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of Ontario**

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(Hansard)**

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**Wednesday 18 October 2000**

**Mercredi 18 octobre 2000**

Speaker  
Honourable Gary Carr

Président  
L'honorable Gary Carr

Clerk  
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LEGISLATIVE ASSEMBLY  
OF ONTARIO

Wednesday 18 October 2000

ASSEMBLÉE LÉGISLATIVE  
DE L'ONTARIO

Mercredi 18 octobre 2000

*The House met at 1845.*

**ORDERS OF THE DAY**

SOCIAL HOUSING REFORM ACT, 2000

LOI DE 2000 SUR LA RÉFORME  
DU LOGEMENT SOCIAL

Resuming the debate adjourned on October 17, 2000, on the motion for second reading of Bill 128, An Act respecting social housing / Projet de loi 128, Loi concernant le logement social.

**Mrs Marie Bountrogianni (Hamilton Mountain):** I appreciate this opportunity to join in the debate on Bill 128. I will be sharing my time with the member from Elgin-Middlesex-London.

Of all the challenges that constituents bring to the office, I think this is the biggest one. There are times we can help our constituents. We write letters and ministers respond, sometimes positively; sometimes it's status quo. But in the social housing business it's always a sad story. You always have to tell them, two to three years' waiting, sometimes five, depending on their situation, and I understand in Toronto it's over 20 years on the waiting list.

The government's own Who Does What committee understood that downloading social housing on to municipalities was not a sustainable process. The municipal tax base can't handle the cost of social housing. In Hamilton-Wentworth, the business education taxes are among of the highest in the province, and when the downloading fully occurs, these taxes will increase even more. No new housing units will be created as a result of this deal, which is a shame for the many families who are waiting. I'll talk about some of those families in a moment. Even AMO was opposed. They were concerned about the property tax base. They were concerned about what this would do to property taxes for the future of municipalities.

It's fair to say we have a housing crisis. I understand the government's hypothesis was, "Let the private sector build units." This obviously didn't work. We need to look at different solutions.

I'd like to talk a little bit about my community and why social housing is such an important aspect of their day-to-day lives and why the lack of it is such an important challenge in their day-to-day lives.

Poverty in Hamilton is large. In fact, 28% of Hamilton's population lives in poverty; 24% of all women live in poverty and 52% of unattached women live in poverty; 25% of all immigrants; 26% of youth and 25% of all children aged zero to 14. A staggering 64% of lone-parent families live in poverty. In 1996 in Hamilton-Wentworth, the average total income of poor persons was \$9,463. I can't imagine trying to live on that amount of money, having children and having the added stress of looking for housing.

One of my constituents, Robert, has three children with his wife, Andrea. All three of them are under 10 years of age. Andrea is sick and is in and out of hospital. Robert is laid off and seeking employment. They were forced to move in with their parents, but because of this they received less social assistance. As a result, the parents and themselves have been evicted. They applied for subsidized housing and have made the homeless list, but the homeless list for them would be two to three years. The last time we spoke with them, they were in a motel paid for by Housing Help Centre for one week and their children were spread out among friends. They could not find housing because they are on social assistance and the places they apply to will not rent to them because of their low income.

Another constituent, Arlene, is a single parent with three children. Her sister is also a single parent with one child. They are living with their mother and father in a two-bedroom unit. They all came to my office. The children were very well cared for. In fact, this is such a conscientious parent that she still takes public transport to take her kids to the old school, even though it's not in her mother's neighbourhood, so that they can have consistency in their school life. One of those children is in senior kindergarten, which means she makes that trip many times a day, in the morning with all of them, at noon again to pick up the senior kindergarten one and then again at 3:30 to pick the rest up. Both Arlene and her sister have been actively searching for affordable housing for seven months. They want to reside together in order to save money on rent. They are told by prospective landlords that they are ineligible for three-bedroom units because they are two families, but they cannot afford a four-bedroom unit. The waiting list for subsidized housing, they have been told, is three to five years.

**1850**

Eleanor: she applied for housing in April 1999 with her husband. Her husband was on ODSP, and Eleanor

was looking after him. The forms were lost and had to be re-sent to Eleanor. In February 2000, her husband died. Her file had to be updated from two bedrooms to one, and this caused another delay in the bureaucracy. She subsequently phoned to check the status, and her files were lost again. She went to the office and resubmitted the form. She had to go on welfare and could no longer afford to pay the rent at her current residence. She had to move in with her daughter because she had no money.

As I said earlier, there are times when we can actually help our constituents, either through the honourable ministers or through our own creativity. My staff has tried to look for low-income housing for our constituents. We have those ads every day in our office. We try to use our personal contacts. One of my constituency assistants even resorted to wanting to take a family home with her. I wish we all had homes big enough for the people who are on the list in Hamilton. We don't. And although that would be a kind-hearted move on my staff's part, it would not solve the problem.

The problem is the dignity these people feel they no longer have because they don't have a roof over their heads for their children. They are doing all they can. My constituents moved in with their families when they didn't have a roof over their heads, but four adults and four children living in a two-bedroom unit is unheard of in this day and age. In a day and age when we have a surplus federally, when we've balanced our books provincially, surely something can be done for our most vulnerable.

Some recent statistics explain why the need for social housing is greater than ever. Poverty has increased for certain groups. Poverty for women is increasing at a much faster rate than for any other group in Canada. This rate becomes larger if you're a single woman, and even larger if you're a woman who has had domestic violence in her background. Women remain among the poorest of the poor in Canada. As Canada enters the 21st century, almost 20% of adult women live in poverty. What saddens me is that women's poverty no longer seems to be a high priority among policy-makers. When women grow up in poverty, so do their children, and that is something that should concern us greatly, because we are talking about our futures.

I've often used my own children as examples, and they are so lucky. They will have everything. They won't ever have to worry about housing. We'll even take care of that for them when they're older, God willing. But they won't ever be safe or happy if other children grow up without having a roof over their heads, with that anger that grows in them for not having the opportunities that my children have. Indeed, it will be a safety issue. So from a very selfish, maternal point of view, I want to see everyone's children have the same sort of opportunities that mine do.

Use by children of Hamilton food banks is up. It's one of those paradoxes. Unemployment is down in Hamilton, and I'm happy about that, but a lot of those jobs are very low-paying jobs. Again, a recent research study shows

that children who are poor are four times as likely to have health problems as children who are not poor, and are two times as likely to have asthma, which can be a deadly disease, particularly if you live in a polluted city.

It was extremely unfortunate and added insult to injury when the nutritional supplement for poor pregnant mothers was cut by this government, as well as the verbal insult of them "only spending it on beer, anyway."

You're kicking the poor, you're cleansing the poor, and that's a shame and an embarrassment to a rich country like Canada and a rich province like Ontario. It's just a shame and an embarrassment.

On September 20, a cross-sectoral group of women came to Queen's Park and asked for some emergency measures for domestic violence, for adding more services to the community so that women can get out of the cycle of poverty and violence. Unfortunately, the government would not sign on. I understand from an e-mail I received yesterday from Minister Johns's office that the minister may meet with this coalition this week.

**Hon Helen Johns (Minister of Citizenship, Culture and Recreation, minister responsible for seniors and women):** Yesterday.

**Mrs Bountrogianni:** Wonderful.

**Hon Mrs Johns:** Which one?

**Mrs Bountrogianni:** The coalition that came on September 20, the cross-sectoral.

**Hon Mrs Johns:** I made an offer. I don't know if they're coming.

**Mrs Bountrogianni:** I appreciate that, and I'm sure the coalition will appreciate that.

Communication is the first step. Obviously, as critic for women's issues, that is the focus I have taken mostly on this, but I can tell you I have constituents from all groups coming to my office, and this is the one area that I cannot help them in. This is the one area in which every attempt has been futile. I hope this government realizes this and, regardless of the political implications, does the right thing.

**The Deputy Speaker (Mr Bert Johnson):** Further debate.

**Mr Steve Peters (Elgin-Middlesex-London):** Unfortunately, this government is not doing the right thing with this piece of legislation. This is the final nail in the coffin for municipalities in this province. I think about those of you on the government side of the Legislature, and I look at the former mayor, Brian Coburn. How can he stand there and face his former municipal colleagues, seeing this unprecedented downloading that has taken place; how can he stand up to municipal politicians and say everything is going to be all right? Because this is wrong. This is very wrong, the downloading that's taking place.

I'm going to quote from a social housing devolution study that was just introduced and presented to the city of St Thomas. There are some very good points in it. "It has long been a desire of municipalities to end funding of any income redistribution programs," ie general welfare, special assistance, supplementary aid, child care. These are not a function of the property tax base. These are

items that are properly handled and funded by the provincial government through income tax. It's unprecedented.

The government can stand here right now and say, "Everything's wonderful. The economy is going very well," but when the economy starts to take a downturn, the impact that you are downloading to the taxpayers in this province is unprecedented. It's a shameful act that this government has initiated to download to municipalities.

Municipalities aren't supposed to be in the housing business. They don't want to be in the housing business. But no, it's being rammed down their throats by this government, like so many different things that we have seen from a municipal standpoint that should not be at the municipal level.

The Liberal Party and our leader, Dalton McGuinty, are committed: we believe in putting people first. We believe in working with municipalities, not ramming things down a municipality's throat. That's what is happening here. This government can talk of leadership. There is no leadership on the government side, because the government is shirking its responsibilities, its duties to look after some of the most vulnerable citizens in this province. They're shirking those responsibilities and dropping them down to the municipal level.

You can read in Hansard where the Premier, Mike Harris, talked of how the private sector was going to be there to fill that void for subsidized housing in municipalities. In May 1999, a report was released called *Where's Home? Do you know how many subsidized and new housing units have been built in my riding? Zero. Not a one.* The private sector is not there to support those most vulnerable individuals in our society.

It's important, too, to understand that we need to look at the makeup of those individuals who use public housing in this province. I think there is a widely held misconception that most of the recipients of social housing in this province are recipients of Ontario Works or subsidized child care or other municipal or provincial support programs. That's a myth that needs to be corrected, and the record needs to be put straight. The majority of people using social housing in this province are seniors. The minister for seniors is in here tonight. Some 50% of the seniors who require housing are users of this housing, low-income recipients make up another 25%, and 25% of those who require supported housing are support recipients in this province.

I think I need to look at my own riding and at what is being downloaded to the municipality and what kind of burden it's going to put on the taxpayers of St Thomas and Elgin county, because the taxpayers of St Thomas and Elgin county have got together and recognized that, having these new things forced on them, they have to look at the best way to deliver service. Again, without having the province come in and say, "You will do it this way," the politicians of Elgin and St Thomas got together and, without having to have legislation passed, developed an agreement as to who's going to deliver services. Even

though they don't want to deliver these services that this government is unkindly dropping down into their laps, St Thomas and Elgin county are working together because they recognize that they have to in this day and age and in this time of a government that, with the stroke of a pen, is wiping municipalities off the map in this province.

### 1900

I think it's terrible, because the best government is local government. You as a government don't recognize that. How those of you from a municipal background can't recognize that—who's the best government out there? It's local government. Your government is just throwing it away.

You're downloading, but the problem is that you're downloading to the local government items that shouldn't be there on a property tax base, items that should be paid for by personal income tax in this province. Your government fails to recognize that.

Do you know what the burden is, the burden that you're dropping on to Elgin county and St Thomas alone? It's \$3.1 million. The member from Lambton is here tonight: \$2.5 million. The member from Perth, the Speaker in the chair tonight: \$1.9 million, just under \$2 million. Grey county—we've got the member here representing part of that riding: \$3.7 million. This is an astronomical amount of money that is being put on the property tax base of this province. It's totally wrong.

In southwestern Ontario alone, 10,000 units of housing that had been paid for and supported by the provincial government are now being put on the municipal tax base. That's wrong; that is totally wrong. If you look at this initial transfer that's taking place right now, 512 units in Elgin county alone are being downloaded.

Let's talk about some of those units. It's important to recognize that when the government decided they were going to download this, instead of doing a proper due diligence audit that would look at all the housing units that were being divested and downloaded to the municipal government—did they look at all the units across the province? No, they looked at 10% of the units. I would encourage you to come down and look at some of the units that have been downloaded. You're dealing with some cases—I can take you, as an example, to one set of housing units within the city of St Thomas, housing units that were built about 1950. You're dealing with houses that are 50 years old, houses that are going to require new roofs, new furnaces, new windows. But is there a financial commitment by this government? No, there is not. There is no financial commitment by this government to ensure—the perpetual care fund is not going to be administered by municipalities spread evenly across this province. This perpetual care fund is going to be administered by a board made up largely of individuals from Toronto—again, a Toronto-centred approach, a cookie-cutter approach for the rest of Ontario. This is an approach and an attitude that is doing drastic harm to municipalities in this province. It's really an unprecedented move to see what we have seen happen.

Is there support for this? Ask the municipalities of Ontario if they support this. No, they don't, because they know this is not the type of thing that should be funded from a property tax base in a municipality. This is something best funded by the province of Ontario. There has been no provision for, and a real concern, about what's going to happen to these capital costs, and a real concern for the lack of information by doing a due diligence audit that covers just 10% of the housing units. This is unprecedented, and it's really a dark day for Ontario.

As I said in the beginning, this is the final nail in the coffin for municipalities, to have to deal with this unprecedented downloading. This government, all of you and the minister responsible for housing—no, I can't say that.

**Interjections:** Go ahead.

**Mr Peters:** He's not here and he should be here. The minister should be here to listen—

**The Deputy Speaker:** That's right, you can't say it. I would ask you to withdraw it.

**Mr Peters:** I withdraw that the minister's not here, Speaker. It's unprecedented that the minister's not here to listen to this. This is unprecedented—oh, I withdraw again, Speaker, that the minister's not here. I withdraw the statement.

The government is shirking its responsibilities—

**The Deputy Speaker:** The member's time has expired.

**Mr Wayne Wettlaufer (Kitchener Centre):** On a point of order, Mr Speaker: The honourable member from Elgin-Middlesex-London knows full well, or maybe he should know full well, that it is totally improper to comment on the absence of a member when he knows that quite often the member has other duties away from the House.

**The Deputy Speaker:** That is a point of order, and I've already addressed it. Comments and questions?

**Ms Shelley Martel (Nickel Belt):** A two-minute response, Speaker. Let me begin by saying that although there are a number of problems with Bill 128, there are two very significant ones. The first is that the province, by off-loading social housing on to the municipalities, is in fact off-loading on to the property tax base. New Democrats don't believe the property tax base should be the funding source for social housing. That should come from the income tax stream. We're completely opposed to what is happening here with respect to the off-loading of the costs that we know will come for capital repairs of the public housing stock.

Second, and just as important, there is nothing in this bill, which is entitled An Act respecting social housing, that does anything to deal with the crisis we are having in affordable housing in Ontario right now. People who are watching here tonight don't have to believe me when I say that. They can just refer to a very interesting article that was written by John Ibbitson in the Globe and Mail about this issue a couple of weeks ago. People will know that Mr Ibbitson is certainly not a New Democrat. I don't

know if he votes for the Conservatives, but he generally is supportive of what the Mike Harris government has done. What does he say about what this government has done—frankly, has not done—with respect to ensuring that there is affordable housing for people in this province? The article was entitled “Admit it: Harris's strategy for housing a flop,” and I'm quoting:

“Confronted with the utter failure of the Mike Harris administration's low-income housing strategy, it may be time for even the most idealistic conservative to admit that government has a responsibility to help house the poor”—even this government.

“Ontario Municipal Affairs Minister Tony Clement obliquely conceded this truth last week when he addressed several hundred members of the Ontario Home Builders' Association.”

Tony Clement said that while apartments accounted for 15% of new housing in the United States last year, in the province the figure was less than 5%. In Toronto it was less than 1% and in Ottawa it was 0.7%. The whole thing's a flop and there's no point discussing it.

**The Deputy Speaker:** The member's time has expired.

**Mr Brian Coburn (Ottawa-Orléans):** Quite often when something new comes in and people don't understand it, they tend to lash out and create fear-mongering and make outlandish statements because they really don't understand what's going on. It's really a shame. There has been extensive consultation on this issue with the stakeholders over a lengthy period of time and there have been savings achieved. As a result of taking advantage and working with the local stakeholders, \$100 million was realized from that in how we streamline and make things more efficient. Back on January 1, 1998, that's when municipalities started paying for this.

When you talk about the condition of buildings—I don't know where you come from, but I sat on a local housing authority and the people who sit on that have worked with the ministry to make sure their buildings—that was one thing the locals really took seriously—were maintained in good shape. That has proved to be true when we've done an audit in terms of the condition of the buildings. It's borne out that they're better, in many cases, than they are in the private sector.

Just listen. “It's business as usual,” a comment from Chair Dale Walker, the Victoria-Haliburton Housing Authority. “‘We're not expecting any changes,’ she explained after the province released a press release on Thursday.”

“‘From a tenant point of view, and they're the most important part here, things will stay the same,’ says Jim Irwin, who's the housing manager in Victoria-Haliburton.”

Just a little bulletin—sit up and pay attention—on capital reserves for non-profits: contributions to capital reserves were stopped from 1992 to 1997—over \$200 million. It was our government, our ministry that, in late 1997 and early 1998, made a one-time contribution of

\$172.5 million, and a contribution from the feds of \$31 million, to cap up poor decisions that were made pre-1995. I rest my case.

1910

**Mr David Caplan (Don Valley East):** First of all, I'd like to congratulate the member from Hamilton Mountain and the member from Elgin-Middlesex-London for their very astute comments about this piece of legislation.

I would say in relation to the comments from the member for Hamilton Mountain—and I'm glad we have the Minister of Citizenship; I know she has responsibility for seniors as well—the profile of tenants in social housing in Ontario is that 50% are seniors. You can imagine what effect allowing changes to asset requirements for eligibility for rent-geared-to-income subsidies is going to have on the low-income seniors who need housing support. I'm surprised that this minister has not stood in her place to protect and defend the interests of seniors. That, Madam Minister, is your responsibility. I would hope that we would have a responsible member of the Harris government, a member of the cabinet, stand up and protect the interests of seniors. As the member quite rightly pointed out, waiting lists are growing at just a phenomenal rate in every corner of this province.

The member from Elgin-Middlesex-London talked about the condition of the housing stock. Frankly, we don't know what it is, because the ministry has not done due diligence on the properties. They are relying on a 1998 sampling by IBI Group, a 10% sampling of 84,000 units. That is wholly inadequate. Your own ministry staff have told you that. I say to the parliamentary assistant, they acknowledge it; why won't this government? I tell you, it is reprehensible. It's a ticking time bomb. I know the member from Kitchener spoke. The mayor of Kitchener, Carl Zehr, has confirmed it is a ticking time bomb that you are downloading on to municipalities, on to municipal taxpayers, on to businesses in the local setting. It is absolutely an abdication of the responsibility of this government to do the kind of work it's supposed to do. It's unbelievable.

*Interjections.*

**The Deputy Speaker:** Order. We'll have one speaker at a time.

**Mr Tony Martin (Sault Ste Marie):** I want to commend the member from Elgin-Middlesex-London for the comments he made here this evening. I think they were quite appropriate.

**Mr Garry J. Guzzo (Ottawa West-Nepean):** Welcome back, Tony.

**Mr Martin:** Thank you very much. It's nice to be back.

This is yet another chapter in this government's failed housing policy. Thousands of tenants are suffering because this government stopped building social housing and gutted rent control. Instead of fixing the problem, Tony Clement is jeopardizing the social housing we have by downloading it to municipalities that just don't have the money to do a proper job.

It's interesting when you look at this bill in light of the debate we had here last night re the red tape bill that was supposed to make government more effective and cut out bureaucracy. This bill in fact, all 173 sections of it, adds endless bureaucracy. Instead of the province administering social housing, we've got the province watching over municipalities, which watch over housing providers—more layers of bureaucracy. In some cases, the province will police providers and tenants directly, if you can imagine. It's a big bureaucratic jumble. Everyone would have been better off if the province had kept control over social housing and continued to fund it. I suggest to you that as this piece of legislation rolls out, as municipalities begin to see what they have and this government begins to understand the mess they've created, this bureaucratic nightmare will only get worse.

You have a government here that prides itself on being effective and efficient in downsizing and streamlining government. I find it strange that, in this instance, in their rush to be politically correct where housing is concerned and to hammer home the social housing program that governments prior to them put in place, they are willing to in fact add more layers of bureaucracy and more layers of oversight to a ministry that was actually doing not a bad job to begin with.

**The Deputy Speaker:** The member for Elgin-Middlesex-London has two minutes to respond.

**Mr Peters:** First, I'd like to thank the member for Nickel Belt because I think she raised a very good point. There is a responsibility of government to help the poor and those with low incomes in this province, and that's a responsibility that lies in the hands of the provincial government.

I'd like to thank the member from Ottawa-Orléans for his comments. He made reference to consultations that took place and the sample that took place regarding the condition of the housing. Again we have another example of this government consulting, but with earplugs in their ears, consulting and not listening to what municipalities said. Municipalities made it very clear to the member from Ottawa-Orléans. The municipalities said, "No, we don't want this housing." This government likes to put on the mask that they're consulting, but they don't consult.

The member from Don Valley East points out that there are some real issues we need to deal with here, we need to look at. Who are the individuals this housing is being provided for? There are a lot of individuals in this province who need housing. He also very rightly points out that there's a severe shortage of housing that has been constructed, in particular since 1995 by this government, and we're seeing unprecedented waiting lists taking place.

I want to thank the member from Sault Ste Marie because I think he summed it up best. What we have here is the failed housing policy of the Mike Harris government. The Mike Harris government has failed the seniors of this province. They failed the low-income people of this province. There is no housing policy that has come out of this government. They have totally failed the

people of this province. I want to thank the member for making that point.

This legislation is wrong. It's wrong to do this. It's wrong to download to municipalities in this province.

**The Deputy Speaker:** Further debate?

**Ms Martel:** I appreciate the opportunity to participate in this debate. There's nowhere else I'd rather be on a Wednesday evening. I suspect we all feel the same.

The member from Elgin-Middlesex-London may not be so quick next time to thank me for my comments, because where I want to start tonight is actually with the federal Liberals.

**Mr Peters:** They're distant relatives.

**Ms Martel:** Listen, I've been here for a while and I remember who did what. I hate to say that the Conservatives were right when they spoke on Wednesday, but they were when they said the slide started with the federal Liberals, because that's exactly where the slide started with respect to social housing.

Look, my colleague Mr Marchese—and it's true he always gives a wonderful performance—last night made mention of the fact that in 1990 the federal Liberal government co-authored a report that talked about the need for a national strategy for housing. You will remember Paul Martin. He is now the finance minister at the federal level. I gather he gave away all kinds of tax cuts today. We must have an election coming. But I believe it was one Paul Martin in 1990 who worked with another member to co-author this report that said the national government, the federal government should be involved in the housing business, that the national government, the federal government had an important role to play in housing in this country.

**1920**

You know what? I agree with that. I agree with Paul Martin. So what the heck happened in 1993 when the federal Liberals were elected? As soon as the federal Liberals were elected, that was the end of that party. That was the end of that national strategy. In fact, what the federal Liberal government then began to do, as quickly as it possibly could, was to get itself out of housing in this country. Through a series of agreements negotiated with the provinces, negotiated with the territories, the federal Liberal government, of which one Paul Martin is a very significant member, got itself out of funding social housing in this country.

Maybe I could understand that if in fact there was a financial shortage in this country, if we had a shortage of dollars, if the federal government was experiencing a cash flow dilemma which did not allow them to participate in a meaningful way in building housing in this country. But that is not the case. Several economists, friends I assume of Paul Martin, last week met and said they believed the federal surplus will be in the order of \$121 billion, a lot of that off the backs of people who should qualify for EI and don't because of all the changes to criteria the federal Liberals made. But the point is that the federal government has the money to participate in a national housing program, and if it was good enough for

Paul Martin in 1990 to call for that, to co-author a report on that, then it should have been good enough for the federal Liberals in 1993, when they were elected, to do something about it. It's certainly good enough in the year 2000, with a potential federal surplus of \$121 billion, to do something intelligent, responsible, reasonable, workable for Canadians who need affordable housing.

I hate to say that there are some things on which I agree with the Conservatives with respect to this debate, but to their credit the Conservative members were right on Monday afternoon when they pointed out that this slide began with the federal Liberal government in Ottawa.

Now having said that, I disagree fundamentally with what the federal Liberals did and I disagree fundamentally with what the Ontario Conservatives are doing now, because I firmly believe that the federal and the provincial governments have an important role to play when it comes to housing for the poor in our province and in our country. I fundamentally believe that is an important principal role for both of these levels of government to play. I think they have an incredible responsibility in that regard because decent, affordable housing is a right for Canadians and Ontarians. It's not a luxury, it's a right.

The second thing I firmly believe, given that there is a role for them to play, is that they should not abdicate and download that role on to municipalities and hence on to the property tax base. It's wrong to fund social housing from the property tax base. It's the wrong thing to do. We are heading in the wrong direction when we demand of renters, homeowners and businesses to ante up to fund social housing. That is a responsibility properly assumed through the income tax system and that is the way it should remain. I'll make a few comments about that later on when I talk about my concern with the liability that the municipalities will now deal with when it comes to repairs for the capital stock, for the public housing stock in this province.

It's important to point out that at the same time as we have been dealing with Bill 119, an omnibus bill that the government says gets rid of duplication and red tape, in fact we have before us legislation which dramatically increases duplication, dramatically increases red tape, dramatically increases the bureaucracy and the levels of bureaucracy which will now be required to operate social housing in Ontario. My colleague from Sault Ste Marie said it well when he said that through the bill, instead of the province administering social housing—which I believe they have an overwhelming responsibility to do—we'll now be put in a position where the province will be watching over municipalities, which will be watching over housing providers, and we'll have a situation set up where we'll have the province also policing providers and policing tenants. We're not getting rid of duplication, we're not streamlining; we're adding another layer of bureaucracy, and we're certainly adding a lot of red tape with respect to who is policing whom with respect to what they do, where they do it and when they do it.

Just take a look, for example, at the sections that involve what the minister is responsible for in terms of providing permission to the municipalities to do different things with respect to social housing. Even though the administration of social housing is allegedly downloaded to municipalities, in fact through the bill there are a number of areas where it's very clear that the minister's permission is required by the municipalities or the social district board. I'll just give you an idea of what some of those are.

First of all, the minister's permission is required before a municipal service manager can, for example, establish a system allowing two or more housing providers to jointly renew mortgage financing. The minister's permission is required before a municipal service manager can do just about anything with the assets being transferred to them, especially if the minister imposed restrictions in the transfer order.

The minister's permission is required before a municipal service manager can do just about anything with respect to rent-gear-to-income subsidy administration, as the province will continue to make those rules. The minister's permission is required before a municipal service manager can determine eligibility for special needs-housing because, again, it's going to be the province that will make those rules.

The minister's permission is required with respect to a service manager when imposing requirements on housing providers. Those are the groups the municipalities watch over as they're being watched over by the provincial government. The reason for that is that the province has a long list of requirements that will be provided through regulation. These will be requirements of the housing providers, whoever they will be, because they're not named in this bill either.

Service managers can add their own requirements as long as they don't conflict with the provincial requirements. If the minister agrees, then they can enter into an agreement with the provider to substitute their own rules for the provincial ones.

Of course, the budget is going to be set for the providers as well. The province is devising a formula to determine what that will be, and we will find out about that at some point in the future, but again that's not in the bill.

In any number of areas and times the service manager, who is supposed to be the direct deliverer of the service, actually has to come back to the province, to the minister, for permission to do any number of things.

So it's really false of the government to say that this is a bill that will download the administrative responsibilities for social housing and it will end duplication and it will end red tape and it will give municipalities the flexibility they need to deliver housing services locally, because in fact there's a whole long list of requirements that those service providers have to get in the form of permission from the minister in order to do any of those things.

Frankly, it seems to me it's ridiculous to move in the direction we're going. Let the province continue to administer social housing. Let's not have such a truncated duplication of permission, responsibility, service delivery etc, because that's what we have in this bill. That's what we've got. We don't have the end to red tape at all; we've got even more layers of bureaucracy, more red tape than ever before.

I really am concerned about what the financial liability will be to municipalities as a result of the passage of this bill. I heard any number of Conservative members on Monday say that there had been broad consultation and there was general agreement about the direction in which the government was moving. I find it hard to believe, I really do, that the municipalities are oh, so enthusiastic and oh, so thrilled about having dumped on them the future liability for capital repairs of social housing. But the legislation is quite clear. Under section 46 it very clearly says, "A transferor"—the province of Ontario—"is not liable to any person for the state of repair of an asset transferred by a transfer order and is not liable to any person to fix such an asset, despite a requirement otherwise imposed by another act or a rule of law." So it's very clear that what municipalities get out of this is a financial liability for future repair.

#### 1930

I heard one of the Conservative members try to say, "Oh, two independent studies had been done," that dealt with the condition of the capital stock and the budget to maintain the stock, and that those two independent studies that have been done for the government clearly showed that the condition of the capital stock was as good as or better than the stock in the private sector and that, secondly, there was more than enough money to deal with the repairs; that in fact, because of a government allocation of \$117 million, the assets were in wonderful shape, all \$1.7 billion of them.

You know, I don't think those independent studies have ever been publicly released. Maybe they have; I stand to be corrected this evening. I don't think they have. So I have some concern that maybe that's not all those studies say, and maybe they don't quite say that the condition of the housing stock is wonderful, and maybe they don't quite say that any investment that has been made has brought them up to a standard of repair that's not going to lead to, in the very short term, a significant financial liability to municipalities. I say that because Peel did a study with respect to this issue and the results from the Peel study are quite different from the independent studies that the government talks about.

The work in Peel revealed that municipalities were probably looking at a \$1-billion price tag with respect to future liabilities over the next 25 years. That's a significant liability. If I was a municipal councillor I'd be pretty worried about that kind of liability, because sooner or later, and in many cases it's probably going to be sooner than later, I'm going to have to go back to the municipal tax base, to the property taxpayers, renters,

businesses, to find the money to pay for that liability, to find the money to repair and renovate the housing stock.

Municipalities, which have already had ambulances downloaded on to them, child care downloaded on to them, 100% of public transit downloaded on to them, are going to be hard-pressed to find that money. They're not going to be very excited about going to renters and businesses and property taxpayers and asking for more money to improve the condition of public housing. What I'm afraid you're going to see is the public housing stock in this province deteriorate rapidly, significantly, and people who are in social housing, who usually are at the bottom end of the income scale, not having a decent roof over their heads any more because the local municipality just can't afford it and doesn't want to raise enough money to fix it. I think there is going to be an incredible financial liability and it's going to be the property taxpayers of this province who pick it up, and I think that's wrong.

One other thing I want to raise is what this bill doesn't do: that is to create affordable housing in the province. I said earlier that I think the federal government and the provincial government have a role and a responsibility to play with respect to ensuring that the poor in our province have a decent roof over their heads too, and both levels of government are abdicating that responsibility.

We know that this government's housing policy, if you can actually describe it as such, has been a dismal failure. We know, because the Minister of Municipal Affairs and Housing himself publicly admitted, only a few weeks ago, that in fact the private sector in this province has not stepped in to build affordable housing. The private sector has been missing in action when it comes to ensuring that the lowest-income earners in this province have decent, affordable housing too. The private sector isn't building in the affordable market. They're not interested in that, there's not enough money for them, and even the minister, several short weeks ago, had to publicly admit that when he was speaking before the gathering that I mentioned earlier.

We know that the government's Tenant Protection Act—and that's an oxymoron if there ever was one—has certainly created all kinds of hardships for renters in this province, because as those rental units become open, we are seeing again and again, in community after community, that the rent that was charged for those vacant units is now being jacked up. We've got incredible situations across this province in many communities where the vacancy rate is extremely low—frankly, non-existent—and all kinds of people, families included, are looking for a decent place to stay and can't find it.

I just want to go back to what John Ibbitson said, and he probably can't believe that he's been so quoted as he has in this debate, but he sure has, and I think that's because most people recognize that he generally supports the policies of the Progressive Conservative government. But he said it very clearly, and the title says it all: "Admit it: Harris's strategy for housing a flop." This is what

Tony Clement had to say to the Ontario Builders Association:

"While apartments accounted for 15% of new housing in the United States last year, Mr Clement acknowledged, in Ontario the figure was less than 5%. In Toronto the vacancy rate is 0.9%. In Ottawa it's 0.7. Hamilton clocks in at 1.9. Rents, in the meantime, are skyrocketing. Even builders shake their heads as they tell stories of landlords in Toronto who have doubled their rents."

He closes by saying the following: "Whatever the solution, Mr Clement and his government should come clean: The Mike Harris strategy to revive the rental housing market failed"—absolutely and utterly failed. "New measures are required. The private sector is not up to the job.

"It's a bitter lesson but there's no point in ducking it."

We see that even someone who's usually supportive of the government recognizes the housing strategy for what it is: a complete failure. The sad reality is this bill does nothing to address that, and frankly this bill is going to make things worse for people who live in public housing because as that stock deteriorates, there will be no one to protect it.

**The Deputy Speaker:** The member's time has expired. Comments and questions?

**Mr Coburn:** I just want to address a couple of concerns that the member for Nickel Belt has. Just to set the record straight—maybe she didn't get the right information, I don't know, but this should help her out—in 1998, the IBI study was released to municipalities, and the draft report from KPMG, the 2000, is being translated right now and should be released in the next short while. But more important—this is for members opposite—the Peel Living Study has just been completed. That's something that will be released over probably the next few days.

Keith Ward has confirmed to our staff that our two studies are accurate, reassuring good conditions of public housing. So you should be going like this. You don't have to worry about that any more. We do have that under control, as did the local housing authorities. They did take great pride in maintaining the quality of the housing units, as did the ministry. That has been documented over the years. It's virtually impossible for something to get out of whack, given the regulations.

I just want to point out the initiatives that our government has taken, that the minister has taken, because the job isn't done in terms of creating more affordable housing. Some of the steps that we have taken are: rent controls have been replaced by the Tenant Protection Act, which encourages investment in rental housing; allowing landlords to set market rents in vacant units. The Ontario building code was amended to encourage the development of single-room occupancies. The PST rebate program provides a grant of \$2,000 per affordable unit. It offsets the impact of the provincial sales tax.

More importantly, a new initiative, and the minister recognizes there's more work to be done—

**The Deputy Speaker:** The member's time has expired. Comments and questions?

1940

**Mr Dwight Duncan (Windsor-St Clair):** I am pleased to have the opportunity to respond to the member for Nickel Belt. I will be joining the debate in a more complete fashion later in the session.

First of all, the member is quite accurate in pointing out the shortcomings the Conservative government has in housing. She echoed the views that were expressed by my colleague from Elgin, Mr Peters, whose experience at the municipal level I think is unparalleled in this Legislature.

I can tell you that in my community the waiting list for affordable housing is close to a two-year backlog right now. There has been no new development of affordable housing. In our community we are somewhat more fortunate than, say, Toronto or Ottawa. New homes are still being built at a relatively affordable cost for an average Ontario family. They can afford to buy a new house. But we're not dealing with those people who can't afford to buy a new house.

This bill is odious in the sense that, as was pointed out by the member for Nickel Belt, it pushes more costs on to the municipalities, on to the property tax base, where, simply put, housing cannot be developed. The property tax base, over time, will not sustain that type of development.

**Mr Caplan:** Even David Crombie said so.

**Mr Duncan:** Yes, David Crombie said that. David Crombie is a Conservative former mayor of Toronto.

We're very troubled by this whole exercise. I remember when the government did its whole Who Does What initiative back in January 1997. They laid out this new vision for Ontario and then they promptly changed it, probably a dozen times, before there were any legislative changes. I urge the government to withdraw this bill. Consider the comments of the member for Nickel Belt and the others who have so eloquently urged you to reconsider these very important matters.

**Mr Martin:** I want to commend the member for Nickel Belt. I know my good friend from Scarborough-Rouge River will agree with me when I say that she knows of what she speaks. She has been in this place a long time now and has a lot of experience. She says that this is the wrong end of a slippery slope and that at the end of the day what we're going to experience in this province is a real disaster. It will be a disaster for everybody: the federal government, the provincial government and the municipal governments, but more importantly, it will be a disaster for those people out there who are looking for affordable housing who can't get it at the moment.

She rightly points to some of the comments made by some of the folks out there who know, because they've watched this evolution over some time now. She also understands what it means to have a government in place in this province that believes in social housing, that believes in the responsibility that governments have to

make sure the folks they govern on behalf of have what they need in some very basic and fundamental ways in order to get out there and make a living. One of those things is a safe, affordable home they can go to and feel confident it will be there for them in the long haul.

Looking at the community of Sault Ste Marie, I know the great array of social housing that went up in that community during the years from 1990 to 1995: at least four new units of co-op housing. Some criticism has been made by the government across the way of some of these housing projects being boondoggles. In my community I know those housing projects were led by very reputable volunteer organizations such as the Knight of Columbus, the Italian association and the list goes on and on.

What this government is doing is kowtowing to their friends and benefactors again, and it will come back to haunt them.

**Mr Wettlaufer:** It must be a full moon tonight, with the comments that are being made here. I listened to them—

*Interjections.*

**Mr Wettlaufer:** Listen to the cackling here. A bunch of chickens, that's what you guys are. Whenever anybody stands up to preach facts, you immediately start cackling. I love it. You're great.

**Interjection:** Chicken little.

**Mr Wettlaufer:** The Chicken Little party. Anyway there has to be a full moon because of all the horror stories.

Aren't these the same people who said they were going to spend their way out of recession? In the meantime they built annual deficits of \$11 billion. Aren't these the same people who said we would not create an environment in which there would be 725,000 jobs at the end of four years? Lo and behold, in four years there were 768,000 net new jobs. Aren't these the same people who said we would have a reduction in income, a reduction of revenue for the province of Ontario because of our tax cuts? It would be horrendous. We were going to cause a recession. We were going to do all kinds of terrible things and now they're saying we've created a boondoggle.

These are the same people who made us the largest landlord—the second largest; I take that back—in all of North America: a billion dollars in housing assets. The government of Ontario the second largest landlord? Come on, get off it. What business has a government the size of the government of Ontario being in housing? A billion dollars, and while we were building up that billion dollars of assets, we were creating more at a cost of \$120 a square foot, much larger than any private enterprise builder could afford. We were spending taxpayers' money foolishly. Your parties were—

**The Deputy Speaker:** The member's time has expired. The member for Nickel Belt has two minutes to respond.

**Ms Martel:** The last speaker asks, what reason should we have to have the government involved in public housing? If he only had a clue about what was going on

out there. The reason government has to be involved is that the private sector is not interested in building affordable housing for people. Even your own minister, Mr Clement, had to go to the Ontario Home Builders' Association several weeks ago and say that.

Despite the list your colleague read out with respect to things your government has done, it's very clear, painfully clear, that your friends in the private sector just aren't interested in providing housing for the poor. They're much more interested in providing housing for the rich and famous where they can make a big profit. That's why the provincial government and the federal government have a reason, and I dare say a responsibility, as governments to ensure that, yes, even the poor, who you people don't like very much, should have a chance to have decent housing. That's why government should be involved.

I pity the poor tenants. I listened to the former mayor say that the government's job isn't done with respect to affordable housing. My god, tenants better be worried, because if you're going to do more on affordable housing there'll be even more families in the shelters and even more families on the streets. Your Tenant Protection Act, your gutting of rent control, has meant there are even more families, more people living in shelters.

If you guys have more ideas about affordable housing, then tenants out there should be awfully concerned, because what it's going to mean is even less affordable housing, with people paying more of their income on outrageous rents and more people without housing in the province. That's what that means.

*Interjections.*

**The Deputy Speaker:** I think we have time for everyone to speak but it has to be, according to the rules here, one at a time. I'd ask you to govern yourselves accordingly.

*Interjections.*

**The Deputy Speaker:** Order. We'll kind of take turns. It's my job to ensure that. If you don't want to restrain yourselves, then I'll help you.

Further debate?

1950

**Mr Marcel Beaubien (Lambton-Kent-Middlesex):** Mr Speaker, thank you for the opportunity to speak on Bill 128, the Social Housing Reform Act. I know debate has been somewhat heated tonight, and I would like to take this opportunity, on behalf of the House, to wish you a happy birthday.

**Interjections:** Happy birthday.

**Mr Beaubien:** As you're aware, when our government came to power in 1995, we promised the taxpayers of Ontario that we would put an end to the social housing boondoggle. Why do I say "boondoggle?" I'm going to touch on that a little further along in the discussion.

First of all, I would like to recognize that I agree with the member from Nickel Belt when she says the poor deserve a decent roof over their heads. Not only do I agree with that, but so does the Mike Harris government.

We believe that. But the way we were going, the direction in which we were going, I don't think we could have done that. We weren't able to provide it, and look at the condition in which we left the province.

I think one of my colleagues mentioned the cost of building. If we look at what happened with social housing between 1990 and 1995, where were we spending the money? We were spending it on lobbyists, consultants and your friends with the placards, to the point where in my riding, in my community, we were spending \$110,000 a unit, when the private sector could do it for \$50,000 a unit, and then we talk about the lack of housing. If we had been responsible in those years in providing adequate, affordable housing instead of spending \$110,000 per unit, it would have made an awful lot of sense to provide two units for \$110,000.

**The Deputy Speaker:** I recognize the member for Don Valley East on a point of order.

**Mr Caplan:** No, no.

**The Deputy Speaker:** I'm sorry. If you stand up at your desk and talk, I assume you want the floor.

**Interjection:** Keep the clock running, Speaker.

**The Deputy Speaker:** I apologize. If you're going somewhere, fine; if not—

*Interjections.*

**The Deputy Speaker:** Order. I don't need any help here, and you're kind of robbing the honourable member from Lambton-Kent-Middlesex.

**Mr Beaubien:** I'd like to mention that I will be sharing my time with the member from Scarborough. I should have said that at the beginning. Furthermore, I thank you for correcting me, Speaker. It goes to show that none of us is perfect. We do make mistakes. I've got the wrong birthday tonight.

I think we have to go back to where we were, that the cost of providing social housing was out of control. We had a multitude of programs, there was no coordination and people who should have been housed were left out. I think there are all kinds of examples.

I sympathize with the individuals whose plight and whose cases the member from Hamilton Mountain brought up tonight. But we know that in many cases when we're talking about co-op and non-profit housing, the people who were moving into those units were not the poor and the people who deserved the housing. You know that, member from Nickel Belt. You're well aware of that. You initiated many programs that put people into subsidized housing who were making \$50,000, \$60,000 and \$70,000 a year. That is not the basis of subsidized housing. The province has taken every precaution to make sure tenants are protected throughout the transfer and beyond the transfer.

The member from Elgin-Middlesex-London talked about downloading and efficient government. I concur with him when he says municipal governments provide a very efficient, responsible level of government. I agree with that. We know we have a boondoggle at the provincial level, member from Elgin-Middlesex-London, and if anybody can rectify the problem and manage the

problem properly, it's the municipalities. That's why it's being passed on to them. They're responsible and they'll be accountable.

When you mention downloading costs of \$3.1 million and \$2.7 million to some counties, you never mentioned the other side of the equation, that municipalities will not be stuck with the educational portion of taxes on those properties. You, as a former mayor, know that the large majority of complaints you received in your office on a daily basis dealt with the educational levy. That is a reality. That is something you can't deny. How do I know that? Because I myself spent nine years heading a small community, and we got the complaints.

As some previous speakers mentioned, we did put in an advisory council in 1997 and 1998 to make recommendations to the government. To suggest the government is transferring social housing to municipalities in a haphazard manner is short of the truth. Furthermore, some members have touched on the study that was done by independent consultants with regard to the housing stock we have in Ontario. I can't speak for the 84,000 or 120,000 units we have in the province, but I know that in the riding of Lambton-Kent-Middlesex the social housing stock is in very good condition today. Some of it is fairly new and some of it is older, but it's been well maintained over the years by the housing authority, by the non-profit organization and by the co-op organizations. By suggesting this housing is not in good condition, I think we're again shortchanging the taxpayers of Ontario.

The member from Nickel Belt also mentioned the condition of the housing. If the condition of the housing is as bad as you suggest, are you suggesting we have an awful lot of people living in public slums today? Is that what you're suggesting?

**Mr Caplan:** Yes.

**Mr Beaubien:** It seems to me that's where you're going with that debate. Let me tell you that in the town of Petrolia, we have a complex called Mid Valley Apartments. It's a 29-unit complex that was built in 1984 at a cost of \$1.1 million. That's about \$40,000 a unit, or pretty close, if my math is correct. Some of the units are geared to income. I think 11 or 12 units are geared to income. This building is 16 years old, and I challenge each and every one of you to come down to Petrolia and have a look at this housing stock. We're proud of that. It's people like the Maxine Fiddicks of the world, the Janet Bradleys of the world, the Charles Fairbanks of the world and the Graham Dannels of the world—the board members of this particular complex—who make sure the people who are housed in this complex are well housed.

*Interjection.*

**Mr Beaubien:** Who looks after that? Volunteers. They're responsible to the people locally. They're accountable.

Also in this complex we have a very dedicated property supervisor by the name of Todd Fiddick, who takes pride in his work. By downloading social housing, that will continue to happen. To try to shortchange the people by fearmongering and saying, "Everything's go-

ing to fall apart, the roof is going to fall in, the walls are going to fall over," is not being fair to the taxpayers of this province.

Do we have occasional problems with social housing today? Of course we do. Are we going to have occasional problems with social housing in the future? You bet we are. But I know the volunteers and the municipalities are very well equipped to deal with them.

In closing, because I'm running out of time, this bill before the Legislature tonight puts a vital service in the hands of those best equipped to deliver the service. I know it's difficult for the opposition to accept that fact, but I'm glad to see that the member from Elgin-Middlesex-London recognized it when he said the best-equipped people to deliver their services are the people at the municipal level. I totally concur with you. You're 150% correct on that.

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As I previously said, will it be perfect? No. Will there be problems? Yes. We'll deal with the problems. As I said in my opening statement, I made a mistake when I wished the Speaker a happy birthday. For some reason, we do make mistakes.

But the people at the municipal level—I want to emphasize—are better positioned to respond to the needs and to maintain the social housing stock in this province.

**Ms Marilyn Mushinski (Scarborough Centre):** It gives me great pleasure to rise to speak to Bill 128, the Social Housing Reform Act. I think we need to just go over a little bit of history. I've heard a lot of discussion about this bill this evening as if somehow it's come about out of the blue, as a complete surprise. The Social Housing Reform Act was developed as a direct result of the Who Does What exercise that was carried out in 1997, and I really wonder where members from the opposite benches have been all this time. What the Mike Harris government is doing is exactly what it said it was going to do, which was restructure the allocation of costs and responsibilities for serving the citizens of Ontario at both the provincial and municipal levels.

I was a councillor on the wonderful council of Scarborough for 12 years. It was very interesting that my colleague from Sarnia-Lambton mentioned the education portion of the property tax bill, because I can recall when I was a councillor my council being very responsible in terms of the tax rate, the mill rate and keeping the lid on taxes, while the local school board in 10 years increased taxes by 120% while enrolment only increased by 16%. Certainly one part of this whole restructuring exercise was, indeed, to start to capture some control of those runaway costs of education that were being imposed by unaccountable school trustees.

Specifically, this legislation fulfils the January 1997 local service realignment commitment to transfer responsibility for social housing to the municipalities.

*Interjection.*

**Ms Mushinski:** If the member from Don Valley East would stop yapping for a moment, perhaps he would learn a little something from what I'm about to say.

As you know, the municipalities have been paying for the costs of social housing since January 1998. This legislation will give the municipalities the say for pay, which is something they've been asking for and, most certainly, something they've been expecting. The province has direct control of public housing ownership, management and administration. What this bill will do is make it easier to transfer this portfolio to the municipalities.

Non-profit and co-operative housing programs will be harmonized and streamlined before they are transferred. This staged transfer will allow service managers to develop the necessary skills, experience and capacity to assume responsibility for administration of the rest of the social housing portfolio.

There are three key benefits to this legislation. First, it puts a local service back into the hands of the community so that it will more effectively reflect local needs. Second, municipal authorities can more effectively integrate this service with other locally delivered social services, so that their clients can be better and more efficiently served. Third, the responsibility for bricks and mortar will be in the hands of local governments, where it more appropriately belongs.

In fact, when I was a councillor in Scarborough, to protect the interests of those who lived in rental accommodation, the local council developed one of the most comprehensive and tough property standards by-laws in the land to protect the interests of those very people living in those buildings.

Recommendations for program streamlining and devolution were developed with extensive input from a stakeholders advisory committee. There were three working groups, a social housing committee and a municipal reference group. That has been alluded to by my colleague Mr Coburn, the parliamentary assistant to the minister. The decision to hold committee hearings on this legislation will be made by the House leaders.

The government is actively working to find ways to increase the supply of social housing in Ontario. It is trying to get other provinces and levels of government to deal with the decline of private sector construction of affordable housing, something we recognize is a serious issue. It is also encouraging the industry to get back into the business of building affordable housing. In fact, I myself met with a group of landowners in the city centre area who want to bring on-stream over 4,000 new units right within my own riding of Scarborough Centre. The challenge has been some impediments by local government, and that's one of the things we're working on in terms of speeding up the process and making it more effective. Because as a colleague of mine has suggested, although it's a foreign notion to many people on the other side, there is also a trickle-down impact on the price of affordability. I think it's important that we work together to try to recognize what those barriers to creating more affordability are.

The housing supply working group will identify rental housing supply problems and solutions for Ontario, with

an emphasis, most certainly, on affordable rental housing. It will also recommend a comprehensive strategy for further improvements to the investment climate for new rental housing in Ontario.

Staff from the Ministry of Municipal Affairs and Housing have been carrying out extensive consultation with groups representing sector organizations such as AMO—

*Interjection.*

**Ms Mushinski:** AMO? You'd be aware of that, John—the Ontario Non-Profit Housing Association and the Co-operative Housing Federation, as well as a reference group of municipal representatives. Representatives from stakeholder groups are actively involved in ministry work teams to assist in reforming social housing programs and developing guidelines to assist service managers to structure their operations to assume the administration of their social housing portfolios. Finally, a joint municipal-provincial working group on financial testing and access to Ontario Works, child care and social housing was formed with AMO and the Ontario Municipal Social Services Association, as well as the Ministry of Community and Social Services.

This legislation will leave the eligibility rules for social housing essentially intact. All households in need will remain eligible to apply for social housing, regardless of where they live in this province. That's something you don't hear, again, from the other side. Access to special needs housing will function in a similar manner, but will be coordinated by the special needs housing access system.

Finally, protecting social housing tenants is the government's key priority. Tenants will not lose their homes. Their tenure is secure. Geared-to-income rents will continue to be set at 30% of income. But the housing providers should become more responsive to their needs and only those who truly require assisted housing will be residing in assisted housing.

This sounds like a win-win to me. I thank you for giving me the opportunity to speak.

**The Acting Speaker (Mr Tony Martin):** Comments or questions?

**2010**

**Mr John Gerretsen (Kingston and the Islands):** Let me first of all say that I concur with some of the comments that were made by the member from Lambton. I know there were abuses in the social housing program of this province back in the early 1990s and perhaps before that. I was involved with a number of organizations, and they were put through all sorts of hoops to come up with needs studies, to come up with consultants, to come up with this, that or the other thing—money that should have gone up to the bricks and mortar, thereby making the projects less expensive and incurring less carrying costs.

The answer to all of those problems—and there were some problems—isn't to say, "Let's just get rid of all the social housing. We're just not going to build any more. It's no longer our responsibility." And that is exactly

what your government did. One of the first things you did in 1995 was to cancel 17,000 non-profit housing units that had been approved. There would have been nothing wrong for you to have said, "Look, these projects are too expensive. Let's see how we can modify them and bring them into a lower-cost housing where the kind of fees that are paid won't be as exorbitant as they were before."

But you've completely abdicated your responsibility. Over the last five years there hasn't been one public housing unit built in this province and not one social housing unit built in this province. As a result of that, the waiting lists of the housing providers across this province have just grown at a tremendously rapid rate. The people who need the housing haven't been getting any of that housing over the last five years. That problem is just getting worse and worse while you're doing nothing.

**Ms Martel:** I think it's worth making a couple of observations. First, I listened to the member for Lambton-Kent-Middlesex talk about people who were making \$50,000, \$60,000 and \$70,000 a year living in non-profits. I go to the experience of the not-for-profit seniors' complex that was built in my hometown during our government, and I've got to tell you—because I know the people who live there—none of them are making \$50,000, \$60,000 or \$70,000. None.

Second, we might as well be frank and say that it wouldn't have mattered what the controls may or may not have been with respect to non-profit co-op housing. Philosophically your party would much prefer to give a shelter allowance to a private landlord than to have the capital stock owned by the public. That's a fact and we might as well admit it.

If you really were interested in the units that had been already approved, which would have increased dramatically decent, affordable housing that people needed, then you could have tightened the controls if you thought they were too loose. You just cancelled them.

It has to be said. You'd rather see us giving shelter allowances that we give to social assistance recipients go into the pockets of private landlords than to invest in public housing stock itself. That's the difference.

I heard the member for Scarborough Centre say her government is trying to encourage the private sector to build more social housing. My God, what a tremendous disaster your housing policies have been for the last five years—a complete and utter disaster.

I remember that when the former Minister of Municipal Affairs and Housing, one Mr Leach, passed the Tenant Protection Act, he said thousands of affordable units were going to be built as a result of the passage of the bill. Nothing has happened. It's been a complete failure.

**Mr Coburn:** I want to go back to one of the comments one of the members opposite made when they talked about creating 47 consolidated municipal service managers. They're there; they're not being created because of this. We're taking advantage of that infrastructure that's there so the local authorities can integrate

social service policies such as Ontario Works and child care, so that they can maximize their efficiencies.

Because many of us in this House have been in municipal politics, we recognize how innovative municipal politicians and volunteers can be. That's what's happening in my community and in many of your communities. They have an opportunity now to manage and adapt to the intricacies of their own community and to take advantage of some of the economies of scale that are there.

One of the things I want to point out is that our staff has worked shoulder to shoulder with many of these people in the local housing authorities over the last 36 months, and even more, in improving efficiencies. The \$100 million that was saved is a number that more than satisfies—

*Interjection.*

**Mr Coburn:** No, it's \$100 million that has been saved because of economies of scale and redoing the mortgages. We took advantage of that and other streamlining of some of the programs. I'm sure the member for Kingston and The Islands would recognize that from his former capacity as a municipal politician.

But the province still has not backed away from its responsibilities. The provincial standards ensure there is compliance with the terms of the federal-provincial social housing agreement, that the municipalities continue to provide assistance to the same number of rent-geared-to-income households and those receiving assistance at the time of the administration's evolution. Province-wide rules and eligibility and benefit levels are maintained. Rents geared to income continue to be set at 30%. Municipalities report on a regular basis to ensure the provincial and public standards are being met.

**Mr Caplan:** I'd like to comment on the speeches by the member for Scarborough Centre. Frankly, the member really doesn't have any idea what she's talking about. David Crombie, their own expert, and Joyce Trimmer, who did it before when the Harris Conservatives were seeking to become the government, all said not to do this, so that's certainly not the case.

I'd like to address the comments of the member for Lambton-Kent-Middlesex. I think he made fair comments about the record of our previous government. While that's true, that doesn't mean that the provision of housing is not a provincial responsibility. If it wasn't done correctly, you don't throw the baby out with the bathwater.

He also said there are people in housing earning \$50,000, \$60,000 or \$70,000, people who, in his words, don't deserve to be there. That is a myth; it is a common misconception. People earning any kind of threshold like that pay market rent. In fact, if you want to go back to the warehousing of the poor, if you want to create Regent Parks or Jane-Finches, which are mistakes, that's what you're doing with this legislation. When communities are created through non-profit housing, through co-op housing, you have a mixed community. Not everyone is on

social assistance, not everyone needs child care. You have a complete community. It works and it works well.

The last comment about what the housing providers do: yes, the boards do a great job. Read section 88 of the bill. It talks about duties of housing providers. They lose management of their reserves. It is in the bill. They also lose the ability to choose their property manager. That is in the bill, clause 88(2)(c). They lose the opportunity to manage those well-run community housing projects like you were taking about.

**The Acting Speaker:** Response?

**Mr Beaubien:** First of all, I would like to thank the member for Kingston and The Islands—we don't always agree, but he's a very reasonable man—and the members for Scarborough Centre, Nickel Belt, Ottawa-Orléans, and Don Valley East for their comments.

There is no doubt that whenever you introduce a bill, especially a social bill, you're going to have different political ideology and you're going to have different personal opinions. But we're all trying to do the same thing: we're all trying to serve the people, our constituents.

There is no doubt that there is a financial responsibility on the part of provincial, federal and municipal governments. But if we look at what was going on in 1990—and the facts are there—in my riding we were spending \$110,000 to \$115,000 for a unit that the private sector could build for \$50,000. That's not fair. That's not being responsible to the taxpayers.

In the end, I hear the member for Nickel Belt say, "Yes, but every poor person deserves a roof over their head." Of course they do. But you're forgetting about the poor when you're spending \$110,000 a unit when you should be spending \$50,000.

Furthermore, look at the legacy we've left to some of these people. In 1995 that government was spending \$1 million an hour more than they were taking in. And we care about the poor, we care about the elderly, we care about the disadvantaged? What legacy are we leaving to the young people of this province? Who is going to pay the freight at the end of the day? Where is the responsibility? Is that what you call accountability? If it is, we're certainly not on the same wavelength.

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**The Acting Speaker:** Further debate?

**Mr Gerretsen:** I'm very pleased to join this debate. In one way or another, I suppose, I've been involved in this scene for about 30 years: in municipal non-profit, private non-profit, and a number of other ways as well. As a matter of fact, I'm still involved with a non-profit project, but not a provincially managed non-profit project. I want to make that quite clear.

There are really two different issues that we're talking about here. The first issue is whether or not the province and the federal government should be involved in housing. The second issue is, what should happen to the current housing stock? On that issue I totally agree with the member from Scarborough, and I don't agree with her very often. The government made a decision back in

1997 that the public and social housing stock of this province was going to be downloaded on to the local municipalities. I don't agree with that decision. That's a decision they made. I respect that decision. Sure, since then they've been talking to the various housing providers to see that the transition is going to take place in a reasonable fashion. But don't for a moment let us allow the government to leave the impression that the social housing providers of this province or the housing authorities of this province, the public housing providers, want that transfer to take place. They don't want it. They certainly don't want it downloaded to local municipalities, because they know that most local municipalities and local councillors are going to have interests much different from that of providing housing. They've got interests with respect to dealing with their infrastructure, dealing with their many other social problems. I can tell you from past experience that housing, unfortunately, is usually at the low end of the totem pole as far as municipal councils and councillors are concerned. I don't think too many people are going to disagree with me on that, even on the other side of the House.

Having said that, why aren't the other two levels of government involved any more in the social housing system? There was a press conference held here about a year ago. It was attended by a former federal Minister of Housing, Alan Redway, a former provincial Minister of Housing, John Sweeney, and a former mayor of Ottawa, Marion Dewar. They are three individuals for whom I have the highest regard, three individuals who are interested in providing adequate, good housing for the people of this province, three individuals who represent three different political parties. It's always been my impression in dealing with this situation over the last 30 years that housing issues bring people together from all political perspectives. So when I hear a member opposite saying, "That's no good because that was a Liberal idea," or, "That's no good because that was an NDP idea," or, "It's good because it was a Tory idea," I want to completely disassociate myself from that. It's been my experience that people who are truly interested in the social housing situation in this province come from all political perspectives. I think that right now what's happening, both federally and provincially, whereby both the senior levels of government are saying, "We are no longer in the housing business," is wrong, wrong, wrong.

There may very well be a need for different housing projects than we've had in the past. I agree with the member from Lambton that there were a number of very serious abuses in the non-profit housing allocation system, in the construction costs system. I was on the Ontario Housing Corp board for six years, three years as its president, back in 1989-92. We dealt only with the public housing stock of this province. We didn't deal with the allocation of new, non-profit housing organizations. But I do know from the chit-chat I used to hear around in those days that some of the things that were happening just weren't right, and there should be improvements in that. But this government and,

indirectly, the federal government have basically said, "We're no longer in the housing business and it's just too bad for the people at the lower end of the economic scale if they haven't got housing."

All of the other programs that have been brought in—we heard earlier that, according to Minister Leach's idea of a couple of years ago, the new rent control legislation was going to provide more housing because it was going to bring private sector people into the game. The result was that in all of 1998—and these are the government's own statistics—only 2% of the housing starts across this province were apartments. Some 16,000 new units were needed, according to CMHC's own estimates, and they came up with something like 2,000 units in that particular year.

I would implore this government and the backbench members here—you know, there are some innovative housing schemes. I can remember being involved back in the late 1970s when a previous Conservative government gave to every new homeowner \$500 for two years, I believe it was, or it may even have been three years, as help towards a down payment on a house. You know what we did in the Kingston area, in the organization that I was then involved with, which was Kingcole Homes Inc? That was an organization that was set up to provide housing for people who didn't even meet the requirements of the local housing authority. What we ended up doing was building houses for these people using CMHC money, and their down payment came from an assignment of these \$500 cheques for three years. As a result of that, 20 families moved into housing who never otherwise would have been in housing. Many of these people later on were able to use the equity they built up in order to buy another house somewhere else. I'm very pleased to report that even right to this day about six or seven of those families out of the 20 ended up living in single-family bungalows just like most of the other people in this province. That was done as a result of innovative government initiatives with local private, non-profit boards. We have to get back to that.

I know we can never go back to the days when the first thing an organization has to do is do a \$15,000 needs study and then get an architect involved, and quite often the architect may have already built the same building somewhere else and as a result made a fair amount of extra money etc. There were abuses in the system as it existed in the past. But I can tell you that for governments, at both the federal and provincial levels, to simply but their heads in the sand is the wrong thing to do because it's not helping the people in this province who need help the most. The private sector simply isn't building any houses right now.

Let me just turn to this bill specifically. There are many good non-profit groups in this province. As a matter of fact, there are 84,000 public housing units from the housing authority. And just to deal with those, I can remember that a study was done in the early 1990s that at that point in time said, I believe, something like \$400 million or \$500 million was needed in order to bring the

then public housing stock up to date. I know that no money was spent to look after the major repairs that were required, at least until 1995. So how the minister can now come up with a study that says they're all in great shape—most of the public housing in this province was built prior to 1970. No public housing has been built since then. Social housing—

**Mr Wettlaufer:** You're dreaming.

**Mr Gerretsen:** Just a minute now. You want to understand what I'm saying. Public housing, maybe about 1975, but it's certain nothing has been built in the last 20 to 25 years. Most of it is quite old. Most of it was built in the 1960s; it's about 40 years old at this point in time. We changed in about the late 1970s to non-profit co-op groups. I'm talking about the public housing stock. There's been very little of that built since the late 1970s.

**Mr Wettlaufer:** You guys must have been spending everything in Kitchener.

**2030**

**Mr Gerretsen:** Look, I don't know what you're talking about.

Anyway, the point is that a lot of the public housing stock in this province is extremely old, and some major renovations and repairs need to be done to it. As has already been pointed out by one of the other members, I think it's section 46 that basically says that once it's transferred, there is absolutely no liability and the municipalities are on their own.

All I can tell you is that studies were done in the early 1990s that at that point in time said about \$400 million or \$500 million was needed. I know you can have different people look at problems in a different way and come up with different numbers, but how, five to seven years later, can the minister now come and say, "I guess nothing is needed"? If you want to unload something, it's easy for you to say nothing is needed. The point is that a lot of this housing is at least 40 to 45 years old. It's going to need some major repairs and upgrades in the near future and there is absolutely no money for that.

Let's take a look at the social housing units that have been built. Most of them are probably 20 to 25 years old, or maybe less than that, 10 to 15, in some cases. They are in a better state of repair, generally speaking, than the public housing stock in this province. A lot of these non-profit housing organizations and co-ops have been managed by a good board of directors, by people who are interested in housing, who really have the welfare of the housing community and their housing stock at heart. They've build up reserve accounts. I know they have. They're required to set aside X number of dollars per year so that when you have the major expenses of a new roof or other major repairs, you have the money available.

Do you know what this bill does? It basically tells the different non-profit corporations, "I'm sorry, you now have to hand this money over to the Social Housing Services Corp." If I am a member of a non-profit organization that has been putting money aside from the tenants' payments, that has been putting money aside in

reserve, and let's say there's an organization down the street that hasn't been putting as much in reserve, all this money is now going to be paid over to the Social Housing Services Corp.

I know that boards in general are going to say, "What did we do this for? We didn't take money out of our tenants' pockets and put it in reserve accounts so that we can now pay it over to the Social Housing Services Corp." It states so quite specifically. One of their purposes is "to manage the pooling of capital reserve funds for prescribed housing providers." That's what it says.

I know somebody can make an argument that if project A needs the money a little bit more than project B, then maybe the money should be taken over there, but I can tell you that just as good an argument can be made that if I, as a tenant, have paid into that reserve fund more than the tenant next door, then maybe I, as a tenant, should get the benefit of those reserve funds if and when they are needed for repairs to the building I happen to be living in. All I'm saying is that sections like that and poolings like that undermine the tenants who live in a particular housing community or neighbourhood, as well as the board of directors who have been trying to deal with these issues in a responsible fashion.

There are some other very interesting sections here. Look at section 86. It is quite direct: "Every operating agreement entered into before the day this section comes into force ... is terminated on the date prescribed for the housing project to which the operating agreement relates." In other words, if you have an organization that has signed an agreement with the province whereby subsidy dollars were given to it under certain circumstances—and remember, there are all sorts of different programs out there that these organizations and non-profits have been operating under for the last 10, 15, 20 years—all of a sudden what happens, once the transfer takes place, is that the agreement that has been duly negotiated between the board of directors of a non-profit and the province is going to be terminated. That just isn't fair.

The people who suffer as a result are the tenants. I know that a lot of the members on boards of directors, a lot of the people the member from Lambton talked about—he talked about the good people in his riding and I can name you just as many good ones in my riding and you can in yours. They are going to say to themselves, "Why am I involved in this? The reserve funds are gone. The agreements we had when the province that set up these projects are terminated." All of a sudden the rules of the game are being changed unilaterally. That's not what this should be all about.

I could go on and on. The bottom line is this: this agreement doesn't do anything for the tenants who live in either public or social housing. There are about 250,000 units when we add both the public and the social housing together. This agreement potentially, I suppose, can affect somewhere between three-quarters of a million to a million people in Ontario, where the government has

unilaterally taken away rights from them that existed before.

The member can shake his head and do all sorts of other wonderful things, but that is the truth of the matter. That's the way it is. Those people are not protected. Notice what the government members keep saying: "Their right to tenure is protected." They say absolutely nothing about the rents these people may be obligated to pay.

I realize these changes aren't going to take place immediately. It will take a certain period of time, but the people who live in these houses, who need the support of the government the most, are once again being abandoned by this government. They're basically saying: "It's now going to be somebody else's responsibility. There are new rules for that game. We are not involved." That is totally wrong.

I've got all sorts of statistics here, as if we need to see any more, about the waiting lists we have across the province. Here in Toronto you've got waiting lists of, what, 50,000 or 60,000? In small municipalities like my own, like Kingston and Guelph—I could just go on and on—there are at least 1,000 people on the waiting list. Some of these people will never get their unit. Many of these people are right now paying more than 50% of their monthly income, from whatever source they get it, for rent.

This document that was prepared by the Putting Housing Back on the Public Agenda people—it was headed up by former federal minister Alan Redway, provincial minister John Sweeney and Marion Dewar—basically states that one in four tenants is at risk of being homeless because these people are paying more than 50% of their monthly income on rental payments.

What is the government going to do about it? They haven't done a thing. They haven't built any social housing units. They haven't even gotten together with the private sector to see what kind of new innovative programs can be brought forward to assist them. The building industry would love to get the government back involved in it.

I can remember talking to a very prominent economist about this recently who said to me, "It's kind of interesting; we live right now in an age of very low mortgage rates." We're paying mortgages on our homes, those of us who still are, at record low rates. I know that five or 10 years ago you never would have thought you would see the rate below a two-digit number. Now it's 6%, 7% and 8%. If we're ever going to get back into the social housing scene, it's got to be now.

I realize that, depending on where you are in Ontario, it costs anywhere between, I don't know, \$70,000 to \$90,000 to build a unit anywhere. It may be less in some areas. There have to be good controls on that; absolutely, no question about it. If you're ever going to do it, isn't it a lot better to pay 6% for that money than 13%, 14%, 15%, like they did 10 years ago? It becomes affordable again.

It's time for government at both levels, the federal and provincial—and I cast equal blame on both levels,

absolutely no doubt about that. If they're ever going to do it, surely this is the time to do it.

Bill 128 doesn't do anything for the tenants who are currently in social and non-profit and public housing. All it is going to do is give them once again a greater sense of unease, of the unknown, as to what will happen to them next. I know what I'm talking about because I've dealt with these kinds of situations and problems for the last 25 years. It's not going to help them.

2040

**The Acting Speaker:** Comments or questions?

**Ms Martel:** I appreciated the comments that were made by the member for Kingston and the Islands, both because he brought to it a perspective of someone who's been involved in housing issues for a long time and frankly because he made it clear that both the federal and provincial governments should be involved in housing. It's not easy to run counter to what your cousins in another jurisdiction may be doing, but he's right. Both the federal and the provincial governments have a responsibility to ensure that even the poor have decent, affordable housing.

The slide really did start, regrettably, when the federal government, in 1993, got out of that business. I regret that the federal government did that. I regret even more, at a time when we have a huge surplus now, that they wouldn't get back into that game. The Ontario statistics the member provided us with are statistics that could just as well be applied to other provincial jurisdictions where their provinces too aren't doing very much, if anything at all, with respect to building affordable housing.

Look, he gave us the statistics with respect to 1998—a 2% increase in apartments in the province. How many people did that house? How many people didn't it house who really needed affordable housing? I remember when Mr Leach stood in this House and said that at least 10,000 new, affordable housing units, would be built when the government passed its Tenant Protection Act. We haven't seen any construction of new affordable units in this province since that bill was passed, because it's clear that people in the private sector are only interested in building for the high end, not for people with modest incomes, not for the poor. If this government really wanted to do something about housing, they'd get back into the game of building social housing again.

**Mr Gerry Martiniuk (Cambridge):** I was most pleased to listen to the member for Kingston and the Islands and his concerns regarding public housing, but we should really come back to the bill itself, Bill 128, An Act respecting social housing, to determine what exactly it does. What it does is transfer the jurisdiction and assets of public housing in Ontario to, for the most part, municipalities. I, unlike many members of the opposition, have a great deal of confidence in our local councils. We're coming up to a municipal election, and in my area in particular we have many excellent candidates and many excellent incumbents running. I always have been of the belief that local councils are closest to

the people and can adapt all circumstances to the local circumstance.

The federal Liberals and governments before them got out of housing totally. We have to take our minds back to the fact that in this province, up until 1995, government after government turned a blind eye to the fact that we had inequality of education. It meant simply that some students in some areas, because of the area they lived in, received a lesser education. We took that education and equalized that for the first time across this province. In return, the municipalities have taken the obligation of social housing. I know they can do a good job, no matter what the naysayers say. I think it is vested in the right area.

**Mr Jean-Marc Lalonde (Glengarry-Prescott-Russell):** We just heard from the member for Kingston and the Islands, a member who was deeply involved in social housing and also municipal housing, especially as a former president of AMO. I was also on the board of directors of AMO for 11 years and also part of this municipal development committee. At that time we established the regulations of municipal housing, which was the full responsibility of the provincial government.

Just tonight, I was downstairs talking to some of the people at this co-op social rendezvous and I asked them if they knew anything about that \$100-million saving that municipalities are supposed to be getting. The answer I got was, "The saving will come from the rollback or the transfer of the mortgages, when the municipalities will be paying less interest." I wouldn't call that, at the present time—probably the municipalities are going to get a cheaper rate or a higher rate due to the condition of the housing projects we have in our municipality. Government was able to get blanket insurance coverage for all those buildings, but today each municipality will have their own policy. I'm pretty sure the insurance policies are going to be way higher, the interest rate could be higher, and again this is going to fall on the municipal property tax.

As mentioned by my colleague from Kingston and the Islands, we have a shortage of social housing in Ontario, and it's not with this Bill 128 that we will resolve the problems.

**Mr Wettlaufer:** I'd like to introduce some facts into this, something the members of the opposition and the third party certainly are going to be upset about. They say, "Don't give us the facts." Their minds are already made up. They don't want to be confused.

In January 1997, we took 50% of the education costs off the residential property tax rolls. That freed up \$2.5 billion to the municipalities—\$2.5 billion.

Let's look at another fact. I said before—and I stand corrected, as I mentioned to Hansard—that we had \$1 billion in social housing assets. It was actually \$1.7 billion.

The Liberals and the NDP talk about the condition of these assets. Let me tell you, in my riding I had an opportunity to go into these units when they were being renovated. One of the builders asked me to come in and

look at what was happening. A lot of these units were not even in need of renovation, yet they were being totally renovated. What I'm trying to say is that many, many, many of these units have been renovated within the last six years. That stands up, because in the Peel Living study which was just completed, Keith Ward confirmed to staff today that our two studies were confirmed, that these units were in fact in good condition.

**The Acting Speaker:** Response, member for Kingston and the Islands.

**Mr Gerretsen:** I would invite the member to come along with some of my colleagues to the Jane-Finch area, the Regent Park area, and see the condition of some of those units, and in many other places in Ontario as well.

Second, as to the transfers that took place, you may recall that AMO and everybody said the downloading loaded an extra \$1 billion worth of costs on to the local municipalities. Then, after all heck broke loose, all of a sudden you got involved in negotiations with AMO, and it was reduced to something like \$650 million more that you downloaded than was uploaded. In other words, the local taxpayers of this province still got stuck with \$650 million in extra costs that the province used to pick up. The local taxpayer is paying that right now.

**2050**

Let's look at all the other things that were transferred, things like transit, ambulance costs, more social service costs, more day care costs—you can just go on and on.

With respect to local councils, absolutely, I think the people at the local level who are elected are the closest to the people and they will have the best interests of not only these tenants but of everyone at heart. The problem is you've got to give them the resources to do it. There will be a lack of resources at the local level. Even the ministry's own backgrounder document states—just listen to this. You're getting \$525 million in the first year from the federal government, and then that amount decreases. What do you say in your own backgrounder information? "A portion of the federal funds will be retained by the province to meet its obligations." So they don't even know how much of the federal money that you're getting for housing is going to be transferred. Your own documents state—

**The Acting Speaker:** Time has expired. Further debate?

**Mr Steve Gilchrist (Scarborough East):** It's indeed a pleasure to add a few comments to the debate on the important devolution of social housing to municipalities. I certainly have a great familiarity with the issue, having been both parliamentary assistant and minister in this ministry. Unlike the members opposite, I think I can speak to having visited far more of the property that's actually the subject of the debate here than any member on the other side, with the possible exception of Mr Curling. I can tell you, for example, that the nicest apartment buildings in Kenora are the ones owned by the West Kenora District Housing Authority. Without any doubt, they are excellent facilities. Far from being a drain

on the municipality to transfer it, you're giving them an asset the likes of which they've never been given before.

The fact of the matter is very simply that we've heard a lot said on the other side about property tax and how it is somehow inappropriate to have municipal control over social housing because municipalities—

*Interjection.*

**The Acting Speaker:** If the member for Don Valley East is going to heckle, at least be in your own seat.

**Mr Gilchrist:** I know that we've solved one of Mrs Caplan's problems with her former health care. Her other mistake continues to haunt us today.

The bottom line is that in the debate here tonight and over the past five years we have never heard the other side suggest that education is not a social program. So the fact that the property taxpayers were paying for education for all of those years has never seemed to concern the members opposite. The fact that we saw education property taxes go up 120% in the 10 years prior to our election, despite the fact that inflation was only 40% and enrolment only went up 16%—they were comfortable not only with the concept of education being paid for but the reality that the long-suffering taxpayers were being raked over the coals year after year by profligate spending by that half of the municipal equation. We stopped that increase in tax. We transferred instead a number of services, including public housing.

Lost too in this debate is the fact that municipalities are already paying. They've been paying for social housing now for over two years. This legislation fulfills a commitment that they will have say for pay. I make no bones about the fact that social housing is an extraordinarily complex subject. There are 19 different agreements. So depending on the year in which a building was built, depending on whether you're a co-op, whether you're the traditional public housing, whether you're supportive housing, whether you're first nations housing, different governments of all stripes each thought they had a better way to craft the agreements under which a particular building operated. The result has been vast resources spent on lawyers, vast resources spent at the ministry just to oversee an extraordinarily complex topic. But it need not be complex. A part of this devolution involves rationalizing down all of those different programs into one streamlined delivery model.

I think the taxpayers and the tenants will realize tremendous benefits, because an awful lot of money that is currently being wasted on administrative duplication and overlap will now be targeted on specific service delivery. We will see more money put into capital improvements. We will see more money put into day-to-day maintenance. We will see more money put into security. Those will be the options of all the service managers on whom the authority to oversee these properties will devolve.

The government has done a number of things to encourage more affordable housing. I heard in the final response of the member from Kingston and the Islands the suggestion that somehow that issue should be brought

into this debate. I remind him that we've replaced rent controls with the Tenant Protection Act, which, for the first time in almost 25 years, encourages investment in rental housing by allowing landlords to set market rents on vacant units. The members opposite need only drive along Wellesley, the street that runs right into this property, to see no fewer than two apartment buildings with scaffolding up in front and repairs being made to bring them up to a far more acceptable standard for the tenants who live in them.

The Ontario building code has been amended to encourage the development of what are known as single-room occupancies. Again, you'll never see acknowledgement from the members opposite. They would rather belabour the fact that the problem exists than look for solutions. But in places like San Diego and Las Vegas, the local governments—and I stress again, the local governments—have come up with what are called SROs as an initiative that allowed for greater flexibility in terms of meeting the housing needs of people, for example, on government assistance or people who are new to a community and have yet to establish any sort of base and have yet to find a job. By reducing the square footage that was the mandated minimum and by allowing for other economies in construction, while still maintaining all the health and safety requirements under the building code, you can now build new apartment buildings that you could afford to rent for what a single person on welfare collects for the housing allowance today—a remarkable turnaround.

That took us a long step toward getting the 75,000 units that apartment builders in Toronto have identified are ready to go, except that after we cut the provincial sales tax rebate on all affordable housing—you'll remember that we eliminated 100% of the provincial sales tax, so the province makes no money now on the actual construction of affordable housing. Unfortunately, almost immediately after the province made that allowance of \$2,000 per unit, the city of Toronto, because they care so much for the homeless, because they care so much for those people they suggest are facing a crisis in housing, implemented a development charge on all new apartment construction. And how much was the value of that new development charge? Well, it may shock you to find out it was exactly the same \$2,000 the province had just cut.

The greatest irony of that, as you well know, is that you multiply that \$2,000 basically times zero. Because of the burdens and hurdles and barriers to the construction of affordable housing that continue to be put up by other governments, none gets built. So the city of Toronto obviously, as part of their budgeting process, thought it was wiser to keep their finance department staff idle, because they won't have to process any applications. As a result, the \$2,000 per unit is multiplied virtually times zero. There has been no benefit to the city of Toronto. But the prospect of paying that has stopped all those apartment builders from building the 75,000 units that, they would be quite prepared to share with the members opposite, are ready to go if only the numbers made sense.

You can't cut taxes more than 100%, and that's what we did. So to the suggestion opposite that this bill should be tied to affordable housing, I disagree. But even if you want to make that point, the reality is that the province has already undertaken a number of steps to guarantee that as long as the other two levels of government play ball, there will be a greater supply of affordable housing in this province.

A couple of other issues have been raised in this debate. The issue of the transitional costs: I'm very proud of the fact that even though an awful lot of the staff who will be involved in the day-to-day management of social housing once it devolves to municipalities are already very familiar with that topic—for example, the city of Toronto currently owns and operates more housing units than the province, which again poses a bit of a philosophical challenge to the members opposite. If it really isn't a municipal issue, could you please explain to me and all the other Ontarians who are watching why the city of Toronto not only disagreed with you but thought it appropriate over the years to spend hundreds of millions of dollars to build and manage its own public housing stock?

**2100**

Now the good news. The good news about the transfer we're proposing today is that over the last three years since the topic was first broached in this House, the province has already taken a number of steps, through the Ontario Housing Corp, to ensure that wherever there is overlap with existing municipal social housing authorities, they start to develop coordination in their delivery of services.

I want to be fair to the members opposite. In case you haven't heard this statistic, I hope you will reflect on it before considering whether this is a good move or a bad move. Because the city of Toronto has already been able to assimilate a lot of the administrative duplication for Cityhome and the Toronto Housing Co, which they run, with the Metropolitan Toronto Housing Authority, which the province runs, the administrative savings, the efficiencies they've been able to find so far have exceeded \$40 million. To the members opposite, that means the administrative savings in the city of Toronto alone would build 400 new units, at today's construction price, every single year from now in perpetuity. That is what just one administrative efficiency has delivered already. But we haven't heard that in the debate opposite.

I hope the members, if they were not aware of that, will now consider it and what it means in Peel, where Peel's housing authority will now co-operate with the former Peel local housing authority that we're devolving. All the other municipalities in Ontario, Hamilton and Ottawa and all the others, that currently have a municipal housing authority will find similar savings, will find similar ways of taking money that's wasted in head offices and on duplicate administration and put it into the tenants' actual apartments to make their lives better, to make those units safer and to make sure there are more units.

To help them along, even in those municipalities where they don't have the expertise, the province is going to be giving one-time transitional funding. The service managers, as we're calling them, will be eligible to access \$5.6 million just to cover the start-up costs such as computer equipment or hiring consultants. But I've got to share with you, Mr Speaker, and the members opposite that it has only been a few months since all the local housing authorities upgraded all their computer systems. So I strongly suggest that before anyone wants to go out and reinvent the wheel, they might want to reflect on the fact that the province has been making significant investments prior to the devolution.

In addition, the province is going to be providing \$7.6 million in one-time funding specifically to assist in the cost of a property management system. We're going to make sure the service managers will be eligible to receive funding to assist what we're calling local housing corporations to undertake a process to normalize title, meaning that for the first time—this will be staggering to you, Mr Speaker, and to many people listening—we will actually be able to perfect the legal title. An awful lot of confusion has developed over the years because of different contracts, because of different ownership and because of who had the land before the housing was actually built. I am told by the legal staff in the ministry that this \$7.6 million will go into cleaning up title, so that once and for all the municipalities will know what they own.

We've heard questions about consultation. I know and can speak from personal experience that we have consulted extensively with the Association of Municipalities of Ontario, the Ontario Non-Profit Housing Association, the Co-operative Housing Federation and all sorts of other municipal representatives, not only at the ministerial level and the parliamentary assistant level, but we've had a joint municipal-provincial working group on financial testing and access to Ontario Works, child care and social housing. That was formed with AMO and the Ontario Municipal Social Services Association, as well as having input from the Ministry of Community and Social Services. That group looked into ways to improve local service delivery on a wide range of issues including social housing, and it released its report in March of this year.

We've put in place some very stringent provincial standards for social housing. These standards are to ensure there's compliance with the terms of the signed federal-provincial social housing agreement. No tenant—no existing tenant and no future tenant—need fear that the rug will be pulled out from underneath them, because we are guaranteeing that all the service managers buy in and accept the terms and conditions of the agreement we've already signed with the federal government.

The standards will ensure that municipalities will continue to provide assistance to the same number. We've guaranteed there will no loss of rent-geared-to-income households. The municipalities will be required to report on a regular basis to ensure that all taxpayers, and this

Legislature, know they are following all applicable provincial and federal standards.

We're going to guarantee that there is a fair and constant eligibility and benefit and access policy applied all across Ontario.

Let me digress a second here. I doubt if there's a member in this House who in his or her term has not been exposed to a horror story from someone who's gone to apply at a co-op or some other housing authority, only to discover the dirty little secret that if you weren't the right religion, if you weren't the right ethnicity, if you weren't the right gender—you name the criteria—or maybe in some cases, and I could cite one in particular, if you were disabled, you didn't make the cut. It didn't matter what was in the charter of the particular co-op or housing authority. The fact of the matter is that there was extraordinary bias demonstrated as to who went in.

More to the point, and what has been troubling to a great many Ontarians, is that when they see a compendium of data compiled by—I don't want to be overly critical of colleagues opposite but more often by third-party groups with a vested interest in reversing the course our government has chosen. You'll see them talk about a seven-year waiting list or a 10-year waiting list or even a two- or three-year waiting list, depending on the community.

What you don't hear is that right now if you want a snowball's chance of getting into a housing unit in the city of Toronto, you apply everywhere. You apply to every co-op, to the public housing authorities—the provincial, the two city authorities—and quite frankly if you qualify under any other standards, such as First Nation, you apply to the housing premises that are operated for and by them. So the same name may appear in five, 10, 20, 50 different locations and it gets counted 50 times when people prepare those reports.

That's a fraud, but it's a fraud that's going to end with the passage of this bill because every municipality will be required to maintain one list. Unless the members opposite want to stand up and suggest, right here and now, that with the exception of obvious provisions to deal with people who are disabled or people who are in a crisis housing situation, bias is OK in the allocation of any public resource but in this case public housing, then I suggest to them this is a step forward and I would expect them to applaud that. For the first time there will be a fair allocation of public housing all across this province.

The fifth standard is that the current supply of units that have been modified for physically disabled people must be maintained. Again, no local housing authority will be able to dispose of any housing units in that category unless of course they want to replace them with even more modern and more up-to-date units.

Will the eligibility rules for social housing remain the same? They're going to remain essentially the same. All households in need will continue to be eligible to apply for social housing regardless of where they live in this province.

The government is proposing to change some eligibility rules for social housing to deal with misrepresentation of income. We certainly saw examples, and I don't want to name names here but we all heard the stories of even Toronto city councillors who, despite their salaries, which exceed ours in this Legislature, were living in co-ops and publicly supported housing units. One still does. At least three others who were revealed to be double-dipping have since moved out, and I can tell you, in the case of one married couple, into a very expensive house not far from the trendy Queen Street West neighbourhood, so I guess they really had the money all along.

**2110**

The fact of the matter is that unless the members opposite think Toronto city councillors should be living in public housing units that were designed for people who were in greater need than they will ever be, then again I would suggest they look very carefully at this bill and not deal, as they normally do, in a knee-jerk reaction that just because we propose a bill, it's bad.

Will the municipalities be able to sell off public housing? The service managers will be responsible for maintaining the same number of rent-geared-to-income units, as I mentioned earlier, and the same number of units for people who are disabled. If the LHCs wish to sell off or in any way change their existing public housing stock, they're first going to need to provide a business case to the service manager and have them sign off. In other words, there must be both a municipal sign-off and the minister will have the authority to veto any sale. I would suggest to anybody looking to make a fast buck off the \$3-billion gift the province is giving to the municipalities that they think twice about that.

The members opposite may not be familiar with what the market value is for our buildings, or per unit, but I can tell you that apartments have never had a higher price than they have today, and I say to you that this is a bill worth endorsing.

**The Acting Speaker:** Comments or questions?

**Mr Peters:** As a former municipal politician and somebody who still has a high regard for the good work municipal politicians do, I'd be very happy on their behalf to say to this so-called wonderful gift, "Return this gift to the sender. We don't want it."

They don't want it. Putting the costs of public housing on the property tax base is an irresponsible thing for a government to do, and this government has shown its disdain for municipal government over and over, when one looks back to the initiatives from the Who Does What commission.

The member talks about how things now are going to have one list. I don't know how they do things in Toronto, but I can tell you how we've been doing things in St Thomas and Elgin county for a number of years, and we have had one list. If you went into a public housing unit or a co-operative unit or a public non-profit unit, you had one list that listed all the co-ops. Municipalities have been doing this for quite a long time.

It's just so irresponsible to see what is happening to municipal governments at the direction of this government. We've heard there's a number of members on the government side who have served on a municipal council. I don't know how they could show their faces in a council chamber today, seeing the damage they've inflicted on municipal governments. It's a really sad day for Ontario to see this happen.

This is a piece of legislation with which the government should do the honourable thing and withdraw it. The government should do the right thing, and that is, enter into good working relationships with municipal governments, not a top-down relationship but one in which both sides are partners and work together. But no, it's the province's way or no way. Dalton McGuinty and the Liberal Party are totally opposed to this. Withdraw this legislation.

**Ms Martel:** In reply to some of the comments that were made by the member from Scarborough, I wonder if he and I are reading the same bill. When he talks about streamlining and getting rid of duplication, there are any number of sections, more sections than not in the bill, that do nothing but increase duplication, that do nothing but increase bureaucracy and that have nothing to do with streamlining, but in fact add different layers of bureaucracy, different layers of reporting, that actually increase all those things.

For example, if I look at the provincial government before having responsibility for administration, we've now got a situation through the bill where the province will be watching over the municipalities, which will then on their own as municipalities watch over the housing providers. You've got cases in this legislation where the province is going to police providers and the tenants directly. If you even look at the sections in the bill where those municipal service managers have to go back to the province to get permission from the minister, you can see very clearly that the bill has nothing to do with reducing duplication or with streamlining. Let me give you a couple of examples.

Some of those 47 municipal service managers across the province have to go back to the minister to get approval if they want to establish a system allowing two or more housing providers to jointly renew mortgage financing. Any time they want to deal with the assets that are being transferred to them, all 47 of those municipal service providers have to go back to the minister with respect to the restrictions in the transfer orders and how they can be changed.

Again, they have to go back to the province if they want to do things around rent-geared-to-income subsidy administration, because the province continues to set the rules. The province continues to set the rules with respect to special needs. So again, 47 service providers around the province have to go and deal with that. In any number of sections, the province continues to administer, there's no reduction in duplication and there certainly isn't any streamlining.

**Mr Coburn:** I want to respond to some of the comments the member for Kingston and the Islands made, so he can sleep a little better tonight. He was awfully worried about the non-profit capital reserves that were just going to be frittered away and those who had contributed to the reserves wouldn't benefit from them. This often happens when you don't take time to research your information and understand the SHSC.

Yes, the money goes into one kitty, but the reason for that is good business sense, in that they can attract and invest properly to maximize the return on investment. The money that is contributed from each non-profit sector is earmarked to go back there. Whenever they want to use it, they can draw from that pool. But it was good business sense to consolidate those reserves. I made reference earlier that in 1992 there was a moratorium on contributions to reserves in the non-profit sector. That was by a former government, of course. It was our government that took that moratorium off and put in \$172.5 million, and the feds added \$31 million, in 1997. The reserve fund today, \$390 million, generates a considerable amount of money, and the non-profit corporation facilities will be able to benefit greatly in some of the enhancements and maintenance they want to do with those facilities.

I'd also like to point out, and compliment the minister—I didn't quite get time to finish last time I was up—that another initiative we've taken is that the minister has set up a housing supply working group, with representatives from the building and development industry and labour. The group will identify rental housing supply problems and solutions, and will come back and recommend solutions and how we can build more affordable units in this province.

**Mr Caplan:** It would be easy to trade insults with the member for Scarborough East. I certainly don't intend to do that. I want to talk about the bill, and I want to talk about housing policy and the absolute mess of the Harris government, especially with a former Minister of Municipal Affairs and Housing, albeit short-lived. He should know there already is a centralized waiting list for housing. He should also know that people in co-op and non-profit housing pay market rent. He should also know that this bill removes all the authority from housing providers to provide housing and puts it in the hands of municipalities, but ultimately with the province by regulation-setting ability. There is no accountability in this legislation. It is a complete farce.

There are many objectionable things about this legislation. There are also many objectionable things about the government housing policy. I would just say that we are seeing waiting lists grow, we are seeing vacancy rates plummet, we are seeing all this in a time of great economic prosperity. Imagine what is going to happen when things turn, as they inevitably will. You have to know, and I hope the member would acknowledge, that we have a recipe for disaster. We have an affordable housing crisis now. We have a private sector which is not

building housing. We have government, the public sector, which is not building housing. This legislation, Bill 128, will cement the province abdicating its complete responsibility.

I know the member said that if the municipal governments or the federal government get back in the game—frankly, what is the provincial government prepared to do? Obviously they're prepared to wash their hands of housing, to transfer the liability on to taxpayers, both business and residential, at the municipal level, and that's abhorrent.

**Mr Gilchrist:** I appreciate the comments that have been made on this important issue by my colleagues on both sides of the House.

To the members opposite, you'll forgive me if I disagree with your perspective. I don't think I've heard anything convincing enough to suggest I should vote against this bill. The fact of the matter is that the housing stock across this province is as good as or better than private apartment stock. Obviously you have never seen the scattered units in places like North Bay. They are some of the nicest homes, albeit a bit smaller than the average home, in North Bay.

The reality is that across this great province over the years, different governments have continued to make investments. In 1998 alone, the ministry invested \$117 million in capital improvements. If the members opposite want to talk about \$1 billion as being the only value, find me any other apartment developer or apartment owner who is investing 10% year after year in the maintenance and upgrading of the capital side of his investment. The fact of the matter is, the province has gone far further than either the cities or the federal government.

Is there a crisis? Perhaps. I hope the member opposite, when he's out knocking on doors with his mother, raises the profile of housing with her. I hope he convinces her to take the GST off apartment buildings, because Mr Caplan's mother is quite prepared to be part of a cabinet that says, "If I build a building and I call it a condo, I get my GST back. If I call the same building an apartment building, I don't." I keep hearing—

**Mr Caplan:** Yes, they do.

**Mr Gilchrist:** No, they don't, Mr Caplan. You might want to bone up on federal tax law.

If cities like Toronto continue to come out with new initiatives like a \$2,000 development charge, small wonder we've seen a stifling of development of new affordable housing.

We've gone the distance. We're making sure local municipalities have control over what is a very important local asset.

**The Acting Speaker:** I remind members in the House that they refer to each other here by their ridings as opposed to their names.

It being close to 9:30 of the clock, I declare the House adjourned until 10 of the clock tomorrow morning, Thursday, October 19.

*The House adjourned at 2123.*

**LEGISLATIVE ASSEMBLY OF ONTARIO**  
**ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO**

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Guelph-Wellington	Elliott, Brenda (PC)		
Haldimand-Norfolk-Brant	Barrett, Toby (PC)		
Haliburton-Victoria-Brock	<b>Hodgson, Hon / L'hon Chris</b> (PC) Chair of the Management Board of Cabinet / président du Conseil de gestion		
Halton	Chudleigh, Ted (PC)		

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Nickel Belt	Martel, Shelley (ND)	Scarborough-Rouge River	Curling, Alvin (L)
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Northumberland	Galt, Doug (PC)	Simcoe-Grey	<b>Wilson, Hon / L'hon Jim</b> (PC) Minister of Energy, Science and Technology / ministre de l'Énergie, des Sciences et de la Technologie
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		Windsor-St Clair	Duncan, Dwight (L)
		York Centre / -Centre	Kwinter, Monte (L)
		York North / -Nord	Munro, Julia (PC)
		York South-Weston / York-Sud-Weston	Cordiano, Joseph (L)
		York West / -Ouest	Sergio, Mario (L)

A list arranged by members' surnames and including all responsibilities of each member appears in the first and last issues of each session and on the first Monday of each month.

Une liste alphabétique des noms des députés, comprenant toutes les responsabilités de chaque député, figure dans les premier et dernier numéros de chaque session et le premier lundi de chaque mois.

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Garfield Dunlop, Raminder Gill, Pat Hoy,  
Frances Lankin, Bill Murdoch  
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## CONTENTS

**Wednesday 18 October 2000**

<b>Social Housing Reform Act, 2000,</b>	
Bill 128, <i>Mr Clement</i>	
Mrs Bountrogianni .....	4815
Mr Peters .....	4816, 4819, 4835
Ms Martel .....	4818, 4820, 4823 4827, 4831, 4835
Mr Coburn.....	4818, 4822, 4827, 4836
Mr Caplan .....	4819, 4827, 4836
Mr Martin .....	4819, 4823
Mr Duncan .....	4823
Mr Wettlaufer.....	4823, 4831
Mr Beaubien.....	4824, 4828
Ms Mushinski.....	4825
Mr Gerretsen .....	4826, 4828, 4832
Mr Martiniuk .....	4831
Mr Lalonde.....	4831
Mr Gilchrist.....	4832, 4836
Debate deemed adjourned .....	4836

## TABLE DES MATIÈRES

**mercredi 18 octobre 2000**

### DEUXIÈME LECTURE

<b>Loi de 2000 sur la réforme du logement social,</b>	
projet de loi 128, <i>M. Clement</i>	
Débat présumé ajourné.....	4836