



ISSN 1181-6465

Legislative Assembly
of Ontario
Second Session, 38th Parliament

Assemblée législative
de l'Ontario
Deuxième session, 38^e législature

Official Report of Debates (Hansard)

Tuesday 17 October 2006

Journal des débats (Hansard)

Mardi 17 octobre 2006

**Standing committee on
estimates**

Ministry of Municipal Affairs
and Housing

**Comité permanent des
budgets des dépenses**

Ministère des Affaires municipales
et du Logement

Chair: Tim Hudak
Clerk: Katch Koch

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Hansard Reporting and Interpretation Services
Room 500, West Wing, Legislative Building
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Toronto ON M7A 1A2
Telephone 416-325-7400; fax 416-325-7430
Published by the Legislative Assembly of Ontario



Service du Journal des débats et d'interprétation
Salle 500, aile ouest, Édifice du Parlement
111, rue Wellesley ouest, Queen's Park
Toronto ON M7A 1A2
Téléphone, 416-325-7400; télécopieur, 416-325-7430
Publié par l'Assemblée législative de l'Ontario

LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 17 October 2006

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The committee met at 1548 in room 151.

MINISTRY OF MUNICIPAL AFFAIRS
AND HOUSING

The Chair (Mr. Tim Hudak): The standing committee on estimates is now back in session. It's our last day with the Minister of Municipal Affairs and his team. It's been nice having you. I hope you won't miss us too much.

Hon. John Gerretsen (Minister of Municipal Affairs and Housing): I will. I'd like to go on for a couple more days.

I'd like to take this opportunity, by the way, to introduce a new member to our ministry community here who was unfortunately not here the last time: our deputy minister, John Burke, who is well versed in not only provincial municipal matters but also in the municipal affairs of the entire province, having served in various capacities in about four or five different communities.

The Chair: It is nice to see the deputy back, well rested. Welcome, sir. Of course, Doug Barnes, assistant deputy minister, housing division, and Pam Skinner, assistant deputy minister, business management division, are at the front bench.

When we last left, the government members had six minutes remaining in the rotation.

Mr. Wayne Arthurs (Pickering–Ajax–Uxbridge): Mr. Chair, we're prepared to stand down that six minutes and start with a fresh rotation at this point in time.

The Chair: Thank you very much. That means the official opposition will have 20 minutes. Mr. Hardeman, are you ready?

Mr. Ernie Hardeman (Oxford): Thank you very much, Mr. Chair. I was hoping that with the government side standing down their 20 minutes, I would have 40 minutes. But obviously, that's not the case. I'm sure that won't matter, because I'm sure, with the deputy back today, the answers will be so forthcoming that I will get 40 minutes' worth of questions answered in the 20 minutes that have been allocated.

The Chair: No doubt.

Mr. Hardeman: Minister, I wanted to go to some of the program spending. The first one is COMRIF, the Canada-Ontario municipal rural infrastructure fund. A lot of my community have some concerns, partly about how the application is complicated and hard to go through,

and secondly, real concern about the criteria of how their infrastructure is based on a lottery process, as to whether or not you're going to get funding this year, as opposed to real need. There seems to be less valuation of the need of the projects—one against the other—than just the lottery of where we should spend certain amounts of money. This isn't about who didn't get it and who did, but could I maybe get somebody to explain to me a little bit how you go about deciding who gets COMRIF funding and who doesn't?

Hon. Mr. Gerretsen: Before I turn it over to the deputy to explain the entire program to you in detail, I should tell you that the COMRIF phase two and three programs are no longer part of this ministry. It was transferred to the Ministry of Agriculture, Food and Rural Affairs, under the rural affairs component, in June 2005, so it is no longer part of this. But I can tell you, from having been involved in the first phase, that the process that was used was a federal-provincial process. I believe it was the first time that the application of this nature for infrastructure funding was done on a one-application basis. It was adjudicated upon primarily by our rural division—by the way, the same people who were involved when it was part of the Ministry of Municipal Affairs and Housing are still involved with the Minister for Agriculture, Food and Rural Affairs, because it was basically the whole rural affairs component that moved over. So the structure of the program is very much the same.

I can tell you that everything was done on a complete point-by-point analysis and assessment basis. The projects that were funded were sometimes only rated one percentage point higher than programs that couldn't be funded under the amount of money that was available. I don't know to what extent you want me to go on. They're not part of these estimates, but I'd be pleased to turn it over to the deputy, who could give you the parameters of the program as it existed then, and, as I understand, continued to exist under phase two. Phase three has just gone out for applications, I believe, by the end of September. Most of the applications are in right now, but it's not handled by this ministry directly.

Mr. Hardeman: Thank you very much. There's not much sense in going on with it if it's not part of these estimates, because obviously someone else has responsibility for that.

If I could then quickly go to the Ontario municipal partnership fund. I think it was mentioned earlier in the

discussions that it was a much more open process than what had previously existed under the community re-investment fund, and everyone could understand it. But I find that my people aren't as quick at understanding it as the members of the government on the committee. For example, when I looked across the chart, there seemed to be a lot of municipalities whose numbers are frozen from one year to the next.

Minister, I wonder if maybe you or the deputy could explain why, in my community, Tillsonburg was frozen, the city of Woodstock was frozen and a couple of other ones weren't. Could I maybe hear why some people get increases and some don't, depending on the circumstances not having changed to any great extent from one year to the next, and recognizing that the estimates show that the freezing decision is made before the information is there to say how their finances are.

Hon. Mr. Gerretsen: I hate to repeat what I just said about the other program, but again, although within the municipal world we are looked upon by a lot of municipalities as being the originators of this funding—and to a certain extent I wish we were—this is a Ministry of Finance program. We have some input into how the program is designed and set up, but the actual funding mechanism is part of the Ministry of Finance estimates.

I can tell you this, however, and go over the criteria that we set out: The communities that were frozen, as you say in your sense, would have gone down to some extent under the new formula, because basically, when the program was redesigned, although the total program is up \$150 million more than we spent on it three years ago, within the parameters of that, there were some municipalities that got a substantial amount of extra funding and some municipalities that weren't as fortunate as they were under the old CRF funding. The ones that got the same amount of money basically got it because they would have gone down, except for the fact that the Minister of Finance decided in the last budget, last March, to make sure that those municipalities didn't go down in the actual funding, and they were in effect given exactly the same amount of money as the year before, which I think was, to the municipalities that received that funding, additional monies that came in to them, because they had been told the year before that in effect it would be declining to some extent. So the parameters, again, are that we introduced a new social programs grant component that basically meant that if your municipality was spending more money on social program grants than other municipalities of equal nature and size etc., you would be given certain credits for that. There were refinements to the police services grant, to give more support to rural communities and high policing costs. There was increased funding to northern and rural communities by basically enriching the funding parameters. So we felt, and I think history has shown, that the program is much more transparent to CRF funding, and many municipalities got substantially more money. There were some municipalities that weren't as fortunate, but even those municipalities, for last year, got at least the same amount

of money as they got the year before, whereas they would have been told the year before that the amount they were going to get was actually going to be less than they ended up getting.

Mr. Hardeman: So from that, am I to understand that in fact the ones that I looked at on the chart, that I see are frozen, don't need—using the same criteria, they're better off than the neighbouring municipality that got all kinds of money?

Hon. Mr. Gerretsen: When you take into account the four factors that determine your Ontario municipal partnership funding allocation, I'm not going to sit here and say that some municipalities are better off than others. That's up to the local councils to determine and decide. But looking at the four factors that we take into account for this particular program, yes, they would be better off than other similar municipalities, taking these same program guidelines into account.

Mr. Hardeman: The other program is the Ontario Strategic Infrastructure Financing Authority. I believe that's a program that you're just the banker for; is that right?

Hon. Mr. Gerretsen: No. I'll turn to the deputy to explain that program.

Mr. John Burke: I think the funding that's provided for in that program is largely capital for transportation. So you would likely find the bulk of the money allocated through that program to be transportation, MTO money.

Mr. Hardeman: Maybe we need someone else here, because isn't this the bank that you can borrow from as opposed to grant from?

Hon. Mr. Gerretsen: Oh, you're talking about OSIFA.

Mr. Burke: Okay. Is it OSIFA—I'm sorry; I thought you were talking about the infrastructure fund.

Mr. Hardeman: It's okay.

Hon. Mr. Gerretsen: Sorry. The assistant deputy minister, Dana Richardson, will answer this one.

The Chair: Dana Richardson, assistant deputy minister responsible for—

Ms. Dana Richardson: Local government.

The Chair: Thank you very much.

Ms. Richardson: The program that you made reference to is actually managed through the Ministry of Finance. What it does provide is low-interest loans for municipalities that are eligible for investing in infrastructure projects. The types of projects are usually long-term in their nature and the type of interest rate that's provided is lower than would otherwise be available through other financial institutions. So there is a benefit to those municipalities for borrowing from that particular fund.

Mr. Hardeman: Could you explain to me the big advantage to it? Is your interest rate less?

Ms. Richardson: That's right. So they have less borrowing costs when they are looking at actually spending money on infrastructure programs.

Mr. Hardeman: What does the ministry set the interest rate at? Maybe you said that and I didn't hear it.

Ms. Richardson: They do vary from time to time. I don't have percentages right in front of me but I could definitely get those for you.

Hon. Mr. Gerretsen: Basically, the program allows the government to borrow on behalf of municipalities that want to be part of this program, so that as a result of the bulk purchasing of financing, in effect, the interest rates can be lower and, what's even more important in a lot of cases, the service charges can be a lot lower than if each municipality had to do it on its own.

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Mr. Hardeman: I guess I don't understand it. When we met quite a while ago with the Minister of Infrastructure Renewal, one of the things that he was promoting in the health care field was to get the government out of borrowing the money and let the private sector do the borrowing, because that was going to be more economical. How do we make the ministry borrowing more economical instead of someone else borrowing it?

Hon. Mr. Gerretsen: It's a question of the ministry borrowing it on behalf of a number of municipalities or each one of these municipalities borrowing it themselves. The municipalities are still on the hook, as it were, for their portion of whatever's being borrowed, but the fact that, in effect, it's underwritten or guaranteed by the government allows for better rates and better service charges.

Mr. Burke: I think the only thing I would add to that is that it's the municipality's decision how they're going to finance their capital programs. The province actually doesn't dictate that to them, as I'm sure you're well aware. The municipalities decide how they want to finance it, and as the minister says, the advantage of the amount is the pooled nature of it. All the municipalities identify what their capital needs are, what their borrowing needs are. The province goes to the market in a comprehensive package way. The bulk actually gives them, if I can use the term, a discount, and the fees are discounted as well because you're really going with one offering, as opposed to many offerings if each municipality was doing it.

Interjection.

Mr. Burke: That's the other thing, too. They get to choose the amortization, how long it takes to pay back that loan.

Mr. Hardeman: There's nothing in the estimates that would tell me what the difference is between what it would cost municipalities to do that as opposed to going to the local market and borrowing their own money?

Hon. Mr. Gerretsen: No, because basically—does the total borrowing show up on the provincial books? If it does, it would be within the Ministry of Finance. We are basically just a broker on behalf of all the municipalities to pool the requested loans that they require together in order to make the financing as cheap as possible. But it's not a grant program. Obviously, municipalities would prefer a grant program rather than a loan program. Particularly for the smaller municipalities, I think there's a tremendous saving as far as administration is con-

cerned, as far as interest rates are concerned, but I certainly wouldn't compare it at all to a grant program, which obviously they would prefer.

Mr. Hardeman: Okay, I think you've fairly well explained those programs.

I want to go back to the question that we were discussing at our last opportunity. It had to do with the ministry's actual estimates, how much of that was spent on public relations and advertising and how that would have been spent, whether it was spent through the ministry as a ministry cost with their staffing or whether it was outside contracts that were going out to provide a certain level of service. I thank the ministry for having prepared it—I have it here; it was on the desk—but it's really not much more than what the estimates said as to where the money actually went.

This time, Mr. Chairman, I hope we're all looking at the same page.

The Chair: I would hope so, yes. Members have been provided with this through the ministry.

Mr. Hardeman: This is the information provided. We look at ministry administration, advertising and communications products/services: \$253,000 and \$4,758,000. Then it lists the things that it does: \$253,000 is job advertising. I think that job advertising is pretty self-explanatory as to how we spent the money, but this report doesn't really go very far as to how the \$4,758,000 was divided up, whether we're spending that through ministry staff doing the job they're on staff for and how much of it was sent out to someone else under contract to provide a certain service.

I look here at "PR services—speech writers, communications planners.

"Displays, graphic design, newswire distribution

"Coaching material related to leadership training."

I wonder if we could get a breakdown of that, just on what that was.

Mr. Burke: Perhaps I could just begin by saying that these are estimates, of course, and in some cases we've not spent this money and decisions have not been made as to how the money gets spent or whether or not there's a need to go outside to assist us internally in providing these services.

As you say, under ministry administration, job advertising is pretty self-explanatory. But staying with ministry administration, under communications products/services, media monitoring and newswire services are basically purchased services. You buy a subscription, you pay the fee and essentially that's how it works.

Special events happen during the course of the year in a number of different areas in the ministry. Some of those costs we're able to absorb internally, because we have some staff resources to plan these things, and in other cases we need outside help and support. The same with the ministry's website: there's content that needs to be changed, and sometimes programming and assistance are required from an outside professional point of view.

Those are really how we plan to spend the money. Whether we would spend it in exactly the way it's

described here on this page, of course, is another question, because it's all about workload: how many of these events would take place simultaneously, how many would be done at various points in the year and so on.

Mr. Hardeman: I understand that. I guess if we're going to get any benefit out of looking at estimates, one has to know how we arrived at that number. As you said, this isn't money spent; this is money that's going to be spent. But if a committee is looking at those estimates, then we need some indication of how we arrived at those numbers. I guess the question would be, can we get an indication of where the money was spent last year in those same categories, which one of those would be continued and why the estimate would be there?

One example I would use is to look at affordable housing. We had considerable debate at previous meetings about how much money was allocated for affordable housing, how much was actually spent and how many units were actually occupied. When I look at this, I think we can look at last year's estimates and this year's estimates and find that we're spending the same amount of money on design and production of products related to affordable housing program announcements. If we don't announce, what do we do with the money? Since we didn't get any, or very little, affordable housing built last year and we're going to build a whole lot this year, are we going to do more announcing, or have we already done all the announcing for the all the money and we don't need any money this year?

I think we need some kind of indication of how you relate the expenditure to the estimate and how you came up with the estimate based on previous and future-looking expenditures. I wonder if we could get a written report on that for future reference.

Mr. Burke: I don't have any data from last year's spending with me right now. That's normally the stuff we would send to public accounts and have to explain the spending that goes with that. But you're right in the sense that how we establish our budgeting requirements is to some extent determined by what we spent last year; the staff resources we have this year as compared to the previous year; and another example is how many events we believe we will have this year. And what programming we are going to have to deliver year over year, and sometimes that changes, will determine how much of it we do internally and how much we do externally.

I'm sorry, I don't have here with me the level of detail you're looking at. We can certainly take your request under advisement and see whether or not we can generate what you're asking for in that regard. But it's all of the points you had raised around how you actually build a budget.

Mr. Hardeman: I very much appreciate it. Thank you very much for your presentation.

Hon. Mr. Gerretsen: If I could just answer the question, what we've got here, then, what you've been given, is the advertising and communications services budget. The question you asked the other day was, what was spent on the services account? We have tabulated all

the services in the various budgets, and that came to \$65 million. I'm more than prepared to share this document with you. It shows how much was spent: rent, \$10 million; legal and audit branches, \$5.5 million; consulting, \$3.6 million; staff development, \$1 million; rural and native housing, which is basically a pass-through from the federal government, \$38 million; advertising and communication products, \$1.1 million; and various other things that add up to \$65.5 million. I believe that's the question you asked the last time, and we're more than prepared to share this with you.

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The Chair: I apologize. We are out of time for the official opposition's 20-minute segment. That's kind of you, Minister. If you want to share it with the clerk, the clerk can distribute it to the members, if that's what you'd like to do. We thank you for getting back to the committee on that.

We now have 20 minutes of time to the third party.

Ms. Cheri DiNovo (Parkdale-High Park): This is fascinating. This is new information, the \$65 million on this sheet. I just look at the original promise to build 20,000 units of affordable housing, and this would have pretty well paid for it.

To get back to the questions that I wanted to ask, these were generated by a very interesting meeting I had this week with the Co-operative Housing Federation. I wanted to bring to the attention of this body that in Parkdale-High Park, we have five co-op housing projects, none of them really taking much in the way of taxpayers' dollars. They've all been chugging along very well, with huge waiting lists. Harvey Cooper's concern, of course, was about the future of co-operative housing endeavours. He generated these questions, so I'll ask them on his behalf.

He says, "As you are aware, on September 26, 2006, the federal government announced that \$312 million will be set aside in a trust fund for the province of Ontario to use to increase the supply of affordable housing or increase the supply of supportive and transitional housing?"

He would like to know if your government confirms that "all of the \$312 million provided by the federal government will be used to fund new affordable housing in addition to the commitments already made under the joint federal-provincial affordable housing program."

He goes on to say, "The new federal government housing trust funds appear to give a significant amount of program delivery flexibility to the province of Ontario, although the funding is not to be used for subsidizing existing social housing stock, providing rent subsidies, nor replacing provincial investments in affordable housing.

"This flexibility could allow the province to implement many program changes that previously required federal approval. Some examples come to mind such as targeting the funds for permanently affordable co-op and non-profit housing and providing higher capital subsidies for larger family units."

So the question, then, is, “Minister, will you move very quickly to both ensure that the entire \$312 million is allocated to affordable housing over the coming year as well as improve the AHP where possible?”

Hon. Mr. Gerretsen: That’s a very good question. Let me say that I’ve had some very fruitful meetings with Mr. Cooper and with the co-op board, both when I spoke at their conventions the last two years and when I met with the board just recently in one of the Toronto ridings. Again, he posed these questions as well as other questions at that time.

The trust fund has been set up. I believe that the Deputy Minister of Finance is the trustee of the trust. If you’ve been following the media about the interplay between provincial elected officials and federal elected officials, you may have noted that there is some dispute as to what exactly this funding is for. It’s certainly our intent within the Ministry of Municipal Affairs and Housing that this funding is for future housing programs, including co-op programs, but until that area of—I won’t call it the dispute—misunderstanding as to what exactly this \$312 million is for, and whether or not it’s only for future new programs or already existing programs—until that’s ironed out between the Minister of Finance for the province of Ontario and the federal Minister of Finance, we in our ministry, which is basically involved in the delivery model of affordable housing, will not know exactly how much will be allocated for what kinds of programs.

Ms. DiNovo: I reiterate the question: If you get your wish, though, and the \$312 million comes your way, will you then put this into affordable housing over the coming year?

Hon. Mr. Gerretsen: It’ll be put into some sort of affordable housing programs. I’m sure it’s the wish of our ministry and the wish of the government to do so.

Ms. DiNovo: To follow along on that, one of the most glaring inadequacies of the affordable housing program, as evidenced over the last few years, is the area—we had a prime example of this today in the media, the trial around the killing of Otto Vass. This was a person with mental health issues.

I know in my riding and many inner-city ridings, there is a huge demand for supportive housing for people with mental health issues and other issues. These are usually single folk who are looking for single units. Many of them are on OW or ODSP. As we discussed last week, we’re looking at incomes ranging from \$500 and change to just slightly over \$1,000 or around \$1,000 and change, depending on the individual. That means that on the 30% formula, we’re looking at housing units of around \$150 to \$350.

When we looked at that last figure of 1,635 units actually occupied, we managed to break that down last time, I remember, to only around 500 or so actually affordable units, and we weren’t sure at that point whether even those would be affordable for someone like Mr. Vass or others with mental health issues.

My question, Mr. Gerretsen, then, is about exactly that range of truly affordable housing for the poorest of the

poor in our major centres. I’m wondering what programs will be in place to build units that will be affordable at that rate.

Hon. Mr. Gerretsen: Maybe I could first of all correct the record. This may have been my own misstatement at the last meeting when I said there are 1,600-and-some-odd units that are actually occupied. I have been informed by my ministry since then that the actual number of units that are occupied is 2,122. I know it doesn’t deal with your issue, but there have actually been about 500 more units than I reported at that time.

As I indicated the last time I was here, there are a number of different affordable housing programs out there. Some are in the housing allowance area, some in the rent supplement area, some in the affordable housing program for either private, non-profits or co-ops etc. and some in the affordable home ownership group.

One impression that may have been left here the last time is that we were subsidizing units in which people were paying mortgages of \$180,000 or more. I want to make it absolutely clear that under the new affordable housing home ownership program we are basically paying the down payment for some individuals who fall within that new affordable housing home ownership program that amounts to about \$9,000. The builder is putting in some funding as well by way of a forgivable second mortgage if the homeowner still lives there after a certain period of time. We feel this helps individuals to get into housing and in effect frees up housing from which they came, which is obviously rental housing in most cases and obviously will be available for some of the individuals whom you and I are talking about.

There are different programs. We’ve always said that there would be different programs. Will some of the programs help the people at the bottom end of the lower economic scale more than others? Absolutely.

Ms. DiNovo: Which programs will help those people?

Hon. Mr. Gerretsen: The rent supplement programs, which we’ve increased by about 3,500 units; the housing allowance program, in which we’ve got about 5,000 units set aside, and not all that many units have been occupied as yet. One of the reasons for that, as we so often hear from our service managers, is the fact that it’s only a five-year commitment and it would not be available for in situ tenants.

These were parameters that were put on the program by the federal government. It’s a joint program; we couldn’t get out of that. We are currently looking at programs that would be supported primarily or solely by provincial tax dollars and would not have those restrictions that are currently involved in the housing allowance programs of the federal government. They basically say you cannot provide housing allowances for people who are paying well above 30% of their income towards rent because they are not moving into a unit—they’re already in a unit. We personally feel within the ministry that that’s not the way to go, but we can’t get out of that program with the federal government, so we’re looking at programs that will help those individuals that would be funded primarily just by the provincial government.

1620

Ms. DiNovo: Just to backtrack, first of all I have to say I'm very pleased that we're up over the 2,000 mark. It's still a far cry from the 20,000, but hey, there's progress. But I didn't hear an answer to my question. My question was, for the those people at the lower end, those people on OW and ODSP who are looking at rental units of \$150 to \$350, I just wanted to know where those units are. Where are the buildings? Where are even the rental supplement units? Where are they and how many are there? I'm not being rhetorical here; I'm asking because I'm not aware of any in my riding. And I know there are many MPPs who are not aware of any those units in their ridings that are affordable at the \$150 to \$300 range. So I would like to know on behalf of my riding where those units exist, what are the developments and where I can direct people who need that housing.

Hon. Mr. Gerretsen: The units exist all over the place as a result of agreements that have been reached between the service managers and the individual housing providers—landlords, whatever—in both the rent supplement and the housing allowance programs. I can't pinpoint them. All I know is that currently we have 6,670 rent supplement units out there. We have housing allowance agreements with our service providers for 5,000 units. As I indicated before, the uptake on that program has not been as quick as we certainly would have wanted to see it happen. The main reason for that is that a lot of the service managers, through their local councils, don't like the fact that there's a five-year limit to that particular program and the fact that it cannot be utilized for people who already live in housing right now; in other words, they have to move into a unit etc. As I mentioned before, we're now trying to devise programs that in effect would take those two restrictions out of play, so that the empty units that are out there can be utilized as quickly as possible. But perhaps the assistant deputy minister of Housing, Doug Barnes, can add something to that as to where they're actually located.

Ms. DiNovo: At the end of the day, the reality is that there's a person without housing on OW or ODSP who needs housing. We face this—all of us—in our ridings as MPPs and we would like to know where that housing exists that we can direct these individuals to. That's notwithstanding the 122,000 households that are on the waiting list for five to 10 years. I'm not even going to touch that right now, but what I would like to know is if at the end of that five to 10 years there's actually something they're waiting for. Before I suggest to people in my riding that they put their names on such a housing wait-list, despite the fact that it might come up after their demise, I would like to know that there's a pot of gold at the end of this rainbow. Is there a housing unit for them somewhere?

Mr. Doug Barnes: The new housing that we're actually in the production stages of under the affordable housing program obviously is operated by the municipal service managers. They do an RFP process to attract different builders. So we do get a variety and we do get

mental health individuals. I believe one of the actual projects that we undertook is the Verdicroc project. In that particular project we have 30 units which are full RGI—in other words, it takes them right down to whatever, if it's ODSP or welfare rates or Ontario Works rates—and then we also have 16 units which are supplemented by the Ministry of Health and in fact bring the rent down to RGI levels for mental health individuals in that project. That's just an example. A lot of the projects that we do bid in are mixed in terms of being just below market rent. All of the ones under the new rental programs start at 20% below market rent—almost all of them. And there are additional programs that get stacked in to help reduce the actual rental rates down even further.

Ms. DiNovo: The Verdicroc program is one that I raised last time, and I understand from the report I have that there were 232 supposedly affordable rental apartments and that most of them don't meet the criteria of the individual I was speaking about: bachelors, \$726 a month; single bedroom, \$889 a month; two bedrooms, \$1,060 a month. The fact that out of those 232 units, say even 30 units plus 16, so 46 units are affordable to the poorest of the poor—we're dealing with astronomically small numbers, I have to say, first of all. The only affordable housing units, Minister, that you can point to that are actually out there, actually built, actually occupied—46—don't help. Again, most of our MPPs deal with the huge need in their ridings for affordable housing.

I understand, just to go back to the housing allowance, that 5,000 housing allowances currently have been allocated to the different service managers around the province, and my understanding is that 499 of those units are actually occupied right now. Is that correct?

Hon. Mr. Gerretsen: The total that are occupied in the rental and supportive housing units is 2,122; under construction, 2,161; in planning approval, 1,157. That is within the rental and supportive units.

You indicated earlier that there were only 46 units within the Verdicroc complex. I've got lists here of projects that are either under construction or—throughout the entire province, for every city and town that's out there. How many projects are currently under way? There are 128 different projects of affordable housing under way right now in the province of Ontario.

Ms. DiNovo: It's my understanding, and this is from the Star, the Wellesley Institute and Michael Shapcott, that 23 out of 44 wards in Toronto don't have any. I don't know where these—again, if the shovel is not in the ground yet, it doesn't do a lot of good this winter for those people who are at the lower echelons of the income spectrum and who need housing now. My point, Minister, is to the fact that this was declared a national disaster area by the Toronto Disaster Relief Committee and that two people a week die on the streets of Toronto. This is not your area of jurisdiction, but since they're not allowed to be on our streets anymore, one might ask where they're supposed to go and where they're supposed to live.

I cited a study in New York last week, but here's one closer to home. British Columbia did its own study—this

was just a few years back—and found that taxpayers save about \$12,000 a year for every homeless person moved into supportive housing. That's easy to see, because when we see how much it costs per night for a shelter, per night for health care, police care and everything else that goes into being homeless on the streets of Toronto, one can see that building a modest unit might actually save taxpayers money.

I still fail to see any financial reason why this ministry has been so slow to build affordable housing units for those estimated 3,500 homeless people on the streets of Toronto.

Hon. Mr. Gerretsen: I think that homelessness and people who live the way you've described is everyone's business. Nobody likes to see that. Although it may not be, strictly speaking, within the jurisdiction of this ministry to deal with other social service programs, it's a concern to all of us.

All I can tell you is—and I think you may have put your finger on it to some extent—that the ministry itself does not build any of the housing, or doesn't build it directly under its jurisdiction. As a result of the downloading that was done by the last government, social housing is primarily the responsibility of the 47 service managers. So the way we deliver the programs right now is through the service managers. It has taken a long time to get the various agreements into place with the service managers. Are we basically relying on them to call for the RFPs etc.? Yes. Is this a perfectly satisfactory arrangement? No, it is not. All I can tell you is that the ministry, within the confines of its own jurisdiction, has worked as quickly as possible to first of all enter into agreement with the federal government, which was done on April 30, 2005—so it's less than a year and a half ago—to get the program up and running. We've done that since that time.

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The moment you deal with another order of government, they put their own restrictions on various programs. The kinds of restrictions they've put on the programs, such as on the housing allowance program, as I've mentioned to you before, don't help the situation immediately. That's why there has been a slower uptake of the actual housing allowance units by the various landowners.

Ms. DiNovo: I'm sorry to interrupt. I only have a minute left, so I would just like—

Hon. Mr. Gerretsen: Well, you asked the question and I'm prepared to answer. But if you want me to quit, I will.

The Chair: Minister, we'll give Ms. DiNovo a chance to—

Ms. DiNovo: I just have one minute left. All I would say to that is, why then did you promise in 2003 that you were going to build 20,000 units? It was the same situation then with the municipalities, so I gather that now it's the municipalities' fault that these units haven't been built. I point out that actually in Toronto our municipality has been pretty forward-thinking with the Streets

to Homes program. It has actually housed 700 people through that program, which is more than this government has housed at the lower echelons of the income spectrum. I'll leave it at that. Thank you for your time.

Hon. Mr. Gerretsen: As you well know, as a former municipal councillor, in order to get any project approved, whether it's for affordable housing or otherwise, the planning processes in each municipality, particularly when you're dealing with non-profit groups, are not always as quick off the mark as a private developer could be. It takes a long period of time. Did we wish that those programs could be out there quicker? Could the construction start earlier? Absolutely. There's no question about it. I'm not here to blame any municipality or any service managers. But the fact that it's done through the service managers has not allowed the system to move through on this housing as quickly as we want it to.

The Chair: Government members, you have 20 minutes of time.

Mr. Arthurs: We're prepared to cede our time to the minister, Chair. I understand that he has concluding comments to make and want to ensure that he has that opportunity.

The Chair: Fair enough. Minister, you have 20 minutes of time, if you so choose.

Hon. Mr. Gerretsen: Thank you very much. I've got a number of issues that were raised that I wanted to address at this point in time.

Just to clarify what may have been said earlier, I'll start with some of the minor issues, or at least what I regard as minor issues. The question was raised at one point as to whether or not there were any education costs for municipalities for new legislation and regulations. I believe that Mr. Hardeman asked that question.

I believe I indicated at that time that I was not aware of any specific funding that was set aside to do that kind of training—the training costs for municipalities with respect to new regulations and legislation. Well, I was wrong in that regard. The ministry operates some very effective programs and has set aside money in order to make them happen. As a matter of fact, the ministry develops, delivers and covers the costs for such things as tailored workshops, programs delivered across the province for municipal councillors and staff on new legislation and regulations, and that happens in a number of different ways. I know there are what we call MSO conferences around the province. I believe there are four of them. There's one in Kingston for eastern Ontario. There's one in London which is coming up in a couple of weeks for southwestern Ontario. There's one right here in central Ontario as well, Toronto, and we have a course as well that we jointly operate with NOMA in Thunder Bay, and also one in Sudbury. So we do have a number of these programs going on all the time. They're mainly yearly conferences which give the ministry an opportunity to educate municipal councillors and staff people on new programs and new legislation and regulations.

Sometimes these workshops and programs are delivered in partnerships with, as I mentioned before,

municipal associations or other ministries. It really depends on the efficiencies which are to be gained in the breadth of the new topic that is covered. I just wanted to put that on the record.

I've got all sorts of examples here of some of the programs we've gotten involved in, in these education programs, such as affordable housing programs; the new Planning Act and the OMB reforms; the greater Golden Horseshoe growth plan that we did together with the Ministry of Public Infrastructure Renewal; the new proposed Municipal Act, Bill 130, that hopefully, subject to the will of the Legislature, will come into being by the end of this year; as well as the Clean Water Act that municipalities obviously have a great interest in that we did jointly with the Ministry of the Environment.

There was another issue raised with respect to closed meetings that are contained in Bill 130. Again, I believe this was an issue that Mr. Hardeman raised on a number of occasions. There may have been an impression left that this government favours closed meetings at the municipal level. Nothing could be further from the truth. But we also realize that, at times, there are situations when municipal councils want to close meetings as long as the decision-making process is not advanced, and that is precisely the change we're making to the Municipal Act. The kinds of meetings we're talking about—and those of us who have been involved in municipal government know that these have gone on, in some cases, for a long period of time—deal with councillor education, training for new councillors, orientation sessions etc.

What we have done, however, is we have clarified and emphasized the requirement to keep records for all of these meetings, whether they are open or closed, and we've given additional new powers, which don't exist currently, to appoint an investigator for complaints about the closing of council, committee or local board meetings. These investigators can be called local ombudsmen. I understand there has been some criticism that since these people may be paid by the municipality, they may not be as free to operate as we wish. I'm not so sure whether that is true, because, after all, the government indirectly pays the officers of the Legislative Assembly as well, yet nobody denies their ability to do a job in an open and transparent fashion.

We've gone one step further and said that if a local investigator is not appointed by a municipal council, then, in effect, the provincial Ombudsman can get involved. Right now, the provincial Ombudsman has no jurisdiction whatsoever over municipal matters. We are proposing in our legislation to expand that to include the provincial Ombudsman in the new Municipal Act as well.

Also, the bill would not eliminate current requirements to state the general nature of matters discussed in camera and in the additional opportunities for closed meetings, and only if they would not materially advance any issue before council—again, not for decision-making sessions.

There's also been some criticism about the new electronic participation. Again, no council has to permit elec-

tronic participation in meetings by members of council. It would be the right of any council to determine, not the right of an individual councillor. As suggested in Bill 130, a council wishing to permit electronic participation must amend its procedural bylaws, members participating electronically could not be counted toward a quorum, and electronic participation would not be allowed in closed meetings.

In addition, every municipality is required to adopt policies in respect of notice, accountability and transparency in dealing fairly with the rights of persons affected by the decisions of councils. I just wanted to put that on the record as well, because that was something that was talked about earlier.

We also deal with the whole provincial-municipal fiscal and service delivery review. Again, I believe the time period of 18 months is a very realistic one. There is a wide-ranging breadth of services and volumes of issues that are going to have to be discussed. The last government, as we all know, did a tremendous amount of work in transferring these services to local municipalities, and it's going to take some time to work out exactly what should be transferred and who should be paying for it. The staff from both levels of government are working right now to establish the principles around the whole consultation process. Both the city of Toronto and AMO are participants. The review includes a process to gather input from all stakeholders, not just the municipal world. The next step, quite frankly, is to identify and finalize the means and timing of broader consultation.

It's totally premature to anticipate the precise recommendations that will emerge from the review or what the cost of the implementation is going to be. Of course, that depends entirely on what this committee comes up with at the end of 18 months. Again, it's intended to be a consensus-based report, not just a report that's going to be shelved like so many others have been, including the Crombie report of a number of years ago, which was accepted by the government but not implemented to a large extent.

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The overall goal of this committee is to improve the delivery and funding of services for Ontarians, the scope of the review to be determined in consultation with our partners. But it may include, as I mentioned before, infrastructure funding, the funding of public health, the funding of emergency services, social services and housing, and special challenges faced by northern communities, rural communities and the large urban centres.

Finally, let me just get back to the affordable housing program, in which there has been quite a bit of interest shown as well. We currently have a program in which our government has matched the federal government's money of \$301 million, for a \$602-million program. That was an agreement signed on April 30 of last year. If we include municipal contributions—and some municipalities have contributed through the waiving of building permit fees, sometimes development charges or whatever—the program will be closer to \$734 million, which I believe is the largest affordable housing program in

Canadian history. At the end of the day, the program will provide 15,000 new units of affordable housing, which will include 500 units for victims of domestic violence and 700 units for persons with mental illness. It includes \$80 million for the 5,000 housing allowances that I talked about earlier, and that's a program we're trying to change some of the criteria on so that there will be greater uptake. The progress to date—and these are the latest figures—is that a total of 6,524 units are under way under the program in the rental and supportive housing part of it. So, in other words, of these 6,524 units, 5,440 units are rental and supportive housing units; 2,122 have actually been occupied, 2,161 are under construction and another 1,157 are in planning approval. On the home ownership side, 884 units have been authorized, with 102 occupied, 458 under construction and another 324 in planning approval. In the northern housing units: a total of 200, with 178 being occupied and 22 under construction.

Again, in the housing allowance program, 41 of our 43 participating housing service managers are co-operating in the program; so nearly all of them. They have committed to deliver 4,335 units of the 5,000 units we talked about.

So I think we're on our way. It's not as quick as I certainly would have liked to see, but we are dealing with the issue as quickly as we can, and certainly all of the funding that has been set aside, both provincially and federally, will be utilized for that program.

Mr. Chair, I think I've said just about everything I want to, but I thank you for your consideration and thank the members for their questions. I think they've all been fair questions, and questions that will clearly indicate that we within Municipal Affairs and Housing are extremely determined to see that the three areas of jurisdiction that we're involved in—the planning area, the local government area and the housing program—are carried out as effectively as possible for the benefit of the people of Ontario.

The Chair: Thank you very much, Minister. I'm assuming that will conclude the time from the government side.

Folks, that concludes the time designated for the consideration of the estimates of the Ministry of Municipal Affairs and Housing.

To the minister, his deputy minister and the team from the ministry, thank you very much for appearing before the committee and responding to members' questions. That was about—what did we do, again? Six hours in total? Six hours we spent together. It flew by.

I am going to make a special Chair's request. Under the standing orders, I'm allowed to make a special Chair's request once a day. If it's possible, Minister, could we have somebody from the staff who will still be able to speak with me about the disaster relief program. This is consideration of Fort Erie and Port Colborne, what they've gone through. If there's a contact I could have, I would greatly appreciate it as the Chair of the committee.

Interjection.

The Chair: Terrific. Thank you, Deputy. I appreciate it.

Hon. Mr. Gerretsen: For you, anything, Mr. Chair.

The Chair: Thank you, Minister, as well.

We now need to move to our votes on estimates. We're all set?

Shall vote 1901 carry? Carried.

Shall vote 1902 carry? Carried.

Shall vote 1903 carry? Carried.

We're on a bit of a roll here.

How about 1904? That was a tricky one. Shall vote 1904 carry? Carried.

Shall the estimates of the Ministry of Municipal Affairs and Housing carry? Carried.

Shall I report the estimates of the Ministry of Municipal Affairs and Housing to the House? Is that agreed? Agreed. Okay, then I will do so.

Folks, thank you very much as well to our critics who have sat in on this session. I remind the standard members of the committee, the average, everyday, hard-working members of the estimates committee, that we're back here tomorrow after petitions in room 151 for consideration of the Ministry of Training, Colleges and Universities.

Until tomorrow, folks, we are adjourned. Thank you, and have a good evening.

The committee adjourned at 1646.

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