.2.3 Civic Partnership

Under the Winnipeg Housing Policy, the City of Winnipeg has allocated funding through several programs. The Winnipeg Municipal Cost Offsets Program provides financial assistance within targeted neighbourhoods through the reimbursement of civic fees such as zoning application fees, building permit fees and demolition fees. The Winnipeg Housing Revitalization Program aids in financing predevelopment costs associated with renewal. Often community organizations lack the technical expertise to develop plans and may need to hire contract workers in the area of construction, architecture or planning (Goetz 1993). Assistance is provided to community stakeholders to develop a Neighbourhood Housing Plan, through the Winnipeg Neighbourhood Housing Plans and Advocacy Program (WHHI 2002). The City is encouraging unique and innovative approaches to address declining neighbourhoods within the inner city with programs such as the Winnipeg Housing Demonstration Programs, which helps in financing quality affordable housing. Finally, the Winnipeg Minimum Home Repair Program provides owner-occupants with the opportunity to undertake minor repairs to improve the safety of their homes (WHHI 2002).

3.1.3 Plan Winnipeg

In addition to the commitments made by the three levels of government the City's development plan, Plan Winnipeg: Vision 2020, contains several policies which directly support the approach taken by the Winnipeg Housing Policy and consequently the WHHI. Section 1B-01 outlines support mechanisms for neighbourhood revitalization efforts. In relation to this report, the most significant aspects include coordinating the

delivery of services and programs through community-based facilities, engaging the

community in the identification and management of neighbourhood issues and

improvement strategies, and providing leadership in the development of multi-level

government programs. Further to this, section 1C-01 outlines how the City shall facilitate

the provision of safe affordable housing by supporting partnerships with nonprofit

community housing groups (City of Winnipeg 2001).

3.1.4 Other Tri-level Partnerships

Although now completed, the Winnipeg Development Agreement facilitated the

initiation of several community projects targeting housing. The tri-party agreement

focused on citywide initiatives, including labour force development, strategic and sectoral

investments, and the development of safe communities, which contained provisions to

address housing issues (WDA 2000).

As of May 2004, a new tri-party development agreement was signed, investing 75

million dollars in the areas of Aboriginal communities, inner city neighbourhoods,

downtown and knowledge based sectors over the next five years. In regard to this project,

the new agreement will contribute to building sustainable neighbourhoods by supporting

residents with their efforts to restore declining communities within the inner city

(Manitoba 2004).

3.1.5 Urban Native Nonprofit Housing

The Urban Native Nonprofit Housing Program, provided through Manitoba Housing and Family Services, provides funding for the operation of nonprofit Aboriginal corporations and cooperatives that develop housing specifically for aboriginal household needs. In order to qualify for funding applicants must be unable to find suitable affordable, adequate units in the private market (Manitoba Family Services and Housing 2004).

3.1.6 The Winnipeg Foundation

This foundation has also provided funding for renewal efforts throughout the City. The goal of the foundation is to help improve the quality of life in Winnipeg, through grants to the arts, culture, heritage, community services, education, health, recreation and the environment. In relation to this thesis project, the current area of focus is on the Centennial neighbourhood with the goal of improving literacy, community support, school programming, community services, and identifying effective practices to extend public policy (Winnipeg Foundation 2004).

3.1.7 The United Way

The United Way of Winnipeg builds community through ensuring there are sustainable solutions to social issues, economic development, improved neighbourhoods, and capacity built within the local community. This organization is not affiliated with government and provides core operating funding to support voluntary action, which

benefits the entire community. Currently the funding is provided to organizations that address poverty, safety and civility, social exclusion, systems that hamper self-sufficiency and stressed families, children and youth (United Way Winnipeg 2004).

3.1.8 The Thomas Sill Foundation

The Thomas Sill Foundation has made funds available to some of the organizations to be discussed. Grants are made to organizations within the province that seek to improve the quality of life (Thomas Sill 2004).

3.2 Active Nonprofit Housing Organizations

It has been estimated that there have been at least 113 organizations providing nonprofit housing to the city of Winnipeg (Skelton 2000). This includes cooperatives, municipal nonprofits and private nonprofits. This study will examine private nonprofit organizations and the municipal organization providing affordable housing. The following section will briefly provide a description of the active private nonprofit organizations and the municipal nonprofit corporation operating in Winnipeg. These are the main community organizations responsible for neighbourhood renewal and low-cost housing. It must be noted that most of the organizations provide much more than housing in their renewal efforts. For the purpose of this project, only the housing components will be examined and thus the organizations may not be defined in the fullest sense. Map 1, located in section 3.1.1.1 section, allows for a better understanding of the geographic boundaries the organizations operate within.

3.2.1 Kinew Housing Corporation

As has been indicated in Chapter 1, Aboriginals face higher core housing need than non-Aboriginal. As a result, Kinew Housing was developed in 1970 to respond to the concerns of adequacy and affordability for Winnipeg's urban Aboriginals (Indian and Northern Affairs Canada 2004). Kinew Housing is a nonprofit organization that provides and manages decent affordable housing to First Nation families across the city. Rent for units provided by Kinew is set at 27% of an employed family's earnings, minus deductions for dependants, heat and water. If the family is receiving income assistance, rent is then the allotted rent allowance (Manitoba Aboriginal and Northern Affairs 2004). Kinew provides permanent housing and maintains existing housing for Aboriginal families (SPCW 2001). Housing provided by the corporation is not neighbourhood targeted, rather Kinew provides housing in a variety of neighbourhoods across the city. Funding for housing comes from the Native Friendship Centre and the Urban Native Nonprofit Housing Program. Kinew was the first nonprofit corporation owned and operated by Aboriginal peoples, with local Aboriginal contractors hired to make repairs. Their first project involved the renovation of ten housing units (Congress of Aboriginal People 2003). Today, the corporation is renovating a three-bedroom home in William Whyte to be used as an affordable rental unit (CMHC Nov. 2003).

3.2.2 New Life Housing

New Life Housing Ministries, operating within the Spence neighbourhood incorporates several programs including Lazarus Housing and Nehemiah House. The

housing ministry developed out of a need for church members to find quality long-term affordable housing.

Lazarus Housing purchases derelict homes, renovates them and then sells them to individuals committed to the area. Funding has been made available through the Thomas Sill Foundation and the Winnipeg Development Agreement. In addition, the Royal Bank and CHMC allowed for flexible financing through a new pilot program. Lazarus housing has completed and sold 20 homes in the neighbourhood, and is currently working on 7 more, including new construction on a vacant lot (New Life Ministries 2004).

Nehemiah housing provides affordable, clean, "dry" rental units for those seeking to improve their lives. In addition, emergency and transitional units are provided along with low-cost food options. Nehemiah renovated the worst buildings in the Spence area, which were near closure due to either fire or health code violations. Currently, there are four blocks completed with a total of 52 units, and another 3 blocks in progress. In their renewal efforts, Nehemiah has partnered with other community organizations such as Marymound[5], Palliser Furniture, and the local community. Funding for the renovation was made available through the RRAP and the private donation of one apartment block (New Life Ministries 2004).

New Life Ministries has created standards within the community by having a tenancy agreement and an eviction form to ensure residents live in a manner that is respectful to tenants and owners. In addition, New Life Ministries is working to reform

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[5] Marymound is a family resource center within the inner city

the building code. One of the obstacles of renovating older homes is that the same codes apply for new construction, making renovation too costly. Currently, there is an equivalency agreement that is in the process of being formalized. As well, a housing registry has been made available for potential renters, providing a list of vacancies in the area; allowing individuals to find units using a touch-tone phone (New Life Ministries 2004).

3.2.3 North End Community Renewal Corporation (NECRC)

Like many of the housing organizations, NECRC's mandate is multifaceted, seeking to promote the economic, social and cultural renewal of the north end of Winnipeg. The Corporation was formed in 1998 and serves the area north of the CPR tracks, south of Carruthers, east of McPhillips and west of the Red River. This is a substantial geographic area including the neighbourhoods of North Point Douglas, South Point Douglas, William Whyte, Dufferin, and Lord Selkirk Park, all of which are considered Major Improvement Areas (NECRC 2004).

NECRC works to create jobs, help local residents increase employment skills, improve the quality and accessibility of housing, encourage increased commercial and industrial activity, improve the overall perception of the community and reduce crime (NECRC 2004). Although this organization provides a comprehensive set of programs, housing will be the focus of this section. The development corporation has been mandated by the community to implement a renewal plan involving several affordable housing initiatives; some of these tasks have been undertaken by related organizations.

One of NECRC's initiatives includes 300 residents in the north end appealing their property taxes through the Self Help Alliance for Fair Taxes (NECRC 2004). As has been mentioned in section 3.1.1.1, property values have decreased substantially in many central neighbourhoods, however, the City's assessment department has not yet taken this into account and some residents are paying more than their fair share.

NECRC in conjunction with the local resident's association developed a housing plan for the community of William Whyte. Financial assistance was provided through the City of Winnipeg's Neighbourhood Housing Plan and Advocacy Program and the Province's Neighbourhoods Alive! The overall goal of the housing plan is to make up for housing units lost due to abandonment, closure and demolition, allowing for a net gain in affordable housing units. Furthermore, NECRC is working to increase the number of owner-occupied units, improve the quality of units, enforce occupancy standards and maintenance by-laws, improve the number of quality rental units and to attain a stable attractive neighbourhood that encourages community pride (NECRC 2001).

A community plan was also established for the neighbourhood of North Point Douglas. The goals for North Point Douglas include improving owner-occupied housing, improving and maintaining rental properties, promoting home ownership and providing diverse housing options (NECRC 2001).

In more general terms, NECRC assisted the North End Housing Project (NEHP), increasing its operation by tripling its ability to provide housing programs in the area. In

addition, NECRC has aided Aboriginal housing organizations to secure funding to improve housing in the North end. Currently the NEHP is working in William Whyte to rehabilitate 17 homes and prepare 16 lots for infill housing. Homes will be offered on a rent-to-own basis for low to moderate-income families (CMHC Nov. 2003).

3.2.4 Spence Neighbourhood Association (SNA)

Incorporated in 1997, the Spence Neighbourhood Association was created by 5 residents who wanted to see a change in the neighbourhood. Today the nonprofit association seeks to improve housing, safety, overall image, employment and health. Members of the association include residents, business owners and volunteers, who plan and execute projects in the neighbourhood. Funding for the association is made through the Province on Manitoba's Neighbourhood Development Assistance fund, Neighbourhoods Alive!, The City of Winnipeg, and the WHHI (SNA 2001).

Currently, the most important goal of the SNA involves safe and well-maintained housing. This will be accomplished by enhancing the safety of homes, dealing with problem tenants, providing training for rooming house maintenance, reducing vacant property, and preventing deterioration by encouraging all residents to care for their property. The resident's association also wants to increase variety in the neighbourhood by encouraging mixed income residents and housing types (SNA 2001). In addition to the variety of safety and community building projects underway, the neighbourhood association has made available renovation grants for private homeowners and landlords. A $1500 grant is available to rental property owners provided the owner contributes a

matching amount. Homeowners are eligible for a $1000 grant, provided they contribute $500 of their own money. Grants are limited to exterior projects (SNA 2004).

In May 2002, the SNA in conjunction with the WHRC unveiled two new energy efficient housing units featured in the Manitoba Home Builders' Association Parade of Homes (HRDC May 2002). These efforts illustrate the innovative renewal strategies and goal of attracting more individuals to the neighbourhood.

3.2.5 West Broadway Development Corporation (WBDC)

Community representatives including resident groups, community organizations, service providers, elected officials and others with a vested interest in the area, formed the West Broadway Alliance (WBA) in 1997. This group organized to revitalize the declining central neighbourhood. The West Broadway Development Corporation was later incorporated as a formal organization with an elected board of directors to execute the revitalization of the neighbourhood. Core funding for the WBDC is made available through Neighbourhoods Alive! In addition, funding for housing renewal was made available through a variety of partnerships with Lions Housing Program, Winnipeg Housing Rehabilitation Corporation, Westminster Housing Society, the University of Winnipeg Student Housing Program, Youth Builders Program, and Job Works. The mandate for the WBA is "to renew and revitalize West Broadway through the responsible leadership and participation of people who live, work and play in the neighbourhood." The goal of the Alliance is to create "a stable, healthy and safe neighbourhood that is diverse, welcoming, vibrant, clean and self reliant". In partnership with the University of

Winnipeg, the WBDC was able to develop 31 housing units with four previously derelict homes (WBDC 2004).

Housing has become the main revitalization effort by the WBDC, as it is one of the best ways to promote neighbourhood stability. The neighbourhood represents some unique challenges due to the style and age of the dwellings. Located in the downtown area the neighbourhood is over a century old. As a result, the housing is comparably old dating back to the 1920s, when the area was designed for the city's wealthy, with many of the homes two or more stories. In the 1950s, the area suffered from the effects of urban sprawl with many of the wealthy inhabitants leaving. By the 1980s, West Broadway had completely changed, as lower income groups moved in and the unemployment rate was four times higher than the city's average. Today most of the large dwellings have become rooming houses, with 91% of the residents living in rental units with incomes well below the LICO (WBDC 2001).

The main objectives within the West Broadway housing plan seek to encourage and promote all aspects of housing activities, extend the life expectancy of the housing stock, preserve the local character, extend housing rehabilitation programs, market quality affordable housing in a variety of forms while promoting home ownership, and preserve public investment, ensuring sustainable development for the future (WBDC 2001).

Although the organization is relatively new, the WBDC has taken on innovative complex programs including the Community Land Trust, Youth Builders, and the Tennant Landlord Cooperation Program. The following will briefly outline these ventures.

To deal with the exceptional nature of the neighbourhood the WBDC developed a Community Land Trust (CLT). The CLT model promotes affordable home ownership, by significantly reducing down payments. The land trust model holds the land in perpetuity; which prevents future fluctuations in real estate markets, property values and appreciation/depreciation. Equity accumulated can be used to reinvest within the community (WBDC 2004).

Youth Builders[6], a program previously funded through Human Resources and Skill Development Canada and Manitoba Education and Training, allows youth in the community who are unemployed or who have dropped out of school to receive hands on training in housing rehabilitation, while upgrading their school credits. This program works on both the physical and social renewal in the area, creating a sense of community and ownership (WBDC 2004).

The innovative Tennant Landlord Cooperation Project (TLC) has allowed individuals in the neighbourhood to access quality rental units. Through inspections, interviews and surveys the West Broadway Housing Resource Centre has been able to designate 19 blocks with the TLC seal of approval (WBDC 2001).

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[6] Youth Builders is not currently funded

3.2.6 Westminster Housing Society

The Westminster Housing Society, incorporated in 1993, has the objective of providing good quality housing to low-income tenants of the West Broadway neighbourhood. The society is also working to improve the housing stock and overall quality of the neighbourhood. Westminster has collaborated with local organizations such as the Lion's Club, University of Winnipeg, Winnipeg Housing Rehabilitation Corporation, and the West Broadway Development Corporation to improve upon the West Broadway neighbourhood. Funding for this organization comes from a variety of government grants and forgivable loans that cover the capital costs of purchasing and renovating properties, made available through Westminster United Church foundation, The Thomas Sill Foundation and the Winnipeg Housing and Homelessness Initiative, which provided grants from the three levels of government. The Winnipeg Foundation has provided grants for amenities within units and further funding is provided by annual fund raising campaigns, through Westminster. Cambrian Credit Union helps in terms of bridging financing and seeing a project through from acquisition until tenants occupy it (Westminster Housing Society 2004).

A 19 member volunteer board manages the housing society. Westminster is attempting something unique to Winnipeg nonprofit groups, as daily administrative duties are carried out through S.A.M. Inc., a nonprofit corporation providing management services to other charitable organizations. These duties include collecting rent, paying costs, maintaining financial records, providing maintenance staff, and marketing services to ensure responsible tenants and high resident satisfaction. Rental rate per unit is based

on the tenant's ability to pay. The Housing Society is geared to low-income tenants, as such, single households earning more than $20,000 will not be considered. For those on social assistance units are leased for the amount designated as the portion of rental subsidy, which is $285 (Westminster Housing Society 2004).

Between 1993 and 2003, Westminster Housing Society built a 12-unit townhouse and two new duplexes, and upgraded a single-family dwelling in addition to acquiring and renovating 11 large older homes and converting them into multifamily units. Currently, the society is working on renovating two larger homes in the area, one that will be converted into a triplex and the other to be converted into a seven-unit apartment. Units are designed to meet a variety of household sizes (Westminster Housing Society 2004).

3.2.7 Winnipeg Housing Renewal Corporation (WHRC)

Through the Winnipeg Housing Policy, the mandate of the municipal nonprofit Winnipeg Housing Rehabilitation Corporation (WHRC) was expanded. Previously the WHRC focused on property management, acquiring and renovating older buildings. The intent of the corporation was to provide a leadership role for housing groups, acting as the primary policy executing agency to facilitate renewal efforts (City of Winnipeg 1999). The Corporation often works with other community organizations providing technical and administrative expertise aiding in the objective of delivering community-based housing solutions. The Corporation is guided by a group of ten volunteers from various

sectors of the housing arena that contribute their valuable experience and expertise (HRSDC 2002).

Currently, the WHRC is working in William Whyte to renovate a four-plex, providing affordable housing for low- to moderate-income households (CMHC Nov. 2003). In addition, the corporation is renovating a vacant apartment building in West Broadway, providing 11 one-bedroom units for low to moderate-income families (CMHC May 2004).

3.3 Making the Case for Study Capacity

The organizations operating within the declining neighbourhoods have limited funding and limited capacity to address the issues. With the withdrawal of direct government responsibility for low-cost housing, the task has fallen on the community groups who are doing what they can with the resources available. Given the current state of affairs, what are the capabilities of these organizations? It needs to be acknowledged that different organizations have varying abilities depending on their size and experience. For instance, the WBDC's CLT program is more complicated than some other programs, and Kinew has been operating for a longer period, thus these groups may be able to provide more services to a larger area. With the exception of Kinew Housing and WHRC, most of the organizations are relatively new, beginning operation in the 1990s. This has left little time to thoroughly develop skills. What's more, the housing environment is in a constant state of flux, with changing governments and changing programs. Partnerships are limited and some organizations are provided with more external support than others. Geographic boundaries also play a role in an organization's

ability. For example, the SNA covers a relatively small area, while NECRC is responsible for most of the North End neighbourhoods and Kinew housing is not area specific with housing located across this city. Although this provides more options for individuals, it puts greater stress on the organizations, as efforts are not centralized.

Due to the changing policy environment, complex partnerships, limited experience and resources, and new programs being developed, it is clear that there is a need to study the capabilities of the organizations responsible for the provision of low-cost housing. The following chapter will examine what funding providers and those working in the nonprofit housing arena believe is required to continue and increase the level of service provided.

CHAPTER 4: ANALYSIS

The previous chapters have set the stage for understanding the capacity of local nonprofit housing providers. Chapter 1 outlined the issues in a broad context, while Chapter 2 elaborated the meaning of capacity used in the thesis. Chapter 3 then described the local environment. Chapter 4 now brings these elements together to access the capacity of the larger nonprofit housing organizations operating within Winnipeg. Part one of this chapter will consider the perspective of nonprofit housing funders and program managers and their opinions of nonprofit housing capacity. Part two deals with nonprofits themselves and their experiences related to the capability of the organizations they represent (please refer to Appendix for complete listing of interview questions).

4.1 Funder Analysis

For the purposes of this project, six funding providers and three program managers were interviewed to determine the capacity of the nonprofit housing community. Representatives from federal, provincial, civic governments and private charities were asked to discuss the abilities of Winnipeg's nonprofit housing providers. The focus of this project is on the nonprofit groups themselves, therefore, the questions asked of the funders were less detailed. However, it must be acknowledged that their input is invaluable and provides an added perspective on the issue.

4.1.1 The Role of Nonprofits in the Provision of Affordable Adequate Housing

Earlier chapters have made it clear that there is a need for adequate affordable dwellings for low-income households in Winnipeg. It has also been established that nonprofit organizations are the main providers of this resource. Relating to the current housing needs in our city, all the funders interviewed felt that this need was not being met by the nonprofit organizations. One participant declared that the issue was simply too large for the organizations' current ability:

> Nonprofits alone can't meet the needs, by virtue of numbers of nonprofits in Winnipeg. We probably don't have enough of an organization in Winnipeg to deal with the extent to which housing decline is happening in our inner city. It requires a number of strategies. Nonprofits are creating an opening for potential private investment in certain neighbourhoods, and that's where we need to go.

The same participant went further to state that the issue goes far beyond housing:

> The issues are much bigger than the nonprofits themselves, as income gaps increase, and the quality of the housing steadily decreases, as is happening in many inner cities across North America.

To further illustrate the lack of low-cost housing available, a program manager discussed the issue in terms of waiting lists:

> Are we meeting the City's affordable housing needs? No. Waiting lists are about 3 years, for subsidized units. It's incredible in just the last year we have gone from really having to advertise, to no longer having to advertise for subsidized units. We've had to address a strategy of customer service to the people who come in saying "You know what? We don't want to waste your time. So if we can't house you and you don't want to go on a waiting list, let's have that conversation".

Nonprofit funding providers and managers appeared to reach a consensus that not enough is being done to address the needs of low-income households. Further to this, a respondent pointed to the lack of a national housing program, as a reason for this:

> I don't think anyone is meeting low-income housing needs at this point, given that we don't have a national low-income housing program at this point. We are delivering a cost shared affordable housing initiative; but even the name is frankly a little misleading, in that it's affordable to people with modest incomes, but not for low-income households. There's very little housing being developed specifically for low-income households, [there is] either new housing or revitalizing existing housing.

All of the respondents felt that the needs of low-income households were not being met by nonprofits. It was made clear that the issue is much larger than what can be done by local nonprofit organizations, and what is being done tends to cater to the needs of those with moderate incomes and not those low-income households who are facing dire circumstances.

4.1.2 Obstacles

4.1.2.1 Resources

Chapter 2 stated that resources were the primary factor affecting a nonprofit organization's capacity. Every interview participant stated that funding was a major obstacle in the provision of low-income housing. One funder saw maintenance costs and the increasing cost of construction as the principal barriers:

> Sustainable funding [is the biggest obstacle]. Even if we build low-cost homes, the maintenance issues could be a factor for some. I'll give you an example, [name of nonprofit organization], their biggest worry and why they don't want to build or renovate and acquire is because their clients can't afford the maintenance. So, they want some ongoing subsidy. Traditionally, government has not been interested in providing ongoing

subsidies. The federal government doesn't mind providing the initial capital, but the on going maintenance issue is a factor. There are obstacles, but the biggest is resources.

Another funder commented on the inability of organizations to capture assets because current strategies are oriented to owner occupation:

> The other thing I've heard from these community groups is this model of renovation, particularly of building a house and doing all the things you need to do with CMHC, and the bank and then transferring the assets to a low-income individual, and then the next house, they basically start the process again with a new house. So, there's no equity that has been kept by the nonprofit to leverage into another housing project. There has to be some way to capture community equity out of the construction.

It has been made clear that the obstacles facing nonprofits are abundant. A program manager felt that individuals within the nonprofit housing community had to wear many hats to be successful:

> You have to understand the financial, but you also have to understand the social aspect. You need a balance. If you had two [units] at market and two at lower, at least it balances on the balance sheet. I think that's a challenge for a lot of the groups.

Labour shortages have also contributed to the resource obstacles many nonprofits must face:

> Due to the labour shortage, it is taking longer to produce housing, and in the mean time, housing prices increased. The initial number of housing units in their proposal was based on X amount of dollars per unit for acquisition and rehab. Since the initial proposal, the cost of both increased. Initial assumptions are no longer valid, with funding no longer meeting the needs of required work.

4.1.2.2 Capacity

It was acknowledged that resources represented a significant obstacle for

nonprofits. However, as Chapter 2 indicated the capacity of these groups also represents a

challenge. A program manager felt that technical capacity was an obstacle, outlining the

need for partnership and shared expertise:

> Partnerships with the community. I think my experience with the
> neighbourhood was really quite a revelation…You realize that there was a
> lot of technical expertise, everyone had a solution, but, no one knew what
> would be required to acquire building x, y, z and bring it to the final
> product of affordable housing.

A funder pointed to the fact that many organizations have had to crisis manage

their way through a project and pointed to the need for a variety of technical assistance:

> This isn't a criticism, I've heard it come from people working in the
> housing sector, particularly nonprofits, they don't really have the access to
> technical assistance or the tools they need to, (a) evaluate the risks
> involved in some kind of housing program, and then (b) when they
> actually do decide to get into it, the tools and the technical assistance to be
> able to do it. Many of them get involved and then just crisis manage
> through the whole thing.

It was recognized that partnerships could help build capacity as a respondent

called attention to the fragmentation and lack of partnerships among the organizations in

Winnipeg:

> I think there's a capacity issue, in terms of the nonprofit's ability to
> respond to needs on the scale required. In my view, the nonprofit housing
> sector is fragmented. There are a large number of nonprofits set up to deal
> with neighbourhood housing needs or needs for an Aboriginal clientele.
> As a result, there are a very large number of organizations. Consequently,
> their ability to support skill levels and management capabilities to deal
> with needs on larger scale is limited.

A program manager felt that personality played a role in capacity, further suggesting that capacity needed to be developed in all areas:

> Human dynamics and characteristics of individuals are always primary obstacles in moving forward. We understood the importance of these community groups trying to hire from within their neighbourhood. But, we recognized the people that they were hiring, wonderful people, but they didn't have the skill sets for us to engage them in a manner that would work well with the fast quickness flow of the funding and the programming we had to implement. We would have liked to see the staff coming on board going through some intensive training and skill building workshops, even before setting foot in a house or try to sell a home or engage with a family. [Skills could be developed] in every step of the process. How to engage partners, housing in general, different models different types, the technical aspects of housing, construction aspects, marketing. How to you engage families, the legal aspects. I think our goal at the end of the day was to really empower these groups to take on housing. There was no programming in place for that to happen. And it didn't happen naturally through their selection of staff, which again is understandable.

Although it is clear that nonprofits may lack technical networking capacity it appears that the lack of resources available for these components plays a factor:

> Clearly, the biggest obstacle is the availability of adequate funding, there are other issues, but I would say all of them pale in comparison to that. If there was adequate funding available, production of housing for low-income households could certainly be increased significantly. There is some untapped capacity [among nonprofits], but if you were looking for significant delivery of housing for low-income households, there is some untapped capacity, but it is limited. I would say that the nonprofit housing sector has ramped up its capacity in the last three years or so, in response to increased levels of funding.

> If there were enough funding to really make a significant contribution to the need for low-income housing, there would need to be additional ramping up of capacity. Because it's clearly not there. If the approach is going to be taken that the nonprofit sector is going to play the major role in production of low-income housing then capacity definitely is an issue. But it's an issue that will respond directly to the provision of adequate funding; and that funding has to include some recognition that, when we say the volunteer sector, we don't mean that everyone involved in a

nonprofit is a volunteer, some people seem to think that all of this nonprofit housing should be developed without paid staff.

Further to this, the same respondent expressed concern relating to the restrictive nature of the funding available to nonprofits:

> Certainly, the main thing that can be done is for public sectors and governments to recognize the need for capacity building and to provide adequate funding for more than bricks and mortar; and recognize that the building of capacity is going to require some funding apart from the funding for sticks and bricks.

Although it was the opinion of funders that capacity was an issue, it was made clear that capacity is highly dependent on available resources. Most funding programs allow for the capital cost of projects and do not take into account the need for capacity building.

4.1.3 Increasing the Provision of Low-cost Housing

It has been made clear through literature and the interviews that nonprofits are not meeting the needs of Winnipeg's low-income populations. The obstacles facing nonprofits have been identified. These two factors lead to the next inquiry, what is needed to increase low-cost housing production? One funder outlined the importance of sustained funding in the face of an eminent housing disaster:

> I think the fact is there has not been enough funding provided. So, we are continuing to descend into a looming housing crisis, in terms of housing for low-income households. You can certainly pull out certain segments of population where there is already a crisis, particularly Aboriginal families, singles with mental health issues, or special needs and single parent headed families and so on; where housing is at or near a crisis situation in many areas of the country.

Another funder outlined the need for increased resources and partnerships:

> The easy answer is a whole pile of money. But, that would be more of a
> result. I mean, I guess there has to be commitment from many levels of
> government, and I think it's a big collaboration. Part of the reason why it
> seems that one area gets attention and others don't, is because it's too huge
> for any one funder to commit across the board to these kinds of things.

Apart from the funding issue, it has become clear that capacity and labour

shortages also play a role. Training is of great importance in increasing the provision of

low-income housing. A program manager felt there was little expertise in the renovation

and construction field, contributing to the lack of low-cost housing units:

> There needs to be training, real training, not just students coming in for a
> six months period, learning how to bash down a building. But, real
> training in being able to create skilled tradesmen on a fast track basis, who
> are willing to work solely in the renovation field. We are currently in a
> situation, which is kind of unique to Winnipeg, after 20 years of slow
> growth, where new construction is taking off, any skilled workers that
> have been involved in construction at all, are being drawn by larger
> builders to create new housing.

The focus of this project is on the capacity of nonprofit organizations. The

primary factor contributing to an organization's ability, in the view of the respondents

discussed here, was clearly the availability of resources. This substantiates the point made

in Chapter 2. All respondents representing funders and managers made it clear that

resources were the primary factor relating to an organization's capacity. In a concluding

comment, one funder expressed frustration in the way housing for low-income

households is being provided, encapsulating the issues addressed in this section:

> In my opinion the biggest issue is lack of sufficient funding,
> everything else I think is hypothetical, theoretical as long as the
> funding isn't available. I continue to hear people talk about
> innovation and partnerships and partnering with the private sector
> and I frankly get a little tired of it, because you know, I am not

suggesting those things shouldn't be explored, but if they are not explored within the context of adequate funding, then it's really just a smoke screen. You know, a 2x4 is a 2x4 and a bundle of shingles is a bundle of shingles, unless somebody can come up with a way to produce housing out of air, or something like that, the costs are going to be there. Yes, there may be ways to make housing more efficient, either to build or to operate, which will impact the bottom line, either immediately or in the longer term, but there's no magic formula for making housing cheaper. In an ideal world, we would recognize that the availability and supply of adequate housing is, you could say it's not really a housing problem per se, it's an income problem. If we were addressing the provision of income, then perhaps this wouldn't be an issue. But, to be honest with you, that's something I don't expect is likely to happen. So, I think there is still a major role to be played, a major need for the provision of housing that's targeted specifically to low-income households, and is operating at costs below what the market will sustain.

From the funding and program manager's perspectives, resources were a major factor contributing to an organization's ability to provide low-cost housing. Most program funding focuses on providing capital costs, leaving little if nothing for capacity building, training, or maintenance.

4.2 Nonprofit Analysis

This section goes into more detail, discussing the issue of capacity with the nonprofit organizations themselves. Six private nonprofit organizations and one public nonprofit were interviewed. Representatives for the organizations were asked questions relating to the components of capacity outlined in Chapter 2. Specifically, interview questions relate to the five elements of capacity Glickman and Servon (1998) identified, which include resource, organizational, programmatic, network and political capacities,

in addition to examining aspects of accountability and areas that are more general, such as obstacles and abilities.

4.2.1 Resource Capacity

Resource capacity deals with the organization's ability to increase, sustain and manage funding. Groups need to be skilled at writing proposals, courting funders and managing their funds to ensure effectiveness (Glickman and Servon 1998; 2003). All of the organizations interviewed relied on some form of government funding from one or more of the three levels of government, programs include the RRAP, NHA, "Neighbourhoods Alive!", the AHI, the WDA and a variety of civic programs. Nonprofits also had private fund raising campaigns and received funding from foundations. In addition, one organization received funding through CMHC rental subsidies, which are administered through the province. Funders felt that resources were a major constraint on the ability of the nonprofit organizations, as anticipated in Chapter 2. The following section discusses challenges nonprofits face in regard to funding, much of which relates to the decline and rigidity of funding, rather than the organization's ability to secure and manage finances.

In regard to the funding challenges one nonprofit felt the resource strain was just part of a nonprofit organization:

Funding is constant struggle. It's the reality of a nonprofit organization.

A nonprofit respondent was more critical of the bureaucracy within the WHHI:

There's a lot of problems with the WWHI when you get out a proposal, if you're doing homelessness stuff you're over here with the feds. Then the city and the province participate in it over here, and then federal guidelines take effect there and the other two don't have a lot of say. Then if it's a provincial thing and the feds are out of it, it could be just a city provincial thing. It's not a very cohesive amount of money. It's not a cohesive program. The three of them should, run it together and say, "Here is the money. Here is the $100 million" for whoever is coming to the door. And don't get into political jurisdiction, preferring one over another.

Several participants acknowledged that there is funding for capital grants, however there is very little for maintenance:

We simply have lower rents. Our problem is that our rents may not even match our expenses. So, we might be operating at very small margin of profit if any profit at all. That's why we go out and raise funds, on the basis that we say "hey we can't charge very much in rent, the expenses are going up, help us out". In short, we do better in terms of capital funding. We find the governments are quite generous in the amounts of grants or forgivable loans they give us in order to rehabilitate a house. But, the same degree of funding is not available to cover operating expenses, that has to be covered by, through the rental and since we are dedicated to charging low rental to our tenants, it makes the operating budget very tough.

A number of the nonprofit organizations provide units at rent geared to income. For these organizations, there are challenges with the operating budget. One nonprofit felt that social assistance needed to be increased in order to provide more units that are adequate to tenants:

I think one of the things we are concerned about that doesn't relate directly to housing, although it sort of does is the level of social assistance that is available to people who require it. It is pitifully low, and it hasn't changed significantly for years and years. The rental component, which is also low for a person is only around $270 a month. Now, a single person really can't get accommodations for $270 a month, so they either go to a basement room and try and get it for $150, which is unhealthy and dirty, lacks ventilation and all that.

Clearly, funding represents a challenge. In general, nonprofits felt there was

enough funding available for capital projects they were capable of providing. As a result,

it appeared that that the respondent's idea of capacity was shaped by the organization's

capacity. However, there is a need to make additional funding assessable for other areas

and in a more cohesive manner.

4.2.2 Organizational Capacity

As outlined in Chapter 2, organizational capacity deals with the internal

functioning of the NPO/CDC including the management, size and skill level of the staff

members and the organization itself. Increasing this aspect of capacity may require

training programs, the installation of up-to-date software for financial management and

opportunities for job promotion, helping to retain employees (Glickman and Servon

1998; Glickman and Servon 2003). The following section will examine the internal

functioning of the organizations in terms of staffing, the board of directors and technical

capacity.

4.2.2.1 Staffing

Most of the organizations had a dedicated staff, with considerable experience in

the field. For the most part, there was no training provided, with most employees learning

on the job. This respondent explains how the organizations is staffed and their

qualifications:

> We have about13 people here. Usually that's the high point. Five of those
> people work in the office. We have a tenant councilor, maintenance

supervisor. Depending on how much work there is at anytime, we may have a maintenance crew, painters carpenters just general repair staff. Then we contract out major plumbing repairs, electrical, heating, furnaces. Major contracts. I don't know that there is a formal training process. We hire people who have some qualifications and work from there.

Similarly, this CDC had a number of experienced individuals responsible for the

provision of housing:

We now have a staff of 8. It's adequately staffed. They are responsible for acquisition, renovation plan, budget, and project management with the rent-to-own program. We try to hire experienced people.

In one instance, there was simply one person responsible for the housing

programs within the development corporation. It was clear that the respondent felt this

task was somewhat overwhelming:

It's just me. I do, sometimes, put out proposals and hire students to do things. We get a housing assistant from time to time to attend meetings and take notes, because I can't go to every meeting. It's gone from very little initiatives to so many, that I can't be everywhere at once.

The size of the staff varied within this group of representatives. It was clear that

there were experienced individuals within the organizations. However, these employees

may have been stretched beyond their abilities.

4.2.2.2 Board of Directors

As outlined in Chapter 2, the board of directors plays an important role in the

capacity of the organizations. Boards are responsible for governance and leadership,

making decisions regarding the mandate, programs, financing, management,

administration, staffing, and organizational performance. If the board is not run effectively, the lack of cohesion represents challenges for the organization itself. Most of the nonprofit organization respondents had a variety of professionals on the board, reflecting the multifaceted nature of nonprofit housing. Clearly, the boards provided expertise to the organization, in addition to tenant input:

> We have 19 members. We have a judge, lawyer, journalist, a few retirees of which there is a former co-op manager, university professor, we have four town planners, banker, former hydro employee, teacher, office manager, accountant, personal manager, civil servant responsible for building inventory, human resources and a tenant working for a social agency, and two others from the area. It's a real variety.

Another respondent outlined the importance of having board members who are dependent on the organization for housing; as a result, this development corporation had strong community ties, with the board trying to reflect the demographics of the neighbourhood:

> There are 16 on the Board of Directors, 8 of those are to be community people, according to the bylaws. Eight are appointed in a technical capacity. The board has been very active right from the start. There's a finance committee that meets every two weeks, so it's a lot of volunteer work on the board. A key issue is Aboriginal representation in the organization. Currently our board is 40% Aboriginal and our tenants are 60%. So I think that's been an important focus for us.

All boards had professional members contributing to the technical capacity of the organization. Furthermore, there was an effort to make sure there were representatives from the community taking part in decision-making.

4.2.2.3 Technical Abilities

Nonprofit housing requires a great deal of skill to produce. The organization needs to be familiar with zoning, holding public meetings, architecture and construction. Many of the organizations interviewed contracted out skills that were beyond their means, or had board member who volunteered their experience. Additionally, most groups had been working in the area for some time and have become skilled at the operations of a nonprofit corporation. Below a respondent discusses how these technical aspects are dealt with:

> This was something we realized when we had to grow from a small group to a larger one, that we really needed technical capacity. So, we have a lawyer, real estate agent, business manager a credit union manager, community development specialist, and social worker. So there's good technical expertise. There is a city planner on staff who does the acquisitions and plan renovations. Two administrators, an in-house bookkeeper and the general manager, who has many years experience.

Another respondent felt technical capacity came with experience:

> You have to know about those rules. You can always ask people and it's very much a learn as you go thing, to some extent.

Through the board and on the job experience, representatives felt that they had the means to handle the technical aspects associated with nonprofit housing.

4.2.3 Programmatic Capacity

Chapter 3 went into detail regarding the types of programming provided by nonprofits and CDC operating in Winnipeg. The organizations interviewed all

represented different models of nonprofit housing, each had a different mandate and set

of abilities. Some of the organizations interviewed had limited programmatic capacity:

> From the outset, we decided it is not our responsibility or mission to provide social services to our tenants. Although, some of our tenants are in need of some support systems, we don't have the skills to become involved in that.

After evolving for some time, a number of organizations felt compelled to address

the larger issues facing the community in general. However, staff felt the pressure of

increased programming:

> There's a debate within the organization if we should be strictly housing or should focus on a holistic community building approach. The Board has come to a firm position that we should be community builders. It's kind of hard for the staff to get on board with that, cause they feel overloaded with the housing aspect of things and to add these other dimensions on to it has been in kind of tough.

Yet, other organizations were able to take on more than housing related programs,

supporting the tenants within their units:

> We spear headed an initiative to provide support to families moving in to the community, a homeownership support program. Home maintenance and also on the social end of things. Things like conflict resolution, how to find employment, dealing with your neighbours, those types of things. Anything that can go wrong living in a house, a neighbourhood. We wanted to develop some sort of mechanism where a person could pick up the phone and say " you know I just had a run in with that neighbour. Is there anything you can do"? Or " hey my heating bill too high, is there anything you can do?"

Programmatic capacity for Winnipeg's nonprofit community appears to vary

greatly depending on the size of the organization. This is an important factor, as many

low-income residents require additional support services. Many groups have become

skilled at building and managing housing, however the skills required to support residents

in other ways may be limited, as there is little if any funding available for such an endeavor. Some of the CDCs took a holistic approach and provided a variety of programs to address community renewal in general, while other organizations focused strictly on housing.

4.2.4 Network and Political Capacity

In the case of nonprofit housing providers, network and political capacity are somewhat interlinked. The following section will examine these components jointly. The level of partnerships and networking varied among the organizations. A number of organizations viewed networking as key to success, while others thought it of less importance:

> [Networking is] pretty critical, *pretty critical.* I actually see the whole success on the organization based on networking.

As detailed in Chapter 2, partnerships play a role in capacity, as organizations can learn from one another. However, this partnership represents challenges:

> We tried to [have collaboration with other nonprofit organizations] over the years, but it hasn't been really easy. Their set ups are a little different, as housing is our primary focus.

Other organizations have seen networking as their main role within their own neighbourhoods:

> Networking is what we do. So building connections is certainly our focus. It's not easy. It doesn't necessarily happen unless you work hard at it. As the organization has grown, it's become something you have to work harder at within the organization. We have strong partnerships with other organizations within the community. As far as housing goes, we have a stakeholders meeting with all the different housing providers within the community.

Organizations appeared to be able to successfully network and make partnerships with organizations within their own neighbourhoods. However, there were limited partnerships with other nonprofit housing groups operating outside the area.

All the nonprofit organizations had to interact with politicians to generate support for their projects, with respondents stating that the relationship was very good and that politicians were very approachable:

> We try and network with the civil servants with the City, the Province and the Federal government to maintain good relations with them.

Most felt that the relationship was supportive:

> *[The relationship with politicians]* has been very positive with the current government. I think the fact they get elected from the inner city.

One respondent pointed to the challenges when dealing with the 3 levels of government involved:

> The federal level is *so* distant. CMHC handles the federal funds and that's a huge corporation in itself. Our MP really doesn't have any say over what CMHC is doing. Whereas, the smaller you get the closer you get to the ground. So at the city level the councilor has a lot more say, one way or another, over what's going to happen. And the province is certainly at the ground. So, between the certain levels it's very different. The province is very supportive and we work most closely with the provincial MP.

Networking and political capacity are key to the ability of a nonprofit organization, as this can aid in securing funding and promoting community projects. All of the organizations pointed to the importance of networking and building relationships with politicians. One aspect that may be lacking is partnerships with other nonprofit housing organizations citywide.

4.2.5 Accountability

Nonprofit organizations need to take measures to improve relations within the organization and outside, creating greater accountability. All of the organizations were required to report regularly to funders, creating financial accountability:

> To funders we have to report very regularly. We have housing quotas. We have to be on budget with our renovation work. It's built into our funding agreements that low-income residents will become homeowners. That's an objective we have to meet.

In addition to being accountable to funders, there is also the need to be responsible to the community represented:

> Accountable to the community? We really try to do that through our board structure. So, we have these 8 technical members on the Board, but 8 of our members are community residents and of those, four are actual residents of the housing and four are residents of the community in general.

Due to the nature of the funding mechanism, all nonprofits were required to be fiscally accountable. Most of the organizations were accountable to the community through their board, public forums or public consultation.

4.2.6 Neighbourhood Concerns

The issues facing the neighbourhoods the nonprofits represent go well beyond the issue of housing, outlining the larger social issues facing the city. Nonprofits were asked to discuss some of the major issues facing the residents in the area. Overwhelmingly, the issue came down to poverty and the problems associated:

> The most significant issue is poverty. Poverty is concentrated in turn compounding the stress related. There are multi dimensions to that

situation, there's crime, unemployment, racism, and stigma. Poverty has health implications, child welfare implications, family violence, addictions and all of those are over represented in those neighbourhoods. I think housing is key to turn the neighbourhood around. But, I don't think it's sufficient. Some of the housing is missing for the lowest income groups it's too expensive. I think you need to do more than housing.

The affordability of low-cost housing has declined in Winnipeg. Most of the government programs nonprofits depend on cater to moderate-income households. As a result, there is a growing need to house those with low-incomes, as indicated by this respondent:

Certainly, the lack of really affordable housing is a big concern at the moment. There's debate within the community, our goals have always been to have a mix of housing types and income. If that is a factor are we the ones who should be providing the low-cost housing within the community when we already have most of the low-cost housing in our community. It's difficult. It's a huge issue and something the federal government really needs to get involved in. We haven't done a lot of lobbying, but I think it's a big enough issue [to get involved]. We've focused a lot on home ownership because, it' what we really wanted to do [build ownership]. So, when people own their homes it's an easy way for that to happen. The affordability of the homeownership has changed dramatically over the five years we've been working here. We used to be able to buy a decent house for $20,000 and now a decent house is $60-80,000. We sort of need to explore ways to keep homeownership affordable.

4.2.6.1 Addressing Neighbourhood Concerns

Nonprofit groups are operating in a challenging environment. Their mandates vary, but all seek to provide adequate affordable dwelling units to those in need. Neighbourhood concerns have played a role in the organization's ability to fulfill this goal. Therefore, the nonprofits were asked how these barriers were addressed. One respondent felt that the issues were too large for the organizations to handle:

Some of it is beyond me. We do some things, but it seems like it's so petty.

A CDC representative felt that some of the neighbourhood concerns could be addressed through building a sense of community in the area:

> Working in clusters has been an important strategy. Talking to the people in those clusters, they say, "the neighbourhood feels different, it feels safer, more stable". They say, they now have a sense of who's living on that street and they have some control over that. Not directly, because we're doing the selection of tenants, there is some control. People who say they always went around the block to go to the grocery store say they can now walk down the street. That is a key strategy and its something that not all housing groups are aware of.

As many respondents communicated, poverty was a major concern in their neighbourhoods. The matters related to poverty are complex, leaving the organizations with little additional supports for residents. One representative discussed the drain this takes on employees:

> We tried to have a class on community grief. But, how can we care for people if they did break down. You can't have a three-hour thing and say, bye. Where would the supports be after? They could go home and hurt themselves or someone else. So we abandoned that, and it seems to me there's a lot of grief on people's faces. How much can you give up of yourself? The community is an abyss and they will take it, it is so wanting. Our staff has an issue of being burnt out, because the community is so wanting.

Through participant responses, it was determined that the issues facing residents were beyond the abilities of the organizations operating in the area. Housing is just one component to neighbourhood renewal and other support may be required to sustain the work being done by local nonprofit groups.

4.2.7. Obstacles

Nonprofit housing is a complex matter. Early sections have determined that there is a need for low-cost housing. The following section examines the obstacles impeding the work of these groups. As indicated by the funding representatives, resources play a major role in capacity. The nonprofit groups have identified theses same issues. Rental subsidies have been used by one organization to aid low-income households in their search for adequate dwelling units. This however comes with its challenges, as the threat of funding cuts is possible:

> My biggest obstacle is the end of the housing subsidy agreements and that starts affecting us in 2007. We have houses where mortgages will be paid and we have no more subsidies. A house has to be economical. I have to have enough money out of the house to make it economical, I don't have to make money, but I can't loose money. A tenant paying $320, can't stay in a house where $550 is needed. I'm going to have to ask the tenant living there to move. If I have something to offer them, fine. If not, I'll have to bring a family in that can afford to pay that. $550 *far* surpasses anyone on social assistance. The other side of that is the family that was living there that only had $320 a month. Where do they go? How do I house these people? *To me this is the biggest issue facing the organization. And it's not a long ways down the road.*

One respondent detailed his frustration in government's community building approach and the demands placed upon volunteers:

> Ideologically it looks great to have a community group undertake this kind of work. It has a certain theoretical appeal to it; this is the community rebuilding the community. But, in real terms, it is unbelievably demanding, in terms of time and expertise and that's a very challenging approach. I mean if you peel away the theory, I think in reality it's a low-cost approach for government. I think they get hundreds and hundreds of technical hours out of people on a volunteer basis. I don't think it's very fair. Although, I do like the accountability aspect, but it's meant that in each neighbourhood community people handle very, very demanding tasks. It's very comprehensive. Just this morning we realized one of our projects was going to be difficult to finance and I spent all morning creating a spreadsheet to figure out an alternative, and I'm dealing with

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architects. You know I'm doing it as a volunteer, something about that feels a little unfair. The other challenge is the finances. It is very nice to have access to those resources, but in reality, those resources are always difficult. And you're dealing with funders. Getting them all on the same page is really hard work.

The instability of funding is a concern for many organizations as costs increase:

Working with an unstable community and working with unstable funding sort of multiplies the issue. The rising costs of doing renovations, both in the acquisition of property and in the construction materials. Really means, we can't do the same kind of work we did when we first started. When I say "we" I mean the other community groups involved too. That's something we have to try and figure out and prioritize where the money needs to be spent. And can we get the government to give us a larger subsidy to do the work that should really be done.

Through the respondents, its clear that funding is a key barrier to an organization's ability to provide low-cost units to tenants.

4.2.8 Increasing Capacity

In order to increase the provision of housing, the capacity of the organizations would need to be increased as well. In the subsequent section, nonprofit respondents discussed how the capacity of their organization could be increased. One respondent felt that a national housing program was required to address housing for low-income households:

If we had access to a housing program that we thought would be reasonable, we could acquire more housing. Right now with no [national] housing program, [name of organization] hasn't been involved in the affordable housing initiatives. We don't see them as being of any success to us. Tenants that we have coming to us are receiving very low-income, and $450, $550 is not affordable housing, to our families.

Groups also thought that organizational capacity and the availability of resources could

help increase the capacity of this nonprofit organization:

> It's a challenge to get the right staff. The whole property management aspect, dealing with low-income people, old homes, limited budgets, that's a hard one. It's just a lot of work. We really never had the resources to maintain the properties that we renovate. One of the challenges now, having driven prices up and property values in the neighbourhood we can't afford to buy a house to rebuild.

The rigidity of funding programs has prevented organizations from increasing

their ability. A participant thought that more flexible programs could increase the

capacity:

> We keep bugging government about more flexible funding to do what we need to do, rather than fit our projects into what they have as guidelines. There's a disconnect between the government programs and the community that way. Our job is to try and make those things connect better. Our next step is trying to change the government programs to fit the community.

A respondent expressed the need for increased funding to obtain professional technical

expertise:

> Core funding [needs to be] pumped up. We have a lot of little things to pay for along the way. It's very expensive to have office room, computers, Internet. All those kinds of things. If you don't give the community worker the wealth, then on top of it, I need to hire experts in various fields around project and property development. That's accountants and lawyers, property managers and developers. You can't expect these people to help you write a housing proposal pro bono.

To increase capacity, nonprofit groups felt that programming allowing the

organization to develop its skills and maintain staff would help. Also, a national housing

program could help secure funding for the organizations.

4.2.9 Extended Provision of Nonprofit Housing

It has been identified that there is a need to increase the number of affordable adequate housing units, particularly for low-income households. The following section examines whether organizations would be able to increase the supply of these units if money was no longer a concern. A respondent discusses the issue, relating the problem of land availability and the obstacles related to renovating older homes:

> That's hard to say. Have more money produce what you want. Some of the concerns I have are where would we build these houses. I know we talk a lot about empty lots in the inner city. But, a lot of those are really substandard lots in the first place. They may not provide for rear driveways. The City says you have to provide a parking space. So, how do you build on a 25-foot lot, that you have to put a driveway through and park in the back house. There are some obstacles with saying okay here are some city lots to build on. But, there are a number of lots that could be built on. My belief is that that's probably the best way for us to go, is to build new units in the city, where there are existing services. Rather than acquire old homes and renovate them. Because we would be looking at new building techniques, new construction, energy efficiencies. A good place to start from. Rather than taking some old houses. We'd spend almost as much money renovating them up to that standard anyways.

Another respondent felt that renovating units might not be the best way to increase housing output, suggesting that nonprofits administer rental subsidies:

> I think that would be really good. But, we are already putting $85,000 into a house, an old house, in the inner city. Infills are costing $110,000. There comes a point where building an $110,000 in an older neighbourhood where it's worth only $50,000. Is this really the best approach? I think that the government should be doing more than relying on the sparse capacity of a group like us. I would like to see our work complemented by something. If we had the capacity to administer rent subsidies, I think that would be a major, *major* break through. One of the housing organizations say " they have 2000, on a waiting list, that they can't accommodate because their incomes are too low. There needs to be a rent subsidy program.

Although some respondents felt that they could do more with more money,

another nonprofit representative felt that the organization had reached its capacity:

> I don't know that we could do more than what we are doing. I think we a pretty close to capacity at the moment. I think there's a real balance with staying connected with the community and having these big projects going.

In the view of the providers it's definite that the availability of affordable

adequate housing needs to be increased. The current renovation projects are geared to

those with modest incomes. Most respondents felt that they could increase their level of

output. However, there were still obstacles beyond funding, as renovation and infill costs

were thought to be uneconomical, and did not address the needs of lower income

households. Some respondents were concerned that increasing output may result in a

disconnection from the community, as the organization would need to expand.

4.2.10 General Issues

This section examines the overall issues raised by nonprofit representatives. The

major issue discussed was the need to address low-income households. Several

respondents felt that rental subsidies needed to increase to satisfy the demand:

> Well, this is a country that has no national housing program. And there doesn't seem to be anything on the screen, and there doesn't seem to be anybody *really* pushing for rent geared to income housing and I think it's *crucial*. Some of the programs we have now are temporary and very fragile. The issue of rent geared to income housing has to be identified and governments have got to understand that there are expenses in housing and that somebody has to take it on. The sooner the better. We have gone ten years without anything and how may more years are we expected to carry on. Where are these families going? It's not practical for families. We're talking about houses, but, apartments, row housing whatever types of

housing, needs to be constructed to satisfy some of this waiting list. Moving from house to house, you're not helping yourself. Families need the stability of [*decent*] housing they can afford, and can be proud of where they are.

Another respondent felt that social assistance should be increased to prevent homelessness:

We continue to struggle around the rooming house issue. The concern these days is that it is almost impossible to provide housing for the amount that social assistance gives a single person. There's a tight crunch, something has to give or we'll have people on the streets. We're going to continue working in that area to find money to go into that housing, other wise it won't be sustainable.

Another reoccurring issue several participants raised was that of "renter mentality". This represents a challenge as there is not funding for a maintenance. One respondent stated that there was a need to provide mentorship to potential tenants:

The capacity of people to be able to take ownership once they occupy a dwelling [is a challenge]. For many whether it's nonprofit or not, it's still rental accommodation, they don't feel they have responsibility to look after this place. As a result, some properties are not taken care of and the relationship between the tenant and the landlord is strained, creating downward spiral.

Again, funding came up as a major issue affecting the ability for nonprofits to provide and maintain units to low-cost units. Although nonprofits are working to provide affordable units, this is not meeting the needs of lower income groups. Rental subsidies and social assistance need to be increased to prevent homelessness.

4.3 Conclusion

Chapter 2 stated that resources were the primary factor in determining a nonprofit's capacity. All funding representatives concurred. A number of funders and program managers pointed out particular areas where capacity could be improved, such as technical expertise and partnerships. One respondent stated that he felt the capacity of nonprofit groups needed to be improved in all aspects, acknowledging that there are no mechanisms in place to allow for this. It was recognized by one funding representative that any lack in capacity was the direct result of very limited resources for capacity building. This in turn affects the organization's ability to increase the provision of low-cost housing. It would appear that more resources are the key to increasing the capacity and provision of low-cost housing.

To review, the empirical evidence of this thesis found that:

- Nonprofit respondents made it clear that funding was a struggle for anything other than capital grants.

- There is little money left for maintenance, and residents of the dwellings lack the means to keep the units up to standard.

- The mechanisms in place to administer funding, although they have been consolidated in one building, still lack cohesion and act as a barrier for nonprofits.

- None of the nonprofits felt that their organization lacked the means to obtain or manage funding, rather the programs did not cater to their needs.

- Given the funding situation, nonprofit organizations appeared to be staffed with qualified individuals and with the board of directors providing technical expertise.

- Programmatic capacity of organizations varied depending on the size and mandate of the organization.

- Partnerships were seen as being successful within the neighbourhoods the organizations represented. However, there was little collaboration with other nonprofits citywide.

- Nonprofits and CDCs relying on grants were required to be financially accountable for the projects that were implemented. In addition, most organizations were accountable to the community through board membership or public consultation.

- Poverty is a major issue affecting the ability of nonprofit organizations to provide affordable housing to those in need. In addition, many communities are facing difficult conditions with increasing poverty, as crime, safety and the needs for social services increase.

- Nonprofit organizations are facing obstacles preventing them from addressing the established need. The main obstacle that has been prevalent through this project has been the lack of resources and the growing demands being placed on the volunteer sector.

- It has been identified that the nonprofit groups require more flexible funding to increase their capacity. This would help in obtaining more qualified staff and technical expertise.

- It was thought that a National housing program would help to address some of the issues of capacity.

- Resources were an issue for the participating organizations. Even if the issue of funding was not a concern, many felt that there were still challenges relating to the renovation of older homes.

- Respondents felt most of the projects did not meet the needs of lower-income groups.

- A number of organizations felt that they had reached their capacity and that expanding the organization any further would result in a disconnect from the community.

- A major concern for most organizations was poverty and the rate of social assistance, as this affected their ability to provide suitable units.

Given these findings, it can be seen that the nonprofits interviewed have gained some experience, although capacity and production have not increased significantly. Therefore, these organizations fit between the emerging and growth stages outlined by LISC.

In summary, both funders and nonprofits thought that resources were the primary factor influencing capacity. It appears that nonprofits are doing what they can with the limits that have been placed upon them, and capacity has been developed internally and externally. However, both funders and the organizations themselves identified two areas where capacity could be improved, that being the technical aspects and partnerships. Organizations have faced challenges with output capacity, as the rising cost of construction and acquisition have prevented some from reaching their goals. In addition, the availability of suitable lots has decreased. Still, the need far surpasses the annual

goals set by the organizations. As mentioned by one organization, there are over 1000 households waiting for subsidized units, with no prospects to increase the provision of financially supported units. Furthermore, the rent-to-own renovation projects are not suitable for those in deepest need. Resources limitations have also prevented the expansion of housing programming. The following chapter will further consider the capacity of Winnipeg's nonprofit housing sector and offer recommendations.

CHAPTER: 5 CONCLUSION AND RECOMENDATIONS

5.1 Discussion

This project has recognized that Winnipeg's nonprofit housing organizations are responsible for the provision of affordable dwelling units to those whose needs have not been met in the private market. Furthermore, it has established that an organization's ability to provide these units is related to the internal and external environments in which they function. The greater the capacity of an organization, the greater the potential output. This thesis argues that examining the issue of capacity allows for a better understanding of the looming housing crisis facing Canada. It is the objective of this project to outline the issues facing nonprofit organizations and detail where supports could improve the capacity of the groups, in turn improving the quality of life for many Winnipeg families. Furthermore, given that nonprofit organizations have become the administrators for most affordable housing initiatives in Canada it could be argued that many organizations across the country are experiencing the same concerns and that the findings and recommendations are of national importance.

For the purpose of simplification, the complexity of capacity was compartmentalized into internal, external and output capacity.

Internal capacity looks at staff ability, organization and the culture within the working group. In addition, it deals with how resources are managed and distributed and what technology is used by the organization. Through the empirical findings of this project, it was determined that nonprofits in Winnipeg are facing internal capacity

challenges. It has been established by several respondents that staff are being stretched beyond their limits. It was suggested that there is a need for skilled professionals within the organization instead of countless volunteer hours and on the job training. Resources were a fundamental challenge to all the nonprofits. The challenge, however, was not a result of their inability to secure or manage funding; it was the way in which funding was administered and the stringencies inherent within the available programs. Neighbourhoods Alive! is the only program that sets aside funding for capacity building, although funding providers and nonprofits mentioned that there was a lack of finances available for anything beyond bricks and mortar.

The boards of the nonprofits all possessed skilled individuals who were able to offer some degree of technical expertise and most nonprofits felt that this component of capacity was met through the organization. Conversely, funders felt this area required some attention. However, it must be mentioned, technical capacity, like most other components, is highly dependent on availability of resources.

External capacity examines networks and partnerships, which are key to the functioning of an organization and play a major role in funding. These partnerships can be with the community, other organizations and politicians. All nonprofits felt that networking was crucial to their daily functioning as this allowed the organizations to obtain funding. Furthermore, representatives felt that their relationship with politicians was very good.

On the other hand, partnerships with other nonprofit housing organizations seemed to be lacking. This is an important aspect to capacity, allowing for increased resources, more operating support, better trained and higher paid staff, increased housing provision and better relations with potential funders.

Finally, output capacity examines the organization's production goals and determines whether they have been reached. Within this category, programmatic capacity deals with the level and types of additional programming provided by the organization. Additionally, output capacity will determine if the mandate outlined by the organization has been met, shaping organizational aspirations. As recognized in Chapter 4, nonprofits are having difficulties with their output capacity. The organizations interviewed have not been able to provide anywhere near the SPCW estimated requirement of 1,180 units per year mentioned in section 1.1.4, due to restrictive funding and the resulting limited capacity. It was also indicated by one nonprofit provider that increasing cost had caused projected housing output to be cut in half. Clearly, some organizations are not meeting their mandates. Further, most of the organizations provide units for moderate-income households, as this is what has been stipulated in government funding agreements. Conversely, one organization provided 400 subsidized units for low-income households, but had more than 1000 households on a waiting list, with no prospect of increasing its stock. Therefore, there is little if any output capacity for this organization. This articulates the complete lack of low-cost housing available in our city.

The additional services provided by nonprofit groups varied widely, depending on the size and mandate of the organization. Some groups took a more holistic approach, as some were CDCs, which sought to address many societal issues in the community, including poverty, crime and unemployment. Others had very little besides housing available. An issue that was discussed by several respondents was "renters mentality" and the need to provide mentorship and training to prospective tenants, helping to reduce maintenance costs in the long term. However, very few groups had the capacity to provide such a service.

Winnipeg's nonprofit housing sector is facing capacity challenges. As indicated in Chapter 2 and Chapter 4, these obstacles are dependent on funding. Most funding comes in the form of project based financial support. This gives control to the funders to determine the final product. The current funding situation is unsteady, due to possible fluctuations in funding and having to rely on the stringencies laid out by a multitude of funders. This situation has been described as a house of cards, as the end of one contract may bring down the entire organization. Organizational capacity is beginning to diminish with tighter budgets that only allow for project output. To add to this, some organizations are finding they must not be too outspoken in terms of advocacy for marginalized groups, in fear of offending their financial supporters. Many of these statements have been anticipated in the theoretical components of this project.

Any lack in capacity that has been outlined in this thesis can be seen as corresponding to funding restraints. Organizations are not given the opportunity to

develop technical expertise, as too much time is required of them in other aspects of the organization. Similarly, there is little time to build partnerships with other organizations. Finally, output capacity is limited due to skilled labour shortages, availability of land and the rising cost associated with rehabilitation.

5.2 Recommendations

The capacity of Winnipeg's nonprofit housing sector is limited. They have become the major providers of affordable adequate housing to low-income groups. Due to this, their efforts need to be supported. In order for the capacity of nonprofits to increase, there needs to be several government policy changes. The following section provides policy recommendations that would allow for programs that would increase nonprofit capacity, much of which builds of the literature presented in Chapter 2.

5.2.1 A National Housing Program

According to the Declaration of Human Rights, article 25 (1), housing is a basic human right. Therefore, adequate affordable housing should be available to all Canadian citizens (Davies 1999). This thesis has shown that the housing needs of low-income families and individuals are not being met. Several respondents pointed to the fact that Canada does not have a national housing program and that one is required to address the issue. Government funding available for housing tends to be geared to moderate-income households or those who are homeless. Little has been made available for low-income households, leaving this group on the brink of homelessness. A national government

sponsored housing program is required to address this looming crisis. In Winnipeg alone, there are thousands on waiting lists. In Canada there are at least 96,000 individuals on assisted housing waiting lists, indicating that social housing and the private real estate market are not meeting the needs of Canadians (FCM 1999).

Government needs to provide all the supports necessary to community groups carrying out the provision of housing. It has been determined in the literature and through this thesis that resources are the primary factor affecting an organization's capacity and consequently their ability to address the eminent disaster at hand. A national housing program could assist nonprofits in the delivery of low-cost housing, by providing funding specifically targeted to the creation and maintenance of low-cost rental and owner-occupied units. As has been established in Chapter 2, the nonprofits working within the communities are best at establishing the local need. Thus, a national program should allow nonprofits to determine what types of housing best accommodates the local population needs. Furthermore, the demographics may differ in each locale; therefore, nonprofits should be able to determine what types of additional support services are required within their geographic area. For these reasons, a national program would require great flexibility to adapt to the needs of individual communities. Components of a possible national housing program would include increased funding for capital costs, flexible funding and increased rental subsidies. The following section will further outline these components.

5.2.1.1 Increased Funding

Most of the nonprofits participating in this project felt that the organization had some capacity to increase their output if funding was increased. The rising costs of acquisition, construction and labour have limited what can be done. More resources are now required to renovate and build homes. Funders need to consider this and provide increased flexible funding, to allow for a variety of housing types that cater to low-income households.

It has been constantly repeated that funding is the main contributor to capacity. The low-cost housing shortage will never be addressed if there is not adequate funding made available for the organizations to grow and expand with the need. The following section will examine the areas where additional funding needs to be increased.

5.2.1.2 Flexible Funding

Funding for Training

The area of nonprofit housing is complex and multifaceted, requiring those working in the community to wear several hats. The organizations often act as financial agents, collecting and distributing money, as developers, managers, counselors and advocates for low-income residents. Unfortunately, nonprofit groups have been forced to crisis manage through projects, having to learn on the job. There needs to be a mechanism to allow for training in these areas, giving organizations and their staff the ability to build technical capacity.

Through a national housing program, funding could be provided to an organization such as Canadian Housing Renewal Association[7], to assess the capacity of nonprofits throughout Canada. Alternatively, this assessment could be done through Canada's national housing agency CMHC. It could be argued that the assessment of the nonprofits could be based using the components outlined within Chapter 2, as it provides a comprehensive description of nonprofit housing capacity that is not available elsewhere. Once an assessment has been established, a training program could be provided either through CHRA or CMHC, tailored to the specific needs of the organization. Information packages and training workshops could be provided to organizations to develop skills and build capacity.

Furthermore, there is a need to provide training in the field of renovation. It has been identified that there is a shortage of skilled labourers in this area. Through a national housing program, government sponsored training programs could help increase the provision of low-cost housing, increasing the output capacity of nonprofits and potentially address the issues of poverty and unemployment facing many of the residents in these communities. Additionally, incentives could be provided to construction companies willing to work in the renovation field.

A national program would also need to provide training to tenants, as many are unsure how to maintain their properties. This in turn could save on maintenance costs in the long term and help to increase the programmatic capacity of the organization. This

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[7] CHRA is a national nonprofit organization dedicated to promoting adequate affordable housing and increasing the awareness of housing issues.

could be accomplished through the local nonprofit organization, provided organizations were given funding and training in this area.

Funding for Staff

Most nonprofit organizations rely on volunteers, through the board, and only have a limited staff. Organizations need to be able to hire skilled individuals to build organizational capacity. Although organizations have been able to learn on the job and rely on volunteers, some have indicated that they are being stretched beyond their abilities. In addition, it has been acknowledged that it is difficult to keep staff due to burn out and poor wages. If governments have backed away from the responsibility of low-cost housing provision, then they need to provide the organizations with appropriate staff with the suitable tools to be successful. A national housing program could allow for increased funding to maintain and train qualified staff.

Funding for Maintenance

Both funders and nonprofits indicated that maintenance costs were a challenge for organizations. As has been stated, funding is available for the initial bricks and mortar of the project. Nonprofits are facing a dilemma, as they do not have the funds to pay for maintenance costs, and in most cases neither does the tenant. Within the funding mechanism of a national housing program there needs to be a way for nonprofits to access resources to keep up the adequacy of their units, otherwise there will be a cycle of rehabilitation and deterioration, adding to the current problem. In conjunction with this, it is important that organizations are able to provide tenants with the ability and tools to maintain the units themselves.

5.2.1.3 Increased Rental Subsidies

Given the shortage of affordable adequate units available to low-income households, there is a huge demand for rental subsidies, as many households are not able to pay market rents for adequate accommodations. Government provides some social housing for low-income individuals, although it is limited and facing challenges with adequacy. Chapter 1 outlined the urgent national and local need for low-cost housing, illustrating the dire circumstances facing many households. Furthermore, one nonprofit organizations catering to families stated that they had over 1000 households waiting for subsidized units. It should not be the sole responsibility of community groups to undertake this task. A national housing program should increase the amount of rental subsidies available and provide nonprofits with the tools to administer these funds to individuals seeking adequate affordable housing.

5.2.1.4 Increased Partnerships

Partnerships are key to the capacity of an organization. Through a national housing program, partnerships could be fostered and supported through increased funding. Although the nonprofits participating in this study were able to make networks within their neighbourhoods and with government, there was fragmentation among the groups. While most had the same common vision, there was little collaboration and sharing of information. Some groups felt that there was turf protection, while others felt that certain organizations catered to a specific clientele. The fact of the matter is, all groups sought to provide housing to those in need. This should be enough to get on the same page to share experience, learn from one another and pool the collective resources.

The nonprofits in Winnipeg are seeking to provide adequate affordable units to moderate and low-income households, viewing housing as a fundamental aspect to community renewal. There needs to be an umbrella organization, reducing the fragmentation within these groups. There could be a local chapter of the CHRA to bring together local groups in each city. Alternatively, funding agreements could require nonprofits meet regularly for workshops and local training seminars. Furthermore, there could be annual conferences connecting nonprofits across Canada, bringing solidarity to the now fragmented organizations. A nonprofit housing umbrella organization such as this, could help bring attention to the issue of housing, which is of national importance, leverage funding in other areas, and build the capacity of Winnipeg's nonprofit housing sector and the national nonprofit housing sector. Building this kind of partnership could potentially enhance all aspects of capacity. It could also increase the lobbying power of these groups, building on a common voice to obtain the additional funding required.

5.2.2 Increased Social Assistance

Chapter 1 made it apparent that poverty is prevalent throughout Winnipeg and Canada, because of this housing has become a concern for many populations. Several nonprofits suggested that poverty was a major concern for their neighbourhood and affected the organization's ability to provide units. As interview participants argued, the amount of social assistance needs to be increased, to allow individuals to find more adequate affordable accommodations. Several respondents mentioned that it was impossible to provide housing at the rental allowance portion of $270, leaving many

individuals without options. Increasing social assistance and the rental portion would help many nonprofits enhance their ability to provide individuals with appropriate housing.

5.3 Conclusion

The capacity of nonprofits is too important an issue to be ignored, as they have become the major providers of adequate affordable housing. The issue of funding is the key to providing nonprofits with the capacity to be able to help address the shortage of adequate affordable housing. If government is not willing to provide this human right, then they need to support those who are in every way possible, through a national housing program.

APPENDIX

Interview Questions

Funding Providers

Thank you for your time. I would like to talk to you today about the capacity of nonprofit housing providers. Specifically, I am interested in learning about the internal functioning of the organizations and what effect it has on housing production.

- What organization do you represent?
- What is your role?
- Describe your involvement with nonprofit organizations?
- Do you think nonprofits are meeting the City's housing needs? Please elaborate.
- What would be required to increase low-cost housing production?
- What is the biggest obstacle in the provision of low-cost housing?
- What can be done to aid nonprofits in their mandate?
- Are there any issues that you would like to bring to my attention that have not been discussed?

Thank you for your time.

Nonprofit Housing Organizations

Thank you for your time. I would like to talk to you today about the capacity of your organization. Specifically I am interested in learning about the internal functioning of the organization and what effect it has on housing production.

Resource Capacity
- First, I would like to hear how is the organization funded.
- Has the organization faced problems relating to funding? Explain
- Has funding changed over the years? How?

Organizational Capacity
Human resources
- How is the organization staffed?
- Now I would like to talk about the staff's training process. In what areas the staff does the staff receive training? What it the process?

Governance
- Describe the Board of Directors?
- Who sits on the Board?
- What experience do they have with nonprofit housing provision?

Technical
- It requires a great deal of skill to produce housing. Do you have people within the organization who are familiar with zoning, holding public meetings, architecture and construction or do you contract out these specialties?

Programmatic Capacity
- What kinds of housing activities is you organization involved with?
- What other services does the organization provide?

Network /Political Capacity
- Describe the role networking plays in the organization?
- What role do partnerships play?
- Describe you relationship with the community? Politicians?

Neighbourhood Issues
- In your opinion, what are the most significant issues facing your service area?
- Can you tell me how they are defined?
- Within your organization what is being done to address these issues?

- Are the services provided by your organizations confined to a certain area? If so, could you elaborate?

Accountability
- Now can you talk about accountability to both funders and the community? What mechanisms are in place to measure accountability to the community? What about the funders?

General
- In your opinion what are the biggest obstacles your organization is facing
- What could be done to increase the organization's abilities?
- Are you interested in extending your level of provision?
- If money were no object, what would you currently be able to produce given the abilities of the organization? What would need to happen in order for this to occur?
- Are there any issues that you would like to bring to my attention that have not been discussed?

Thank you for your time it is greatly appreciated.

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